



What's Inside this Issue?

Happy July and welcome to Issue 4 of The Connector. As we enter the 4th issue of The Connector, we would like to thank those who have contributed articles and information to the Metro District. As always, we are open to feedback and want to make this newsletter the most valuable to our Connectors.

- Branding Update: Metro Water Recovery
- 2022 Annual Charges Overview
- 2021 Legislative Summary

Branding Update Metro Water Recovery

As of June 15, 2021, the name of the Metro Wastewater Reclamation District has changed to Metro Water Recovery (see logo below). Based on stakeholder survey participation, we decided on a name change to meet our strategic goals and for other various reasons. Metro Water Recovery as a name is more succinct and differentiates us from other similar agencies across the nation. But, most importantly, it brings clarity to our role in the water cycle and how we are serving the community. We are a critical resource recovery agency – water, energy, and biosolids. Thank you for participating in the branding process by providing your survey feedback. We hope you are as excited about this change as we are!

The transition to the new name will take some time, with an expected implementation date of September 1, 2021. Your entity does not need to do anything now. You will receive more details in the future, such as updated rules and regulations, a new website link, and a new logo file for your use. Your current Service Contract has been assumed by Metro Water Recovery. No changes have been made to the current contract and no additional action is required by your entity.

Thank you for your patience as we make the transition to our new name. If you have questions, please contact Brandy DeLange at 303.286.3290 or bdelange@mwr.dst.co.us.



**METRO WATER
RECOVERY**

2022 ANNUAL CHARGES

On June 15, 2021, the Metro District’s Board of Directors approved the District’s 2022 Annual Budget, which includes Annual Charges for Service revenues of \$138,149,640 for 2022. The 2022 Annual Charges revenue is two percent higher than the 2021 Annual Charges revenues.

Annual Charges for Service revenues represent the calculated fees the Metro District charges its Connectors in the Denver metropolitan area to treat their wastewater. Annual Charges are based on the amount of wastewater treated and how much pollution must be removed per Connector.

The increase in Annual Charges for Service in 2022 is in response to increases in operating costs; extensive capital expenditures required to meet regulatory, rehabilitation, and capacity requirements; and other requirements to meet the Metro District’s financial obligations. Additionally, the expenses are partially offset in 2022 by the rate of growth in the region, which is increasing the connections to the District’s system and associated Sewer Connection Charge (also called tap fee) revenue.

The 2022 increase in Annual Charges for Service revenues amounts to an increase of approximately \$3 per household per year compared to the Annual Charges for 2021.

Including the two percent increase noted above, the average household in the Metro District’s service area is projected to pay 45 percent less for wastewater treatment in 2022 than households served by comparable utilities around the country, according to the National Association of Clean Water Agencies 2019 Index.



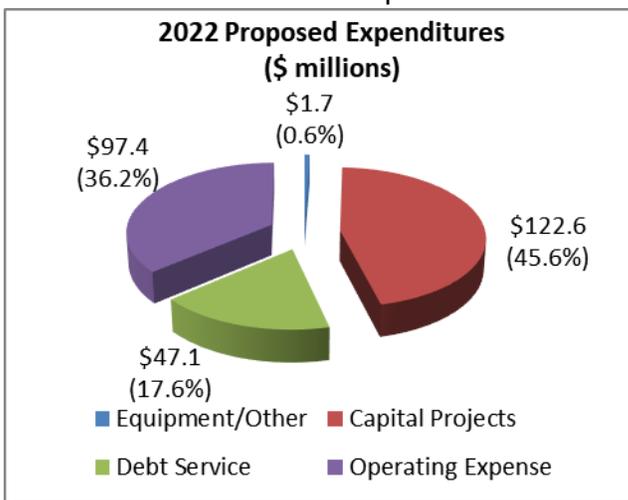
The ten-year planning period includes capital projects for the Robert W. Hite Treatment (RWHTF) Facility shown in blue and orange.

