

METRO WASTEWATER RECLAMATION DISTRICT

Minutes of the Regular Meeting of the Board of Directors

Tuesday, October 20, 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, at 6450 York Street, Denver, Colorado, Tuesday, October 20, 2020, at 5:30 p.m., in the Metro District Environmental Services A conference room.

Chairman Twombly called the meeting to order.

1. ROLL CALL

Secretary Caldwell called the roll.

Officers Present:

Scott Twombly, Thornton
Andrew Johnston, Denver
Nadine Caldwell, Aurora

Chairman
Chairman Pro Tem
Secretary

Directors Present:

Peter Baertlein, Denver
Phil Burgi, Wheat Ridge
John Chavez, Berkeley
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
Martin Majors, Fruitdale
Dan Mikesell, Aurora

Sarah Niyork, South Adams
Christopher Pacheco, Denver
Steve Pott, Applewood
Barbara Puls, Denver
Bill Ray, Arvada
Ronald Sanchez, Crestview
Michael Sapp, Denver
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:

David Councilman, Pleasant View
Stephen Gay, Westminster

Others Present:

Mickey Conway
Robert Thomas
Colleen Dempsey
Emily Jackson
Ruth Kedzior
Molly Kostelecky

District Manager
Deputy District Manager/Director Environmental Services
Director of Human Resources
General Counsel
Assistant to the District Manager
Director of Administrative Services

Yvonne Kohlmeier
Lydia Nkem
Norma Arnwine
Brittany Peshek

Administrative Assistant
Executive Assistant
Benefits Administrator
Administrative Analyst

2. PUBLIC COMMENT

There was no comment.

3. APPROVAL OF MINUTES

3.a Minutes of the Board of Directors Meeting on September 15, 2020

Chairman Twombly appointed Director Smith to make motions and Director Iler 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 September 15, 2020.

Director Smith moved and Director Iler seconded the motion to approve the minutes of the Regular Meeting of the Board of Directors held September 15, 2020.

The motion carried unanimously.

4. PROGRESS AND PROJECTION REPORTS

4.a Report by District Manager

District Manager Conway reviewed his written report, highlighting the *Peak Performance Gold Award* for 2019, which was awarded to both the Robert W. Hite Treatment Facility and the Northern Treatment Plant by the National Association of Clean Water Agencies, giving testament to Metro District's commitment to compliance in anticipating various scenarios and thinking through solutions, and to the Board of Directors for its continued commitment to ensuring the District has the resources necessary to operate at high performance levels..

Mr. Conway shared the results from the wastewater worker health study completed by the Water Environment Federation, which concluded the on-the-job risk of wastewater workers contracting COVID-19 is very low. He stated this confirmation is good news for the health and safety of Metro District staff.

Mr. Conway introduced the new "Wastewater 101 – Education Corner" addition to his monthly report, explaining this addition will assist in giving context on various questions and inquiries received from Directors.

Ms. Kostelecky answered questions and gave an overview of the Metro District's recent bond issuance, explaining why tax-exempt bonds were chosen versus taxable bonds.

Chairman Twombly informed Directors due to the spike in COVID-19 cases and recent changes in public health orders issued, and after careful deliberation and research,

the upcoming Fall Workshop will be 100 percent virtual with detailed information to follow. Director Smith expressed his appreciation for making this decision and Director Baertlein thanked Ms. Kedzior and her team for putting this event together.

4.b Report by General Counsel

General Counsel Jackson reported there are no new litigation issues.

5. REPORTS OF OFFICERS AND COMMITTEES

5.b Meeting Minutes

There were no additions to the following meeting minutes:

Operations Committee	October 6, 2020
Finance Committee	October 8, 2020
Executive Committee	October 13, 2020

6. NEW BUSINESS

Consent Agenda

6.a Consideration of 2021 Compensation Recommendation

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

WHEREAS, the Metro Wastewater Reclamation District, hereinafter referred to as the "Metro District," 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 Metro District engaged Graves Consulting (Graves), a compensation consultant, to undertake a compensation study to assist the Board of Directors in making a determination as to the prevailing rates of pay in the Denver metropolitan area, and Graves's findings were presented to the Operations and Finance committees; and

WHEREAS, based on the findings of Graves, which found fluctuations in labor market data due to current economic conditions caused by the COVID-19 pandemic, the District Manager provided a 2021 Pay Program Recommendation which includes no adjustment to either the Administrative or Plant and Field salary structure, no increase to base pay, and a Merit Pool amount equal to 1.6 percent of 2020 year-end salaries, totaling approximately \$507,391, which will be provided to all eligible employees through a flat one-time gross payment of approximately \$1,256 in January 2021; and

