

METRO WATER RECOVERY

Minutes of the Regular Meeting of the Board of Directors

June 18, 2024

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 18, 2024 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, 2026.

Appointed Director

Joseph Drew

Member Municipality

Wheat Ridge Sanitation District

The following Directors have been reappointed by their Member Municipality for a two-year term of office expiring June 30, 2026.

Reappointed Director

Curt Aldstadt
James DeHerrera
Laura Kroeger
Bob LeGare
Charlie Miller

Member Municipality

City of Westminster
City of Aurora
City of Lakewood
City of Aurora
City of Fort Lupton

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
Greg Baker, Aurora
Mike Barrett, Crestview
Cody Berg, Applewood*
Travis Bogan, Denver
Nadine Caldwell, Aurora
John Chavez, Berkeley
David Councilman, Pleasant View
Deborah Crisp, East Lakewood

Doug Lazure, Denver*
Bob LeGare, Aurora
Marena Lertch, Aurora
Martin Majors, Fruitdale*
Charlie Miller, Fort Lupton*
Jamie Miller, North Table Mountain
Josh Redman, Thornton
Thomas Roode, Denver
Greg Sekera, Lakewood

James DeHerrera, Aurora*
Joe Drew, Wheat Ridge
Mary Gearhart, Denver*
Joan Iler, Westridge
Sharon Israel, Arvada
Janet Kieler, Denver
Craig Kocian, Arvada
Laura Kroeger, 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:

Bonnie Baird, Alameda
Clint Blackhurst, Brighton

Clark Davenport, Northwest Lakewood

Others Present:

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

Chief Executive Officer (CEO)
Chief Operating Officer
Chief Financial Officer
Chief Legal Officer
Senior Administrative Manager
Executive Assistant
Assistant to the CEO

*Attended virtually

3. PUBLIC COMMENT

There was no comment.

4. APPROVAL OF MINUTES

4.a Minutes of the Board of Directors Meeting on May 21, 2024

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 21, 2024.

Director Younger moved and Director Iler seconded the motion to approve the minutes of the Regular Meeting of the Board of Directors held May 21, 2024

The motion carried unanimously.

5. PROGRESS AND PROJECTION REPORTS

5.a Report by CEO

CEO Conway reviewed his written report, highlighting his recent meeting in Washington, D.C. with selected utility CEOs, state regulators, and Environmental Protection Agency (EPA) staff to provide guidance to EPA in considering the impacts of per- and polyfluoroalkyl substances (PFAS) on biosolids management issues, the Town Hall on June 5, 2024 with Board members in attendance, successful tours with legislators and the Crestview Water and Sanitation District, the Gold Awards held May

22, 2024, and noted the internal Listening Tours have wrapped up with valuable input from staff.

Director Sekera expressed appreciation for the information provided in the CEO Report and for all the work Mr. Conway does at Metro Water Recovery.

Director Barrett expressed appreciation to the staff who contributed to Crestview Water and Sanitation District's tour of the Robert W. Hite Treatment Facility and noted the entire Crestview Board thought it was a fantastic learning experience.

Mr. Conway responded to questions about EPA's concerns with the biosolids land application process and the alternatives to land application.

5.b Report by Chief Legal Officer

Chief Legal Officer Jackson provided an update on the recent legal developments, noting Metro Water Recovery has reached one year with its international Sustainability and Carbon Certification (ISCC) to sell credits on the European market and will be undergoing an audit in July. She also expressed appreciation for the legal team's work updating and improving the Colorado Open Records Request (CORA) process, stated her team will be sharing changes in Colorado law from this past legislative session, Metro's Amicus brief has been accepted by the Supreme Court, and depositions are winding down and moving to trial in July for the MWH Constructors case.

6. REPORTS OF OFFICERS AND COMMITTEES

6.a Nominating Committee

Director Alstadt thanked Directors Baker, Israel, Kroeger, and Twombly for serving on the Nominating Committee. He first acknowledged the high number of new Directors on the Board, then presented the following slate of Officers with a unanimous recommendation:

Director Niyork, Chair
Director Lertch, Chair Pro Tem
Director Smith, Secretary
Director Kieler, Treasurer

6.b Rules and Regulations Committee

Director Twombly announced the selection of Carollo Engineers as the consultant who will be conducting the Annual Charges rate study and confirmed their attendance at the July 16, 2024 Rules and Regulations Committee meeting.

