

METRO WASTEWATER RECLAMATION DISTRICT

Minutes of the Regular Meeting of the Board of Directors September 15, 2020

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 via a GoToMeeting in Environmental Services A, 6450 York Street, Denver, Colorado, Tuesday, September 15, 2020 at 5:30 p.m.

Chairman Twombly called the meeting to order.

1. ROLL CALL

Secretary Caldwell called the roll.

Officers Present:

Scott Twombly, Thornton
Nadine Caldwell, Aurora
Stephen Gay, Westminster

Chairman
Secretary
Treasurer

Directors Present:

Peter Baertlein, Denver
Phil Burgi, Wheat Ridge
John Chavez, Berkeley
David Councilman, Pleasant View
Deborah Crisp, East Lakewood
John Dingess, Aurora
Robert Duncanson, Denver
Jo Ann Giddings, City of Aurora
Joan Iler, Westridge
Kathryn Jensen, North Table Mountain
Janet Kieler, Denver
Craig Kocian, Arvada
Laura Kroeger, Lakewood
Bob LeGare, Aurora
Charles Long, Thornton

Dan Mikesell, Aurora
Sarah Niyork, South Adams
Christopher Pacheco, Denver
Steve Pott, Applewood
Bill Ray, Arvada
Ronald Sanchez, Crestview
Kim Schoen, Brighton
Greg Sekera, Lakewood
Del Smith, Bancroft-Clover
Peter Spanberger, Denver
Mary Beth Susman, Denver
Amerigo Svaldi, North Washington Street
Dennis Towndrow, North Pecos
Ronald Younger, Denver

Directors Absent:

Andrew Johnston, Denver
Martin Majors, Fruitdale

Barbara Puls, Denver
Michael Sapp, Denver

Others Present:

Mickey Conway
Robert Thomas
Emily Jackson
Ruth Kedzior
Molly Kostelecky
Yvonne Kohlmeier
Lydia Nkem
Brittany Peshek
Dan O'Connell

District Manager
Deputy District Manager/Director Environmental Services
General Counsel
Assistant to the District Manager
Director of Administrative Services
Administrative Assistant
Executive Assistant
Administrative Analyst
RBC Capital Markets

2. PUBLIC COMMENT

There was no comment.

3. APPROVAL OF MINUTES

3.a Minutes of the Board of Directors Meeting on August 18, 2020

Chairman Twombly appointed Director Crisp to make motions and Director Kroeger to make seconds throughout the Board of Directors meeting.

Chairman Twombly asked if there were any corrections, deletions, or additions to the minutes of the Regular Meeting of the Board of Directors held August 18, 2020.

Director Crisp moved and Director Kroeger seconded the motion to approve the minutes of the Regular Meeting of the Board of Directors held August 18, 2020

The motion carried unanimously.

3.b Correction to the July and August 2020 Minutes of the Regular Meeting of the Board of Directors

Director Cipri did not attend, nor did he vote in the July and August Regular Meetings of the Board of Directors.

4. PROGRESS AND PROJECTION REPORTS

4.a Report by District Manager

District Manager Conway reviewed his written report, highlighting the extension of Metro District's Work From Home (WFH) policy through December 31, 2020, allowing social distancing for those employees working on site, and how the District is continuing to participate and submit samples to Colorado State University (CSU) for the *SARS-CoV-2 Wastewater Monitoring Collaborative*, noting results are available for review on a geo-spatial visualization dashboard accessible to Colorado Department of Public Health and Environment (CDPHE) staff, regional and county health agencies as well as the participating utilities and universities.

Mr. Conway responded to a question regarding how Senior Management Team interacts, explaining the group meets virtually once a week, which was the same cadence prior to COVID, including Steering Committee meeting once a month. Mr. Conway also remarked management maintains frequent communication with staff at all levels with General Counsel and department heads meeting on a frequent basis with smaller groups and having daily on-site check ins maintaining social distancing.

4.b Report by General Counsel

General Counsel Jackson reported there were no new litigation developments. Ms. Jackson remarked on the Metro District's heightened internal communication focus was a result of District Manager Conway's commitment to support all employees in this ever-evolving work from home reality.

