AGENDA
Denver Board of Water Commissioners

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

Wednesday, March 22, 2017 9:00 a.m.

I. INTRODUCTORY BUSINESS

A. Call to Order and Determination of Quorum

B. Public Comment and Communications
   At this point in the agenda, the Board may allow members of the public to address the Board on any item of interest within the jurisdiction of the Board, and not on the agenda for action. Speakers wishing to address a specific Action Item will be invited to address the Board when the item is being considered. Three minutes are allowed for each person unless the President determines otherwise.
   1. Distributor Communications
   2. Citizen Advisory Committee Communications

C. Ceremonies, Awards and Introductions

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. Contract 17091A Regulatory Support Project (Regulation 84)
   2. Contract 16381A First Amendment to Becker Stowe Partners LLC
   3. Contract 16963A-C Boring Services
   4. Contract 16850A Weed Spraying
   5. Contract 16797B-C Cast Iron Valve Box Components
   6. Contract 16678D Ratification of Amendment No. 2 for the Strontia Springs Dam Emergency Reservoir Drainage System (ERDS) Rehabilitation Work Package No. 3 – ERDS Gates Refurbishment and Channel Relining
   7. Contract 16925A Synertech Inc. for IT Batch Operation Services
8. Contract 16888 Level 3 Communications – Network Circuits Providing Carrier Diversity

9. Contract 07733B Contract Extension with Insight Public Sector for Microsoft Software

10. Annual Contracts Scheduled to Renew and/or Require Additional Funding in the 2nd Quarter of 2017

B. Individual Approval Items

   Usha Sharma 10 minutes

2. Contract 17089A National Western Center Strategic Advisor – MOU with CSU  
   Jim Lochhead 10 minutes

3. Contract 16838A New Service and Treatment Plant Radio Systems  
   Chris Dermody 10 minutes

III. POLICY MATTERS

A. OCR  
   Jeremy Ross 15 minutes

B. Supplier Diversity Program  
   Katie Knoll/Dawn Hamm 30 minutes

C. 2016 Financials – Yearend Wrap-Up  
   Stephanie A./Gregg M. 25 minutes

IV. EXECUTIVE UPDATE

A. CEO Update

B. CFO Update

1. Monthly Financial Update

C. Operations Update
V. BRIEFING PAPERS & REPORTS

A. Briefing Paper

1. Legislative Update

2. Briefing Memorandum for Strontia Springs Dam Emergency Reservoir Drainage System (ERDS) Rehabilitation and Cheesman Gate Repairs Project Completion Summary

B. Report

VI. ADJOURNMENT

VII. TRUSTEE MATTERS

1. Approval of February 22, 2017 2017 Trustee Meeting Minutes

2. Approval of Plan Design Changes to Denver Water Employees’ Retirement Plan

3. Amendment No. Four to Employees’ Retirement Plan to Clarify Determination of Credited Service

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)
Summary:
Denver Water is the proponent for adding five new uses to the Water Quality Control Regulation for Reclaimed Water (Regulation 84) during the Triennial Review (TR) process with the Colorado Department of Public Health and Environment. The new uses include:
- Irrigation for edible crops in an urban/community garden setting
- Irrigation for edible crops for commercial agriculture (including commercial marijuana operations)
- Indoor toilet and urinal flushing
- Livestock wash down operations
- Discharge to impoundments

To assist with the TR process, Denver Water solicited proposals in response to a Request for Proposals (RFP). Upon review of two proposals, Stantec (Consultant) was selected to provide technical support to Denver Water throughout the TR process as the lowest bid. The Consultant's approach, breadth of expertise and overall understanding ultimately provides the best value and approach for this project. The role of the proponent and selected Consultant during the TR includes:
- Engaging with stakeholders
- Responding to requests from CDPHE staff
- Gathering evidence to show new uses are protective of human health and the environment
- Providing a "Redlined" version of Regulation 84

Budget Information:
The total amount of this contract is $246,663.00, and the term of the contract is March 22, 2017 to November 30, 2018. Funds for this service/contract will come from the 2017 budget for Treated Water Planning, which has sufficient funds to pay the $160,000 estimated to be needed in 2017. The remaining $86,663 will be budgeted in year 2018.

Selection of Business Partner:
A competitive selection process was utilized to select Stantec.

- Proposals for this project were solicited by Requests for Proposals.
- The solicitation was sent to eight individual consultants and posted on the Bidding and Contracts section of www.denverwater.org.
- Two Responses were received.
- Stantec was selected based on the relevant experience with regulation amendments and the lowest bid.
S/MWBE Information:
The SBE goal of 5% will be met. The total value of this work comes to $14,000.