6.c Meeting Minutes

There were no additions to the following meeting minutes:

Defined Benefit Plan Retirement Board Meeting	February 22, 2024
Defined Contribution Plan Retirement Board Meeting	February 22, 2024

Rules and Regulations Committee
Operations Committee
Finance Committee
Executive Committee

April 16, 2024
June 4, 2024
June 11, 2024
June 18, 2024

7. NEW BUSINESS

7.a Hearing for the Final Adjusted 2023 Annual Charges for Service

Chair Johnston opened the Hearing for the Final Adjusted 2023 Annual Charges for Service at 5:54 p.m. There were no questions or comments. Chair Johnston closed the hearing and reconvened the Regular Meeting of the Board of Directors at 5:55 p.m.

Consent Agenda

7.b Consideration of Certification of the Final Adjustment to the 2023 Annual Charges for Service

Director J. Miller 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 2023 Annual Charges for Service at the regular meeting of the Board of Directors on June 18, 2024; and

WHEREAS, the Operations, Finance, and Executive committees, after having reviewed the proposed Final Adjustments to the 2023 Annual Charges for Service, recommend their adoption; and

WHEREAS, the Final Adjustments to the 2023 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 2023, 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 for the fiscal year 2023.

The motion carried unanimously.

7.c Consideration of Adoption of the First Amended 2024 Annual Budget

Director J. Miller moved and Director Sekera seconded the motion to adopt the following resolution:

WHEREAS, the 2024 Annual Budget of Metro Water Recovery, hereinafter referred to as "Metro," was adopted by Metro's Board of Directors on June 20, 2023 by Resolution for the fiscal year 2024; 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 2024 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; and

WHEREAS, the Board duly published a notice concerning the First Amended 2024 Annual Budget as required under C.R.S. § 29-1-108 and held a public hearing on May 21, 2024, on said Budget, as provided for in Section 901B of the 2009, 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 2024 Annual Budget for all funds totaling \$198,510,399 (original budget of \$178,730,098, additional budget of \$19,780,301),
- adoption of the First Amended 2024 Operating Budget of \$133,854,400 (original budget of \$119,986,098, additional budget of \$13,868,302),
- adoption of the First Amended 2024 budget for new and replacement equipment and vehicle purchases of \$3,424,999, which will be funded as follows: \$288,000 from the Operations and Maintenance Fund (original budget of \$280,000, additional budget of \$8,000) and \$3,136,999 from the Fixed Asset Replacement (FAR) Fund (original budget of \$2,733,000, additional budget of \$403,999); and
- adoption of the First Amended 2024 budget for the General Fund and FAR Fund Small Projects, which will be funded as follows: \$4,500,000 revised total, additional appropriation of \$2,000,000, from the General Fund, and \$4,500,000 revised total, additional appropriation of \$3,500,000, from the FAR Fund; 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 2024 Annual Budget of \$198,510,399, as prepared by the Chief Executive Officer with the advice and counsel of the Finance Committee, be and hereby is adopted as the amended 2024 Annual Budget for Metro; and

BE IT FURTHER RESOLVED:

- The amended Operating Budget for 2024 be and hereby is adopted at \$133,854,400; and
- The new and replacement equipment and vehicle purchases amended budget for 2024 be and hereby is adopted at \$3,424,999, which will be funded as follows: \$288,000 from the Operations and Maintenance Fund and \$3,136,999 from the Fixed Asset Replacement (FAR) Fund; and
- The amended General Fund and FAR Fund Small Projects amounts for 2024 be and hereby are adopted at \$4,500,000 from the General Fund and \$4,500,000 from the FAR Fund.

The motion carried unanimously.

7.d Consideration of First Amended 2024 Annual Budget Supplemental Appropriation

Director J. Miller 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, 2024; and

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

WHEREAS, the Board further reviewed said amended Budget to determine its adequacy to meet the obligations of Metro for the fiscal year 2024 and, having found the 2024 estimated revenues and expenditures reasonable, adopted said First Amended Budget on June 18, 2024; and

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

NOW, THEREFORE, BE IT RESOLVED \$19,780,301 be and hereby is appropriated as set forth in the amended 2024 Annual Budget Supplemental Appropriation Summary attached hereto and made a part hereof.

