

METRO WATER RECOVERY

Minutes of the Regular Meeting of the Board of Directors

June 20, 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, June 20, 2023 at 5:30 p.m. in the Boardroom.

Chair Johnston called the meeting to order.

1. OATH OF OFFICE

The following Directors have been reappointed by their Member Municipality to complete two-year terms of office which expire June 30, 2025.

Appointed Director

Greg Baker
Nadine Caldwell
Clark Davenport
Jo Ann Giddings
Greg Sekera
Dennis Towndrow

Member Municipality

City of Aurora
City of Aurora
Northwest Lakewood Sanitation District
City of Aurora
City of Lakewood
North Pecos 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
David Councilman, Pleasant View
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
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
Amerigo Svaldi, North Washington Street
Dennis Towndrow, North Pecos
Scott Twombly, Thornton
Jennifer Williams, Denver
Ronald Younger, Denver

Directors Absent:

Bob LeGare, Aurora

Mary Beth Susman, Denver

Others Present:

Mickey Conway

Emily Jackson

Liam Cavanaugh

Ruth Kedzior

Molly Kostelecky

Jack Hennes

Yvonne Kohlmeier

Lydia Nkem*

Margaret Medellin

Josh Redman

*Attended virtually

Chief Executive Officer (CEO)

General Counsel

Chief Operating Officer (COO)

Assistant to the CEO

Chief Financial Officer

Communications Specialist Senior

Senior Administrative Assistant

Executive Assistant

City and County of Denver

City of Thornton

3. PUBLIC COMMENT

There was no comment.

4. APPROVAL OF MINUTES**4.a Minutes of the Board of Directors Meeting on May 16, 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 May 16, 2023.

Director Younger moved and Director Iler seconded the motion to approve the minutes of the Regular Meeting of the Board of Directors held May 16, 2023.

The motion carried unanimously.

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

CEO Conway reviewed his written report, highlighting his testimony last month before the House Transportation and Infrastructure Committee, recognition of industrial partners at the May Gold Awards ceremony, Lab Analyst I Carl Verke winning the Analyst of the Year at the 2023 Rocky Mountain Water Quality Analysts Association Symposium, the success of last week's Town Hall and Field Day event, results of the employee survey, and the change order for the Second Creek Interceptor Project (PAR 1232).

Mr. Conway answered questions on the percentage of responses for the employee survey and staffing head count.

5.b Report by General Counsel

General Counsel Jackson provided an update, stating the Donald Temples litigation matter has reached a settlement, mentioned the closing of the 2023 legislative

session, and Metro Water Recovery's support of SB23-150 – Require Labeling Disposable Wipes.

6. REPORTS OF OFFICERS AND COMMITTEES

6.a Report of Nominating Committee

Nominating Committee Chair Caldwell stated the Nominating Committee comprised of Directors Aldstadt, Caldwell, Kieler, Kocian, and Twombly met on May 16, 2023 and is recommending the following slate of officers:

Director	Member Municipality	Officer Position
Andrew Johnston	City and County of Denver	Chair
Sarah Niyork	South Adams County Water and Sanitation District	Chair Pro Tem
Jo Ann Giddings	City of Aurora	Secretary
Del Smith	Bancroft-Clover Water and Sanitation District	Treasurer

6.b Report from Strategic Planning Committee

Strategic Planning Committee Chair Kroeger gave an update on the six-month implementation stage of the Strategic Plan.

6.c Meeting Minutes

There were no additions to the following meeting minutes:

Defined Benefit Retirement Board	February 23, 2023
Defined Contribution Retirement Board	February 23, 2023
Operations Committee	June 6, 2023
Finance Committee	June 8, 2023
Executive Committee	June 13, 2023

7. NEW BUSINESS

7.a Hearing for the Final Adjusted 2022 Annual Charges for Service

Chair Johnston opened the Hearing for the Final Adjusted 2022 Annual Charges for Service at 5:48 p.m. There were no questions or comments. Chair Johnston closed the hearing and reconvened the Regular Meeting of the Board of Directors at 5:49 p.m.