WHEREAS, the Operations, Finance, and Executive committees, after having reviewed the Pay Program Recommendation and the existing Administrative and Plant and Field Salary Structures, have determined the proposed rates of pay are prevailing for equivalent work and recommend approval effective January 1, 2021 as the Metro

District's salary structures and further recommend salaries of individual employees be set within the salary ranges in the proposed salary structures; and

WHEREAS, the Operations, Finance, and Executive committees, after having reviewed the District Manager's Pay Recommendation to not increase base pay but to create a Merit Pool amount equal to 1.6 percent of the 2020 year-end salaries for eligible employees and provide eligible employees a flat one-time gross payment of approximately \$1,256 in January 2021, recommend approval;

NOW, THEREFORE, BE IT RESOLVED the attached 2021 Administrative Salary Structure by Classification (Exhibit A) be and hereby is approved as the prevailing rates of pay for equivalent work effective January 1, 2021 and the District Manager be and hereby is authorized to set salaries of Metro District administrative employees within the salary ranges set forth in Exhibit A; and

BE IT FURTHER RESOLVED the attached 2021 Plant and Field Salary Structure by Classification (Exhibit B) be and hereby is authorized as the prevailing rates of pay for equivalent work effective January 1, 2021 and the District Manager be and hereby is authorized to set salaries of Metro District plant and field employees within the salary ranges set forth in Exhibit B; and

BE IT FURTHER RESOLVED the District Manager's Pay for Performance Recommendation to create a Merit Pool amount equal to 1.6 percent of 2020 year-end salaries for eligible employees to be distributed as a flat one-time gross payment to eligible employees of approximately \$1,256 in January 2021 be and hereby is approved for the 2021 Pay for Performance Plan.

The motion carried unanimously.

6.b Consideration of Medical and Dental Insurance Review and Recommendation

Director Smith moved and Director Iler 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 adopt adjustments to the benefits package for all Metro District employees for the compensation for all Metro District employees to be at the prevailing rate of pay for equivalent work; and

WHEREAS, the Metro District 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 District employees, including but not limited to wages; salaries; pensions; overtime; holiday and vacation pay; educational assistance; and health, dental, and life insurance; and

WHEREAS, in 2017, the Metro District hired Gallagher Benefit Services, Inc. (Gallagher), a benefits consultant, to conduct an annual review of the Metro District's health and dental insurance benefits program in light of the statutory requirements; and

WHEREAS, for 2021, Gallagher recommends the Metro District continue to contribute to the cost of health insurance and dental insurance in the same percentages as 2020, 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 the Metro District's health and dental insurance programs:

1. Health Insurance: Effective January 1, 2021, the Metro District will contribute 81 to 91 percent of the cost of employee-only coverage and 75 to 88 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, 2021, the Metro District will 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 the Metro District's health and dental insurance programs are necessary for the benefits package to meet the statutory mandate:

1. Health Insurance: Effective January 1, 2021, the Metro District will contribute 81 to 91 percent of the cost of employee-only coverage and 75 to 88 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, 2021, the Metro District will 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.

6.c Consideration of Second Creek Interceptor and Sand Creek Interceptor System Improvements Project (PAR 1232) Stipulated Price Agreement

Director Smith moved and Director Iler 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 Services Agreement with Garney Companies, Inc. (Garney) to provide Construction Services for the Second Creek Interceptor and Sand Creek Interceptor System Improvements Project (PAR 1232) (Project); and

WHEREAS, in June 2017, the Board of Directors of the Metro District adopted the Sand Creek and Second Creek Basins Regional Master Plan (Regional Master Plan), which identified a regional solution for management of wastewater flows in the Sand Creek and Second Creek basins by constructing a new interceptor proximate to Second Creek, the Second Creek Interceptor (SD Interceptor); and

WHEREAS, following a project delivery method evaluation, the Metro District is delivering this Project through the Construction Management-At-Risk (CMAR) project delivery method which consists of both an agreement for preconstruction services and a contract for construction services with the selected CMAR contractor; and

WHEREAS, in 2017, the Metro District followed standard consultant selection procedures to select HDR Engineering, Inc. (HDR) as the design consultant and to provide land agent support, and Merrick & Co. (Merrick) to provide survey and mapping services for the Preconstruction Phase of the Project; and

