

MINUTES

Supervisory Committee Meeting

Thursday, June 25, 2020; meeting held virtually through Microsoft Teams – 9 a.m.

South Platte Renew (SPR)

2900 South Platte River Drive, Englewood, CO 80110

COMMITTEE MEMBERS PRESENT:

Maria D’Andrea	City of Englewood, Public Works Director
Shawn Lewis	City of Englewood, City Manager
Keith Reester	City of Littleton, Public Works Director
Mark Relph	City of Littleton, City Manager

COMMITTEE MEMBERS ABSENT:

None

STAFF PRESENT:

Kacie Allard	SPR Deputy Director – Business Solutions
Blair Corning	SPR Deputy Director – Environmental Programs
Becca Erickson	SPR Engineer I
Samma Fox	City of Littleton, Assistant to the City Manager
Alyssa Hoffman	SPR Business Services Specialist
Tiffany Hooten	City of Littleton, Finance Director
Jamie Langer	SPR Engineering Project Manager
David Robbins	Hill & Robbins, SPWRP Attorney
Anna Schroeder	SPR Engineer II
Maria Sobota	City of Englewood, Finance Director
Brian Tracy	SPR Deputy Director – Operations & Maintenance
Pieter Van Ry	SPR Director
Brenda Varner	SPR Government Communications Specialist
Chong Woo	SPR Deputy Director – Engineering

GUESTS:

Patrick Fitzgerald	Platte Canyon Water & Sanitation District, Manager
Ethan Harden	Stantec
Cynthia Lane	Platte Canyon Water & Sanitation District, Assistant Manager
Carol Malesky	Stantec

I. Call to Order

The June Supervisory Committee (Committee) meeting was called to order by Pieter Van Ry, the Director of South Platte Renew (SPR). Director Van Ry welcomed everyone to the Microsoft Teams conference call.

II. Consideration of Minutes for Previous Supervisory Committee Meetings

The May Supervisory Committee meeting minutes were approved unanimously via email by Committee Member Reester, Committee Member Relph, Committee Member Lewis and Committee Member D'Andrea on June 23, 2020.

III. Action Item(s)

Roofing Repairs and Replacement Project:

Becca Erickson, SPR Engineer I, presented the SPR recommendation for approval of a construction services agreement with Tecta America Colorado, LLC. in the amount of \$525,589.47, for the Roofing Repairs and Replacement Project (Project), SPR staff also recommends Committee approval of a Project contingency in the amount of \$25,000.00, for a total authorization amount of \$550,589.47.

The purpose of the Project is to repair and replace the roofs which were identified in a condition assessment completed by Inter Group Architects (IGA) back in 2018. In 2019, Amtech Solutions was selected to complete the design phase services for this Project. The construction phase for this Project was published on BidNet on March 19, 2020. Only one (1) bid was received from Tecta America Colorado, LLC, which may have been a potential outcome of the COVID-19 pandemic outbreak in America.

Since price comparisons were not possible with one (1) bid, SPR staff evaluated the bid proposal against the Class 4 cost estimate provided by Amtech Solutions. Tecta America's total cost proposal was less than the architect's cost estimate. This Project would align SPR's roofs to current code requirements.

ACTION TAKEN – The Supervisory Committee considered the recommendation to approve a construction services agreement with Tecta America Colorado, LLC, in the amount of \$525,589.47, and to also approve a contingency for the project in the amount of \$25,000.00, for a total authorization amount of \$550,589.47, for the Roofing Repairs and Replacements Project at the SPR facility. Committee Member Lewis moved to approve the recommendation, Committee Member Relph seconded the motion, four ayes, and zero nays. Motion approved.

Cost of Service – Administrative Fee Discussion:

Director Van Ry with guest speakers, Carol Malesky and Ethan Harden from Stantec Consulting, discussed the SPR recommendation to approve the methodology outlined in the Administrative Oversight Level of Service Analysis (Analysis), as well as the solution

recommended by the City of Englewood (COE) and City of Littleton (COL) Finance Directors, for SPR's Cost of Service, Administrative Fee.

As part of the SPWRP Cost of Service and Treatment Rate and Fee Study approved by the Committee in April 2019, Stantec, the selected consultant, was asked to analyze the Administrative Oversight Level of Service provided by the COE to SPR and the detail cost associated with these services. The Committee approved an expanded assessment of this task in October 2019, to create a ground up approach to administrative costs incurred by SPR. This analysis looked at both the 3% administrative fee as identified in the Joint Use Agreement, as well as all direct charges from the COE to SPR.

At the November 2019 Supervisory Committee meeting, Stantec held a workshop with the Committee to discuss the preliminary findings of the Analysis. The Committee then directed Stantec to meet with SPR staff, a member of the Committee, and the two cities' staff (HR and Finance) in December 2019, for further examination of the draft findings. After this meeting, Stantec incorporated the recommended changes into the model as agreed upon by all meeting participants.

