

MINUTES

Supervisory Committee Meeting

Thursday, May 22, 2025; 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
Blair Corning	SPR Deputy Director – Environmental Programs
Elizabeth DeWaard	SPR Business Solutions Supervisor
Kevin Engels	City of Englewood, Director of Finance
Ryan Germeroth	City of Littleton, Public Works & Utilities Deputy Director
Alyssa Hoffman	SPR Procurement Specialist
Zeena Williss	SPR Engineering Manager
Izaiah Kruenegel	SPR Deputy Director – O&M
Victoria McDermott	City of Englewood, Deputy City Attorney
Matthew Montgomery	SPR Attorney, Hill & Robbins
Maureen Mulcahy	SPR Pretreatment Administrator
Trudi Peepgrass	City of Englewood, Procurement & Contracts Manager
David Robbins	SPR Attorney, Hill & Robbins
Angela Sapis	SPR Administrative Specialist
Bryan Schmerber	SPR Engineering Supervisor
Anna Schroeder	SPR Engineering Manager
Makenna Shaw	SPR Business Solutions Supervisor
Pieter Van Ry	SPR Director
Roxanne Ward	SPR Records and Information Specialist

GUESTS:

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

The May Supervisory Committee meeting was called to order by Pieter Van Ry, SPR Director. Director Van Ry welcomed everyone to the meeting.

II. Consideration of Minutes for Previous Supervisory Committee Meetings

ACTION TAKEN – The Supervisory Committee considered the recommendation to approve the March 27, 2025, and the April 24, 2025, Supervisory Committee meeting minutes.

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

III. Action Items

Industrial Users Surcharges

Maureen Mulcahy, SPR Pretreatment Administrator, presented the Supervisory Committee with a recommendation to approve changes to the Industrial Surcharge rates for Additional Oxygen Demand and Total Suspended Solids, to be incorporated into the Cities of Englewood and Littleton's fee schedules with an effective date of January 1, 2026. The proposed rates are as follows:

- Additional Oxygen Demand (AOD): \$0.16/lb
- Total Suspended Solids (TSS): \$0.34/lb

Industrial Surcharges apply to permitted users that contribute wastewater with higher concentrations of waste strength than typical residential homes and businesses. Treating this high-strength wastewater requires additional energy, chemicals, and equipment usage. Surcharging ensures that the added treatment costs are recovered from the users generating the high-strength waste, rather than being absorbed by the general ratepayer base.

SPR currently applies these surcharges to several industrial users across both the Cities of Englewood and Littleton (Cities). A comprehensive Cost of Service analysis by Stantec, first initiated in 2019 and updated in 2024, evaluated the actual costs of treating industrial-strength wastewater. Based on this analysis, the proposed rate increases align SPR's operating costs and remain competitive with rates in other jurisdictions.

SPR recommends that the Supervisory Committee approve updated Industrial Surcharge rates for AOD and TSS, effective January 1, 2026. The proposed rates, \$0.16/lb for AOD and \$0.34/lb for TSS, would replace the current rates of \$0.02/lb and \$0.11/lb, respectively, which were last updated in 2012. If approved, SPR will work with both Cities to incorporate rates into the Cities of Englewood and Littleton's fee schedules, with industrial users receiving their first bills for 2026 discharges in early 2027.

These updated rates are consistent with industry best practices and reflect an equitable and transparent cost allocation approach. SPR has engaged in ongoing outreach with affected industrial users and will continue to coordinate with both Cities to support implementation.

ACTION TAKEN – The Supervisory Committee considered the recommendation to approve the new Industrial Surcharge rates for Additional Oxygen Demand and Total Suspended Solids as follows, and direct staff to work with the Cities of Englewood and Littleton to incorporate these into the fee schedules with an effective date of January 1, 2026:

- ***Additional Oxygen Demand: \$0.16/pound***
- ***Total Suspended Solids: \$0.34/pound***

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

Trucked and Hauled Waste Fee Increase

Maureen Mulcahy, SPR Pretreatment Administrator, presented the Supervisory Committee with a recommendation to approve an increase to the Trucked and Hauled Waste Fee to \$0.15/gallon, with an additional annual increase by \$0.01 each year through 2030. The updated fee would be effective January 1, 2026.

The septic waste receiving facility, managed by the Industrial Pretreatment team, is located onsite at SPR, where permitted haulers can discharge residential septic and portable toilet waste. The program helps prevent improper disposal of waste while recovering the cost of administering the service. SPR's current fee for Trucked and Hauled waste is \$0.09 per gallon, which was adopted in 2017 after a 2016 analysis.

SPR recently conducted an analysis of its current Trucked and Hauled Waste Fee to determine how it compares to the market, as well as analyzed SPR operational costs. SPR's proposed fee change aligns with what other facilities with a septic hauling program in the Denver Metro area currently charge. Additionally, SPR operational costs for the program have increased by 61 percent since the last update, justifying the recommended fee change.

SPR recommends increasing the Trucked and Hauled Waste Fee from the current \$0.09 per gallon to \$0.15 per gallon, effective January 1, 2026, with an annual increase of \$0.01 per gallon through 2030. The increase ensures SPR remains competitive while fairly allocating program costs to users. If approved, SPR will conduct outreach to all affected haulers and work with the Cities to update the fee schedules. The updated rate will take effect with the first billing cycle of 2026.