Recommendation:
It is recommended that the Board approve Agreement Number 17091A with Stantec Consulting Services, Inc. for professional services for the contract period of March 22, 2017 to November 30, 2018 for a total contract amount not to exceed $246,663.00.

Approvals:

Mike King
Chief Planning Officer

Angela Bremond
Chief Finance Officer

Respectfully submitted,

James S. Lochhead
CEO/Manager

March 16, 2017
Page 2 of 2
Revised by CEO's Office 9/28/2016
DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 22, 2017

First Amendment to Becker Stowe Partners LLC
Contract # 16381A

α Action by Consent □ Individual Action

Summary:
Becker Stowe’s contract for bond counsel services will expire on December 31, 2017. The contract term is two years and provides for one two-year extension with approval from the Board. Becker Stowe was selected as the Board’s bond counsel following a competitive bid process in 2015, for bond and disclosure counsels. Staff is recommending that the Board approve the First Amendment to 16381A with Becker Stowe Partners LLC for bond counsel services for an extension of the contract period through December 31, 2019 and for an addition of $160,000

Budget Information:
The total amount of this contract is $275,000, and the term of the contract is December 16, 2015 to December 31, 2019. Funds for this service/contract will come from the 2017 budget for Finance, which has sufficient funds budgeted for the $70,000 estimated to be needed in 2017 for two bond series. The additional $140,000 will be budgeted for years 2018 and 2019.

Selection of Business Partner:
The RFP for bond counsel, disclosure counsel and arbitrage reporting services was e-mailed to potential bidders whose firm was listed in the “Red Book” in September of 2015. Responses were received from nine firms of which two were SBE/MWBE. Becker Stowe Partners LLC, a 50% women-owned firm, was selected for bond counsel services based on pricing, experience and the breadth of knowledge. This is the first amendment to contract 16381A with the original term starting December 16, 2015. Staff is requesting an amendment rather than initiating a new solicitation because the original term in the RFP was for five years. Staff is expecting to conduct a full RFP for bond and disclosure counsel services in 2019. The principals of Becker Stowe Partners LLC, Georgeann Becker and Erick Stowe, have provided bond counsel, disclosure counsel and arbitrage reporting to the Board since 2002.

S/MWBE Information:
Becker Stowe Partners LLC is an SBE.

Recommendation:
It is recommended that the Board approve the First Amendment to 16381A with Becker Stowe Partners LLC for bond counsel services for an extension of the contract period through December 31, 2019 and for an addition of $160,000, $140,000 for years 2018 and 2019 and $20,000 to cover additional work required for the 2017A-B bond issue, for a total amended contract amount not to exceed $275,000.

Approvals:

Angela Briemont
Chief Finance Officer

James S. Lochhead
CEO/Manager

Respectfully submitted,

Denver Water aspires to be the best water utility in the nation.
Integrity :: Vision :: Passion :: Excellence :: Respect
Boring Services
Contract # 16963A-C

Summary:
Denver Water requires a contractor to perform boring services for both planned and emergency street work. As part of service line replacement, Denver Water digs trenches which can impact large trees, porches, walls and building structures. Utilizing boring services minimizes the damage to customer property and reduces the time required to complete the job, further reducing customer impact and freeing internal resources for use on other jobs. Denver Water crews evaluate the potential cost of trenching versus boring on each job and select the method that will be the least costly and have the lowest customer impact.

Boring machine usage has recently increased as part of the decision to replace lead services from the main to the house. Under the new Lead Program, Denver Water’s scope should be reduced. Additionally, Denver Water has entered into a rental purchase agreement for a boring machine that can be used by Denver Water crews for more routine jobs. If the pilot is successful, this is anticipated to reduce the amount spent on this contract once employees are trained and the use of the equipment implemented.

Budget Information:
The total amount of this contract is $750,000.00, and the term of the contract is March 22, 2017 to March 31, 2020. Funds for this service/contract will come from the 2017 budget for Water Distribution, which has sufficient funds to pay the $250,000.00 estimated to be needed in 2017. The remaining $500,000.00 will be budgeted in years 2018, 2019 and 2020.

Selection of Business Partner:
Denver Water issued a Request for Proposal (RFP) to the public on the Rocky Mountain E-Purchasing System (BidNet), on Denver Water’s website, through notifications to the SBE and MWBE list (maintained by Laurie Billeter), and via direct solicitation to known vendors. Denver Water received three (3) proposals, two of which were from SBEs; no MWBE’s proposed. Drilltech Directional Services, Inc. and L&M Underground, Inc. were both selected based on their Price, Directional Drill Program, Experience, Service Level and Understanding of Work.

