

METRO WATER RECOVERY

Minutes of the Regular Meeting of the Board of Directors

May 16, 2023

The Board of Directors of 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, May 16, 2023 at 5:30 p.m. in the Boardroom.

Chair Johnston 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

Michael Barrett

Member Municipality

Crestview Water and Sanitation District

2. ROLL CALL

Secretary Giddings called the roll.

Officers Present:

Andrew Johnston, Denver
Sarah Niyork, South Adams
Jo Ann Giddings, Aurora
Del Smith, Bancroft-Clover

Chair
Chair Pro Tem
Secretary
Treasurer

Directors Present:

Curt Aldstadt, Westminster
Peter Baertlein, Denver
Greg Baker, Aurora
Mike Barrett, Crestview
Phil Burgi, Wheat Ridge*
Nadine Caldwell, Aurora
John Chavez, Berkeley
Deborah Crisp, East Lakewood
Clark Davenport, Northwest Lakewood
James DeHerrera, Aurora
Robert Duncanson, Denver
Mary Gearhart, Denver*
Joan Iler, Westridge
Janet Kieler, Denver
Craig Kocian, Arvada
Laura Kroeger, Lakewood
Doug Lazure, Denver*

Bob LeGare, Aurora*
Charles Long, Thornton
Martin Majors, Fruitdale*
Charlie Miller, Fort Lupton*
Jamie Miller, North Table Mountain*
Steve Pott, Applewood
Bill Ray, Arvada
Kim Schoen, Brighton
Greg Sekera, Lakewood
Peter Spanberger, Denver
Mary Beth Susman, Denver
Amerigo Svaldi, North Washington Street
Dennis Towndrow, North Pecos*
Scott Twombly, Thornton
Jennifer Williams, Denver
Ronald Younger, Denver

Directors Absent:

David Councilman, Pleasant View

Others Present:

Liam Cavanaugh
Emily Jackson
Ruth Kedzior
Molly Kostelecky
Sherman Papke
Yvonne Kohlmeier
Lydia Nkem*
*Attended virtually

Deputy Chief Executive Officer (CEO)
General Counsel
Assistant to the CEO
Chief Financial Officer
Chief Technical Officer
Senior Administrative Assistant
Executive Assistant

3. PUBLIC COMMENT

There was no comment.

4. APPROVAL OF MINUTES**4.a Minutes of the Board of Directors Meeting on April 18, 2023**

Chair Johnston asked if there were any corrections, deletions, or additions to the minutes of the Regular Meeting of the Board of Directors held April 18, 2023.

Director Baertlein moved and Director Davenport seconded the motion to approve the minutes of the Regular Meeting of the Board of Directors held April 18, 2023.

The motion carried unanimously.

5. PROGRESS AND PROJECTION REPORTS**5.a Report by CEO**

Deputy CEO Cavanaugh stated he was sitting in for CEO Mickey Conway who was returning from Washington, D.C. after testifying before the House Transportation and Infrastructure Committee's Water Resources Subcommittee on Clean Water Agencies (CWA) regulatory reforms on behalf of Metro Water Recovery and the National Association of Clean Water Agencies (NACWA).

Mr. Cavanaugh welcomed new Director Mike Barrett and stated the recent rain event was well handled by Metro Water Recovery staff. He then reviewed the written report, highlighting the employee survey's positive score and strong participation, METROGRO Farm's (Farm) crop outlook, Human Resources earning the Western Region IPMA-HR 2023 Agency Award, and the successful Take Your Kid to Work Day annual event. Mr. Cavanaugh reminded Directors to RSVP for two upcoming events: Town Hall and Field Day on June 14, 2023 and the Farm Tour on July 20, 2023.

Mr. Cavanaugh answered a question on storm water flow from the Suncor Energy USA Inc., Refinery which happened during the recent weather event, stating staff worked many hours and successfully kept the plant in compliance.

