

AGENDA

Denver Board of Water Commissioners

VIRTUAL ONLY

Video Conference: <http://zoom.us/join>, Meeting ID: 821 6854 8162 - Passcode: 816159 or

Dial in (669) 900-6833 - Meeting ID: 821 6854 8162 - Passcode: 816159

Members of the public are welcome to attend by video conference

Wednesday, November 16, 2022 – 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. Eighth Authorization for Additional Contract Funds with Advance Network Management Inc. – Contract 10201
2. Third Amendment with TaCito Design – Contract 504393

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B. Individual Approval Items

1. Lead Reduction Program Update
 - a. Accelerated Lead Service Line Replacement for Lead Reduction Program –Contracts 505505, 505506, and 505507
Alexis Woodrow 15 minutes
 - b. First Amendment to Agreement with 120Water – Contract 504210
2. Sponsorship of the Children’s Museum of Denver at Marisco Campus – Contract 505472
Kim Unger 10 minutes

III. POLICY MATTERS

- A. NTP Update
Pete McCormick 15 minutes
- B. Information Technology Strategy
Virginia Roberts 10 minutes
Stephanie Abram 20 minutes
- C. Q3 Performance Report

IV. EXECUTIVE UPDATE

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

V. BRIEFING PAPERS & REPORTS

- A. Briefing Paper
 1. Information Technology Strategy Update
- 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 D.R.M.C Sec. 2-34.

A. Confidential Report

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 16, 2022

Board Item: II-A-1

Eighth Authorization for Additional Contract Funds with Advance Network Management Inc. Contract 10201

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to renew Denver Water's Cisco SmartNet and Identity Services Engine licensing with Advanced Network Management Inc. who is a gold certified partner and authorized reseller of Cisco.

Denver Water has historically used Cisco as its trusted manufacturer for the bulk of the network infrastructure. The current contract with Advanced Network Management began January 31, 2018. This authorization is to fund network hardware support contracts on critical parts of the network infrastructure, which enables support from Cisco in the event of hardware failure or pending hardware failure. This authorization also funds annual licensing that enables Cisco Identity Services Engine, which provides network authentication and logging to help prevent unauthorized devices from gaining access to the network. This greatly helps in maintaining a more secure network.

Budget and Schedule:

The amount requested for this eighth authorization is \$152,388.51, bringing the total contract amount to \$807,926.38. This proposed authorization would also extend the contract with Advanced Network Management through January 2, 2026. Funds for this contract will come from the proposed 2023 budget for IT Network Services business unit, which will have sufficient funds to pay the \$152,388.51 estimated to be needed in 2023.

S/MWBE Information:

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

Recommendation:

Staff recommends that the Board approve the Eighth Authorization to Contract 10201 with Advanced Network Management Inc. for CISCO SmartNet and ISE for an extension of the contract period through January 2, 2026, and for an addition of \$152,388.51 for a total amended contract amount not to exceed \$807,926.38.

Approvals

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input checked="" type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 16, 2022

Board Item: II-A-2

Third Amendment with TaCito Design Contract 504393

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to request approval for a third amendment to Contract 504393 with TaCito Design for graphic design and wayfinding direction for signage.

This amendment is needed to add funds to continue the execution and fabrication of the recreation signage plan and other signage needs to support Denver Water projects.

Since 2020, TaCito Design has provided expert services in graphic design and signage wayfinding to assist Denver Water's signage needs for the redeveloped Operations Complex, recreation across our water system, and road maintenance projects. We have developed a recreation signage plan through which we will remove and update dilapidated and incorrect signs. The plan includes a consistent design signage package that will provide templates for site identification, rules, regulations, and maps.

This amendment will be used to fund the layout, fabrication, and installation of the following signs:

- Camping sites and recreational signage at Williams Fork and Antero reservoirs, \$125K.
- Signage for the new permitted fishing area on the South Platte River near Deckers, \$23K.
- Water Resource Strategy projects, such as,
 - The Ranch Creek Canal Replacement Project, \$22K.
 - The Gross Reservoir Expansion Project mitigation plan that includes a new Williams Fork fishing area, \$25K.
- Waterton, Cheesman, Gross, and Dillon recreational sites, \$255K.

Budget and Schedule:

The total amount of this amendment is \$450,000, bringing the total contract value to \$700,000. Funds for this contract will come from the 2022 budget for Integrated Marketing and the Gross Reservoir Expansion Project, which have sufficient funds to pay the \$75,000 estimated to be needed in 2022. The remaining \$375,000 will be budgeted in years 2023 and 2024, among Water Resource Strategy, Recreation, and Integrated Marketing.

