

METRO WASTEWATER RECLAMATION DISTRICT

Minutes of the Regular Meeting of the Board of Directors

June 18, 2019

The Board of Directors of the Metro Wastewater Reclamation District, in the Counties of Adams, Arapahoe, Douglas, Jefferson, and Weld, and the City and County of Denver, State of Colorado, met in regular session in the Board Room, 6450 York Street, Denver, Colorado, Tuesday, June 18, 2019, at 5:30 p.m.

Chairman Baertlein 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 that expires June 30, 2021.

Appointed Director

Jo Ann Giddings

Member Municipality

City of Aurora

The following Directors have been reappointed by their Member Municipality for a two-year term of office that expires June 30, 2021.

Reappointed Director

Nadine Caldwell

Charles Long

Dan Mikesell

Bill Ray

Member Municipality

City of Aurora

City of Thornton

City of Aurora

City of Arvada

2. ROLL CALL

Secretary Caldwell called the roll.

Officers Present:

Peter Baertlein, Denver

Scott Twombly, Thornton

Nadine Caldwell, Aurora

Chairman

Chairman Pro Tem

Secretary

Directors Present:

Phil Burgi, Wheat Ridge

Philip Cipri, Berkeley

Thomas Colchin, Applewood

David Councilman, Pleasant View

John Dingess, Aurora

Robert Duncanson, Denver

Stephen Gay, Westminster

Jo Ann Giddings, City of Aurora

Joan Iler, Westridge

Kathryn Jensen, North Table Mountain

Andrew Johnston, Denver

Janet Kieler, Denver

Craig Kocian, Arvada

Richard Lucero, East Lakewood

Martin Majors, Fruitdale

Jim McClung, Alameda

Dan Mikesell, Aurora

Christopher Pacheco, Denver

Barbara Puls, Denver

Bill Ray, Arvada

Ronald Sanchez, Crestview

Kim Schoen, Brighton

Gerry Schulte, Lakewood

Dennis Towndrow, North Pecos

Ronald Younger, Denver

Directors Absent:

Mark Hunter, Lakewood
Ingrid Lindemann, Aurora
Charles Long, Thornton
Michael Sapp, Denver

Del Smith, Bancroft-Clover
Peter Spanberger, Denver
Mary Beth Susman, Denver
Amerigo Svaldi, North Washington Street

Others Present:

Mickey Conway
Robert Thomas
Emily Jackson
Molly Kostelecky
Ruth Kedzior
Yvonne Kohlmeier
Brittany Peshek
Roy Banks

District Manager
Deputy Manager/Director of Environmental Services
General Counsel
Director of Administrative Services
Assistant to the District Manager
Administrative Assistant
Executive Assistant
Applewood Sanitation District Board President

3. PUBLIC COMMENT

There was no comment.

4. APPROVAL OF MINUTES

4.a Minutes of the Board of Directors Meeting on May 21, 2019

Chairman Baertlein asked if there were any corrections, deletions, or additions to the minutes of the Regular Meeting of the Board of Directors held May 21, 2019.

Director Younger moved and Director Schoen seconded the motion to approve the minutes of the Regular Meeting of the Board of Directors held May 21, 2019.

The motion carried unanimously.

5. PROGRESS AND PROJECTION REPORTS

5.a Report by District Manager

District Manager Conway reviewed his written report, noting the Joint Operations and Finance Committee meeting on July 2, 2019, and the positive Employee Survey results. He also commented on the success of combining the Spring Town Hall with the Ideas at Work Program award ceremony and the Metro District Field Day.

Mr. Conway announced that Steve Rogowski is no longer with the Metro District.

5.b Report by General Counsel

Ms. Jackson reviewed her written report.

6. REPORTS OF OFFICERS AND COMMITTEES

6.a Nominating Committee Report

Committee Chairman Mikesell reported the Nominating Committee – Directors Mikesell, Jensen, Kieler, Long, and Ray – met on May 21, 2019, and are recommending the following slate of officers:

Director	Member Municipality	Officer Position
Peter Baertlein	City and County of Denver	Chairman of the Board
Scott Twombly	City of Thornton	Chairman Pro Tem
Nadine Caldwell	City of Aurora	Secretary
Andrew Johnston	City and County of Denver	Treasurer

6.b Meeting Minutes

There were no additions to the following meeting minutes:

Retirement Board	February 28, 2019
Operations Committee	June 4, 2019
Finance Committee	June 6, 2019
Executive Committee	June 11, 2019

7. NEW BUSINESS

7.a Hearing on the Final Adjusted 2018 Annual Charges for Service

Chairman Baertlein opened the Hearing for the Final Adjusted 2018 Annual Charges for Service at 5:38 p.m. There were no questions or comments. Chairman Baertlein closed the Hearing and reconvened the Regular Meeting of the Board of Directors at 5:39 p.m.