5.b Report by General Counsel

General Counsel Jackson provided updates regarding ongoing litigation, recent meetings which occurred in Washington, D.C. with congressional staffers, and a

federal bill that was introduced in the Senate called The Water Systems PFAS Liability Act, which would exempt publicly owned treatment works from CERCLA liability.

Deputy CEO Cavanaugh answered a question on the new Metro Water Recovery mascot – Fin, the orange spotted sunfish.

6. REPORTS OF OFFICERS AND COMMITTEES

6.a Strategic Planning Committee

Chair Johnston stated the final plan was ready for adoption and Director Kroeger expressed appreciation to staff and Board members for their contributions to the strategic planning process.

6.b Nominating Committee

Chair Johnston thanked Directors Caldwell, Aldstadt, Kieler, Kocian, and Twombly for their participation on the Nominating Committee, which was convening after the Board meeting.

6.c Meeting Minutes

There were no additions to the following meeting minutes:

| | |
|----------------------|-------------|
| Operations Committee | May 2, 2023 |
| Finance Committee | May 4, 2023 |
| Executive Committee | May 9, 2023 |

7. NEW BUSINESS

7.a Hearing for Metro Water Recovery's Preliminary 2024 Budget

Chair Johnston opened the Hearing of the 2024 Preliminary Budget at 5:49 p.m. to allow for questions and comments from holders of any security issues by Metro Water Recovery. There were no questions or comments. Chair Johnston closed the Hearing at 5:50 p.m.

7.b Hearing for Metro Water Recovery's Amended 2023 Budget

Chair Johnston opened the Hearing of the 2023 Amended Budget at 5:50 p.m. to allow for questions and comments from holders of any security issues by Metro Water Recovery. There were no questions or comments. Chair Johnston closed the Hearing at 5:51 p.m. and reconvened the Regular Meeting of the Board of Directors at 5:51 p.m.

Consent Agenda

7.c Consideration of Peracetic Acid Disinfection System Improvements (PAR 1400) Construction Contract, Engineering Services Amendment, and Appropriation

Director Twombly moved and Director Ray 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 a Construction Services Contract for Work Package #2, amend the Professional Services Agreement to provide engineering services during construction for Work Package #2, and appropriate funds for the Peracetic Acid (PAA) Disinfection System Improvements Project (PAR 1400) (Project); and

WHEREAS, Metro received approval from the Colorado Department of Public Health and Environment (CDPHE) of PAA as its permanent disinfection system in October 2020; and

WHEREAS, the existing, temporary PAA system is reaching the end of its useful life, and now Metro needs to construct new PAA storage and dosing systems for the North and South systems and improve the sampling and electrical associated with the PAA system at the Robert W. Hite Treatment Facility (RWHTF); and

WHEREAS, following standard Metro consultant selection procedures, CDM Smith, Inc. (CDM) was selected as the consultant to perform Design Phase Services for this Project; and

WHEREAS, the Project is being delivered through the Construction Manager-At-Risk (CMAR) delivery approach with Garney Companies, Inc. (Garney) performing Preconstruction and Construction Services; and

WHEREAS, the Work Package #1 contracts and appropriation were approved in Resolution 1022-B7.b; and

WHEREAS, Work Package #2 includes a Construction Contract for construction of new PAA storage and dosing systems for the North and South systems, sampling improvements, electrical improvements, and demolition of existing, temporary PAA and associated systems at the RWHTF which requires Board approval; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend:

1. Authorizing the Chief Executive Officer to enter into a Construction Services Contract for Work Package #2 with Garney in the amount of \$17,860,000 to provide construction services for the Project,
2. Authorizing the Chief Executive Officer to amend the Professional Services Agreement with CDM in the amount of \$1,845,000 to provide engineering services during construction for Work Package #2 activities for the Project.
3. Appropriating \$21,150,000 from the General Fund Capital Project Account for this purpose.