Metro District staff continually strives to keep rates low by implementing cost-effective measures throughout the District. Due to necessary increases in costs for staffing, materials and fuel, outside services, and support expenses such as insurance and training, the 2022 Annual Budget includes an operating expense budget 5.3 percent higher than the 2021 operating budget. Estimated capital expenditures for 2022 are approximately \$18 million less than the estimated capital expenditures for 2021.

Story continued on Page 3

The Cost of Clean Water

The stated Mission of the Metro District is “to protect health and the environment by cleaning water and recovering resources.” As part of that Mission, the District must follow federal and state environmental regulations which drive most of its treatment costs. Following these regulations is not optional. Violations carry substantial financial penalties and would be in direct conflict with the District’s mission to protect the region’s health and environment by cleaning water and recovering resources. The Board of Directors is tasked—with the help of staff—to weigh the options and determine how best to provide funding to enable the District to meet treatment requirements in the most cost-effective manner possible.



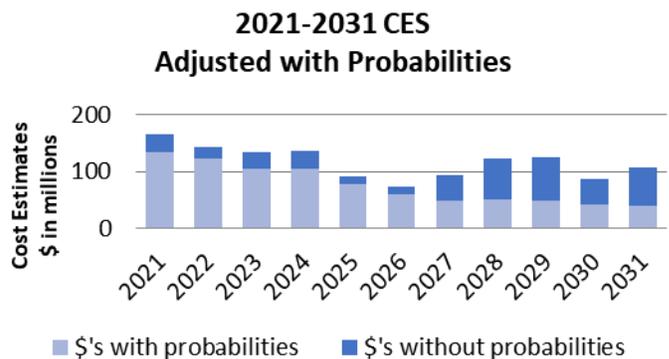
Planned capital expenditures make up almost half of the 2022 expenditures.

Cash Flow Assumptions

To ensure the Metro District is prepared to meet future requirements, the District undertakes extensive long-range planning measures, looking 10 to 20 years or more into the future.

The 2022 Annual Charges for Service revenues are based on the Cash Flow Schedule prepared for the 2021–2031 planning period. Some of the more significant Cash Flow Schedule assumptions include the following:

1. The District expects to spend approximately \$850 million on capital projects through the end of this planning period. These projects are necessary to:
 - Replace or rehabilitate aging facilities.
 - Provide increased capacity.
 - Meet more restrictive regulatory requirements.
 - Increase operational efficiency.



Planned capital expenditures over the next 11 years total approximately \$1.282 billion.

This number has been adjusted to approximately \$850 million to account for probability of occurrence and timing assigned to individual projects on the *Ten-Year Capital Expenditure Schedule (CES)*.

Story continued on Page 4

2. Sewer Connection Charge revenues are projected to be \$517 million over this period. Sewer Connection Charges are fees for capital facilities paid by new homes, commercial businesses, and other facilities connecting to the sanitary sewer system. Sewer Connection Charge revenues are expected to decrease in the near-term due to economic factors.

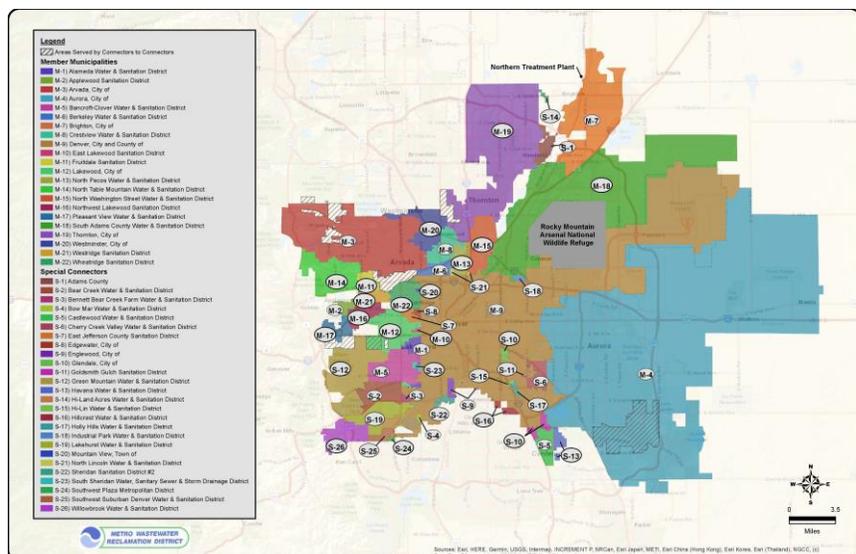
3. Over this period, \$284 million will be transferred from the Sewer Connection Charge Account to the General Fund Capital Project Account to pay for improvement and growth-related capital projects, and \$244 million will be used to pay for growth-related debt service costs.