Consent Agenda

7.b Consideration of Adoption of the 2024 Annual Budget and Annual Charges for Service

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

WHEREAS, the proposed 2024 Annual Budget of Metro Water Recovery, hereinafter referred to as "Metro," has been prepared by the Chief Executive Officer

with the advice and counsel of the Finance Committee of Metro's Board of Directors;
and

WHEREAS, the Board of Directors duly published a notice concerning the proposed 2024 Annual Budget as required under C.R.S. § 29-1-108 and held a public hearing on May 16, 2023, on said Budget, as provided for in Section 901B of the 2009, 2012, 2019, and 2020 Bond Resolutions; and

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

- adoption of 2024 Annual Charges for Service of \$155,211,122,
- adoption of the 2024 Annual Budget for all funds totaling \$178,730,098,
- adoption of the 2024 Operating Budget of \$119,986,098,
- adoption of 2024 budget for new and replacement equipment and vehicle purchases (greater than or equal to \$10,000 and less than or equal to \$500,000) of \$3,013,000, which will be funded as follows: \$280,000 from the Operations and Maintenance Fund and \$2,733,000 from the Fixed Asset Replacement (FAR) Fund),
- adoption of 2024 budget for the General Fund and FAR Fund Small Projects of \$3,500,000, which will be funded as follows: \$2,500,000 from the General Fund and \$1,000,000 from the FAR Fund,
- approving \$52,231,000 for the 2024 Debt Service Fund,
- approving all required internal fund transfers for the 2024 Annual Budget and cash flow requirements; and

WHEREAS, the Defined Benefit Plan Retirement Board recommends:

- contributing \$11,584,570 to Metro's Defined Benefit Retirement Plan on the first business day in January 2024, pursuant to the Actuarial Determined Contribution as of January 1, 2023; and

WHEREAS, the Executive Committee, after having reviewed the matter, concurs in the recommendation of the other committees and the Defined Benefit Plan Retirement Board;

NOW, THEREFORE, BE IT RESOLVED the 2024 Annual Budget of \$178,730,098, as prepared by the Chief Executive Officer with the advice and counsel of the Finance Committee, be and hereby is adopted as the 2024 Annual Budget for Metro; and

BE IT FURTHER RESOLVED:

- The Annual Charges for Service for 2024 be and hereby are adopted at \$155,211,122; and
- The Operating Budget for 2024 be and hereby is adopted at \$119,986,098; and
- The new and replacement equipment and vehicle purchases (greater than or equal to \$10,000 and less than or equal to \$500,000) budget for 2024 be and

hereby is adopted at \$3,013,000, which will be funded as follows: \$280,000 from the Operations and Maintenance Fund and \$2,733,000 from the Fixed Asset Replacement (FAR) Fund); and

- The General Fund and FAR Fund Small Projects budget be and hereby is adopted at \$3,500,000, which will be funded as follows: \$2,500,000 from the General Fund and \$1,000,000 from the FAR Fund; and
- The 2024 Debt Service Fund be and hereby is adopted at \$52,231,000; and
- All required internal fund transfers for the 2024 Annual Budget and cash flow requirements be and hereby are approved; and
- The contribution of \$11,584,570 to Metro's Defined Benefit Retirement Plan on the first day of January 2024, pursuant to the Actuarial Determined Contribution as of January 1, 2023, be and hereby is approved.

The motion carried unanimously.

7.c Consideration of the 2024 Annual Budget Appropriation

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

WHEREAS, the Chief Executive Officer of Metro Water Recovery, hereinafter referred to as "Metro," with the advice and counsel of the Finance Committee of Metro's Board of Directors, prepared an Annual Budget for the fiscal year beginning January 1, 2024; and

WHEREAS, the Operations, Finance, and Executive committees recommend adoption of the proposed 2024 Annual Budget; and

WHEREAS, the Board of Directors further reviewed said proposed Budget to determine its adequacy to meet the obligations of Metro Water Recovery for the fiscal year 2024 and, having found the 2024 estimated revenues and expenditures reasonable, adopted said Budget on June 20, 2023; and

WHEREAS, it is incumbent upon the Board of Directors to appropriate the necessary amounts for the purposes set forth in the adopted 2024 Annual Budget;

NOW, THEREFORE, BE IT RESOLVED \$178,730,098 be and hereby is appropriated as set forth in the 2024 Annual Budget Appropriation Summary attached hereto and made a part hereof.

