

## **MINUTES**

### **Supervisory Committee Meeting**

**Thursday, August 8, 2024; meeting held via Teams – 9 a.m.**

**South Platte Renew (SPR)**

**2900 South Platte River Drive, Englewood, CO 80110**

### **COMMITTEE MEMBERS PRESENT:**

Jim Becklenberg	City of Littleton, City Manager
Shawn Lewis	City of Englewood, City Manager
Victor Rachael	City of Englewood, Public Works Director
Brent Soderlin	City of Littleton, Public Works & Utilities Director

### **STAFF PRESENT:**

Kacie Allard	SPR Deputy Director – Business Solutions
Erin Bartlett	SPR Public Outreach & Marketing Administrator
Reid Betzing	City of Littleton, City Attorney
Blair Corning	SPR Deputy Director – Environmental Programs
Elizabeth DeWaard	SPR Business Solutions Supervisor
Kevin Engels	City of Englewood, Finance Manager
Stephanie Fevig	SPR Engineer IV
Alyssa Hoffman	SPR Procurement Specialist
Zeena Williss Kohr	SPR Engineering Supervisor
Izaiah Kruenegel	SPR Deputy Director – O&M
Victoria McDermott	City of Englewood, Deputy City Attorney
Brianna Miller	SPR Engineer II
Matthew Montgomery	SPR Attorney, Hill & Robbins
Trudi Peepgrass	City of Englewood, Procurement Supervisor
Jamie Safulko	SPR Deputy Director – Engineering
Angela Sapir	SPR Administrative Specialist
Bryan Schmerber	SPR Process/Midstream Engineer
Anna Schroeder	SPR Engineering Supervisor
Pieter Van Ry	SPR Director

### **GUESTS:**

Cynthia Lane	Platte Canyon Water & Sanitation District General Manager
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### **I. Call to Order**

The July Supervisory Committee meeting was called to order by Pieter Van Ry, SPR Director. Director Van Ry welcomed everyone to the meeting. Director Van Ry noted scheduling conflicts resulted in the July meeting being held in August. Committee Member

Becklenberg formally introduced the new City of Littleton Public Works & Utilities Director and Supervisory Committee Member, Brent Soderlin.

## II. Consideration of Minutes for Previous Supervisory Committee Meetings

***ACTION TAKEN – The Supervisory Committee considered the recommendation to approve the June 27, 2024, Supervisory Committee meeting minutes.***

***Committee Member Rachael moved to approve the minutes, Committee Member Becklenberg seconded the motion, four ayes, and zero nays. Minutes approved.***

## III. Action Items

### Headworks Improvements Project – GMP 1

Stephanie Fevig, SPR Engineer IV, presented the Supervisory Committee with a recommendation to approve a Construction Manager/General Contractor (CMGC) Agreement with PCL Construction Inc. (PCL) in the amount of \$1,283,133, for Construction Phase Services related to the Headworks Improvements Project (Project). This CMGC agreement is for the Guaranteed Maximum Price (GMP) 1 of a total of three (3) anticipated GMP's for the Project.

The Headworks Building was constructed in 1977 with numerous subsequent upgrades and equipment replacements. In the 2019 Master Plan, this building was identified as an area in need of improvements due to aging infrastructure and a need for operational efficiency. In May 2022, SPR selected Brown and Caldwell (BC) to evaluate and prioritize assets for renewal and replacement for this project. Because the 2024 Master Plan includes constructing a new Headworks facility in approximately 10 years, the main purpose of this project is to repair and upgrade existing equipment to mitigate any risk of failing critical assets or aging equipment and to improve the resiliency of the Headworks processes.

As a result of an Asset Assessment and Prioritization, SPR and BC identified the HVAC system as a critical piece of equipment for replacement. Design is expected to be complete in November 2024 with construction beginning in January 2025 and anticipated completion in 2026. Due to long procurement times, this package consists of early procurement of the HVAC equipment and electrical components to ensure HVAC construction is completed before Summer 2025. SPR will bring additional GMPs for approval for the remainder of the Project construction and final design is expected to be completed in November 2024.

In December 2023, the Supervisory Committee approved Renewal #1 with PCL for Packaged CMGC Services, which included Preconstruction Phase Services for this Project. PCL has provided Preconstruction Phase Services since the beginning of the Design Phase to capitalize on the collaborative CMGC method. SPR recommends approving this CMGC Agreement with PCL as they have assisted in scheduling optimization and risk mitigation throughout the Project's Design, are a trusted partner, and have worked with SPR on

previous projects, such as the Chemical Phosphorus/UV Disinfection and the SCT Enhancements.

***ACTION TAKEN – The Supervisory Committee considered the recommendation to approve a Construction Manager/General Contractor Agreement for Guaranteed Maximum Price 1 with PCL Construction Inc., in the amount of \$1,283,133, for Construction Phase Services related to Headwords Improvements Projects.***

***Committee Member Lewis moved to approve the recommendation, Committee Member Soderlin seconded the motion, four ayes, and zero nays. Motion approved.***

#### SPR Proposed 2025 Draft Budget

Kacie Allard, SPR Deputy Director – Business Solutions, presented the Supervisory Committee with a recommendation to forward the Draft 2025 Budget, in the amount of \$39,498,422, to the City of Englewood (COE) and the City of Littleton (COL) Councils for their consideration and approval.

