

METRO WATER RECOVERY

Minutes of the Regular Meeting of the Board of Directors

July 19, 2022

The Board of Directors of the Metro Water Recovery, in the Counties of Adams, Arapahoe, Douglas, Jefferson, and Weld, and the City and County of Denver, State of Colorado, met in regular session at 6450 York Street, Denver, Colorado, Tuesday, July 19, 2022 at 5:30 p.m. in the Boardroom.

Chair Twombly called the meeting to order.

1. OATH OF OFFICE

The following Director has been appointed by his Member Municipality to complete a two-year term of office expiring June 30, 2024.

Appointed Director

James DeHerrera

Member Municipality

City of Aurora

The following Director has been reappointed by his Member Municipality for a two-year term of office expiring June 30, 2024.

Reappointed Director

Bob LeGare

Member Municipality

City of Aurora

2. ROLL CALL

Secretary Niyork called the roll.

Officers Present:

Scott Twombly, Thornton
Andrew Johnston, Denver
Sarah Niyork, South Adams
Jo Ann Giddings, Aurora

Chair
Chair Pro Tem
Secretary
Treasurer

Directors Present:

Curt Aldstadt, Westminster
Peter Baertlein, Denver
Greg Baker, Aurora
Nadine Caldwell, Aurora
John Chavez, Berkeley
David Councilman, Pleasant View
Deborah Crisp, East Lakewood*
Clark Davenport, Northwest Lakewood
James DeHerrera, Aurora
Robert Duncanson, Denver
Marv Falconburg, Brighton*
Joan Iler, Westridge

Kathy Laurienti, Crestview
Doug Lazure, Denver*
Bob LeGare, Aurora
Charles Long, Thornton
Martin Majors, Fruitdale*
Jamie Miller, North Table Mountain
Steve Pott, Applewood*
Bill Ray, Arvada
Greg Sekera, Lakewood
Peter Spanberger, Denver
Mary Beth Susman, Denver
Amerigo Svaldi, North Washington Street

Janet Kieler, Denver
Craig Kocian, Arvada
Laura Kroeger, Lakewood*

Dennis Towndrow, North Pecos
Jennifer Williams, Denver
Ronald Younger, Denver

Directors Absent:

Phil Burgi, Wheat Ridge
Bob Roth, Aurora

Michael Sapp, Denver
Del Smith, Bancroft-Clover

Others Present:

Mickey Conway
Emily Jackson
Liam Cavanaugh
Ruth Kedzior
Molly Kostelecky
Yvonne Kohlmeier
Lydia Nkem

Chief Executive Officer (CEO)
General Counsel
Deputy CEO/Chief Operating Officer (COO)
Assistant to the CEO
Chief Financial Officer
Senior Administrative Assistant
Executive Assistant

Hasan Doza*

*Attended virtually

Water Asset Management

3. PUBLIC COMMENT

There was no comment.

4. APPROVAL OF MINUTES

4.a Minutes of the Board of Directors Meeting on June 21, 2022

Chair Twombly asked if there were any corrections, deletions, or additions to the minutes of the Regular Meeting of the Board of Directors held June 21, 2022.

Director Younger moved and Director Davenport seconded the motion to approve the minutes of the Regular Meeting of the Board of Directors held June 21, 2022

The motion carried unanimously.

5. PROGRESS AND PROJECTION REPORTS

5.a Report by CEO

CEO Conway reviewed his written report, highlighting the Bike to Work Day, his first attendance as a Board member at the Water Research Foundation (WRF), and the upcoming individual phone meetings being scheduled with Directors.

5.b Report by General Counsel

General Counsel Jackson stated there was no update on litigation. Ms. Jackson highlighted the Metro Water Recovery Bylaws update, the contract with Molsen Coors for waste activated sludge, and answered a question on the Denver lead reduction program.

Director LeGare remarked on the creative way of amending the Bylaws for future communication to Directors when providing notice on pending Bylaws changes.

6. REPORTS OF OFFICERS AND COMMITTEES

Director Kroeger, Chair of the Strategic Planning Committee, announced Raftelis was selected as its consultant to perform the scope of work and thanked the committee members for their work during this process.