The Metro District believes the actions it is taking are in the best interest of the two million people in its service area. The regulatory agencies and general public continue to have great expectations for the District to reduce public health risks and protect the environment. Even with a more regulated and expensive future, the District will continue to meet these expectations.

ABOUT THE METRO DISTRICT

Formed under Colorado law in 1961, the Metro District provides wholesale wastewater transmission and treatment service to 60 local governments, including cities and sanitation districts in the Denver metropolitan region. The District's 715-square mile service area includes most of the City and County of Denver, and parts of Adams, Arapahoe, Douglas, Jefferson, and Weld counties. The District's service area encompasses other large municipalities such as the cities of Arvada, Aurora, Lakewood, Thornton, and parts of Westminster, as well as smaller sanitation districts and industrial customers.

The Metro District collects and treats approximately 124 million gallons of wastewater a day at the RWHTF, located northeast of downtown Denver. Rated for a design flow of 220 million gallons per day (mgd) over a 30-day average, the RWHTF is the largest wastewater treatment facility in the Rocky Mountain West. The Northern Treatment Plant (NTP) has a 28.8-mgd capacity (average day annual flow) and started operation in October 2016. The NTP processed an average daily flow of approximately 5 mgd in 2020.



Legislative Update

2021 Regular Session Summary

The 2021 session conveyed with a Democratic majority in both chambers on January 13 and broke for a month period in response to the COVID-19 pandemic. Session reconvened on February 16. A total of 678 bills were introduced, many of which focused heavily on employment law, greenhouse gas reductions goals, and energy efficiency--all of which are topics expected to come back in future sessions. The session adjourned sine die on June 8, 2021. Below is a summary of bills the Metro District tracked and engaged on. Thank you to those that provided assistance and support throughout the session.

COLORADO WASTEWATER WORKER RECOGNITION WEEK

Governor Polis proclaimed the week of April 18-24, 2021 as Colorado Wastewater Worker Recognition Week. Each year, the Metro District requests the Governor declare a week in April as Colorado Wastewater Worker Recognition Week to recognize the hard work and dedication of all wastewater workers throughout the State.

The proclamation by Governor Polis continued the practice which began in 2002 of Colorado Governors recognizing the work done by wastewater workers to protect public health and the environment.

HB 21-1105—Low-Income Utility Assistance (Rep. Kennedy, Sen. Hansen) creates a utility assistance program for electric and gas, as well as water and wastewater utilities..



Participation in the water and wastewater assistance program will be voluntary for water and wastewater utilities. The Metro District supported this legislation

HB 21-1110--Colorado Laws for Persons with Disabilities (Rep. Ortiz, Sen. Danielson) requires local governments to ensure that individuals with disabilities are not excluded from participation or access to services or programs provided by the public entity. Additionally, the law requires that local governments comply with the most recent web content accessibility guidelines identified by the World Wide Web Consortium Web Accessibility Initiative. Implementation begins

HB 21-1253—Renewable and Clean Energy Project Grants (Rep. Gray & Froelich, Sen Winter & Rankin) transfers \$5.0 million from the General Fund to the Local Government Severance Tax Fund (within the Department of Local Affairs (DOLA)) in FY 2020-21.