S/MWBE Information:
Drilltech Directional Services, Inc. and L&M Underground, Inc. are both SBEs. This contract has been determined to fall within the O&M Construction Related MWBE program, which has a proposed overall 2017 target of 50% MWBE participation. MWBE participation targets are not set on an individual contract basis in this program.
**Recommendation:**
It is recommended that the Board approve Agreement 16963A (Internal Dollar Contract), 16963B and 16963C with Drilltech Directional Services, Inc. and L & M Underground, Inc. for horizontal directional drilling for the contract period March 22, 2017 through March 31, 2020 for an internal dollar amount not to exceed $750,000.00.

**Approvals:**

Thomás J. Roode  
Chief Operations Maintenance Officer

Angela Briëmont  
Chief Finance Officer

Respectfully submitted,

James S. Lochhead  
CEO/Manager

March 9, 2017

Page 2 of 2
Revised by CEO's Office 9/28/2016
Weed Spraying
Contract # 16850A

Summary:
Denver Water is required to manage noxious weeds on their properties through the Colorado Department of Agriculture's Colorado Noxious Weed Act. The contract is used by both Grounds and Recreation for spraying of noxious weeds, targeting species on the A and B list, mulching, field mowing, hand pulling and reseeding disturbed areas.

Budget Information:
The total amount of this contract is $175,000.00, and the term of the contract is April 1, 2017 to December 31, 2019. Funds for this service/contract will come from the 2017 budgets from both Grounds and Recreation, which have sufficient funds to pay the $58,000.00 estimated to be needed in 2017. The remaining $117,000.00 will be budgeted in years 2018 and 2019.

Selection of Business Partner:
Denver Water issued a Request for Proposal (RFP) to the public on the Rocky Mountain E-Purchasing System (BidNet), on Denver Water's website, through notifications to the SBE and MWBE list (maintained by Laurie Billeter), and via direct solicitation to known vendors. Denver Water received three (3) proposals, two of which are SBE and one of which is MWBE. An award was made to Weed Wranglers, Inc. based on its Experience, Background, Understanding of Work, Qualifications, References and Proposed Pricing. Weed Wranglers, Inc. is the incumbent for this service.

S/MWBE Information:
Weed Wranglers, Inc. is an SBE. This contract has been determined to fall within the Covered Goods & Services MWBE program, which has an overall 2017 target of 10% MWBE participation. MWBE participation targets are not set on an individual contract basis in this program.

Recommendation:
It is recommended that the Board approve Contract 16850A with Weed Wranglers, Inc. for weed spraying for the contract period April 1, 2017 to December 31, 2019 for a total contract amount not to exceed $175,000.00.

Respectfully submitted,

[Signatures]

Thomás J. Roode
Chief Operations Maintenance Officer

James S. Lochhead
CEO/Manager

Angela Brimont
Chief Finance Officer
DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 22, 2017

Board Item: II-A-5

Cast Iron Valve Box Components
Contract # 16797A-C

Summary:
Denver Water requires cast iron valve boxes to provide protection and allow operating access to valves after they are buried in the street. Valve box components are used both in the replacement and repair of manholes and valve boxes.

Budget Information:
The total amount of this contract is $900,000.00, and the term of the contract is March 22, 2017 to February 28, 2020. Funds for this service/contract will come from the 2017 budget for Warehouse, which has sufficient funds to pay the $300,000.00 estimated to be needed in 2017. The remaining $600,000.00 will be budgeted in years 2018, 2019 and 2020.

Selection of Business Partner:
Denver Water issued a Request for Proposal to the public on the Rocky Mountain E-Purchasing System (BidNet), on Denver Water’s website, through notifications to the SBE and MWBE community, and via direct solicitation to known vendors. Denver received three (3) proposals, none of which were S/MWBE. HD Supply Waterworks Ltd., and EJ USA, Inc. were selected based on their Price, Ability to Manage Inventory and Supply Chain, and Level of Customer Service. HD Supply Waterworks, LTD, will provide the cast iron valve box components, lids, and roadway boxes. EJ USA, Inc. will provide the manhole covers and lids.

S/MWBE Information:
HD Supply Waterworks, Ltd. and EJ USA, Inc. are neither SBE nor certified MWBE. This contract has been determined to fall within the O&M Construction Related MWBE program, which has a proposed overall 2017 target of 50% MWBE participation. MWBE participation targets are not set on an individual contract basis in this program.

Recommendation:
It is recommended that the Board approve Contract 16797A (Internal Dollar Contract), 16797B and 16797C with HD Supply Waterworks, Ltd. and EJ USA, Inc. for Cast Iron Valve Box Components for the contract period March 22, 2017 to February 28, 2020 for a total contract amount not to exceed $900,000.00.