5. REPORTS OF OFFICERS AND COMMITTEES

5.a Meeting Minutes

There were no additions to the following meeting minutes:

| | |
|--|-----------------|
| Defined Contribution Plan Retirement Board Meeting | May 14, 2020 |
| Defined Benefit Plan Retirement Board Meeting | May 28, 2020 |
| Operations Committee | August 4, 2020 |
| Finance Committee | August 6, 2020 |
| Executive Committee | August 11, 2020 |

6. NEW BUSINESS

Consent Agenda

6.a Consideration of Resolution Recognizing Employees' Years of Service

Director Crisp moved and Director Kroeger seconded the motion to adopt the following resolution:

WHEREAS, by the year ending December 31, 2020, certain employees of the Metro Wastewater Reclamation District, hereinafter referred to as the "Metro District," will have completed five, ten, fifteen, twenty, twenty-five, thirty, and thirty-five years of faithful service on behalf of the Metro District; and

WHEREAS, it is right and proper such loyal service be recognized by the Board of Directors on behalf of the people served by the Metro District;

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of the Metro Wastewater Reclamation District by this resolution hereby recognizes the loyal and faithful service rendered by:

THIRTY-FIVE YEARS OF SERVICE

| | | |
|-------------------------|----------------------|-----------------------------|
| <i>Thomas A Gibbons</i> | <i>Dave C Lozano</i> | <i>James C Simmonds</i> |
|-------------------------|----------------------|-----------------------------|

THIRTY YEARS OF SERVICE

| | |
|-----------------------|------------------------|
| <i>Kevin C Feeley</i> | <i>William Marquez</i> |
|-----------------------|------------------------|

TWENTY-FIVE YEARS OF SERVICE

| | | |
|-----------------------|--------------------------|------------------------|
| <i>Tanya C Bayha</i> | <i>Randy S Garza</i> | <i>Arisa L Michael</i> |
| <i>Joseph E Salas</i> | <i>Edward A Sturgeon</i> | <i>Craig W Thomas</i> |

TWENTY YEARS OF SERVICE

| | | |
|----------------------------|----------------------------|-------------------------|
| <i>Quintil Aguilera</i> | <i>Kristin A Alexander</i> | <i>Wendy L Anderson</i> |
| <i>Larry E Chadwick</i> | <i>David D Dickson</i> | <i>Sharon L Evans</i> |
| <i>Michael G Simmering</i> | <i>Darnell Tullock</i> | |

FIFTEEN YEARS OF SERVICE

*Martin J Alvis
Richard S Macalpine
Arsby D Norford
Johnny V Tran*

*Kelsey S Gedge
John M Mechling
Benjamin D Ruder
Jon P Wicke*

*Christine A Jackson
Andrew J Nelson
Raymond A Sandoval*

TEN YEARS OF SERVICE

*Perry J Holland
Anthony P Ortiz
Christina A Reed
Edyta K Stec-Uddin*

*Myron K Howitt
Charles E Padilla
Pragati Sharma
Eugene Taylor*

*James P McQuarrie
Roman A Rangel
Matthew E Simmons*

FIVE YEARS OF SERVICE

*Isaac L Avila
Maritza Franco
Jessie L Gonzales
Mathew D Jewett
Elizabeth A Last
Nathaniel J Roehrs
Grant T Sharp
Jillian R Taylor*

*Michael L Callahan
Christine M Geier
Dawn M Hoffman
Molly M Kostelecky
Daniel P Moon
Clayton T Roush
Daniel J Shockman
Nicholas J Walters*

*Wilfred A Cordova
Mark A Gipe
Michael D Holmes
Eric E Kramer
Kent T Ritchie
Jeremiah L Rowe
Patrick J Stanley*

BE IT FURTHER RESOLVED awards and certificates of five, ten, fifteen, twenty, twenty-five, thirty, and thirty-five years of service be tendered to the above-named employees to express the appreciation of this Board of Directors and the people whom it represents.

Chairman Twombly recognized and thanked these 64 employees, congratulating them on their 865 combined years of service to the Metro District.

The motion carried unanimously.