The Draft 2025 Budget provides a concise summary of SPR's Enterprise expenses and revenue for the 2025 fiscal year to ensure that both Cities' sewer funds are prepared to cover the proposed expenses. The budget reflects an overall decrease of approximately 1.2% from 2024, largely due to a reduction in capital expenses. SPR proposed an increase in operating expenses in the 2025 Draft Budget in the following areas: personnel expenses due to wage increases and organizational growth, commodities due to inflation, and contractual services due to several one-time professional services. SPR expects to see its budget increase substantially over the next 10 to 20 years, due to required regulatory improvements and infrastructure needs, and has begun working with both cities to begin planning the approach to funding these improvements.

SPR will present the Draft 2025 Budget to the COE and COL City Councils at the Joint Council Study Session on Thursday, August 22, 2024, as an informational item and has shared it with both Cities to incorporate into the sewer fund budgets.

***ACTION TAKEN – The Supervisory Committee considered the recommendation to approve the forwarding of the Draft 2025 Budget for SPR, in the amount of \$39,498,422, to the City of Englewood and City of Littleton Councils for their consideration and approval.***

***Committee Member Becklenberg 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:

- Pipeline Injection System Financial Update
  - Bryan Schmerber, SPR Process/Midstream Engineer, presented a financial update on the Pipeline Injection System to the Supervisory Committee. SPR produces a monthly financial model for the system, which tracks production, gross receivables, operating expenses, net profit (rate off-setting revenue), and projected payback. Also included in the model are accounts for inflationary increases and annualized replacement costs. Once the initial capital investment on the system is fully paid back, all profit generated will become rate off-setting revenue for the two Cities. To date, the pipeline injection system has achieved nearly 87% payback. With the most recent market analysis, SPR is projecting a full system payback as early as Q2 2025.
  
- Director's Update
  - Deputy Director Allard sought the Committee's input on SPR's proposed Procurement Policy Authorization Levels, which integrates the procurement policies of both cities. The COE recently revised its procurement policy, and SPR sought the Committees' input on whether to change the existing approval levels to align SPR's procurement policy with the more conservative threshold of the two cities' policies. The Committee did not have any concerns with the proposed changes. Based on this discussion, Deputy Director Allard will finalize the policy with both cities' Finance Directors and City Attorneys before bringing it to the Supervisory Committee for consideration.
  
  - Blair Corning, SPR Deputy Director – Environmental Programs, introduced the new Lab Ethics Policy. SPR has a Quality Assurance/Quality Control program, and the Lab developed a Lab Ethics Policy that outlines accepted standard of conduct to ensure data integrity. This new policy has been approved by the COE City Attorney's Office. Currently, SPR's Lab Manager is training staff on this policy.
  
  - Izaiah Kruenegel, SPR Deputy Director – O&M, provided an overview of SPR's Operator Retention Pay Program going into effect in August 2024, a strategy to address retention and recruitment challenges in Operations and promote retention and development.
  
  - Jamie Safulko, SPR Deputy Director – Engineering, discussed the Environmental Protection Agency (EPA) Responsible Corporate Office (RCO) Designation with the Supervisory Committee. Committee members received an email regarding designation of an RCO, which is a new EPA requirement for the Pipeline Injection System to comply with the Renewable Fuel Standards program.

- Director Van Ry presented the 2024 Joint Council Study Session Presentation for Committee review.
- **SPR Influent Flow and Load Summary**
  - The measured flow to SPR averaged 20.5 mgd in June 2024, which is a decrease of 1.6 mgd from June 2023. The measured ten (10)-month average flow split was 45.9 / 54.1 percent between the Cities of Littleton and Englewood.
  - On May 31, 2024, SPR implemented a flume rating curve to provide increase accuracy and precision for flow measurements, resulting in adjustments to the flow measurement and Cities' flow split.
- **SPR Voluntary Incentive Program Summary**
  - SPR has received 6.6 years of credits and is on track to receive the full extension of 10 years. As of June 2024, SPR has achieved 46 days toward its target treatment goals for Total Inorganic Nitrogen and 24 days for Total Phosphorus.
- **SPR Pipeline Injection System Summary**
  - As of June 2024, SPR received \$1,275,411 in year-to-date gross receivables on the Pipeline Injection System. The current projected payback is June 2025.
- **Fiscal Management and Reporting**
  - Deputy Director Allard presented the financial report and aggregate purchases report for June 2024.

## **V. Adjournment**

The annual Joint Council Study Session is scheduled for Thursday, August 22, 2024, at 7:30 a.m. at SPR. The meeting will take the place of the regularly schedule Supervisory Committee meeting for August 2024.

The next Supervisory Committee meeting is scheduled for Thursday, September 26, 2024, at 9 a.m., held via Microsoft Teams.

Adjourned at 10:06 a.m.

Recording Secretary Signature \_\_\_\_\_

Angela Sapir



***The SPR Supervisory Committee approved the August 8, 2024, meeting minutes during the September 26, 2024, Supervisory Committee Meeting. Committee Member Soderlin moved to approve the minutes, Committee Member Lewis seconded the motion, four ayes, and zero nays. Minutes approved.***