Approvals:

Thomas J. Roode
Chief Operations Maintenance Officer

Angela Brinmont
Chief Finance Officer

James S. Lochhead
CEO/Manager

Denver Water aspirations to be the best water utility in the nation.
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Ratification of Amendment No. 2 for the Strontia Springs Dam Emergency Reservoir Drainage System (ERDS) Rehabilitation Work Package No. 3
Contract # 16678D

Summary:
The mid-level gate at Cheesman Dam developed a hydraulic leak in the operating system on Friday, December 2, 2016 rendering the gate inoperable. This critical element of the Cheesman Dam operating system required repair to maintain full release capabilities of the dam. DW retained Ballard Marine Construction (BMC) to perform the necessary repairs to Cheesman Dam's gates immediately following work at Strontia Springs. BMC's contract is being amended to include this emergency repair work at Cheesman (Amendment No. 2 to Contract 16678D for $359,879.54).

During the investigation of the hydraulic leak at Cheesman, BMC divers discovered corrosion on the air bubbler lines and three additional leaks on the stainless steel primary system: The mid-level cylinder, the low-level cylinder, and a fitting on the mid-level hydraulic lines. In addition, the auxiliary-level hydraulic lines and cylinder were also showing signs of corrosion.

The existing hydraulic piping system at Cheesman was replaced with high pressure flex hoses. The four cylinders were refurbished, the underwater portion of the new impressed current corrosion protection system was installed to prevent future corrosion and the corroded bubbler system was replaced.

A Board Briefing memorandum accompanies this Board Item detailing the completion of this project.

Amendment No. 2 to Contract 16678D is needed to contract and finalize the underwater repair work at Cheesman.

Budget Information:
Denver Water retained BMC to perform the necessary underwater repairs to Cheesman Dam's gates after their work was completed at Strontia Springs. Retaining BMC offered efficiencies for reduced equipment mobilization, reduced travel costs, and expedited contracting time for this large mobilization effort. Approximately $400,000 was saved on the mobilization along with numerous hours for Denver Water personnel.

BMC's contract for Strontia (CMAR Contract 16678D Work Package No. 3) is being amended to contract for Cheesman's gate repair work. The ratification of Amendment No. 2 for $359,879.54 to Work Package No. 3 will increase BMC's contract to cover actual costs for both projects shown below, while finishing below the Strontia Springs ERDS budget.

<table>
<thead>
<tr>
<th>CMAR Contract 16678D Work Package 3 Breakdown</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract Amount</td>
<td>$1,300,000.00</td>
</tr>
<tr>
<td>Amendment No. 1 – For additional Strontia Springs work items</td>
<td>$1,500,000.00</td>
</tr>
<tr>
<td><strong>Subtotal Approved Contract</strong></td>
<td><strong>$2,800,000.00</strong></td>
</tr>
<tr>
<td>Actual Cost – Strontia Springs</td>
<td>$1,521,176.45</td>
</tr>
<tr>
<td>Actual Cost – Cheesman</td>
<td>$1,638,703.09</td>
</tr>
<tr>
<td><strong>Subtotal Actual Costs</strong></td>
<td><strong>$3,159,879.54</strong></td>
</tr>
<tr>
<td>Cost Difference (Contract – Actual) for Work Package 3 Amendment No. 2 Value</td>
<td>$359,879.54</td>
</tr>
</tbody>
</table>
Funds for this Amendment will come from the 2017 expense budget for the Cheesman Dam Rehabilitation project of $360,000. The total cost for both projects is approximately $200,000 below the approved budget as shown in the table below.

<table>
<thead>
<tr>
<th>Strontia Springs / Cheesman Approved Budget</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original approved project budget</td>
<td>$4,150,000</td>
</tr>
<tr>
<td>Amendment No. 1 to CMAR Work Package No. 3:</td>
<td>$1,500,000</td>
</tr>
<tr>
<td><strong>Subtotal Approved Budget to date</strong></td>
<td><strong>$5,650,000</strong></td>
</tr>
<tr>
<td>2017 Cheesman project expense budget</td>
<td>$360,000</td>
</tr>
<tr>
<td><strong>Total Budget</strong></td>
<td><strong>$6,010,000</strong></td>
</tr>
<tr>
<td>Actual Costs (Total of all Strontia Springs contracts)</td>
<td>$5,810,216</td>
</tr>
<tr>
<td><strong>Cost Difference (Budget − Actual)</strong></td>
<td><strong>$199,784</strong></td>
</tr>
</tbody>
</table>

**Recommendation:**
It is recommended that the Board ratify the Second Amendment to Contract 16678D with Ballard Marine Construction, Inc. of Washougal, Washington for Construction Manager At-Risk (CMAR) services, underwater construction and diving, and for the mechanical work for the Cheesman gate repairs (Amendment No. 2 to Contract 16678D for $359,879.54).