6.a Meeting Minutes

Joint Finance and Operations Committee	July 7, 2022
Executive Committee	July 12, 2022

7. NEW BUSINESS

Consent Agenda

7.a **Consideration of Cost Allocation Percentages for the 2023 Annual Charges for Service**

Director LeGare moved and Director Laurienti seconded the motion to adopt the following resolution:

WHEREAS, it is necessary the Board of Directors of Metro Water Recovery, hereinafter referred to as "Metro," adopt the Cost Allocation Percentages for the 2023 Annual Charges for Service; and

WHEREAS, Section 508 of the *Service Contract* and Section 506 of the *Special Connectors Agreement* require Metro Water Recovery to annually review its total costs, including operation, maintenance, replacement, and capital costs, to determine the percentage of those costs associated with parameters used for the allocation of Annual Charges for Service;

WHEREAS, in accordance with Schedule B of the *Sewage Treatment and Disposal Agreement* (Service Contract) and Exhibit B of the Special Connectors Agreement staff conducted the annual review of Metro's costs to determine the percentage of total 2023 costs associated with annual flow, biochemical oxygen demand, suspended solids, and total kjeldahl nitrogen; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend adopting the 2023 Cost Allocation Percentages; and

WHEREAS, the Executive Committee, after having reviewed the matter, concurs in the recommendation of the other committees;

NOW, THEREFORE, BE IT RESOLVED Schedule B of the Service Contract between Metro and its Member Municipalities, attached hereto, be and hereby is amended effective January 1, 2023; and

BE IT FURTHER RESOLVED as a result of this amendment to the Service Contract, Exhibit B of the Special Connector Agreement between Metro and its Special Connectors be and hereby is similarly amended effective January 1, 2023.

The motion carried unanimously.

7.b Consideration of the 2023 Sewer Connection Charge

Director LeGare moved and Director Laurienti seconded the motion to adopt the following resolution:

WHEREAS, Metro Water Recovery, hereinafter referred to as “Metro,” has established a Sewer Connection Charge; and

WHEREAS, Section 509 of the *Sewage Treatment and Disposal Agreement* (Service Contract) between Metro and its Member Municipalities, and Section 507 of the *Special Connector Agreement* between Metro and its Special Connectors, provide the Sewer Connection Charge may be changed by resolution duly enacted by action of Metro’s Board of Directors; and

WHEREAS, it is necessary the Sewer Connection Charge be established for 2023 for each Single Family Residential Equivalent (SFRE) and such charge to be effective January 1, 2023; and

WHEREAS, based on the Board’s current buy-in methodology, Metro staff recommends increasing the Sewer Connection Charge from \$4,710 to \$5,120 for 2023; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend adopting a Sewer Connection Charge of \$5,120 per SFRE for 2023; and

WHEREAS, the Executive Committee, after having reviewed the matter, concurs in the recommendation of the other committees;

NOW, THEREFORE, BE IT RESOLVED Metro’s Sewer Connection Charge be and hereby is increased to \$5,120 for each Single Family Residential Equivalent, effective January 1, 2023.

The motion carried unanimously.

7.c Consideration of 2023 Large-User Exception Capital Investment Fractions

Director LeGare moved and Director Laurienti seconded the motion to adopt the following resolution:

WHEREAS, Metro Water Recovery hereinafter referred to as “Metro,” has established a Sewer Connection Charge and a Large-User Exception to the Sewer Connection Charge; and

WHEREAS, Section 509 of the *Sewage Treatment and Disposal Agreement* (Service Contract) between Metro and its Member Municipalities, and Section 507 of the *Special Connectors Agreement* between Metro and its Special Connectors, provide for adoption of a Sewer Connection Charge and implementation of a Large-User Exception; and

WHEREAS, the Service Contract and Section 7.5.1 of the *Metro Water Recovery Rules and Regulations Governing Operation, Use, and Services of the System* provide for reviewing the Large-User Exception Capital Investment Fractions annually; and

WHEREAS, Metro staff recommends adopting the Large-User Capital Investment Fractions for 2023; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend adopting the Large-User Capital Investment Fractions for 2023; and

WHEREAS, the Executive Committee, after having reviewed the matter, concurs in the recommendation of the other committees;

NOW, THEREFORE, BE IT RESOLVED the Capital Investment Fractions for flows and loadings used to calculate Metro's Sewer Connection Charges for a Large User, effective January 1, 2023, be and hereby are adopted as follows:

Flow	=	0.5245
BOD	=	0.1762
SS	=	0.2071
TKN	=	0.0922

The motion carried unanimously.