ACTION TAKEN – The Supervisory Committee considered the recommendation to approve the new Trucked and Hauled Waste Fee as follows, and direct staff to work with the Cities of Englewood and Littleton to incorporate these into the fee schedules with an effective date of January 1, 2026:

- ***Trucked and Hauled Waste: \$0.15/gallon with an annual increase of \$0.01/gallon each year through 2030***

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

Pipeline Injection System Revenue

Kacie Allard, SPR Deputy Director – Business Solutions, presented the Supervisory Committee with a recommendation to approve distributing revenue from the Renewable Natural Gas (RNG) Pipeline Injection System proportionally between the Cities of Englewood and Littleton based on influent flow as a negative operating cost once the initial capital investment is fully recovered, with an effective date of August 1, 2025.

The RNG Pipeline Injection System, approved by the Supervisory Committee and Englewood City Council in 2018 and operational since October 2019, was jointly funded by both Cities at a total capital investment of \$7.8 million. As agreed during the 2020 Administrative Fee Study, revenue generated during the capital recovery period was shared equally (50/50) between the two Cities. This approach aligned with the 1982 Joint Use Agreement and reflected the 50/50 joint ownership of the facility.

In April 2025, the RNG System generated enough gas to reach full capital cost recovery, approximately five and a half (5.5) years after commissioning. The payback date falls within the originally estimated payback period of four (4) to seven (7) years. The gas generated in April will produce Renewable Identification Numbers (RINs) in May, which are expected to be sold in June and reflected as revenue in SPR's financial statements in July 2025.

As the project approached full payback, SPR sought legal counsel from Hill & Robbins to determine how to handle post-payback revenue after the capital recovery period. The 1982 Joint Use Agreement does not address revenue, as wastewater facilities are not typically revenue-generating. However, two options were identified: the first is to continue the equal (50/50) distribution as a return on investment. The second option is to treat the RNG revenue as a negative operating cost, reducing each City's monthly operating expenses proportionally based on influent flow.

Based on legal counsel, SPR recommends the second option, in which RNG revenue is treated as a negative operating cost. It aligns with the Joint Use Agreement (Article III-1), where cost allocation is measured by a 10-month rolling average of influent flow. It also integrates easily into SPR's budgeting framework and reflects variations in production and market pricing. Beginning August 1, 2025, RNG-related revenue will be incorporated into SPR's operating budget as a negative operating cost. The recommended approach is the simplest, most transparent, and operationally efficient method for sharing the financial

benefits of the RNG system moving forward, without requiring changes to existing budgeting processes or governance agreements.

ACTION TAKEN – The Supervisory Committee considered the approval of the recommendation to allocate post-payback revenue from the Renewable Natural Gas system as a negative operating cost, to be incorporated into SPR's monthly operating budget. Effective August 1, 2025, revenue will be applied proportionally based on each City's flow contribution, thereby reducing monthly operating expenses in accordance with Article III-1 of the Joint Use Agreement.

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

IV. Informational Items

SPR staff discussed these informational items with the Committee:

- Director's Update
 - Deputy Director Allard announced the 2025 WaterFest scheduled on June 26, 2025, from 3 to 7 pm at SPR. The WaterFest is a family-friendly event that invites the community to celebrate the importance of water. Participants can look forward to free food and refreshments, engaging games and prizes, interactive booths, touch-a-truck, as well as the opportunity for guided tours of the facility.
 - Blair Corning, SPR Deputy Director – Environmental Programs, provided an update to the Committee on the purchase and installation of a new Total Organic Carbon and Total Nitrogen analyzer in the lab. This instrument is a key addition, as these analyses were previously outsourced to contract labs, limiting the number of samples. Bringing this capability in-house will allow for increased process control and research sampling, faster turnaround times, and greater operational flexibility.
 - Izaiah Kruenegel, SPR Deputy Director – O&M, shared an overview of SPR's Denmark fact-finding trip in March 2025, attended by John Wright, SPR Interim Operations Manager. The trip, fully funded by Denmark's Ministry of Foreign Affairs, focused on wastewater treatment and resource recovery, and included tours of advanced treatment plants and manufacturing facilities. While there, John presented on the Pilot and Research Center (PARC) and renewable natural gas. The visit strengthened international connections, and members of the Danish Water Technology Alliance plan to tour SPR in the coming months.

- Director Van Ry updated the Committee on the beverage collaboration with Breckenridge Brewery. “Project Green 2025” was crafted with portable water, provided by SPR, which had been purified through the PureWater Colorado Direct Potable Reuse (DPR) Mobile Demonstration Trailer hosted at PARC. This beverage is scheduled to be released on June 5, 2025, in coordination with a World Environment Day event. While SPR is not working to promote the beverage, SPR will host a booth onsite during the event as an opportunity to further educate the community about the facility’s ongoing sustainability efforts.
- **SPR Influent Flow and Load Summary**
 - The measured flow to SPR averaged 19.1 mgd in April 2025, which is an increase of 0.2 mgd from April 2024. The measured ten (10)-month average flow split was 44.9 / 55.1 percent between the Cities of Littleton and Englewood.
 - On May 31, 2024, SPR implemented a flume rating curve to provide increased 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 8.5 years of credits and is on track to receive the full extension of 10 years. As of April 2025, SPR has achieved 0 days toward its target treatment goals for Total Inorganic Nitrogen and 1 day for Total Phosphorus.
- **SPR Pipeline Injection System Summary**
 - As of June 2024, SPR received \$330,274 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 April 2025.

V. Adjournment

The next Supervisory Committee meeting is scheduled for Thursday, June 26, 2025, at 9 a.m., held via Microsoft Teams.

Adjourned at 9:43 a.m.

Recording Secretary Signature _____
Angela Sapir

The SPR Supervisory Committee approved the May 22, 2025, meeting minutes during the July 24, 2025, Supervisory Committee Meeting. Committee Member Soderlin moved to approve the minutes, Committee Member Lewis seconded the motion, four ayes, and zero nays. Minutes approved.