The motion carried unanimously.

7.d Consideration of Certification of the Final Adjustment to the 2022 Annual Charges for Service

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

WHEREAS, Section 605 of Article VI of the *Sewage Treatment and Disposal Agreement* (Service Contract) and the *Special Connectors Agreement* of Metro Water

Recovery, hereinafter referred to as “Metro,” provides the final adjustment of any charge for any fiscal year shall be made on or before the last day of June next, following the last day of that fiscal year; and

WHEREAS, Section 606 of the Service Contract and the Special Connectors Agreement further provides a hearing be held on the proposed final adjustments of any charges made by Metro; and

WHEREAS, a hearing was held on the Final Adjustments to the 2022 Annual Charges for Service at the regular meeting of the Board of Directors on June 20, 2023; and

WHEREAS, the Operations, Finance, and Executive committees, after having reviewed the proposed Final Adjustments to the 2022 Annual Charges for Service, recommend their adoption; and

WHEREAS, the Final Adjustments to the 2022 Annual Charges for Service have been reviewed by the Board of Directors and found to be reasonable;

NOW, THEREFORE, BE IT RESOLVED the Final Adjustments to the Annual Charges for Service for the year 2022, as set forth in the attached schedule of Connector Flows, Loadings, and Charges, be and hereby are certified to be the Final Adjustments to Member Municipalities and Special Connectors of Metro Water Recovery for the fiscal year 2022.

The motion carried unanimously.

7.e Consideration of Rescinding Unexpended Capital Appropriations

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

WHEREAS, a number of projects of Metro Water Recovery, hereinafter referred to as “Metro,” have been completed and it is now necessary certain unexpended appropriations be rescinded; and

WHEREAS, the unexpended appropriations are as follows:

General Fund	65,688.15
Fixed Asset Replacement Fund	<u>677,982.21</u>
Total Unexpended Appropriations	\$ 743,670.36; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend such appropriations be rescinded; and

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

NOW, THEREFORE, BE IT RESOLVED the unexpended balances of the appropriations set forth in the attached Schedule of Appropriations To Be Rescinded June 2023 be and hereby are rescinded.

The motion carried unanimously.

7.f Consideration of Adoption of the First Amended 2023 Annual Budget

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

WHEREAS, the 2023 Annual Budget of Metro Water Recovery, hereinafter referred to as "Metro," was adopted by Metro's Board of Directors on June 21, 2022 by Resolution for the fiscal year 2023; and

WHEREAS, the annual budget may be amended under C.R.S. § 29-1-109 for unanticipated expenditures required for the operation of Metro; and

WHEREAS, the First Amended 2023 Annual Budget of Metro has been prepared by the Chief Executive Officer with the advice and counsel of the Finance Committee of Metro's Board of Directors; and

WHEREAS, the Board of Directors duly published a notice concerning the First Amended 2023 Annual Budget as required under C.R.S. § 29-1-108 and held a public hearing on May 16, 2023, on said Budget, as provided for in Section 901B of the 2009, 2012, 2019, and 2020 Bond Resolutions; and

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

- adoption of the First Amended 2023 Annual Budget for all funds totaling \$168,383,371 (original budget of \$161,742,901, additional budget of \$6,640,470),
- adoption of the First Amended 2023 Operating Budget of \$115,427,099 (original budget of \$109,437,851, additional budget of \$5,989,248),
- adoption of First Amended 2023 budget for new and replacement equipment and vehicle purchases (greater than or equal to \$10,000 and less than or equal to \$500,000) of \$1,771,272, which will be funded as follows: \$682,000 from the Operations and Maintenance Fund (original budget of \$60,000, additional budget of \$622,000) and \$1,089,272 from the Fixed Asset Replacement (FAR) Fund) (original budget of \$1,060,050, additional budget of \$29,222); and

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

NOW, THEREFORE, BE IT RESOLVED the amended 2023 Annual Budget of \$168,383,371, as prepared by the Chief Executive Officer with the advice and counsel of the Finance Committee, be and hereby is adopted as the amended 2023 Annual Budget for Metro Water Recovery; and

BE IT FURTHER RESOLVED:

- The amended Operating Budget for 2023 be and hereby is adopted at \$115,427,099; and
- The new and replacement equipment and vehicle purchases (greater than or equal to \$10,000 and less than or equal to \$500,000) amended budget for 2023 be and hereby is adopted at \$1,771,272, which will be funded as follows:

\$682,000 from the Operations and Maintenance Fund and \$1,089,272 from the Fixed Asset Replacement (FAR) Fund).