Selection of Business Partner:

TaCito Design was selected through a competitive selection process on March 17, 2020, based on their expertise in environmental graphic design (wayfinding) and signage along with their prior work experience with government and public-based entities.

S/MWBE Information:

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

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Recommendation:

Staff recommends that the Board approve the Third Amendment to Contract 504393 with TaCito Design for graphic design and wayfinding for an additional \$450,000, for a total amended contract amount not to exceed \$700,000.

Approvals

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input checked="" type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 16, 2022

Board Item: II-B-1-a

Accelerated Lead Service Line Replacement for Lead Reduction Program Contracts 505505, 505506, and 505507

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to approve the Accelerated Lead Service Line Replacement (ALSLR) contracts for 2023.

In December 2019, Denver Water received approval from the U.S. Environmental Protection Agency (EPA) of a variance from the Safe Drinking Water Act's corrosion control treatment requirements. Under the variance, Denver Water in 2020 successfully implemented a comprehensive Lead Reduction Program (LRP) in place of orthophosphate treatment.

A critical element of the LRP is to replace 7% of lead service lines (LSLs) per year. A predictive model has been utilized to prioritize LSLs for replacement during the fourth year of the LRP. Denver Water Distribution crews anticipate replacing approximately 1,400 LSLs through main replacement projects and emergency leaks in 2023. The contracts presented today are configured to accomplish the replacement of 3,661 LSLs providing some contingency to reach the regulatory target of 4,477 LSLs through the ALSLR program in 2023. The prioritized LSLs will be packaged into task order work packages for assignment to the contractors for replacement.

Budget and Schedule:

The total amount of these contracts is \$35,100,000, which includes funds budgeted for potholing investigations, and the term of the contracts is January 1, 2023 through December 31, 2023. Funds for this service will be included in the proposed 2023 budget.

Selection of Business Partner:

During 2022, an openly advertised prequalification process was conducted with nine contractors submitting. Seven contractors were prequalified to do the work based on similar project experience, their proposed approach to meet the goals of the LRP, and their demonstrated capacity to complete the work. The seven prequalified contractors were invited to provide pricing for a typical task order. The Lead Reduction Program (LRP) utilized five pre-qualified ALSLR contractors to meet the variance requirement of 4,477 LSLs, combined with work completed by Denver Water lead service line replacement (LSLR) crews. In September 2022, pricing was requested from the pre-qualified ALSLR contractors. The lowest pricing came from AGL Construction (505505), Five Star Energy Services (505506) and KR Swerdfeger Construction (505507). The remaining ALSLR contractors, Apex Plumbing, Mid City Construction, Reynolds Construction and Global Underground are available for unforeseen situations occurring in 2023.

S/MWBE Information:

A target goal of 10% minimum MWBE participation was requested in the request for proposals. Each of the three contractors committed to achieving this goal.

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Recommendation:

Staff recommends that the Board approve Contracts 505505 with AGL Construction, 505506 with Five Star Energy Services, and 505507 with KR Swerdfeger for ALSLR for the contract period January 1, 2023 through December 31, 2023, to be administered for a project completion total of \$35,100,000.

Staff also recommends that the Board delegate authority to the CEO/Manager to award subsequent task orders to the contractors throughout 2023 based on costs and contractors' capacity to perform replacements, up to the number of task orders needed to meet the replacement target and within the \$35,100,000 budget. Status of contract performance and task order authorization will be reported to the Board monthly throughout 2023.

Contractor	Contract #	Quantity (LSLR)	Amount (\$) (with 2.5% contingency)
AGL Construction	505505	1,878	\$17,000,000
Five Star Energy Services	505506	451	\$4,400,000
KR Swerdfeger Construction	505507	1,332	\$13,700,000
TOTALS		3,661	\$35,100,000

Approvals

- James S. Lochhead, CEO/Manager
- Julie Anderson, Chief of Staff
- Jessica R. Brody, General Counsel
- Angela C. Bricmont, Chief Finance Officer
- Brian D. Good, Chief Administrative Officer
- Richard B. Marsicek, Chief Water Resource Strategy Officer
- Robert J. Mahoney, Chief Engineering Officer
- Thomas J. Roode, Chief Operations Officer

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 16, 2022

Board Item: II-B-1-b

First Amendment to Agreement with 120 Water Audit, Inc. Contract 504210

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to amend the existing contract with 120 Water Audit, Inc. (120Water) to extend time, adjust costs, and modify the delivery method for providing filters for the Lead Reduction Program. At this time, given the volatility of supply chains and inflationary conditions, we believe amending the current contract is the best value for our customers as compared to a new procurement for these services.