**Approvals:**

Robert J. Mahoney  
Chief Engineering Officer

Angela Brcimont  
Chief Finance Officer

Respectfully submitted,

James S. Lochhead  
CEO/Manager

March 13, 2017
DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: 03/22/2017

Board Item: II-A-7

Contract with Synertech Inc. for IT Batch Operation Services
Contract #16925A

X Action by Consent

Summary:

As part of operating Denver Water's Information Technology systems, such as the CIS - Customer Information System, JDE - Enterprise Financial system, various reporting systems and routinely backing up electronically stored information, it is necessary to staff an IT Batch Operations monitoring and response function on a 24 hour/day, 7 days/week, 365 day/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 Cisco Workload Automation software. Job execution problems can and do arise for a variety of reasons, including data problems, software problems, hardware problems and network problems. When problems arise, it is critical that they are diagnosed quickly and corrective steps taken 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. Current staffing of the IT Batch Operations function involves one employee working the swing shift, a second employee working the night shift and various other employees on the IT Client Support Services team covering Batch Operations during the day shift. Given the 24x7x365 nature of this function, staffing and training of this function has historically been a challenge and rather expensive.

This contract for IT Batch Operation services will improve Batch Operations coverage and reduce operational costs. Denver Water will continue to staff one IT batch operator to handle the most critical daily jobs between 2p-10p Mon-Fri, and act as a point of contact with the Batch Operation Services vendor when changes to the batch schedule are needed. However, two daily work shifts will be eliminated, resulting in employee cost reductions which will occur through natural retirements and attrition. Additionally, this change will remove the requirement for the IT Client Support Services team to provide Batch Operations coverage and allow them to focus on their core role of providing Helpdesk and client support services.

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 Information:

The following chart describes the breakout of costs for this contract:

<table>
<thead>
<tr>
<th>Description</th>
<th>Hourly Rate</th>
<th>Hours per year</th>
<th>Annual Cost</th>
<th>3 Year Contract Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Batch Monitoring</td>
<td>$19.50</td>
<td>6,032</td>
<td>$117,624.00</td>
<td>$352,872.00</td>
</tr>
<tr>
<td>Backfill for Denver Water Employee</td>
<td>$20.00</td>
<td>240</td>
<td>$4,800.00</td>
<td>$14,400.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$122,424.00</td>
<td>$367,272.00</td>
</tr>
</tbody>
</table>

As shown above, the total amount of this contract is $367,272, over a three-year period. Although not explicitly budgeted in 2017, due to employee retirements and other attrition, funds for these expenses are within the capacity of 2017 IT budget, and will be included in future years' budgets.
Selection of Business Partner:

Denver Water issued a request for proposal (RFP) to the public on the Rocky Mountain E-Purchasing System (BidNet), on Denver Water’s website, and through notifications to the SBE and MWBE communities. Additionally, nine vendors were directly solicited by email. Denver Water received three proposals, none of which were SBE or MWBE certified. Synertech Inc. was selected based on their experience, understanding of work, methodology and price.

Recommendation:

It is recommended that the Board approve Contract 16925A with Synertech Inc. for IT Batch Operations services for the contract period April 1, 2017 through March 31, 2020 for a total contract amount not to exceed $367,272.

Approvals:

Respectfully submitted,

Chris Dermody
Chief Information Officer

Angela Biamont
Chief Finance Officer

James S. Lochhead
CEO/Manager
DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 22, 2017

Level 3 Communications - Network Circuits Providing Carrier Diversity
Contract # 16888A

Action by Consent □ Individual Action

Summary:
Currently, Denver Water's wide-area telecommunications network is entirely implemented using network facilities and services provided by a single carrier, CenturyLink, Inc. The current wide-area network configuration incorporates a number of redundant, diverse path circuits, running through multiple CenturyLink Central Offices - a design intended to optimize network service levels in the event of a single circuit failure. Although this design approach has strong merit and has provided good benefits, a better approach would be to provide circuit redundancy using multiple carriers, as opposed to a single carrier. This approach is generally referred to as carrier diversification.

The following diverse path, redundant high-speed circuits will be transitioned from CenturyLink facilities to Level 3 Communications facilities, providing carrier diversity and higher levels of resiliency for these high priority components of the Denver Water wide-area telecommunications network:

- (1) 10 Gigabit/second Wavelength dedicated circuit for Disaster Recovery data replication between the Primary Datacenter and the Alternate Datacenter
- (1) 300 Megabit/second dedicated Internet circuit at the Alternate Datacenter

The combined cost of these new Level 3 network circuits is approx. $8,000/month, on a 36-month contract, for a total cost of $290,000. This cost will replace the current CenturyLink costs for the corresponding circuits of approx. $11,282/month ($406,152 over the same three-year period), resulting in a monthly savings of $3,282 (or $116,152 over the next three years).