In April 2020, a meeting was held between Stantec, SPR staff, and the cities' Finance directors and support staff to discuss the updated draft findings in more detail. In addition to the updated draft findings for the Analysis, Stantec also took a comprehensive look into how SPR expenses are allocated as a fixed charge (split 50-50 between the cities) or a variable charge (split based on flow) to ensure alignment with the requirements of the 1982 Joint-Use Agreement. By discussing this task in correlation to the Analysis, it created a more complete representation of how SPR financials are split between the two cities.

Once provided with the information, the Finance directors from each city were asked to provide concurrence on the methodology and expenses outlined in the Analysis, as well as direction on how to account for the financial difference between what is currently being charged and the expenses outlined in the Project. The Committee discussed the overall outcome of the study, and the technical memo which outlines the detailed financial model. The overall analysis and technical memo provides SPR, COE and COL with a mechanism to reproduce sound financials each year that are transparent and defensible. Director Van Ry thanked all the participants of this study for their input and hard work.

ACTION TAKEN – The Supervisory Committee considered the recommendation to approve the methodology and cost differential outlined in the Administrative Oversight Level of Service Analysis as well as the solution recommended by the City of Englewood and the City of Littleton Finance Directors, as a part of the SPWRP Cost of Service and Treatment Rate and Fee Study. Committee Member Relph moved to approve the recommendation, Committee Member Lewis seconded the motion, four ayes, and zero nays. Motion approved.

IV. Informational Items

SPR staff discussed these informational items with the Committee:

- Single Point of Failure Project Update:
 - Anna Schroeder, SPR Engineer II, presented a summary of the Single Point of Failure (SPOFA) project to the Committee. The intent of the SPOFA was to identify potential points of failure to manage risk and increase resiliency at SPR. Black & Veatch was retained by SPR and accomplished this work through identifying critical components and existing single points of failure for two functional categories: mechanical assets and staff workflow. Through Black & Veatch's analysis they identified specific organizational and capital changes that will increase the facility's resiliency, and provide SPR staff with more flexibility for dealing with upset conditions. SPR's mechanical assets will be addressed in order prioritized by urgency. This work parallels with SPR's overall asset management strategic plan and hiring of an Asset Manager. Director Van Ry noted that this work will continue to be supported through future evaluations from an outside source within the next 3-5 years.
- South Platte Renew's Proposed 2021 Draft Budget
 - Kacie Allard, SPR Deputy Director – Business Solutions, discussed SPR's Proposed 2021 Draft Budget with the Committee. The total proposed preliminary budget numbers for 2021 are \$29,615,188.00. Capital costs increased by \$764K. Director Van Ry and the Committee discussed options to potentially reduce the SPR full-time employee count, as well as defund additional positions that are currently vacant. Adjustments will be incorporated into the draft budget prior to the Joint Council Study Session, on July 23, 2020.
- Director's Update
 - Director Van Ry reviewed the draft PowerPoint for the July Joint Council Study Session with the Committee. Feedback was positive from the Committee, future refinements will be made.
- Three (3)-Month Outlook for Supervisory Committee Action Items
 - SPR staff is currently reassessing the Exterior Envelope Repairs Project
- SPR Influent Flow and Load Summary:
 - The measured flow to SPR averaged 19.0 mgd in May 2020, which is a decrease of approximately 1.1 mgd from May 2019. The measured flow split was 46.2 / 53.8 percent between the cities of Littleton and Englewood, respectively.
- Fiscal Management and Reporting
- Hill & Robbins Reporting
 - David Robbins, SPR Attorney, provided an update on upcoming Water Quality Control Commission (WQCC) PFAS policy adaption. The WQCC will be making a decision regarding how the State handles PFAS in July 2020. This decision will not have an immediate budget impact to SPR in 2021.

David Robbins will update the Committee on the outcome during the August Supervisory Committee meeting.

V. Adjournment

The annual Joint Council Study Session is scheduled for Thursday, July 23, 2020, at 8 a.m., and held virtually through Zoom web-conferencing software. This meeting will take the place of the regularly scheduled Supervisory Committee meeting for July 2020.

The next Supervisory Committee meeting is scheduled for Thursday, August 27, 2020, at 9:00 a.m. This meeting will utilize Microsoft Teams, until further notice.

Adjourned at 10:31 a.m.

Recording Secretary Signature _____

Brenda J. Varner

The SPR Supervisory Committee approved the June 25, 2020 meeting minutes via email on July 21 and 23, 2020. Committee Member D'Andrea, Committee Member Reester, Committee Member Relph, and Committee Member Lewis voted; four ayes, no nays. Minutes approved.