WHEREAS, in 2019, the Metro District followed standard contractor selection procedures to select Garney as the CMAR contractor to provide preconstruction services for the Preconstruction Phase of the Project; and

WHEREAS, based on the 95 percent design and the Stipulated Price Proposal prepared by Garney, Metro District staff recommends entering into a Construction Services Agreement with Garney to perform construction of the SD Interceptor for the Construction Phase of the Project; and

WHEREAS, the Operations and Finance committees, after having reviewed the matter, recommend authorizing the District Manager to (1) enter into a Construction Services Agreement with Garney in the amount of \$132,662,530 to perform construction of the SD Interceptor for the Construction Phase of the Project; (2) enter into an Amendment to the Professional Services Agreement with HDR in the amount of \$13,420,000 for Construction Phase Engineering Services for the Project; and (3) enter into an Amendment to the Professional Services Agreement with Merrick in the amount of \$410,000 for Construction Phase Surveying and Mapping Services for the Project; and

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

NOW, THEREFORE, BE IT RESOLVED the District Manager be and hereby is authorized to enter into a Construction Services Agreement with Garney Companies, Inc. in the amount of \$132,662,530 to perform construction of the Second Creek Interceptor as part of the Second Creek Interceptor and Sand Creek Interceptor System Improvements Project (Project); and

BE IT FURTHER RESOLVED the District Manager be and hereby is authorized to enter into an Amendment to the Professional Services Agreement with HDR Engineering, Inc. in the amount of \$13,420,000 for Construction Phase Engineering Services for the Project; and

BE IT FURTHER RESOLVED the District Manager be and hereby is authorized to enter into an Amendment to the Professional Services Agreement with Merrick & Co. in the amount of \$410,000 for Construction Phase Surveying and Mapping Services for the Project; and

BE IT FURTHER RESOLVED the sum of \$167,203,417 (100 percent) be and hereby is appropriated from the Acquisition and Construction Fund for this Project.

The motion carried unanimously.

6.d Consideration of Metro District Uniforms Services Agreement

Director Smith moved and Director Iler 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 an agreement with Cintas Corporation (Cintas) to provide uniform, mat, and associated services; and

WHEREAS, the Metro District provides uniforms to a variety of staff members for the purpose of providing safe and appropriate dress attire for a range of jobs and provides facility foot mats at various facility entryways; and

WHEREAS, Cintas currently provides and maintains both the uniforms and facility mats under a cooperative agreement; and

WHEREAS, the current contract for uniform, mat, and associated services expires December 31, 2020; and

WHEREAS, following Metro District *Purchasing and Contracting Policies* staff recommends entering into an agreement with Cintas to provide uniform, mat, and associated services at an estimated five-year cost of \$700,000; and

WHEREAS, the Operations and Finance committees of the Metro District, after having reviewed the matter, recommend the Board of Directors authorize the District Manager to enter into a one-year agreement with Cintas to provide uniform, mat, and associated services and authorize the District Manager to enter into additional one-year contract periods, not exceeding a total of five years, if he deems such extensions to be in the best interest of the Metro District, at an estimated five-year cost of \$700,000; 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 enter into a one-year agreement with Cintas Corporation to provide uniform, mat, and associated services; and

BE IT FURTHER RESOLVED the District Manager be and hereby is authorized to enter into additional one-year contract periods of the aforementioned agreement,

not exceeding a total of five years, if he deems such extensions to be in the best interest of the Metro District for an estimated five-year cost of \$700,000.

The motion carried unanimously.

6.e Consideration of Auditing Services Agreement

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

WHEREAS, the *Bylaws* of the Metro Wastewater Reclamation District, hereinafter referred to as the "Metro District," require the Metro District retain an independent certified public accountant to annually audit all of the financial affairs of the Metro District; and

WHEREAS, the current contract for auditing services expires December 31, 2020; and

WHEREAS, the Metro District, through its standard consultant selection procedure, received proposals from eight firms, and after review of the proposal, three of the firms were invited to present and interview with the Selection Committee, comprised of members of the Audit Committee and staff; and

WHEREAS, the Selection Committee recommends the Board of Directors authorize the District Manager to enter into a one-year agreement, with four one-year renewal options not exceeding a total of five years, with Moss Adams, LLP (Moss Adams), to provide auditing services for the Metro District and the Metro District's Defined Benefit Retirement Plan, at an estimated five-year cost of \$386,000; and