6.b Consideration of Resolution Recognizing Directors' Years of Service

Director Crisp moved and Director Kroeger seconded the motion to adopt the following resolution:

WHEREAS, by the year ending December 31, 2020, certain members of the Board of Directors of the Metro Wastewater Reclamation District, hereinafter referred to as the "Metro District," will have completed five, ten, fifteen, and twenty-five years of faithful service on behalf of the Metro District; and

WHEREAS, it is right and proper such loyal service be recognized by the Board of Directors on behalf of the people served by the Metro District;

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of the Metro Wastewater Reclamation District by this Resolution recognizes the loyal and faithful service rendered by:

TWENTY-FIVE YEARS OF SERVICE

Amerigo Svaldi, North Washington Street Water and Sanitation District

FIFTEEN YEARS OF SERVICE

*Nadine Caldwell, City of Aurora
Martin Majors, Fruitdale Sanitation District*

TEN YEARS OF SERVICE

Barbara Puls, City and County of Denver

FIVE YEARS OF SERVICE

Kim Schoen, City of Brighton

BE IT FURTHER RESOLVED certificates of five, ten, fifteen, and twenty-five years of service be tendered to the above-named Directors to express the appreciation of the Metro District Board of Directors and the people to whom it represents.

Chairman Twombly recognized these directors, thanking them for their many years of service.

The motion carried unanimously.

6.c Consideration 2020 Annual Fixed Asset Replacement Priorities Project (PAR 1379) Job Order Contracting Services Agreement Amendments

Director Crisp moved and Director Kroeger 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 amend the Job Order Contracting (JOC) Services Agreements for the 2020 Annual Fixed Asset Replacement Priorities Project (PAR 1379) (Project); and

WHEREAS, in May 2020, Metro District staff recommended the Metro District enter into JOC contracts to provide on-call civil/mechanical and electrical construction work to support the Metro District's fixed asset replacement program; and

WHEREAS, in Resolution 0520-7.f, the Board of Directors authorized the District Manager to enter into a JOC contract with an upper limit of \$900,000 with Moltz Construction, Inc. (Moltz) to provide civil/mechanical construction work and a JOC contract with an upper limit of \$3,500,000 with Sturgeon Electric Company, Inc. (Sturgeon) to provide electrical construction work for the Project; and

WHEREAS, the fixed asset replacement related to civil/mechanical needs identified since the approval were determined to be higher priority than some of the electrical work originally identified; and

WHEREAS, the relative upper limits of the individual JOC contracts must be adjusted to allow for the more urgent civil/mechanical work to be prioritized within the original appropriation amount; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend authorizing the District Manager to increase the upper limit of the Moltz JOC contract to \$1,650,00 and reduce the upper limit of the Sturgeon JOC contract to \$2,800,000; and

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

NOW, THEREFORE, BE IT RESOLVED the District Manager be and hereby is authorized to increase the upper limit of the Moltz Construction, Inc. Job Order Contracting Services Agreement to \$1,650,00 and reduce the upper limit of the Sturgeon Electric Company, Inc. Job Order Contracting Services Agreement to \$2,800,000.

The motion carried unanimously.

6.d Consideration of High Intensity Discharge Lighting Improvements Project (PAR 1202)

Director Crisp moved and Director Kroeger 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 enter into a construction contract with Guarantee Electric Co. (Guarantee) for construction of the High Intensity Discharge (HID) Improvements Project (PAR 1202) (Project); and

WHEREAS, since construction of the Robert W. Hite Treatment Facility (RWHTF) in the 1960s, the Metro District has not developed or implemented a standard for lighting fixtures, resulting in outdated lighting systems in some areas of the plant, a lack of consistency and standardization throughout the plant, and inadequate lighting in certain areas of the plant; and

WHEREAS, in August 2017, following standard Metro District consultant selection procedures, the Metro District entered into an Agreement with Dewberry Engineers, Inc. (Dewberry) to perform preliminary, final design, and bidding phase services for the Project; and

WHEREAS, Dewberry completed final design of the Project in May 2020; and

WHEREAS, pursuant to the bid process in Metro District's *Purchasing and Contracting Policies*, an invitation to bid was posted in July 2020, and Guarantee was determined to be the lowest responsive, responsible bidder; and