Consent Agenda

7.b Consideration of the 2020 Budget

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

WHEREAS, the proposed 2020 Annual Budget of the Metro Wastewater Reclamation District, hereinafter referred to as the "Metro District," has been prepared by the District Manager with the advice and counsel of the Finance Committee of the Metro District's Board of Directors; and

WHEREAS, the Board of Directors duly published a notice concerning the proposed 2020 Annual Budget as required under C.R.S. §29-1-108 and held a public hearing on May 21, 2019, on said Budget, as provided for in Section 901B of the 2009, 2012, and 2019 Bond Resolutions; and

WHEREAS, the Operations and Finance Committees of the Metro District, after having reviewed the matter, recommend adoption of the proposed 2020 Operating Expense Budget of \$89,569,117; approval of Capital Expenditures of \$2,198,250 from the Operations and Maintenance Fund and \$2,236,188 from the Fixed Asset

Replacement Fund, for a total 2020 Capital Expenditure of \$4,434,438 for equipment and vehicle purchases costing greater than or equal to \$10,000 and less than or equal to \$250,000; approval of Small Project expenditures of \$2,000,000 from the General Fund and \$2,000,000 from the Fixed Asset Replacement Fund, for a total expenditure of \$4,000,000 for 2020 Small Projects within the District Manager's spending authority of \$250,000; approval of \$48,014,327 for the Debt Service Fund; maintaining an Operating Reserve of \$1,500,000 previously appropriated from the General Fund; approval of all required internal fund transfers for the 2020 Budget and cash flow requirements; and adoption of Annual Charges for Service for 2020 of \$135,440,824; and

WHEREAS, the Retirement Board has recommended the Metro District contribute \$6,219,293 to the Metro District's Defined Benefit Retirement Plan on January 2, 2020, pursuant to the Actuarial Determined Contribution as of January 1, 2019; and

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

NOW, THEREFORE, BE IT RESOLVED that the 2020 Annual Operating Budget of \$89,569,117 for the Metro District, as prepared by the District Manager with the advice and counsel of the Finance Committee, be and hereby is adopted as the 2020 Annual Operating Budget for the Metro District; and

BE IT FURTHER RESOLVED that the proposed Capital Expenditures of \$2,198,250 from the Operations and Maintenance Fund and \$2,236,188 from the Fixed Asset Replacement Fund, for a total 2020 Capital Expenditure of \$4,434,438 for equipment and vehicle purchases costing greater than or equal to \$10,000 and less than or equal to \$250,000, be and hereby are approved; and

BE IT FURTHER RESOLVED that the proposed Small Project expenditures of \$2,000,000 from the General Fund and \$2,000,000 from the Fixed Asset Replacement Fund, for a total expenditure of \$4,000,000 for 2020 Small Projects within the District Manager's spending authority of \$250,000, be and hereby are approved; and

BE IT FURTHER RESOLVED that \$48,014,327 be and hereby is approved for 2020 for the Debt Service Fund; and

BE IT FURTHER RESOLVED that an Operating Reserve for 2020 of \$1,500,000, previously appropriated from the General Fund, be and hereby is maintained; and

BE IT FURTHER RESOLVED that all required internal fund transfers for the 2020 Budget and cash flow requirements be and hereby are approved; and

BE IT FURTHER RESOLVED that Annual Charges for Service for 2020 of \$135,440,824 be and hereby are adopted; and

BE IT FURTHER RESOLVED that the contribution of \$6,219,293 to the Metro District's Defined Benefit Retirement Plan on January 2, 2020, pursuant to the Actuarial Determined Contribution as of January 1, 2019, be and hereby is approved.

The motion carried unanimously.