On December 16, 2019, the U.S. Environmental Protection Agency (EPA) granted Denver Water a variance from the Safe Drinking Water Act's corrosion control treatment requirements under the Lead and Copper Rule. As a condition of the variance, Denver Water must distribute pitcher filters and ongoing replacement cartridges to all customers (eligible customers) with a known, suspected, or possible lead service line until six months after their service line is replaced.

On January 8, 2020, Denver Water entered into Contract 504210 with 120Water for filter supply and distribution services as a part of the Lead Reduction Program (LRP). 120Water is responsible for procuring goods in the form of pitcher filters and cartridges; receiving, inspecting, storing, and managing inventories of filters and replacement cartridges; packaging of shipments; management of shipments directly to Denver Water customers; and receiving and processing returns, in accordance with a distribution schedule provided by Denver Water. 120Water subcontracted with Brita to provide filters and replacement cartridges that meet Denver Water's specifications, however, 120Water is responsible for ensuring that the filters meet specifications and filters, and replacement cartridges are provided in amounts and frequencies to meet Denver Water's requirements.

Budget and Schedule:

The total amount of this contract amendment is \$9,543,000 and the term of the contract is January 1, 2020 through April 30, 2024. Funds for this service will come from the 2023 proposed budget for Lead Reduction Program to pay the \$7,000,000 estimated to be needed in 2023. The remaining \$2,543,000 will be budgeted in 2024.

Selection of Business Partner:

In the fall of 2019, Denver Water received proposals from seven vendors that were evaluated based upon meeting the minimum criteria including certification for lead reduction, not adjusting the water chemistry and the product being a pitcher that could hold at least eight cups of filtered water.

The results of the evaluation showed that Brita (supplier) combined with 120Water (distributor) were the preferred supplier and distributor for the LRP Filter Program.

S/MWBE Information:

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

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Recommendation:

Staff recommends that the Board approve an amendment to contract 504210 with 120Water for ongoing pitcher filter supply and distribution for \$9,543,000 during the contract period January 1, 2020 through April 30, 2024 for a total contract amount not to exceed \$26,840,000.

Approvals:

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

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 16, 2022

Board Item: II-B-2

Sponsorship of the Children's Museum of Denver at Marsico Campus Contract 505472

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to approve Contract 505472 with the Children's Museum of Denver at Marsico Campus. In 2022, the museum served 312,933 guests that consisted of the following demographics: 64% White, 17% Hispanic, 3% African American, 5% Asian and 2% Indigenous.

Since December 2015, Denver Water has been the title sponsor of the museum's WATER exhibit, allowing children and their parents/caregivers to test water STEM-based theories behind flow, buoyancy, density, and displacement in a 2,200-square-foot "hands-in" water laboratory created for children to learn and experience water. Denver Water messaging in the exhibit connects the activities to Denver Water operations, creates awareness of water conservation and promotes the value of water. In addition to on-site messaging and activities, our sponsorship allows us to include Denver Water messaging in quarterly member emails about the Lead Reduction Project and other projects. To date, we have spent \$400,000 on this seven-year partnership with the museum.

We are seeking to renew our sponsorship with the museum under a new five-year sponsorship contract, beginning January 1, 2023, and ending December 31, 2027, in the total amount of \$375,000 to support an expanded scope that will increase visibility and awareness throughout the museum.

Budget and Schedule:

The total amount of this contract is \$375,000 and the term of the contract is January 1, 2023, through December 31, 2027. Funds for this contract will be budgeted in years 2023 to 2027 at a rate of \$75,000 per year.

S/MWBE Information:

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

Recommendation:

Staff recommends that the Board approve Contract 505472 with The Children's Museum of Denver at Marsico Campus for a title sponsorship of the WATER exhibit and inclusion in member communications and events for the contract period January 1, 2023 through December 31, 2027, for a total contract amount not to exceed \$375,000.

Approvals

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input checked="" type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Office |

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 16, 2022

Board Item: V-A-1

Briefing Paper for IT Strategy Update

Strategic Plan Alignment

Lenses: Customer Centric Industry Leader
 Long-Term View Inclusivity

Denver Water's Information Technology (IT) operations directly align with Denver Water's Mission and the Excellent Operations perspective by proactively addressing foundational technology needs to support service delivery infrastructure that ensures reliability and resiliency for Denver Water's customers.