WHEREAS, the Operations, Finance, and Executive committees of the Metro District, after having reviewed the matter, concur with the recommendation of the Audit Committee;

NOW, THEREFORE, BE IT RESOLVED the District Manager be and hereby is authorized to enter into a one-year agreement with Moss Adams, LLP to provide auditing services for the Metro District and the Metro District's Defined Benefit Retirement Plan; and

BE IT FURTHER RESOLVED the District Manager be and hereby is authorized to enter into four one-year renewal options, not exceeding a total of five years, with Moss Adams, LLP, if he deems such extensions to be in the best interest of the Metro District for an estimated five-year cost of \$386,000.

The motion carried unanimously.

Roll Call Agenda

6.f Consideration of Access Easement to O'Brian Canal on the Robert W. Hite Treatment Facility

Director Smith moved and Director Iler 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 an Access Easement Agreement with Farmers Reservoir and Irrigation Company (FRICO) which will grant and convey a non-exclusive easement to FRICO adjacent to the Burlington-O'Brian Canal (Canal) over Metro District property on the Robert W. Hite Treatment Facility (RWHTF) site; and

WHEREAS, in June 2015, the Metro District entered into an agreement to allow the Regional Transportation District (RTD) to construct a light rail line across the RWHTF which approximately follows the alignment of the Canal which crosses the RWHTF; and

WHEREAS, one of RTD's light rail piling was constructed on the Canal right-of-way between the edge of the Canal and a Metro District boundary fence leaving insufficient room for FRICO to physically navigate around the piling with its trucks and mowers for routine operations and maintenance needs; and

WHEREAS, granting this Access Easement Agreement is a component of a larger settlement, whereby FRICO will grant and convey the Metro District a permanent underground easement which will allow the Second Creek interceptor to cross the Canal; and

WHEREAS, the Metro District staff has determined granting the easement will not affect operations or security of the RWHTF; and

WHEREAS, Metro District staff recommends entering into an Access Easement Agreement with FRICO to allow FRICO to access the Canal over Metro District property on the RWHTF site; and

WHEREAS, the Executive Committee, recommends authorizing the District Manager to enter an Access Easement Agreement with FRICO which will grant and convey a non-exclusive easement to FRICO adjacent to the Canal over Metro District property on the RWHTF site;

NOW, THEREFORE, BE IT RESOLVED the District Manager be and hereby is authorized to enter into an Access Easement Agreement with Farmers Reservoir and Irrigation Company (FRICO) which will grant and convey a non-exclusive easement to FRICO adjacent to the Burlington-O'Brian Canal (Canal) over Metro District property on the Robert W. Hite Treatment Facility site.

District Manager Conway provided background on FRICO's request to obtain a non-exclusive access agreement for routine maintenance purposes, and Metro District staff have determined granting this agreement will not in any way affect RWHTF operations.

He also noted this is part of a larger settlement which is beneficial to rate payers and the Second Creek Project. Mr. Conway stated although this item went before the Executive Committee, it did not go in front of the Operations and Finance committees as it only recently concluded.

Director Dingess reminded the Board of his firm's involvement in the Second Creek lawsuit and expressed he would be abstaining from this vote.

Chairman Twombly stated this was a major success and great achievement accomplished by Mr. Conway, Ms. Jackson, and staff.

Chairman Twombly called for a roll call vote which carried with 33 Directors voting Yes:

Peter Baertlein	Craig Kocian	Ronald Sanchez
Phil Burgi	Laura Kroeger	Michael Sapp
Nadine Caldwell	Bob LeGare	Kim Schoen
John Chavez	Charles Long	Greg Sekera
Deborah Crisp	Martin Majors	Del Smith
Robert Duncanson	Dan Mikesell	Peter Spanberger
Jo Ann Giddings	Sarah Niyork	Mary Beth Susman
Joan Iler	Christopher Pacheco	Amerigo Svaldi
Kathryn Jensen	Steve Pott	Dennis Towndrow
Andrew Johnston	Barbara Puls	Scott Twombly
Janet Kieler	Bill Ray	Ronald Younger

Director Dingess abstained from voting.

7. INDIVIDUAL DIRECTOR COMMENTS

There was none.

8. OTHER INFORMATION

There was none.

9. ADJOURNMENT

Chairman Twombly adjourned the meeting at 5:54 p.m.

MC.rak/yjk