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 a Construction Services Contract for Work Package #2 with Garney Companies, Inc. in the amount of \$17,860,000 to provide construction services for the Peracetic Acid Disinfection System Improvements Project (PAR 1400) (Project); and

BE IT FURTHER RESOLVED the Chief Executive Officer be and hereby is authorized to amend the Professional Services Agreement with CDM Smith, Inc. in the amount of \$1,845,000 to provide engineering services during construction of Work Package #2 of the Project; and

BE IT FURTHER RESOLVED the sum of \$21,150,000 be and hereby is appropriated from the General Fund Capital Project Account for this purpose.

The motion carried unanimously.

7.d Consideration of Electrical Transmission Service Substation (PAR 1265) Construction Contract, Engineering Services Amendment, and Appropriation

Director Twombly moved and Director Ray 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 execute a change order for Work Pack #1, enter into a Construction Services Contract, and amend the Professional Services Agreement associated with the Electrical Transmission Service Substation Project (PAR 1265) (Project); and

WHEREAS, Metro’s Robert W. Hite Treatment Facility (RWHTF) is currently powered from several “distribution” electric services and through the Project is being transitioned to a “transmission” electric service configuration; and

WHEREAS, the Work Package #1 contract with the Construction Management-At-Risk (CMAR) Contractor PCL Construction, Inc. (PCL) was approved in Resolution 0722-B7.e for the purpose of ordering certain long-lead equipment and to conduct certain site work, however, did not include all equipment and materials that will be necessary to complete the project; and

WHEREAS, additional equipment and materials, such as cabling and switchgear, must now be procured necessitating increasing the scope and price of the Work Package #1 contract needs through a change order; and

WHEREAS, Metro staff, in collaboration with NEI Electric Power Engineering (NEI) and PCL, have completed the design of Work Package #2 of the Project; and

WHEREAS, Metro staff recommends entering into a Construction Services Contract for Work Package #2 with PCL for construction services; and

WHEREAS, Metro staff recommends amending the Professional Services Agreement with NEI for Work Package #2 to provide engineering services during construction of Work Package #2; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend:

1. Authorizing the Chief Executive Officer to execute a change order for Work Package #1 with PCL in the amount of \$9,346,888 to procure additional equipment and materials for the Project;
2. Authorizing the Chief Executive Officer to enter into a Construction Services Contract for Work Package #2 with PCL in the amount of \$49,622,454 to provide construction services for the Project;
3. Authorizing the Chief Executive Officer to amend the Professional Services Agreement with NEI in the amount of \$2,700,000 to provide engineering services during construction for Work Package #2 activities for the Project;
4. Appropriating \$42,250,000 (65 percent) from the Fixed Asset Replacement Fund Capital Project Account and \$22,750,000 (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. Execute a change order for Work Package #1 with PCL Construction, Inc. (PCL) in the amount of \$9,346,888 to procure additional equipment and materials for the Electrical Transmission Services Substation Project (PAR 1265) (Project);
2. Enter into a Construction Services Contract for Work Package #2 with PCL in the amount of \$49,622,454 to provide construction services for the Project;
3. Amend the Professional Services Agreement with NEI Electric Power Engineering (NEI) in the amount of \$2,700,000 to provide engineering services during construction for Work Package #2 activities for the Project;

BE IT FURTHER RESOLVED \$42,250,000 (65 percent) from the Fixed Asset Replacement Fund Capital Project Account and \$22,750,000 (35 percent) from the General Fund Capital Project Account be and hereby is appropriated for this Project.

The motion carried unanimously.

