

NORTHWEST LAKEWOOD SANITATION DISTRICT

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<https://nwlsd.us/>

NOTICE OF REGULAR MEETING AND AGENDA OF THE BOARD OF DIRECTORS OF THE DISTRICT AND OF THE WASTE WATER UTILITY ENTERPRISE

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Gregory A. “Greg” Fabisiak	President	2027/May 2027
Catherine “CiCi” Kesler	Vice President/Treasurer	2027/May 2027
James D. “Jim” Zimmerman	Secretary	2025/May 2025
Anthony M. Dursey	Assistant Secretary	2025/May 2025
George C. Davenport	Assistant Secretary	2025/May 2025

DATE: September 27, 2023
TIME: 4:00 P.M.
PLACE: **In Person and VIA Teams**

Martin/Martin, Inc
12499 W. Colfax Ave
Lakewood, CO 80215

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 217 115 882 412

Passcode: ehdVa5

[Download Teams](#) | [Join on the web](#)

Or call in (audio only)

[+1 303-731-8587,,331393677#](#) United States, Denver

Phone Conference ID: 331 393 677#

I. ADMINISTRATIVE MATTERS

- A. Review and approve Minutes of the August 23, 2023 regular meeting (enclosure).
-

II. PUBLIC COMMENT

- A. _____

III. FINANCIAL MATTERS

- A. Presentation of 2022 Audit (enclosures).
-

- B. Review and ratify approval of the payment of claims through the period ending September 31, 2023 as follows (enclosure):

General Fund	\$28,235.25
Enterprise Fund	\$35,862.53
Total:	<u>\$64,097.78</u>

and accept the schedule of cash position as of August 31, 2023 (to be distributed); and the unaudited financial statements for the period ending August 31, 2023; and a report on collections for the facilities renovation fees, grease trap inspection fee collections, commercial billing and any other fees imposed and collected by the District (to be distributed).

IV. LEGAL MATTERS

- A. Update on 11324 West 38th Avenue.
-

- B. Discuss Preliminary Budget Calendar and change of deadline.
-

V. OPERATIONS MATTERS

- A. Operations Monthly Report (enclosures).
-

- B. Engineer's Report (to be distributed).
-

- C. Discuss Metro Water Recovery annual billing and increase (to be distributed).
-

- D. Discuss update on O&E's and delinquency status.
-

1. Discuss status of 2023 Capital Improvements – Award of Contract to Insituform (enclosures).
-

2. Update on Flow Study.
-

VI. OTHER BUSINESS

- A. Metro Water Recovery Operations Packet (enclosures).
-

- B. Website update.
-

- VII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR OCTOBER 25, 2023.**

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
NORTHWEST LAKEWOOD SANITATION DISTRICT
AND THE BOARD OF DIRECTORS OF THE
WASTEWATER UTILITY ENTERPRISE
HELD
AUGUST 23, 2023**

The Regular Meeting of the Board of Directors of the Northwest Lakewood Sanitation District and the Board of Directors of its Wastewater Utility Enterprise (collectively referred to hereafter as “Board”) convened in person at Martin/Martin, Inc., 12499 W. Colfax Avenue, Lakewood, CO 80215x, and by Teams video conference and teleconference call on Wednesday, August 23, 2023, at 4:00 PM. The Teams Meeting and call-in information were listed in the meeting notice posted by the District, and the public was able to attend the meeting by telephone, if they so desired.

ATTENDANCE

Directors In Attendance Were:

Gregory A. “Greg” Fabisiak
Catherine “CiCi” Kesler
James D. “Jim” Zimmerman
George C. Davenport

Following discussion, upon motion duly made by Director Kesler, seconded by Director Davenport, and upon vote, unanimously carried, the absence of Director Dursey was excused.

Also In Attendance Were:

Steve Beck and Dawn Herther; Special District Management Services, Inc.

Tim Flynn, Esq.; Collins Cole Flynn Winn & Ulmer, PLLC

Bill Willis; Martin/Martin Consulting Engineers

Wayne Ramey and Ismael Gomez; Ramey Environmental Compliance

Mickey Conway, Lydia Nkem, Dawn Ambrosio and Ruth Kedzior; Metro Water Recovery

**ADMINISTRATIVE
MATTERS**

Minutes: The Board reviewed the minutes of the July 26, 2023 Regular Meeting.

Following discussion, upon motion duly made by Director Kesler, seconded by Director Davenport, and upon vote, unanimously carried, the minutes of the July 26, 2023 Regular Meeting were approved.

Metro Water Recovery Presentation: Mr. Conway, CEO of Metro Water Recovery gave presentation about Metro/Metro staff leave after meeting presentation.

