

METRO WATER RECOVERY

Minutes of the Regular Meeting of the Board of Directors

October 17, 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, October 17, 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 her Member Municipality to complete a two-year term of office expiring June 30, 2025.

Appointed Director

Bonnie Baird

Member Municipality

Alameda 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
Bonnie Baird, Alameda
Greg Baker, Aurora
Mike Barrett, Crestview
Travis Bogan, Denver
Phil Burgi, Wheat Ridge*
Nadine Caldwell, Aurora
John Chavez, Berkeley
David Councilman, Pleasant View
Deborah Crisp, East Lakewood
James DeHerrera, Aurora
Joan Iler, Westridge
Sharon Israel, Arvada*
Janet Kieler, Denver
Laura Kroeger, Lakewood

Doug Lazure, Denver
Marena Lertch, Aurora*
Martin Majors, Fruitdale*
Charlie Miller, Fort Lupton*
Steve Pott, Applewood
Josh Redman, Thornton
Thomas Roode, Denver
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:

Clint Blackhurst, Brighton
Clark Davenport, Northwest Lakewood
Mary Gearhart, Denver

Craig Kocian, Arvada
Bob LeGare, Aurora
Jamie Miller, North Table Mountain

Others Present:

Mickey Conway
Emily Jackson
Liam Cavanaugh
Ruth Kedzior*
Yvonne Kohlmeier
Lydia Nkem
*Attended virtually

Chief Executive Officer (CEO)
General Counsel
Deputy CEO/Chief Operating Officer (COO)
Assistant to the CEO
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 September 19, 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 September 19, 2023.

Director Bogan moved and Director Younger seconded the motion to approve the minutes of the Regular Meeting of the Board of Directors held September 19, 2023

The motion carried unanimously.

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

CEO Conway remarked on the recent passing of Barbara Biggs, a former 23-year employee of Metro Water Recovery and industry leader, who will be greatly missed.

Mr. Conway reviewed his written report, highlighting his meeting and tour of the Robert W. Hite Facility (RWHTF) with WateReuse Association Executive Director Pat Sinicropi, the "Trenchless Technology Rehabilitation Project of the Year" award won by the Interceptor Rehabilitation 2020-2022 Project (PAR 1363) team, Dan Freedman's selection as the new Director of Technology and Innovation, Metro Water Recovery staff members who were recognized by the Rocky Mountain Water Environment Association, Elevated Ops and Double Duty teams who placed second and third at the Water Environment Federation's Technical Exhibition and Conference, and Metro's 2022 Water Quality Report.

Director Niyork congratulated both Operation Challenge teams and appreciated their success and hard work.

5.b Report by General Counsel

General Counsel Jackson noted Metro Water Recovery has received the International Sustainability and Carbon Certification (ISCC) and appreciated the Board's support on this effort.

Ms. Jackson provided an update on the recent developments in active litigation. Metro Water Recovery staff is preparing for scheduled depositions in the Farmers Reservoir

and Irrigation Company (FRICO), Burlington Ditch Reservoir and Land Company, and Henrylyn Irrigation District (Ditch Companies) case and the MWH Constructors case in November. The Ditch Companies case has a jury trial set for early December. Metro Water Recovery is also joining the amicus brief in the US Court of Appeals in the Ninth Circuit.

Ms. Jackson answered questions on the ISCC certificate, how selling the environmental attributes works, who buys the energy credits, and stated information will be provided on how this intangible asset is being financially recorded.

6. REPORTS OF OFFICERS AND COMMITTEES

6.a Meeting Minutes

There were no additions to the following meeting minutes:

Operations Committee	October 3, 2023
Finance Committee	October 5, 2023
Executive Committee	October 10, 2023

Chair Johnston stated the direct report evaluation forms will be distributed in the November Operations and Finance Committee packets and asked Directors to review before discussions during those committee meetings.