WHEREAS, Metro District staff recommends amending the Professional Services Agreement with Dewberry in the amount of \$259,000 to provide construction engineering, resident engineering, and post-construction services for the Project; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend authorizing the District Manager to enter into a Construction Contract with Guarantee in the amount of \$2,175,747 for construction of the Project and amend the Agreement with Dewberry in the amount of \$259,000 to provide construction engineering, resident engineering, and post-construction services for the 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 District Manager be and hereby is authorized to enter into a Construction Contract with Guarantee Electric Co. in the amount of \$2,175,747 for construction of the Project; and

BE IT FURTHER RESOLVED the District Manager be and hereby is authorized to amend the Professional Services Agreement with Dewberry Engineers Inc. in the amount of \$259,000 to provide construction engineering, resident engineering, and post-construction services for the Project; and

BE IT FURTHER RESOLVED the sum of \$2,743,300 (100 percent) be and hereby is appropriated from the Fixed Asset Replacement Fund for this Project.

The motion carried unanimously.

6.e Consideration of Metro District and Defined Benefit Retirement Plan Actuarial Services

Director Crisp moved and Director Kroeger 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," for the Metro District Defined Benefit Retirement Plan (DB Plan) participants to enter into a contract with an Actuary to provide various actuarial services for the Metro District and the DB Plan; and

WHEREAS, the Metro District requires the services of an actuarial firm to provide accounting and financial information including the Metro District's Other Post-Employment Benefit (OPEB) Plan; and

WHEREAS, the Metro District's DB Plan requires the services of an actuarial firm to perform an annual actuarial valuation of the DB Plan and recommend an annual employer contribution, prepare annual employee benefit statements, and provide other services as needed; and

WHEREAS, the current agreement for actuarial services expires on October 31, 2020; and

WHEREAS, after following the standard process for selecting a consultant, the Selection Committee consisting of Metro District directors and staff recommends entering into an agreement with Milliman to provide various actuarial services for the Metro District and the DB Plan at an estimated five-year cost of \$250,500, which will

be paid from the DB Plan funds for DB Plan work and operating budgets for accounting and financial work for the Metro District; and

WHEREAS, at the August 2020 Defined Benefit Plan Retirement Board (DB Retirement Board) meeting, the DB Retirement Board concurred with the Selection Committee recommendation; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend authorizing the District Manager to enter into a three-year agreement, with a two-year renewal option, with Milliman to provide various actuarial services for the DB Plan at an estimated five-year cost of \$250,500; and

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

NOW, THEREFORE, BE IT RESOLVED the District Manager be and hereby is authorized to enter into a three-year agreement, with a two-year renewal option, with Milliman to provide various actuarial services for the Metro District and the Metro District's Defined Benefit Retirement Plan at an estimated five-year cost of \$250,500.

The motion carried unanimously.

6.f Consideration of Issuance of 2020A Bonds

Director Crisp moved and Director Kroeger seconded the motion for the issuance of the Sewer Improvement Bonds Series 2020A Bond Resolution authorizing the issuance of bonds in the principal amount not to exceed \$165 million within the parameters as set forth in the final version of the Bond Resolution.

(A copy of this resolution is on file in the Metro District's Central Records.)

The motion carried unanimously.

Roll Call Agenda

6.g Consideration of Defined Benefit Retirement Plan Investment Consulting Agreement

Director Crisp moved and Director Kroeger 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," for the Metro District Defined Benefit Retirement Plan (DB Plan) participants to enter into a contract with an Investment Consultant to provide investment consulting and performance analysis services for the DB Plan; and

WHEREAS, the Metro District's *Defined Benefit Retirement Plan Investment Policy* requires the Defined Benefit Plan Retirement Board (DB Retirement Board) to retain an independent investment consulting firm to monitor and report on the DB Plan's investments on a continuing basis; and

WHEREAS, the current agreement for investment consulting services expires on October 31, 2020; and

WHEREAS, after following the standard process for selecting a consultant, the Selection Committee consisting of Metro District directors and staff recommends entering into an agreement with J. H. Ellwood & Associates, Inc. (Ellwood) to provide investment consulting and performance analysis services for the Metro District's DB Plan at an estimated five-year cost of \$315,000, to be paid from DB Plan funds; and

WHEREAS, at the August 2020 DB Retirement Board meeting, the DB Retirement Board concurred with the Selection Committee recommendation; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommended authorizing the District Manager to enter into a three-year agreement, with a two-year renewal option, with Ellwood to provide investment consulting and performance analysis services for the DB Plan at an estimated five-year cost of \$315,000, to be paid from DB Plan funds; and

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

NOW, THEREFORE, BE IT RESOLVED the District Manager be and hereby is authorized to enter into a three-year agreement, with a two-year renewal option, with J. H. Ellwood & Associates, Inc. to provide investment consulting and performance analysis services for the Metro District's Defined Benefit Retirement Plan at an estimated five-year cost of \$315,000, to be paid from Defined Benefit Retirement Plan funds.