Budget Information:
The total amount of this contract is $290,000.00 and the term of the contract is March 22, 2017 through May 31, 2020. Installation of these circuits will be scheduled in the second quarter of 2017 with services and payment beginning in June 2017. Funds for this contract are included in the 2017 IT Network Services budget, which includes $56,000.00 to pay the anticipated costs in 2017. The remaining $234,000.00 will be budgeted in years 2018, 2019 and 2020.

Selection of Business Partner:
The IT Network Services team solicited two telecommunications carriers (Comcast and Level 3) to provide Denver Water with network circuits that are fully owned and operated by each entity and run independently from other carriers. Level 3 Communications was the only carrier able to provide this level of diversity for the requested circuits.

S/MWBE Information:
Level 3 communications is not an S/MWBE company

Recommendation:
It is recommended the Board approve Contract 16888A with Level 3 Communications for diverse carrier network circuits for the contract period March 22, 2017 through May 31, 2020 for a total contract amount not to exceed $290,000.00.
Approvals:

Chris Dermody
Chief Information Officer

Angela Bricmont
Chief Financial Officer

Respectfully submitted,

James S. Lochhead
CEO/Manager
DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 22, 2017
Board Item: II-A-9

Contract Extension with Insight Public Sector
For Microsoft Software
Contract # 07733B

□ Action by Consent □ Individual Action

Summary:
Denver Water purchases software entitlements and associated annual maintenance & support services from Microsoft Corp. for Information Technology infrastructure and client devices, including:

- Windows Server Operating Systems
- Advanced Threat Protection
- Exchange Server (email)
- SharePoint Server
- SQL Server
- Client Access Licenses
- System Center Management tools
- Windows client device Operating Systems
- Office365 Pro Plus
- Skype for Business
- Visio
- Visual Studio
- MSDN subscription (Microsoft Developer Network)

These software entitlements continue to enable our migration to Microsoft's evolving contemporary technologies, including Windows10, the latest version of the Microsoft Windows Operating System and Office2016 Pro Plus, the latest generation of Microsoft Office tools (Word, Excel, PowerPoint, etc.). Entitlements to Office365 and OneDrive enable the new Microsoft Office tools to run in the Microsoft cloud (as well as on desktops, laptops and tablets) – which essentially enables employees to access and update their Office documents from any internet connected device using either locally installed Office tools or using the web browser versions of the Office tools. There are also many new document sharing and collaboration tools built into Office365, SharePoint Online and Skype for Business which enable improved productivity and greater connectedness among employees and business partners. These software entitlements also enable the migration to Microsoft's evolving server, database and other infrastructure tools. These significant migrations involving Microsoft software are necessary to maintain compatibility with other agencies and business partners and tend to occur every 3-5 years.

Budget Information:
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 31st, 2017 have been $2,329,237.88 (approx. $776,413/year). The new three-year agreement has a total cost of $2,092,080.78 (approx. $697,360/year), representing an 10.2% reduction in costs compared to the previous three-year agreement.

The term of the new three-year agreement is from April 1, 2017 to March 31, 2020. Funds for this agreement are included in the 2017 budget for Information Technology Asset Management, which has sufficient funds to pay the $687,827 estimated to be needed in 2017. The remaining $1,375,654 will be budgeted in years 2018 and 2019.

Denver Water aspires to be the best water utility in the nation.
Integrity :: Vision :: Passion :: Excellence :: Respect
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:
Insight Public Sector, Inc. is not an S/MWBE company

Recommendation:
It is recommended that the Board approve this contract amendment with Insight Public Sector, Inc. for an additional three years in the amount of $2,063,480.22 for the purchases and maintenance of Microsoft software entitlements. With this amendment, the total contract amount will be increased to $7,827,879.98.

Approvers:

Respectfully submitted,

Chris Dermody
Chief Information Officer

James S. Lochhead
CEO/Manager

Angela Bicmont
Chief Financial Officer

March 15, 2017
Page 2 of 2
Revised by CEO's Office 5/9/2016
Annual Contracts Scheduled to Renew and/or Require Additional Funding in the 2nd Quarter of 2017

Action by Consent [X]  Individual Action [ ]

Summary:
Denver Water has a number of contracts that renew on an annual basis, some of which require additional funding for the following contract year. Contract administrators have determined that the contracts described in the attachments continue to be of value and are necessary to the operation of Denver Water and were originally procured following our procurement policy at the time of the contract. The original terms and conditions of these contracts remain unchanged. However, for the coming year the contracts require additional funding of more than $100,000 or additional funding that will cause the total contract expenditures to exceed $100,000.