7.c Consideration of Appropriation of Funds in Accordance with the 2020 Budget

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

WHEREAS, the District Manager of the Metro Wastewater Reclamation District, hereinafter referred to as the "Metro District," with the advice and counsel of the Finance Committee of the Metro District's Board of Directors, prepared an Annual Budget for the fiscal year beginning January 1, 2020; and

WHEREAS, the Operations, Finance, and Executive Committees recommend adoption of the proposed 2020 Annual Budget; and

WHEREAS, the Board of Directors further reviewed said proposed Budget to determine its adequacy to meet the obligations of the Metro District for the fiscal year 2020 and, having found the 2020 estimated revenues and expenditures reasonable, adopted said Budget on June 18, 2019; and

WHEREAS, it is incumbent upon the Board of Directors to appropriate the necessary amounts for the purposes set forth in the adopted 2020 Annual Budget;

NOW, THEREFORE, BE IT RESOLVED that \$146,017,882 be and hereby is appropriated as set forth in the 2020 Annual Budget Appropriation Summary attached hereto and made a part hereof.

The motion carried unanimously.

7.d Consideration of Final Adjustment to the 2018 Annual Charges for Service

Director Burgi moved and Director Ray 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 the Metro Wastewater Reclamation District, hereinafter referred to as the "Metro District," provides that 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 that a hearing be held on the proposed final adjustments of any charges made by the Metro District; and

WHEREAS, a hearing was held on the Final Adjustments to the 2018 Annual Charges for Service at the regular meeting of the Board of Directors on June 18, 2019; and

WHEREAS, the Operations, Finance, and Executive Committees, after having reviewed the proposed Final Adjustments to the 2018 Annual Charges for Service, recommend their adoption; and

WHEREAS, the Final Adjustments to the 2018 Annual Charges for Service have been reviewed by the Board of Directors and found to be reasonable;

NOW, THEREFORE, BE IT RESOLVED that the Final Adjustments to the Annual Charges for Service for the year 2018, 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 the Metro District for the fiscal year 2018.

The motion carried unanimously.

7.e Consideration of Rescinding Unexpended Appropriations

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

WHEREAS, a number of projects of the Metro Wastewater Reclamation District, hereinafter referred to as the "Metro District," have been completed and it is now necessary that certain unexpended appropriations be rescinded; and

WHEREAS, the unexpended appropriations are as follows:

General Fund Capital Project Account	\$ 832,857.30
Fixed Asset Replacement Fund	<u>444,899.26</u>
Total Unexpended Appropriations	<u>\$1,277,756.56</u> ; and

WHEREAS, the Operations and Finance Committees, after having reviewed the matter, recommend that 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 that the unexpended balances of the appropriations set forth in the attached Schedule of Appropriations To Be Rescinded—June 2019 be and hereby are rescinded.

The motion carried unanimously.

7.f Consideration of Adopting the 2018 Facility Plan

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

WHEREAS, Stantec Consulting Services, Inc. (Stantec), has prepared the 2018 Facility Plan (Facility Plan) Plan for the Metro Wastewater Reclamation District, hereinafter referred to as the "Metro District"; and

WHEREAS, the Facility Plan evaluated existing Metro District facilities and processes at the Robert W. Hite Treatment Facility (RWHTF), Northern Treatment Plant (NTP), METROGRO Farm, Transmission System, and all support facilities; and developed an implementation schedule and cost estimates for improvements needed through 2040; and

WHEREAS, the Facility Plan identified a total of \$1,224,170,000 in newly identified capital improvements and revisions to existing capital improvements for the RWHTF, NTP, METROGRO Farm, and certain support facilities through 2040 based upon the assumptions set forth in the Facility Plan; and

WHEREAS, Metro District staff recommends the Board of Directors adopt the Facility Plan as the management plan for improvements to the Metro District's facilities; and

WHEREAS, the Operations and Finance Committees, after having reviewed the matter, recommend adopting the Facility Plan as the management plan for the Metro District's facilities; and

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

NOW, THEREFORE, BE IT RESOLVED that the 2018 Facility Plan, completed in May 2019 by Stantec Consulting Services, Inc., for the Metro District be and hereby is adopted as the updated management plan for the Metro District's Robert W. Hite Treatment Facility, Northern Treatment Plant, METROGRO Farm, Transmission System, and support facilities.

The motion carried unanimously.