7.d Consideration of the 2023 Reactivation Charge

Director LeGare moved and Director Laurienti seconded the motion to adopt the following resolution:

WHEREAS, Metro Water Recovery, hereinafter referred to as "Metro," has established a Reactivation Charge to reactivate an inactive connection to the Metro System; and

WHEREAS, Section 7.6.3 of the *Metro Water Recovery Rules and Regulations Governing Operation, Use, and Services of the System* (Rules and Regulations) provides the Reactivation Charge shall be set by the Board of Directors and may be adjusted from time to time by resolution of the Board in accordance with the approved methodology; and

WHEREAS, it is necessary the Reactivation Charge be established for 2023; and

WHEREAS, the methodology approved by the Board for calculating the Reactivation Charge and the historic practice of rounding to the nearest \$5 results in a Reactivation Charge for the year 2023 of \$135 per Single Family Residential

Equivalent (SFRE) for each year, beyond ten years, a connection has been inactive as defined by Metro's Rules and Regulations; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend adopting a Reactivation Charge for 2023 of \$135 per SFRE; and

WHEREAS, the Executive Committee, after having reviewed the matter, concurs in the recommendation of the other committees;

NOW, THEREFORE, BE IT RESOLVED the Reactivation Charge for 2023 as set forth in Section 7.6.3 of the *Metro Water Recovery Rules and Regulations Governing Operation, Use, and Services of the System* be and hereby is established at \$135 per SFRE for each year beyond ten a connection has been inactive as defined by the Rules and Regulations.

The motion carried unanimously.

7.e Consideration of Electrical Transmission Service Substation Project (PAR 1265) Construction Contract, Engineering Services Amendment, Xcel Energy Agreements, and Appropriation

Director LeGare moved and Director Laurienti seconded the motion to adopt the following resolution:

WHEREAS, it is in the best interest Metro Water Recovery, hereinafter referred to as "Metro," enter into multiple Agreements for the Electrical Transmission Service Substation Project (Project); and

WHEREAS, Metro's Robert W. Hite Treatment Facility (RWHTF) is currently powered from several "distribution" electric services and is being transitioned to a "transmission" electric service configuration through construction of a private substation which would be located on the RWHTF site and requires modifications to the plant site electrical power distribution system when connecting to the new substation; and

WHEREAS, Metro staff, in collaboration with NEI Electric Power Engineering (NEI) and the Construction Management-At-Risk (CMAR) Contractor PCL Construction, Inc. (PCL), have completed the design of Work Package #1 of the Project; and

WHEREAS, Metro has also been working with Public Service Company of Colorado (Xcel) under an Engineering and Procurement Agreement under which Xcel has designed the transmission facilities required to transition to a transmission-level service; and

WHEREAS, Metro staff recommends entering into a Construction Services Contract for Work Package #1 with PCL for construction services; and

WHEREAS, Metro staff recommends amending the Professional Services Agreement with NEI for Work Package #1 to provide engineering services during construction of Work Package #1; and

WHEREAS, Metro staff recommends executing two agreements with Xcel, the first will allow Xcel to construct Xcel's substation infrastructure and includes necessary land transfers (Transmission Facilities Construction Services Agreement [CSA]), and the second will govern the long-term operation of the substation (Electric Service Agreement [ESA]); and

WHEREAS, Metro staff recommends increasing the Chief Executive Officer's Spending Authority for Additional Invoices billed under the CSA to include the full amount of the Xcel contingency; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend authorizing the Chief Executive Officer to:

1. Enter into a Construction Services Contract for Work Package #1 with PCL in the amount of \$9,650,000 to provide construction services for the Project;
2. Amend the Professional Services Agreement with NEI Electric Power Engineering (NEI) in the amount of \$75,000 to provide engineering services during construction for Work Package #1 activities for the Project;
3. Enter into a CSA, which includes land transfer, and ESA with Xcel for the Project including payment of all costs thereunder;
4. Increase the CEO's spending authority for Additional Invoices billed under the Transmission Facilities Construction Services Agreement to include the full amount of the Xcel contingency for only this Project;
5. Appropriate \$19,321,250 (65 percent) from the Fixed Asset Replacement Fund Capital Project Account and \$10,403,750 (35 percent) from the General Fund Capital Project Account for this Project; and