Recommendation:
It is recommended that the Board approve the additional funding indicated for each of the contracts described in the attached Authorizations for Additional Contract Funds.

Respectfully submitted,

Chief Financial Officer

Angela Bricmont
Chief Financial Officer
Resolution (03-22-17) Authorizing Amendment and Restatement of Master Bond Resolution and Series 2017A-B Supplemental Bond Resolution

☐ Action by Consent  X Individual Action

Summary:
The Board adopted a reimbursement resolution on February 21, 2016, authorizing the financing of certain capital projects and preserving the Board’s ability to finance projects in 2016 and future years on a tax-exempt basis. 2017A-B bond proceeds will be a part of the total amount authorized in this resolution.

This Board item is requesting the Board adopt (1) Resolution 3-22-17 Authorizing Amendment and Restatement of Master Bond Resolution that authorizes certain clarifying and technical amendments to the prior Master Bond Resolution and restating it with these amendments and all prior amendments and (2) the Series 2017A-B Supplemental Bond Resolution authorizing the negotiated sale of a maximum of $160 million of capital improvement green bonds (Series 2017A Water Revenue Bonds) and a maximum of $45 million of capital improvement bonds (Series 2017B Water Revenue Bonds) and delegating authority to the Chief Finance Officer and/or the Treasurer to complete the sale currently planned around May 4, 2017.

Budget Information:
The 2017 budget plan includes $205 million in new debt issuance for capital improvements.

Background:
George K. Baum & Company (GKB), the Board’s financial advisor assisted staff in developing a financing plan to fully fund the operations complex redevelopment project with $160 million of Series 2017A (green bonds) and other 2017 system improvement capital projects with $45 million of Series 2017B bonds for a total maximum issue of $205 million.

GKB distributed a Request for Proposal for underwriter to eleven firms active in the bond market. The proposal was also posted on Rocky Mountain BidNet and Denver Water’s external internet site. Twelve responses were received and evaluated by GKB and staff. The firms were evaluated on multiple criteria including: their underwriting strength for comparable water and green bond issues, the proposed marketing plan, the takedown fee, and the strength of the underwriting team. The team selected Merrill Lynch, Pierce, Fenner & Smith Incorporated as senior underwriter and Citigroup Global Markets Inc. and Stifel Nicolaus & Company as co-underwriters.

Becker Stowe Partners LLC and Sherman and Howard LLC are providing legal services to the Board (bond counsel and disclosure counsel, respectively) in the preparation of the documents listed below and the legal opinions relating to the issuance.

Action items:
1. Resolution (03-22-17) Authorizing Amendment and Restatement of Master Bond Resolution authorizes certain technical and clarifying amendments to the Board’s Master Bond Resolution adopted on March 14, 2007, and previously amended, primarily removing references to Senior Bond and General Obligation Bond issues that are no longer outstanding. In addition it also authorizes the restatement in full of the Master Bond Resolution.

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2. The 2017A-B Supplemental Bond Resolution authorizing the sale of water revenue bonds in maximum amounts of $160 million of new capital improvement (green bonds) and $45 million of new capital improvement bonds. This resolution delegates to the Chief Finance Officer and/or Treasurer the authority needed to accomplish everything necessary to sell and deliver the Series 2017A-B Water Revenue Bonds. The provisions outlining the extent of the delegation appear in Section 1.05 of the 2017A-B Supplemental Bond Resolution.

Information items:
1. Under the Bond Purchase Agreement, the Series 2017A-B Water Revenue Bonds are to be sold by the Board to the Underwriters.


Recommendation:
It is recommended that the Board adopt the attached Master (03-22-17) Bond Resolution and the Series 2017A-B Supplemental Bond Resolution so the Chief Finance Officer and/or the Treasurer may continue and complete the planned sale of a maximum of $205 million of Water Revenue Bonds, Series 2017A-B.

Approvals:

Patricia L. Wells
General Counsel

Angela Brimont
Chief Finance Officer

Respectfully submitted,

James S. Lochhead
CEO/Manager

Usha Sharma
Treasurer
DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 22, 2017
Board Item: II-B-2

National Western Center Strategic Advisor – MOU With CSU
Contract # 17089A

☐ Action by Consent ☑ Individual Action

Summary:
Colorado State University and Denver Water desire to enter into this Memorandum Of Understanding to share in the funding of a strategic advisor to be hired by CSU as a member of CSU's staff. The title of the position is "Strategic Advisor, Food & Water Initiatives at the National Western Center and Global Chair for the International Board of Counselors on Food & Water Initiatives". This position will help establish and chair the International Board of Counselors to advise CSU, Denver Water and the National Western Stock Show on priorities of food, water energy, the environment and human health; focused particularly on the interface of agriculture and water with integration to climate smart agriculture initiatives. While assisting both organizations with this collaborative relationship, this position will also raise the visibility of CSU, Denver Water and the National Western Center with the visioning of the CSU-Denver Water facility at the National Western Center. The initial term of this MOU shall be for three years beginning on March 22, 2017, and continuing through June 30, 2020.