Roll Call Agenda

7.g Consideration of an Easement Agreement – RWHTF Support Facilities Upgrade Project (PAR 1235)

Director Iler moved and Director McClung seconded the motion to adopt the following resolution:

WHEREAS, it is in the best interest of the Metro Wastewater Reclamation District, hereinafter referred to as the "Metro District," to grant an Easement to Public Service Company of Colorado (PSCo) to install, operate, and maintain an underground electrical power line on the Robert W. Hite Treatment Facility (RWHTF) site; and

WHEREAS, the Metro District is constructing a new building to support many functions of the Resource Recovery and Reuse (RR&R) Department as part of the RWHTF Support Facilities Upgrade Project (PAR 1235); and

WHEREAS, the new RR&R Biosolids and Fleet Services (RBFS) Building is located on a portion of the RWHTF site that will require installation of all new utilities and the RBFS Building will require 459-kilowatt (kW) electric service; and

WHEREAS, PSCo, the electric service provider for the RWHTF, will extend service to the RBFS Building by installing an underground electrical line from a new power pole located from the RWHTF's southern property line to a new transformer at the northeast corner of the RBFS Building; and

WHEREAS, PSCo will maintain ownership of the underground power line and has requested an easement that is 10 feet wide, approximately 874 feet in length, covering 0.201 acres to construct, operate, and maintain the underground power line on the Metro District's property; and

WHEREAS, upon evaluation of the request and the proposed route, Metro District staff has determined the electric service line benefits the Metro District by providing the necessary service to the RBFS Building; and

WHEREAS, Metro District staff recommends granting the requested Easement to PSCo without compensation for the value of the Easement; and

WHEREAS, the Operations and Finance Committees, after having reviewed the matter, recommend granting an Easement to PSCo to install, operate, and maintain an underground electrical power line on the RWHTF site; and

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

NOW, THEREFORE, BE IT RESOLVED that the District Manager be and hereby is authorized to grant an Easement to Public Service Company of Colorado to install, operate, and maintain an underground electrical power line on the Robert W. Hite Treatment Facility (RWHTF) site from the RWHTF's southern property line to a new transformer at the northeast corner of the newly constructed RBFS Building.

Chairman Baertlein called for a roll call vote which carried with 27 Directors voting Yes:

Peter Baertlein	Joan Iler	Christopher Pacheco
Phil Burgi	Kathryn Jensen	Barbara Puls
Nadine Caldwell	Andrew Johnston	Bill Ray
Phil Cipri	Janet Kieler	Ronald Sanchez
Thomas Colchin	Craig Kocian	Kim Schoen
David Councilman	Richard Lucero	Gerry Schulte
John Dingess	Martin Majors	Dennis Towndrow
Robert Duncanson	Jim McClung	Scott Twombly
Stephen Gay	Dan Mikesell	Ronald Younger

8. DIRECTOR RECOGNITION

Chairman Baertlein recognized Director Colchin for his 14 years of service on the Metro District's Board of Directors and his dedication to meeting preparation and his understanding of the information. Director Colchin thanked the Board and District leadership for their commitment to fostering a positive employee culture which promotes advancement and innovation. District Manager Conway thanked Director Colchin for his service and the many questions and comments he posed to strengthen Board decisions.

9. INDIVIDUAL DIRECTOR COMMENTS

In response to Director Caldwell's question, District Manager Conway provided an update on the METROGRO Farm conditions after the recent hail storms, stating to date the weather had not affected crops.

10. OTHER INFORMATION

10.a Optimal Corrosion Control Treatment

Chairman Baertlein stated, "This discussion will be conducted in executive session as authorized by C.R.S. 24-6-402(4)(e) which authorizes executive sessions determining positions relative to matters that may be subject to negotiation, developing strategy for negotiations and instructing negotiators. The matter to be discussed in this executive session is Denver Water optimal corrosion control treatment. No formal action may be taken in executive session and the discussion must be confined to this topic."

Director Gay moved and Director Johnston seconded the motion to enter executive session. The motion carried unanimously, and the Committee entered executive session at 5:53 p.m. and Mr. Banks left the meeting.

Chairman Baertlein reconvened the regular meeting at 6:46 p.m.

11. ADJOURNMENT

Chairman Baertlein adjourned the meeting at 6:47 p.m.

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