Story continued on Page 6

DOLA is directed to award the money by August 15, 2021, or as soon as possible thereafter to provide grants for renewable and clean energy implementation projects.

The Metro District supported this legislation, noting the opportunity for Connectors to use these grants dollars for projects such as heat recovery. The bill was sent to the Governor for signature on June 11, 2021.

HB 21-1266—Environmental Justice Disproportionally Impacted Communities (Rep. Jackson, Sen. Winter & Buckner) after significant negotiations between Sen. Winter, environmentalists, and Governor Polis, the bill was amended to include significant portions of SB 21-200, including directing the Air Quality Control Commission to update the list of pollutants that are required to be reported as well as establish fees on those pollutants (APEN fees), identify the social cost of greenhouse gas emissions, create a voluntary cap and trade program, and create an environmental justice ombudsperson and advisory board within the Department of Public Health and Environment (CDPHE). The bill passed June 8, 2021.

HB 21-1278—Special District Meeting Requirements (Rep. Exum, Sen. Sonnenberg) the bill clarifies that meetings of a board of directors of a special district may be conducted virtually. The bill passed on June 7, 2021.

HB 21-1186—Energy Efficiency for Buildings (Rep. Kipp, Sen. Pettersen) creates statewide energy performance benchmarking program aimed to improve efficiency for properties over 50,000 square feet. The Metro District sought and received amendments to exclude all local governments, including special districts, from civil penalties. The bill passed on June 8, 2021.

SB 21-176, Protecting Opportunities and Workers' Right Act (Sen. Winter & Pettersen, Rep. Gray & Lontine) would have dramatically expanded discrimination and unfair employment protections for Colorado workers including independent contractors. Changes proposed included: broadening the definition of harassment and discrimination, assigning liability to employers for independent contractors for the purpose of harassment and discrimination claims, adding marital and caregiver status as protected classes under the Colorado Anti-Discrimination Act (CADA), and limiting the ability for an employer to require confidentiality during a settlement. The Metro District was a proactive member of a coalition group that was successful in defeating the legislation. It is expected that a similar piece of legislation will be introduced in the coming session. The bill was postponed indefinitely on June 7, 2021.

Metro Needs Your Help!

As part of the delegation agreement between participating Connectors and Contracting Municipalities, the Metro District's Industrial Pretreatment Program (IPP) must continuously update the current list of businesses/industries in the entire 715 square-mile service area throughout the year. Updating the businesses/industries in our service area allows us to identify new and potentially harmful contaminants before they become a problem in our sewer lines and at our plants. It is critical the IPP knows what industries are contributing to our system. For example,

- Auto body shops generate waste that has the potential to be harmful to District employees working in sewer lines.
- Medical facility waste could impact the District's ability to comply with environmental permits, laws, and regulations.
- Car washes discharge contaminants that could be poisonous to fish.
- Breweries discharging low pH waste could potentially corrode sewer lines.

Connectors should provide updates at the end of each quarter, by the 15th of following month (i.e. April 15, July 15, October 15, January 15) to Meg Parker. Please contact Meg Parker if you have any IPP

Questions (mparker@mwr.dst.co.us or 303-286-3253).

Your help in identifying new and/or changing industries in your service area is greatly appreciated.

Resources for Connectors

Do you have a project that needs funding? Please follow [this link](#) to find a list of resources available to Connectors.



Important Dates to Remember

July 15, 2021	Q2 2021 Sewer Connection Charges due
September 15, 2021	Q3 2021 Annual Charges due
October 15, 2021	Q3 2021 Sewer Connection Charges due
December 15, 2021	Q4 2021 Annual Charges due
January 17, 2022	Q4 2021 Sewer Connection Charges due

Keep Us in the Loop

Do we have the best contact information for your organization? If staff or board members have changed, drop us a line and we'll update our contact list.