The motion carried unanimously.

7.g Consideration of First Amended 2023 Annual Budget Supplemental Appropriation

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

WHEREAS, the Chief Executive Officer of Metro Water Recovery, hereinafter referred to as "Metro," with the advice and counsel of the Finance Committee of Metro's Board of Directors, prepared an amended Annual Budget for the fiscal year beginning January 1, 2023; and

WHEREAS, the Operations, Finance, and Executive committees recommend adoption of the First Amended 2023 Annual Budget; and

WHEREAS, the Board of Directors further reviewed said amended Budget to determine its adequacy to meet the obligations of Metro Water Recovery for the fiscal year 2023 and, having found the 2023 estimated revenues and expenditures reasonable, adopted said First Amended Budget on June 20, 2023; and

WHEREAS, it is incumbent upon the Board of Directors to appropriate the necessary amounts for the purposes set forth in the amended 2023 Annual Budget;

NOW, THEREFORE, BE IT RESOLVED \$6,640,470 be and hereby is appropriated as set forth in the amended 2023 Annual Budget Supplemental Appropriation Summary attached hereto and made a part hereof.

The motion carried unanimously.

Roll Call Agenda

7.h Consideration of Northern Treatment Plant Post Digestion Sidestream Improvements (PAR 1434) Consultant Agreement and Appropriation

Director Baertlein moved and Director DeHerrera seconded the motion to adopt the following resolution:

WHEREAS, it is necessary Metro Water Recovery, hereinafter referred to as "Metro," enter into an Agreement for Professional Services to provide design phase services for the Northern Treatment Plant (NTP) Post Digestion Sidestream Improvements Project (PAR 1434) (Project); and

WHEREAS, following various studies and demonstrations Metro has determined it requires the assistance of a consultant to design the necessary modifications to the post digestion process for mitigation of sidestream nutrient loading to the head of the NTP; and

WHEREAS, on March 23, 2023, Metro issued a Request for Proposals (RFP) for consulting services and received two proposals, both of which a review committee of Metro staff recommended be invited for interviews; and

WHEREAS, a selection committee of Metro staff and Board Directors directed Metro staff to negotiate an agreement with Black & Veatch Corporation (B&V);

WHEREAS, B&V and Metro staff have negotiated a fee in the amount of \$1,100,000 to provide design phase services; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend authorizing the Chief Executive Officer to enter into an Agreement for Professional Services with B&V to provide design phase services for this Project and appropriate \$1,232,000 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 Professional Services Agreement with Black & Veatch Corporation in the amount of \$1,100,000 to provide design phase services for the Northern Treatment Plant (NTP) Post Digestion Sidestream Improvements Project; and

BE IT FURTHER RESOLVED the sum of \$1,232,000 (100 percent) be and hereby is appropriated from the Fixed Asset Replacement Fund for this Project.

Chair Johnston called for a roll call vote which carried with 35 Directors voting Yes:

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

8. DIRECTOR RECOGNITION

Chair Johnston recognized and appreciated the four Directors retiring from the Metro Water Recovery Board of Directors – Bill Ray who served for six years represented the City of Arvada, Rob Duncanson who served for nine years represented the City and County of Denver, Peter Baertlein who served for 15 years represented the City and County of Denver, and Charlie Long who served for 22 years of service represented the City of Thornton.

Director Ray thanked the members of the Board for sharing thoughts, the experience, fellowship, and comradery. He recognized the leadership qualities of CEO Conway and General Counsel Jackson and wished everyone well.