WHEREAS, the Executive Committee, after having reviewed the matter, concurs in the recommendation of the other committees;

NOW, THEREFORE, BE IT RESOLVED the Chief Executive Officer be and hereby is authorized to:

1. Enter into a Construction Services Contract for Work Package #1 with PCL Construction, Inc. (PCL) in the amount of \$9,650,000 to provide construction services for the Electrical Transmission Services Substation Project (Project);
2. Amend the Professional Services Agreement with NEI Electric Power Engineering (NEI) in the amount of \$75,000 to provide engineering services during construction for Work Package #1 activities for the Project;
3. Enter into a Transmission Facilities Construction Services Agreement (CSA), which includes payment for the construction of Public Service Company of Colorado (Xcel)'s substation infrastructure and land transfers, and an Electric Service Agreement with Xcel for the Project including payment of all costs thereunder; and

BE IT FURTHER RESOLVED the Chief Executive Officer's spending authority for Additional Invoices billed under the CSA will include the full amount of the Xcel contingency for only this Project; and

BE IT FURTHER RESOLVED \$19,321,250 (65 percent) from the Fixed Asset Replacement Fund Capital Project Account and \$10,403,750 (35 percent) from the General Fund Capital Project Account be and hereby is appropriated for this Project.

The motion carried unanimously.

7.f Consideration of Analytical Services Contracts 2022-2027

Director LeGare moved and Director Laurienti seconded the motion to adopt the following resolution:

WHEREAS, it is in the best interest of Metro Water Recovery, hereinafter referred to as "Metro," to enter into Analytical Services Contracts with several laboratories; and

WHEREAS, in addition to analytical work performed in Metro's internal laboratory, Metro also uses external environmental laboratories for analysis of samples for various purposes; and

WHEREAS, in November 2021, the state issued a modification to the Robert W. Hite Treatment Facility (RWHTF) discharge permit which added per-and polyfluoroalkyl substances (PFAS) chemicals monitoring requirements for 25 parameters which became effective in January 2022, significantly increasing the number of monitored parameters from 23 to 48; and

WHEREAS, in addition, in October 2021, on a trial basis Metro expanded the external analytical services work to include the majority of permit compliance analyses, which included not only the analytical work, but also certified sample bottles, courier service, set turn-around-time (TAT) for receiving results, and certified and comprehensive result reports; and

WHEREAS, pursuant to Metro's *Purchasing and Contracting Policies*, Metro obtained pricing and qualifications for external analytical services from three qualified laboratories; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend authorizing the Chief Executive Officer to enter into Analytical Services Contracts with

- Colorado Analytical Laboratories, Inc.,
- SGS North America, Inc., and
- Eurofins Environment Testing Northern California, LLC

to provide analytical services; and

WHEREAS, the Executive Committee, after having reviewed the matter, concurs in the recommendation of the other committees;

NOW, THEREFORE, BE IT RESOLVED the Chief Executive Officer be and hereby is authorized to enter into Analytical Services Contracts with

- Colorado Analytical Laboratories, Inc.,
- SGS North America, Inc., and
- Eurofins Environment Testing Northern California, LLC

to provide analytical services; and

BE IT FURTHER RESOLVED the Chief Executive Officer be and hereby is authorized to enter additional contract periods, not exceeding a total of five years, if determined by the Chief Executive Officer to be in the best interest of Metro Water Recovery.

The motion carried unanimously.

Roll Call Agenda

7.g Consideration of Modification to Board of Directors Bylaws

Director Kocian moved and Director Ray seconded the motion to adopt the following resolution:

Chairman Twombly called for a roll call vote which carried with 33 Directors voting Yes:

Curt Aldstadt	Jo Ann Giddings	Sarah Niyork
Peter Baertlein	Joan Iler	Steve Pott
Greg Baker	Andrew Johnston	Bill Ray
Nadine Caldwell	Janet Kieler	Greg Sekera
John Chavez	Craig Kocian	Peter Spanberger
David Councilman	Laura Kroeger	Mary Beth Susman
Deborah Crisp	Doug Lazure	Amerigo Svaldi
Clark Davenport	Bob LeGare	Dennis Towndrow
James DeHerrera	Charles Long	Scott Twombly
Robert Duncanson	Jamie Miller	Jennifer Williams
Marv Falconburg	Martin Majors	Ronald Younger

and one Director voting No:

Kathy Laurienti

8. ELECTION OF OFFICERS

8.a Election of Officers per Metro Water Recovery Bylaws

Chair Twombly reviewed the slate of officers recommended by the Nominating Committee at the June 19, 2022 Board of Directors Meeting for the upcoming term of office:

Chair Andrew Johnston, City and County of Denver
Chair Pro Tem Sarah Niyork, South Adams Water and Sanitation District

Secretary Jo Ann Giddings, City of Aurora
Treasurer Del Smith, Bancroft-Clover Water and Sanitation District

Chair Twombly thanked the Nominating Committee and asked if there were any nominations from the floor; there were none. He closed the nominations.

Director Baertlein moved and Director Susman seconded the motion to elect the slate of officers recommended by the Nominating Committee.

The motion carried unanimously, and the slate of officers were elected.

8.b Consideration of Resolution Memorializing the Election of Officers

Director Long moved and Director Laurienti seconded the motion to adopt the following resolution:

WHEREAS, it is necessary the Board of Directors of Metro Water Recovery, hereinafter referred to as "Metro," elect a new slate of Officers as required by the *Bylaws of Metro Water Recovery* (Bylaws); and

WHEREAS, the Bylaws provide the Board of Directors elect new Officers annually during the regular meeting of the Board of Directors in the month of July; and

WHEREAS, the Board of Directors has held such election and wishes to memorialize by resolution the following Board Members have been elected as Officers for the 2022-2023 term:

Andrew Johnston	Chair of the Board
Sarah Niyork	Chair Pro Tem
Jo Ann Giddings	Secretary
Del Smith	Treasurer;

NOW, THEREFORE, BE IT RESOLVED the slate of Officers elected by the Board of Directors of Metro Water Recovery be and hereby are memorialized by resolution.

Chair Twombly thanked the Board for its vote of confidence and stated it was an honor and privilege to serve as chair over the last two years when the Board and staff successfully navigated COVID while working on the Sand Creek Interception Project, the re-brand and name change to Metro Water Recovery, multiple Robert W. Hite Treatment Facility (RWHTF) projects, and the addition of a new Connector, the City of Ft. Lupton.

The motion carried unanimously and Chair Twombly turned the meeting over to incoming Chair of the Board Andrew Johnston.

9. INDIVIDUAL DIRECTOR COMMENTS

Chair Johnston thanked the Board of Directors for the opportunity to serve as Chair and also outgoing Chair Twombly for his two years of remarkable service through some difficult times.

He noted Director Twombly is a tremendous asset to Metro and is glad he is staying on as a Director.

Director Baertlein stated Director Twombly was a great leader as he did an outstanding job, was always prepared, thoughtful, inclusive, and thorough.

Director Kroeger appreciated how welcoming Director Twombly was to her as a new member and his leadership through challenging situations by being calm, collected, and focused on Metro Water Recovery's mission and vision.

General Counsel Jackson thanked Director Twombly for being prepared, thoughtful, and devoted in his role as Chair. She also stated Director Twombly was always available and provided stability from the time he took over during the middle of COVID. On a personal note, Ms. Jackson noted Director Twombly was a fantastic boss, very supportive of staff, and thanked him for his service.

CEO Conway echoed previous accolades for Director Twombly, remembering their first meeting during COVID ten feet apart on the patio where they laid out Director Twombly's thoughts on his goals, noting almost all had been completed. Mr. Conway noted Director Twombly always maintained a sense of balance between staff, community, and stakeholders; and stated Director Twombly was a true public servant moving the community forward and inspiring for staff.

Chair Johnston remarked on the amount of time Directors invested in officer positions in helping the organization move forward and is looking forward to leading the Board while having a mentor in Director Twombly while he continues as a Board member.

10. OTHER INFORMATION

CEO Conway noted the New Director Orientation will be held Monday, August 29, 2022 and all Directors are welcome to attend as a refresher class.

11. ADJOURNMENT

Chair Johnston adjourned the meeting at 5:55 p.m.

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