Summary

An update on IT Strategy is provided, including project performance, observational time for learning Denver Water operations, software portfolio management, staffing changes, system reliability, and cybersecurity.

Approach

IT delivers a comprehensive collection of services, including: project planning and delivery, software implementation and support, direct end-user support, network and communication infrastructure, operational technology (SCADA), vendor management, and more. The IT strategy is organized into three focus areas to achieve alignment of IT services with operational needs: business partnership, preparing for the future, and risk management.

Business Partner

An overarching objective is to be a value-added business partner for Denver Water by aligning IT services with operational needs. Denver Water employees rely upon IT services to perform their daily work and interact with customers. Enhanced alignment of IT services can be achieved by exposing IT employees to work performed across the organization to deepen understanding. To that end, IT established a goal for employees to spend at least 500 collective hours this year observing various functions, such as: Load Control, Dispatch, Contact Center, Customer Service Field, Water Treatment, and more. Total observation hours have exceeded 600 as of this writing, and have produced several ideas for using technology to make daily tasks more efficient.

The IT project performance metric (on time and budget) has exceeded the organizational project performance metric target of 80% this year, and is on-track to achieve an internal goal of 85%. The IT Project Management Office continues to partner with the Enterprise Project Management Office (EPMO) for project governance, including the release of a new reporting tool to provide consistent and automated information on all projects throughout Denver Water.

IT projects completed this year include: a reporting tool for enterprise project performance, a new budget development tool, a cloud-based contact center platform, an online self-service portal for Denver Water customers to view and pay bills, a strategy for information governance at Denver Water, and several initiatives to strengthen our cybersecurity maturity.

Prepare for the Future

Another strategic objective is to proactively plan beyond the annual budget cycle by anticipating change. IT's Software Portfolio Management (SPM) standard work

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evaluates the use of software products across Denver Water to identify opportunities for improvement. Denver Water teams are engaged to assess the continued value of each product to their operations, as well as to identify any issues to escalate to the vendor for resolution. Consolidation of multiple software products, as well as suitable replacement alternatives, are identified through this process. Work required to implement any changes are submitted as business cases to the EPMO for prioritization and budgetary approval. The IT operational budget has experienced total annual increases in software licensing of around 8% to 9% in recent years due to vendor increases and new approved investments. SPM activities have reduced the growth in software licensing to less than 4% for the 2023 budget, despite inflation-driven increases across the portfolio.

A higher rate of cloud services adoption, increased demand for staff to support capital and cybersecurity projects, and emphasis on project performance introduce opportunities to evolve the IT staffing model to achieve greater efficiencies. A divisional initiative, titled the Future of Software Support, is addressing these needs. Upskilling existing employees and reevaluating roles is minimizing growth in headcount. Team consolidations have shifted individuals into more senior technical roles while reducing the number of supervisors. Additionally, contingent staffing is used where long-term need is uncertain at this time.

Manage Risk

A third strategic objective is to mitigate the risk of service disruption and breach of protected information. Denver Water operations depend on technology systems that are ready for use when needed to treat and deliver water, collect revenue, and support other primary business functions. IT operations have consistently maintained a high overall systems availability metric of above 99% for the past three years. An important aspect of this reliable design is the failover data center, which serves as a backup in the event of interruption at the primary data center. IT employees rehearsed the process required to switch operations over to the failover site twice in 2022 to test its effectiveness.

IT continues to partner with the Information Security Office on a roadmap of initiatives designed to achieve the organization's target cybersecurity maturity score.

Looking Ahead to 2023

A previous IT Strategy Update provided to the Board reported that a multi-year roadmap of proposed large-scale software improvements for the organization had been produced. One of those items originally planned for 2023, an external study of work and asset management needs, has been postponed in favor of internal preparatory work. The timing of this postponement supports the need to be conservative with spending over the next few years of strategic capital projects planned for Denver Water.

Several IT initiatives are planned for 2023 to improve the Denver Water customer experience, including: an integrated system for public affairs outreach, an online plan review portal, a payment arrangement service offering flexibility for customers in a delinquent status, and reporting insights into Contact Center representative activity. Projects are also budgeted to improve operational efficiencies, including: a replacement enterprise telecommunications system, better cell communication coverage in remote locations, transformation of reporting capabilities across the organization (including improved reporting for operating expenses and revenue), eDiscovery tools, and new software for the employee health clinic.

Owner(s) Virginia Roberts - Administrative Services

Attachments IT Strategy Update presentation

Respectfully submitted,

Virginia Roberts, Director Enterprise IT

Brian Good, Chief Administrative Officer