Chairman Twombly called for a roll call vote which carried 30 to 1.

Directors voting Yes:

| | | |
|------------------|---------------------|------------------|
| Peter Baertlein | Joan Iler | Bill Ray |
| Phil Burgi | Kathryn Jensen | Kim Schoen |
| Nadine Caldwell | Janet Kieler | Greg Sekera |
| John Chavez | Laura Kroeger | Del Smith |
| David Councilman | Bob LeGare | Peter Spanberger |
| Deborah Crisp | Charles Long | Mary Beth Susman |
| John Dingess | Dan Mikesell | Amerigo Svaldi |
| Robert Duncanson | Sarah Niyork | Dennis Towndrow |
| Stephen Gay | Christopher Pacheco | Scott Twombly |
| Jo Ann Giddings | Steve Pott | Ronald Younger |

Director voting No:

Ronald Sanchez

Director Sanchez expressed his dissatisfaction with the performance of Ellwood as the DB Plan investing consultant and noted his concern of the size of the plan's unfunded liability.

District Manager Conway remarked the DB Plan is consistently in the top tiers of plans of this size and Ellwood's counsel has resulted in a Plan that performs well in comparison with other public plans in the marketplace. Ms. Kostelecky clarified the unfunded liability is an actuarially determined value reported per accounting standards and is affected by a number of factors including anticipated rate of return.

Director Long replied stating as long as the investment advisor is bringing in a return near the assumption the DB Retirement Board has adopted, the consultant is performing well and the DB Retirement Board members are very diligent in making the best decisions for the DB Plan. He also explained what unfunded liability is and the DB Retirement Board's obligation in ensuring enough proceeds are available to continue to pay all benefits.

Chairman Twombly thanked Director Long, Mr. Conway, and Ms. Kostelecky for their clarification, remarking staff remains apprised of the issue and ensures the Metro District proceeds in the right direction.

Director Dingess disagreed with Director Sanchez' remarks, stating the Board of Directors can take comfort in Ellwood's performance and stewardship of the DB Plan and noted that the unfunded liability is a not a "debt".

Chairman Twombly requested Director Sanchez submit further questions in writing, to either himself or Mr. Conway, allowing staff and Ellwood to facilitate a response in writing. Director Long concurred written responses will allow for clarity for any possible future discussion on this issue.

7. INDIVIDUAL DIRECTOR COMMENTS

Director Sanchez requested the August 18, 2020 minutes reflect it was the renaming options for the Metro District he did not agree with, not the current logo.

Chairman Twombly responded to questions concerning the next meeting and steps for the Branding Committee. He also gave an update on the upcoming Fall Workshop scheduled for October 29, 2020, stating more information on the logistics and agenda are forthcoming. Currently 24 directors have elected to attend in person at the Gaylord Rockies Resort and Convention Center and 10 directors have elected to attend virtually.

District Manager Conway answered questions for in-person staff attendance at the Fall Workshop, stating required staff also have the option to attend virtually if not 100 percent comfortable attending an in-person event.

Director Sanchez expressed his dissatisfaction in selecting Wells Fargo as the bond underwriter.

Ms. Kostelecky explained how the bonds will work, made clear Wells Fargo will not receive any additional funding, and explained how the Securities and Exchange Commission "has really locked this down."

Chairman Twombly requested Director Sanchez also submit these additional finance-related questions, along with his DB Plan questions, in writing.

District Manager Conway stated for the record, Consent Agenda Item 6.f – Consideration of Issuance of 2020A Bonds was unanimously approved.

9. OTHER INFORMATION

There was none.

10. ADJOURNMENT

Chairman Twombly adjourned the meeting at 6:13 p.m.

MCvraklyjk