Directors Baertlein, Twombly, Kocian, and Caldwell appreciated Director Ray's reliability, thoughtful input, questions, and discussion at meetings, and being an amazing public servant. CEO Conway echoed Director comments adding Director Ray is a joy to work with and appreciated his wit and wisdom. General Counsel Jackson stated Director Ray is a thoughtful individual and thanked him for all he has done on the Board. Chair Johnston thanked Director Ray for being a mentor and remarked he will be missed.

Director Duncanson stated in all his many years of government service he never had the pleasure of working with such a good group and was honored to serve with this Board.

Chair Johnston thanked Director Duncanson for his steadfastness, balance, and perspective on matters. Director Twombly was impressed with Director Duncanson's preparedness, knowledge of issues, and thoughtful questions as a member of the Defined Benefit Plan Retirement Board. CEO Conway agreed with Director statements and appreciated Director Duncanson's practical questions. General Counsel Jackson remembered and appreciated how Director Duncanson reached out and brought her books to read when she became General Counsel and how much it meant to her.

Chair Johnston stated the Board has benefitted tremendously from Director Baertlein's contributions, thanked him for being a mentor, co-worker, and friend for all these years.

Director Baertlein thanked the Board for all he learned, appreciated the opportunity, his pride regarding Metro Water Recovery's accomplishments through the years, and the direction Metro leadership is taking.

Director Giddings appreciated all four retiring individuals and thanked Director Baertlein for being so welcoming when she joined the Board and thanked him for his service. Director Williams reminisced on the August 2, 2016 day Director Baertlein took her to lunch and commented on her respect for him. Director Twombly remarked on Director Baertlein's mentorship and appreciated how that helped him in his role when he became Chair. Director Burgi appreciated Director Baertlein's insight, good service to the Board, and friendship. He also thanked all four retiring Directors for their work over the years on the Board. Directors Kieler and Long thanked Director Baertlein for being sincere and intentional, and his contributions and actions for chairing the Board through the COVID-19 pandemic. CEO Conway thanked Director Baertlein for his leadership and how much he has done for Metro Water Recovery. General Counsel Jackson appreciated Director Baertlein for their one-on-ones, his support through COVID, and his regionalism.

Chair Johnston remarked on benefiting from Director Long's experience and history, appreciated all the conversations and their impact, and thanked him for his service and commitment to making Metro Water Recovery a better place.

Director Long remarked on the Board's decision to pursue and lobby for change in the reapportionment population count, how great his experience and enjoyment of being on the Board has been, reflected on his time as a Director, how proud he was of the hiring of CEO Conway and General Counsel Jackson, and introduced his replacement, Josh Redman.

Director Smith stated there was a lot of leadership leaving the Board tonight, appreciated Director Long's wisdom and especially his soft skills when navigating discussions on difficult issues, and how he will be missed. Director Twombly presented Director Long with a piece of struvite to help memorialize his time on the Board of Directors. Director Baertlein thanked Director Long for his mentorship and being an incredible resource. Director Giddings agreed and added she always knew there was going to be a good question from Director Long

whenever he began taking notes. Director Kocian remarked on Director Long's wisdom, impeccable leadership, and advice to the Board. CEO Conway appreciated Director Long's leadership and decision-making qualities, how he stood up for transparency, and dealt fairly with everyone. General Counsel Jackson stated Director Long is wise, balanced, thoughtful, and kind and she believes he stands by those values every day. She also remarked on everything learned and thanked him for his service.

Chair Johnston remarked for the four Directors stepping down there is a total of half a century of leadership, knowledge, and experience which will truly be missed.

City and County of Denver Department of Transportation and Infrastructure Deputy Manager Ms. Medellin appreciated Director Long for his leadership as the Board Chair when Mr. Hite unexpectedly passed away and thanked him for being a wonderful mentor. Ms. Medellin also thanked Directors Baertlein and Duncanson for representing Denver on Metro Water Recovery's Board.

9. INDIVIDUAL DIRECTOR COMMENTS

Director Younger commented on his conversations with new employees at the Town Hall and Field Day and remarked how staff was excited about new training programs, and about how welcomed they felt at Metro Water Recovery.

10. OTHER INFORMATION

There was none.

11. ADJOURNMENT

Chair Johnston adjourned the meeting at 6:37 p.m.

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