7. NEW BUSINESS

Consent Agenda

7.a Consideration of Annual Compensation Recommendations

Director Susman moved and Director Williams seconded the motion to adopt the following resolution:

WHEREAS, Metro Water Recovery, hereinafter referred to as “Metro,” is required by C.R.S. § 32-4-510(1)(aa) to fix compensation of employees at prevailing rates of pay for equivalent work; and

WHEREAS, Metro engaged Graves Consulting (Graves), a compensation consultant, to undertake a compensation study to assist the Board of Directors in determining the prevailing rates of pay in the Denver metropolitan area, and Graves’ findings were presented to the Operations and Finance committees; and

WHEREAS, based on the findings of Graves, the Chief Executive Officer provided a 2024 Pay Program Recommendation which includes a Merit Pool amount equal to 5.0 percent of 2023 year-end salaries, totaling approximately \$1.9 million, which will be provided to all eligible employees, and implementing adjustments to the four Salary Structures as follows:

- A one percent adjustment to the Field & Technician Salary Structure for 2024,
- A one percent adjustment to the Science & Engineering Salary Structure for 2024,

- A one percent adjustment to the Treatment & Transmission Salary Structure for 2024,
- A two percent adjustment to the Management & Professional Salary Structure for 2024; and

WHEREAS, the Operations, Finance, and Executive committees, after having reviewed the Chief Executive Officer's Pay Program Recommendation of a Merit Pool amount equal to 5.0 percent of 2023 year-end salaries, totaling approximately \$1.9 million, which will be provided to all eligible employees, recommend approval;

WHEREAS, the Operations, Finance, and Executive committees, after having reviewed the Chief Executive Officer's Pay Program Recommendation of adjusting the four Salary Structures, recommend approval; and

NOW, THEREFORE, BE IT RESOLVED the Chief Executive Officer's Pay Program Recommendation to create a Merit Pool amount equal to 5.0 percent of 2023 year-end salaries for eligible employees be and hereby is approved for the 2024 Pay Program; and

BE IT FURTHER RESOLVED the Chief Executive Officer's Pay Program Recommendation to implement adjustments to the four Salary Structures as follows:

- A one percent adjustment to the Field & Technician Salary Structure for 2024,
- A one percent adjustment to the Science & Engineering Salary Structure for 2024,
- A one percent adjustment to the Treatment & Transmission Salary Structure for 2024,
- A two percent adjustment to the Management & Professional Salary Structure for 2024; and

be and hereby is approved for the 2024 Pay Program.

The motion carried unanimously.

7.b Consideration of Annual Benefits Recommendations

Director Susman moved and Director Williams 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 adjustments to the benefits package for all Metro employees and for the compensation for all Metro employees to be at the prevailing rate of pay for equivalent work; and

WHEREAS, Metro is required by C.R.S. § 32-4-510(1)(aa) to fix compensation of employees at prevailing rates of pay for equivalent work; and

WHEREAS, the term "compensation" has been held to include all remuneration for services rendered by Metro employees, including but not limited to wages; salaries; pensions; overtime; holiday and vacation pay; educational assistance; and health, dental, and life insurance; and

WHEREAS, Metro hired Gallagher Benefit Services, Inc. (Gallagher), a benefits consultant, to conduct an annual review of Metro's health and dental insurance benefits program consistent with the statutory requirements; and

WHEREAS, for 2024, Gallagher recommends Metro increase its contribution to the cost of health insurance as follows:

- Contribute from 82 to 95 percent of the cost for employee-only coverage,
- Contribute from 76 to 90 percent of the cost for two-person coverage,
- Contribute from 76 to 90 percent of the cost for family coverage; and

WHEREAS, for 2024, Gallagher recommends Metro not change its contribution to the cost of dental insurance from Metro's 2023 contribution as follows:

- Continue to contribute 70 percent of the cost for employee-only coverage.
- Continue to contribute 56 percent of the cost for two-person coverage.
- Continue to contribute 56 percent of the cost for family coverage.