7.e Consideration of Aurora Westside Interceptor Rehabilitation (PAR 1425) Construction Services Agreement and Appropriation

Director Twombly moved and Director Ray 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 a Construction Services Agreement for the Aurora Westside Interceptor Rehabilitation Project (PAR 1425) (Project); and

WHEREAS, the original Aurora Westside (AW) Interceptor was constructed and put into service in the mid-1980s and has shown significant corrosion due to hydrogen sulfide and is in need of immediate repair; and

WHEREAS, the primary method for pipe rehabilitation will be cured-in-place pipe; and

WHEREAS, on February 15, 2023, Metro issued a Request for Bid (RFB) for the Project and received three bids on March 23, 2023; and

WHEREAS, Metro staff determined the lowest responsive, responsible bidder as Inliner Solutions, LLC (Inliner); and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend authorizing the Chief Executive Officer to enter into a Construction Services Agreement with Inliner in the amount of \$10,241,710 to provide Construction Services for the Project and appropriating \$11,370,000 (100 percent) from the Fixed Asset Replacement Fund Capital Project Account for this purpose; 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 a Construction Services Agreement with Inliner Solutions, LLC in the amount of \$10,241,710 to provide Construction Services for the Aurora Westside Interceptor Rehabilitation Project; and

BE IT FURTHER RESOLVED \$11,370,000 (100 percent) from the Fixed Asset Replacement Fund Capital Project Account be and hereby is appropriated for this purpose.

The motion carried unanimously.

7.f Consideration of METROGRO Farm Harvesting/Transportation

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

WHEREAS, it is necessary for Metro Water Recovery, hereinafter referred to as "Metro," to enter into a contract for grain harvesting/transportation and wheat swathing services for the METROGRO Farm (Farm); and

WHEREAS, the current agreements for these Farm services have expired and several of the previously approved vendors are no longer in business, leaving only one qualified vendor available for the 2022 harvest, which introduced risk based on scheduling, availability, and unplanned cost increases; and

WHEREAS, on March 9, 2023, Metro sent out a Request for Quotes (RFQ) as a direct solicitation to a limited set of vendors performing harvesting and swathing services in Eastern Colorado and received quotes on March 29, 2023 from several vendors; and

WHEREAS, Metro staff determined the following vendors met the criteria and are qualified to perform grain harvesting/transportation services:

- Neumiller Harvesting
- Grant Waterman Farms
- Peak to Prairie Harvesting
- Lee Harvesting
- Heinrichs Harvesting Company
- Davis Custom Harvesting

WHEREAS, Metro staff determined the following vendors met the criteria and are qualified to perform wheat swathing services:

- Heil Harvesting
- Klausner Jones

WHEREAS, Metro staff recommends entering into five-year agreements effective June 2023 through December 2027 with multiple harvesting contractors to supply small grain, summer and fall harvesting and transportation services at the Farm at an average cost of \$26.50 per acre to combine and \$0.30 per bushel to transport harvested crops; and

WHEREAS, Metro staff also recommends entering into five-year agreements effective June 2023 through December 2027 with multiple swathing contractors to supply winter wheat swathing services at the Farm at an average cost of \$20.50 per acre; and

WHEREAS, because of the uncertain nature of the harvesting activity and availability of each individual qualified harvester, Metro requires flexibility and will solicit work from the contractors and award task orders to the contractors who provide the best value to Metro, determined by cost and schedule and vendor availability; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend authorizing the Chief Executive Officer to enter into a five-year contract for grain harvesting/transportation services on the Farm with the following vendors:

- Neumiller Harvesting
- Grant Waterman Farms
- Peak to Prairie Harvesting
- Lee Harvesting
- Heinrichs Harvesting Company
- Davis Custom Harvesting, and

enter into a five-year contract for wheat swathing services on the Farm with the following vendors:

- Heil Harvesting
- Klausner Jones; 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 a five-year contract for grain harvesting/transportation services on the METROGRO Farm (Farm) with the following vendors:

- Neumiller Harvesting
- Grant Waterman Farms
- Peak to Prairie Harvesting
- Lee Harvesting
- Heinrichs Harvesting Company
- Davis Custom Harvesting, and

enter into a five-year contract for wheat swathing services on the Farm with the following vendors:

- Heil Harvesting
- Klausner Jones.