The motion carried unanimously.

7.e Consideration of Sewer Refunding Bonds Series 2024

Director J. Miller moved and Director Sekera seconded the motion to adopt the 2024 Bond Resolution. (A copy of this resolution is on file in Metro Water Recovery's Central Records.)

Directors were provided with the draft 2024 Bond Resolution with the June 2024 Board meeting packet of information.

The motion carried unanimously.

7.f Consideration of Clear Creek Interceptor System Rehabilitation (PAR 1443) Construction Services Agreement and Appropriation

Director J. Miller 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 a Construction Services Agreement to provide construction services for the Clear Creek Interceptor System Rehabilitation Project (PAR 1443) (Project); and

WHEREAS, the Clear Creek Interceptor (CC) and the Clear Creek Parallel Interceptor (CCP) have shown significant corrosion due to hydrogen sulfide and are in need of immediate repair; and

WHEREAS, the most recent assessment effort estimated approximately 13,450 linear feet of existing CC and CCP Interceptor pipe segments need rehabilitation and are included in the interceptor system rehabilitation work to be completed as a part of this Project; and

WHEREAS, pursuant to the bid process in Metro's *Purchasing and Contracts Policy*, an invitation to bid was posted in April 2024, and Insituform Technologies, LLC (Insituform) was determined to be the lowest responsive, responsible bidder; 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 Insituform in the amount of \$7,077,649 to provide construction services for work on the Project and appropriate \$7,800,000 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 a Construction Services Agreement with Insituform Technologies, LLC in the amount of \$7,077,649 to provide construction services for work on the Clear Creek Interceptor System Rehabilitation Project (PAR 1443); and

BE IT FURTHER RESOLVED the sum of \$7,800,000 (100 percent) be and hereby is appropriated from the Fixed Asset Replacement Fund Capital Project Account for this purpose.

The motion carried unanimously.

Roll Call Agenda

7.g Consideration of Adoption of the 2025 Annual Budget and Annual Charges for Service

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

WHEREAS, the proposed 2025 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 duly published a notice concerning the proposed 2025 Annual Budget as required under C.R.S. § 29-1-108 and held a public hearing on May 21, 2024, on said Budget, as provided for in Section 901B of the 2009, 2019, and 2020 Bond Resolutions; and

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

- adoption of the 2025 Annual Budget for all funds totaling \$212,536,800,
- adoption of 2025 Annual Charges for Service of \$170,732,234,
- adoption of the 2025 Operating Budget of \$142,927,200,
- adoption of 2025 budget for new and replacement equipment and vehicle purchases of \$3,887,600, which will be funded as follows: \$720,000 from the Operations and Maintenance Fund and \$3,167,600 from the Fixed Asset Replacement (FAR) Fund,
- adoption of 2025 budget for the General Fund and FAR Fund Small Projects of \$8,000,000, which will be funded as follows: \$4,000,000 from the General Fund and \$4,000,000 from the FAR Fund,
- approving \$57,722,000 for the 2025 Debt Service Fund,
- approving all required internal fund transfers for the 2025 Annual Budget and cash flow requirements; and

WHEREAS, the Defined Benefit Plan Retirement Board (DB Retirement Board) recommends:

- contributing \$11,229,490 to Metro’s Defined Benefit Retirement Plan on the first business day in January 2025, pursuant to the Actuarial Determined Contribution as of January 1, 2024; and

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

NOW, THEREFORE, BE IT RESOLVED the 2025 Annual Budget of \$212,536,800, as prepared by the Chief Executive Officer with the advice and counsel

of the Finance Committee, be and hereby is adopted as the 2025 Annual Budget for Metro; and

BE IT FURTHER RESOLVED:

- The Annual Charges for Service for 2025 be and hereby are adopted at \$170,732,234; and
- The Operating Budget for 2025 be and hereby is adopted at \$142,927,200; and
- The new and replacement equipment and vehicle purchases budget for 2025 be and hereby is adopted at \$3,887,600, which will be funded as follows: \$720,000 from the Operations and Maintenance Fund and \$3,167,600 from the Fixed Asset Replacement (FAR) Fund; and
- The General Fund and FAR Fund Small Projects budget be and hereby is adopted at \$8,000,000, which will be funded as follows: \$4,000,000 from the General Fund and \$4,000,000 from the FAR Fund; and
- The 2025 Debt Service Fund be and hereby is adopted at \$57,722,000; and
- All required internal fund transfers for the 2025 Annual Budget and cash flow requirements be and hereby are approved; and
- The contribution of \$11,229,490 to Metro's Defined Benefit Retirement Plan on the first business day of January 2025, pursuant to the Actuarial Determined Contribution as of January 1, 2024, be and hereby is approved.

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

Curt Aldstadt	Joan Iler	Sarah Niyork
Greg Baker	Sharon Israel	Josh Redman
Mike Barrett	Andrew Johnston	Thomas Roode
Cody Berg	Janet Kieler	Greg Sekera
Travis Bogan	Craig Kocian	Del Smith
Nadine Caldwell	Laura Kroeger	Peter Spanberger
John Chavez	Doug Lazure	Mary Beth Susman
David Councilman	Bob LeGare	Amerigo Svaldi
Deborah Crisp	Marena Lertch	Dennis Towndrow
James DeHerrera	Martin Majors	Scott Twombly
Joe Drew	Charlie Miller	Jennifer Williams
Mary Gearhart	Jamie Miller	Ronald Younger
Jo Ann Giddings		

7.h Consideration of the 2025 Annual Budget Appropriation

Director Younger moved and Director J. Miller 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, 2025; and

WHEREAS, the Operations, Finance, and Executive committees recommend adoption of the proposed 2025 Annual Budget; and

WHEREAS, the Board further reviewed said proposed Budget to determine its adequacy to meet the obligations of Metro for the fiscal year 2025 and, having found the 2025 estimated revenues and expenditures reasonable, adopted said Budget on June 18, 2024; and

WHEREAS, it is incumbent upon the Board to appropriate the necessary amounts for the purposes set forth in the adopted 2025 Annual Budget;

NOW, THEREFORE, BE IT RESOLVED \$212,536,800 be and hereby is appropriated as set forth in the 2025 Annual Budget Appropriation Summary attached hereto and made a part hereof.

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

Curt Aldstadt	Joan Iler	Sarah Niyork
Greg Baker	Sharon Israel	Josh Redman
Mike Barrett	Andrew Johnston	Thomas Roode
Cody Berg	Janet Kieler	Greg Sekera
Travis Bogan	Craig Kocian	Del Smith
Nadine Caldwell	Laura Kroeger	Peter Spanberger
John Chavez	Doug Lazure	Mary Beth Susman
David Councilman	Bob LeGare	Amerigo Svaldi
Deborah Crisp	Marena Lertch	Dennis Towndrow
James DeHerrera	Martin Majors	Scott Twombly
Joe Drew	Charlie Miller	Jennifer Williams
Mary Gearhart	Jamie Miller	Ronald Younger
Jo Ann Giddings		

8. DIRECTOR RECOGNITION

Chair Johnston acknowledged the retiring Board members: Directors Baird, Giddings, and Svaldi.

Director Giddings expressed her enjoyment serving on the Board and her appreciation of the Board, CEO Conway, Ms. Jackson, and staff.

Director Baker expressed appreciation for the service of Director Giddings on behalf of the Aurora delegation for her financial expertise and knowledge.

Director Niyork, Mr. Conway, and Ms. Jackson expressed gratitude for Director Giddings’ service, bringing a regional perspective to the Board, and being a calm presence during challenging times.

Director Svaldi expressed his appreciation for serving on the Board, and Mr. Conway and Ms. Jackson recalled fond memories they shared with him.

9. INDIVIDUAL DIRECTOR COMMENTS

There was none.

10. OTHER INFORMATION

Chair Johnston reminded the Board about the Joint Committee meeting on July 2, 2024 at 11:30 a.m.

11. ADJOURNMENT

Chair Johnston adjourned the meeting at 6:10 p.m.

MC\raklyjk

**Board of Directors Meeting Minutes
June 18, 2024**

(SEAL)

Chair

ATTEST:

Secretary