WHEREAS, for 2024, Gallagher recommends and has opined the employer contributions are within the prevailing range in the Denver metropolitan area; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend adopting the following funding distribution for Metro's health and dental insurance programs:

1. Health Insurance: Effective January 1, 2024, Metro will contribute 82 to 95 percent of the cost of employee-only coverage and 76 to 90 percent of the cost of two-person and family coverage, depending upon the health insurance plan chosen and the number of dependents covered; and
2. Dental Insurance: Effective January 1, 2024, Metro will continue to contribute 70 percent of the cost of employee-only coverage and 56 percent of the cost of two-person and family coverage; and

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

NOW, THEREFORE, BE IT RESOLVED the Board of Directors hereby determines the following funding distribution for Metro's health and dental insurance programs are necessary for the benefits package to meet the statutory mandate:

1. Health Insurance: Effective January 1, 2024, Metro will contribute 82 to 95 percent of the cost of employee-only coverage and 76 to 90 percent of the cost of two-person and family coverage, depending upon the health insurance plan chosen and the number of dependents covered; and
2. Dental Insurance: Effective January 1, 2024, Metro will continue to contribute 70 percent of the cost of employee-only coverage and 56 percent of the cost of two-person and family coverage.

The motion carried unanimously.

Roll Call Agenda

7.c Consideration of Enterprise Asset Management Project (PAR 1415) Software and Services Agreement and Appropriation

Director Aldstadt moved and Director Sekera 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 an agreement for software and services for the Enterprise Asset Management (EAM) Project (PAR 1415) (Project); and

WHEREAS, HxGN (formally Infor) EAM is currently the software application used by multiple departments across Metro to perform a variety of business processes; and

WHEREAS, Metro’s version of HxGN EAM is five versions behind the current HxGN version and in its current state, HxGN EAM does not adequately meet Metro’s business requirements and is not positioned to accommodate future needs; and

WHEREAS, in February 2023, following its *Purchasing and Contracts Policy*, Metro solicited proposals through *BidNet* to provide EAM software and services, including implementation, and ten qualified proposals were received; and

WHEREAS, on August 29, 2023, two vendors were interviewed by a Selection Committee, comprised of Metro staff and Board Directors, and the Directors directed staff to negotiate an agreement with NEXGEN Asset Management; and

WHEREAS funding for the NEXGEN Asset Management Software and Services implementation will come from the Fixed Asset Replacement Fund Capital Project account and funding for the annual Software and Services beginning after implementation will come from Metro’s Operating Budget; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend authorizing the Chief Executive Officer to enter into an agreement with NEXGEN Asset Management for Software and Services for the Project and appropriating \$3,000,000 from the Fixed Asset Replacement Fund Capital Project Account for the implementation portion of the Software and 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 an agreement with NEXGEN Asset Management for Software and Services for the Enterprise Asset Management Project; and

BE IT FURTHER RESOLVED \$3,000,000 (100 percent) be and hereby is appropriated from the Fixed Asset Replacement Fund Capital Project Account for the implementation portion of the Software and Services.

Chair Johnston called for a roll call vote which carried with 34 Directors voting Yes:

Curt Aldstadt	Joan Iler	Josh Redman
Bonnie Baird	Sharon Israel	Thomas Roode
Greg Baker	Andrew Johnston	Greg Sekera
Mike Barrett	Janet Kieler	Del Smith
Travis Bogan	Laura Kroeger	Peter Spanberger
Phil Burgi	Doug Lazure	Mary Beth Susman
Nadine Caldwell	Marena Lertch	Amerigo Svaldi
John Chavez	Martin Majors	Dennis Towndrow
David Councilman	Charlie Miller	Scott Twombly
Deborah Crisp	Sarah Niyork	Jennifer Williams
James DeHerrera	Steve Pott	Ronald Younger
Jo Ann Giddings		

8. INDIVIDUAL DIRECTOR COMMENTS

Director Baird expressed appreciation for how organized the staff is at Metro Water Recovery' and stated it was a pleasure to meet everyone.

Chair Johnston thanked Director Baird for joining the Board.

9. OTHER INFORMATION

Chair Johnston reminded Directors to RSVP for the October 26 Fall Workshop being held at the Northern Treatment Plant and the November 2 Denver International Airport (DEN) tour.

Director Kieler stated the RSVP for the DEN tour would close on October 26. Chair Johnston reminded those attending the DEN tour to fill out the security information form in BoardEffect.

10. ADJOURNMENT

Chair Johnston adjourned the meeting at 5:56 p.m.

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**Board of Directors Meeting Minutes
October 17, 2023**

(SEAL)

Chair

ATTEST:

Secretary