The motion carried unanimously.

7.g Consideration of Strategic Plan Update Approval

Director Twombly moved and Director Ray 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 adopt the Strategic Plan update as proposed by the Strategic Planning Committee (Committee) and Metro staff; and

WHEREAS, in 2022, the Chair of the Board created and tasked the Committee to create a proposed updated Strategic Plan (Plan), with the intention of valuing the path established in 2016 while simplifying the Plan to allow for more flexibility in implementation; and

WHEREAS, the Committee has recommended a focused update which refines Metro’s vision, confirms the mission, updates the values, and creates three pillars: Our People, Our Work, and Our Communities; will guide Metro’s decision-making and resource allocation necessary to achieve its vision; and is intended to be a foundational document supplemented by more specific annual strategic implementation plans; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend authorizing the Chief Executive Officer to adopt the Strategic Plan update as proposed by the Committee and Metro staff; and

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

NOW, THEREFORE, BE IT RESOLVED the updated Strategic Plan be and hereby is adopted as proposed by the Strategic Planning Committee and Metro staff.

The motion carried unanimously.

Roll Call Agenda

7.h Consideration of Amendment to the *Sewage Treatment and Disposal Agreement* with City of Brighton

Director Susman moved and Director Caldwell 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 amend Section 801 (Conditions of Inclusion) of its *Sewage Treatment and Disposal Agreement* (Service Contract) with the City of Brighton (Brighton); and

WHEREAS, in June 2009 Metro entered into a Service Contract with Brighton to provide sewage treatment services to Brighton upon certain terms and conditions set forth by the Metro Board of Directors; and

WHEREAS, the terms of the Service Contract require Brighton to make established yearly payments to buy-in through 2034 with any remaining balance of unpaid Sewer Connection Charges for existing connections to be paid in a final lump sum in 2035; and

WHEREAS, Brighton has requested an amendment to the Service Contract which would allow Brighton to accelerate its payments for the existing connections and allow the flexibility to pay for all existing connections no later than 2024; and

WHEREAS, the proposed amended Service Contract includes provisions which would be beneficial to both parties and is in the best interest of Metro and its Connectors as a whole; and

WHEREAS, the Operations and Finance committees of Metro, having reviewed the matter, recommend the Board of Directors authorize the Chief Executive Officer to approve an amendment in the form of Attachment A to the Service Contract; 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 execute the amendment to the Service Contract in the form of Attachment A and as described herein.

Chair Johnston called for a roll call vote which carried with 37 Directors voting Yes:

| | | |
|------------------|-----------------|-------------------|
| Curt Aldstadt | Joan Iler | Steve Pott |
| Peter Baertlein | Andrew Johnston | Bill Ray |
| Greg Baker | Janet Kieler | Kim Schoen |
| Mike Barrett | Craig Kocian | Greg Sekera |
| Phil Burgi | Laura Kroeger | Del Smith |
| Nadine Caldwell | Doug Lazure | Peter Spanberger |
| John Chavez | Bob LeGare | Mary Beth Susman |
| Deborah Crisp | Charles Long | Amerigo Svaldi |
| Clark Davenport | Martin Majors | Dennis Towndrow |
| James DeHerrera | Charlie Miller | Scott Twombly |
| Robert Duncanson | Jamie Miller | Jennifer Williams |
| Mary Gearhart | Sarah Niyork | Ronald Younger |
| Jo Ann Giddings | | |

8. INDIVIDUAL DIRECTOR COMMENTS

There was none.

9. OTHER INFORMATION

Director Caldwell reminded the Nominating Committee members of their meeting to follow.

10. ADJOURNMENT

Chair Johnston adjourned the meeting at 5:54 p.m.

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**Board of Directors Meeting Minutes
May 16, 2023**

(SEAL)

Chair

ATTEST:

Secretary