Budget Information:
The total amount of this contract is $150,000, and the term of the agreement is March 22, 2017 to June 30, 2020. Funds for this service/contract will come from the 2017 budget for National Western Complex Plan, which has sufficient funds to pay the $50,000 estimated to be needed in 2017. The remaining $100,000 will be budgeted in years 2018 through 2020.

Recommendation:
It is recommended that the Board approve Agreement Number 17089A with Colorado State University to jointly fund a strategic advisor for the National Western Center for the contract period March 22, 2017, through June 30, 2020 for a total contract amount not to exceed $150,000.

Approvals:

Respectfully submitted,

Mike King
Chief Planning Officer

James S. Lochhead
CEO/Manager

Angela Brionmont
Chief Finance Officer
DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 22, 2017

Board Item: 11-B-3

New Service-Area and Treatment Plant Radio Systems
Contract # 16838A

☐ Action by Consent  ☒ Individual Action

Summary:
Currently, Denver Water shares the City and County of Denver's 800 MHz Public Works trunked radio system for radio coverage in our metropolitan water service area, and operates a mix of UHF band radio equipment at our four water treatment plants. Additionally, we operate a third VHF band mountain radio system to provide coverage at our collection system facilities and Source of Supply operations. The City and County of Denver is upgrading its Public Works radio system which represents a costly upgrade for Denver Water and will not meet all of Denver Water's radio interoperability needs.

Denver Water's proposed new service-area radio system and new treatment plant radio systems will provide increased communication capacities and enable interoperability between the two new radio systems. These capabilities cannot be achieved with the City and County of Denver's upgraded radio system. The new service-area radio system and water treatment plant radio systems are expected to be fully operational before the end of 2017.

Unrelated to this contract scope, a separate project to upgrade the VHF band mountain radio system is planned for 2018 and has a current cost estimate of approx. $907,000. The upgraded mountain radio system will also have interoperability with the new service-area and treatment plant radio systems.

Budget Information:
The original cost estimate developed in 2015 for the new service-area radio system was $1,386,000. The original cost estimate for the four new water treatment plant radio systems, also developed in 2015, was $285,500. As a result of the completed service-area radio system design phase work, additional radio system components costing $401,500 were determined to be necessary. These system components include:

- Hillcrest tower: $148,000
- Microwave Backhaul: $154,000
- Test Equipment for ongoing maintenance: $99,500

Total Additional costs: $401,500

The sum of these cost estimates is $2,073,000, however as a result of further pricing refinements, the cost estimate has been reduced to $2,015,390.

There are a number of remaining implementation risks which could result in project cost increases. These include permitting delays and construction challenges with the new Hillcrest tower, as well as a potential need to purchase power monitors and software for the E-470 and Mount Morrison tower sites. Given these risks, a 10% contingency amount has been added to the current cost estimate, bringing the total amount of this contract to $2,220,000. The term of the contract is 3/22/2017 to 03/30/2019. The term extends beyond 2017 in case there is a need to enforce any liquidated damages. Expenses for this contract are included in the 2017 capital IT Industrial Control Systems budget.

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Selection of Business Partner:
Denver Water issued a Request for Proposal (RFP) to the public on the Rocky Mountain E-Purchasing System (BidNet), on Denver Water's website, and through notifications to the SBE and MWBE communities. Additionally, 12 reputable vendors were directly solicited by email. Denver Water received four proposals; one was an SBE and none were an MWBE. DFW Communications Inc., dba Crosspoint Communications was selected based on their project methodology and approach, their experience, financial stability, qualifications, proposed pricing and references.

S/MWBE Information:
DFW Communications Inc., dba Crosspoint Communications is an SBE.

Recommendation:
It is recommended that the Board approve Agreement 16838A with DFW Communications Inc., dba Crosspoint Communications for the installation of the designed service-area and treatment plant radio systems, for the contract period March 22, 2017 through March 30, 2019, for a total contract amount not to exceed $2,220,000.00.

Approvals:

Respectfully submitted,

James S. Lochhead
CEO/Manager

Angela Boomont
Chief Finance Officer

March 16, 2017
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Revised by CEO's Office 9/28/2016