RECORD OF PROCEEDINGS

PUBLIC
COMMENTS

None.

FINANCIAL
MATTERS

Claims: Mr. Beck reviewed the claims through the period ending August 31, 2023 as follows:

General Fund	\$ 302,045.88
Enterprise Fund	\$ 60,951.96
Total	<u>\$ 362,997.84</u>

Following discussion, upon motion duly made by Director Davenport, seconded by Director Kesler and, upon vote, unanimously carried, the Board ratified the approval of the payment of claims for the period ending August 31 2023, as presented.

Unaudited Financial Statement: Mr. Beck reviewed with the Board the July 31, 2023 financials. Director Davenport asked discussed billing for 2022 O&E's. Mr. Beck will verify payment

Following discussion, upon motion duly made by Director Kesler, seconded by Director Davenport and, upon vote, unanimously carried, the Board approved the July 31, 2023 financials and authorized immediate payment of O&E billing to max of \$1,000 if not paid.

Budget Calendar and Change of Deadline: Mr. Beck and Attorney Flynn discussed Proposition HH and effect on Budget Calendar. Attorney Flynn will draft Resolutions to include wording for special meeting dates, if necessary, pending the outcome of the November election.

LEGAL MATTERS

11324 West 38th Avenue: Attorney Flynn reported that there were no updates and he is still waiting on corrections to be made to the title.

2100 Youngfield Street, Lakewood, Colorado: Mr. Beck updated the Board on still having some issues with payment of quarterly fees and that is new construction to the third structure. There is a lien in place so there can be no sales until the tap fee is paid.

1515 Whippoorwill Drive, Lakewood, Colorado: Mr. Willis and Mr. Beck discussed the status of development and that the developer has been informed that the District will not be involved in any discussion or negotiations with developer and property owner of 1515 Whippoorwill Drive due to the lien on the property with no easement. Developer will be responsible for a line extension to the main district line and the reconnection of all lines meeting currently.

Certification of Delinquent Fees and Charges Memorandum: Mr. Beck, Ms. Herther and Attorney Flynn discussed the Certification process and current status of

RECORD OF PROCEEDINGS

delinquencies and collection efforts.

Addresses with Illegal Taps: Mr. Beck, Ms. Herther and Attorney Flynn discussed the taps connected to the system illegally and what needs to be done to collect the tap fees. Mr. Beck and Attorney Flynn will draft letters to property owners regarding the status and the lien on the properties

OPERATIONS MATTERS

Operations Monthly Report: Mr. Ramey and Mr. Gomez discussed the July Operations Report with the Board.

WWTP Repairs – Flume Covers: Mr. Ramey shared photos of the new flume covers and updated the Board on the project and completion.

Engineer’s Report: Mr. Willis discussed with the Board the July Engineer’s Report and updates.

Status of 2023 Capital Improvements: Mr. Willis discussed with the Board the status of the 2023 Capital Improvements. Mr. Willis also discussed the bids that went out and the recommendation to accept the bid of \$923,564.00 submitted by Insituform, subject to change orders including the addition of repair to the College Park Integration.

Following discussion, upon motion duly made by Director Kesler, seconded by Director Davenport and, upon vote, unanimously carried, the Board accepted the bid, subject to Change Order and authorized signing of the award and contract.

Flow Study: Mr. Willis discussed the flow study and that the work will be completed in the next couple of months. Recommendations made to begin recovering costs by assessing a fee paid by the developer. Mr. Beck will include with the Budget and can be reviewed and approved then.

OTHER BUSINESS

Metro Water Recovery Update: There was no update at this time.

Website Update: Mr. Beck updated the Board regarding the website and statistics.

RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Kesler, seconded by Director Davenport and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By _____
Secretary for the Meeting

**NORTHWEST LAKEWOOD
SANITATION DISTRICT
Jefferson County, Colorado**

**FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021**

DRAFT 9/21/2023

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SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
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Independent Auditor's Report

Board of Directors
Northwest Lakewood
Sanitation District
Jefferson County, Colorado

Opinions

We have audited the accompanying financial statements of Northwest Lakewood Sanitation District (District) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwest Lakewood Sanitation District, as of December 31, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV through VII be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT 9/21/2023

**NORTHWEST LAKEWOOD SANITATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022 and 2021**

As management of the Northwest Lakewood Sanitation District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended December 31, 2022 and 2021.

Financial Highlights

- The assets of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$21,942,700 of this amount; \$9,818,943 represents unrestricted net position that is available to meet the government's ongoing obligations to citizens.
- The District's total net position increased by \$2,362,963.
- The District continued to maintain a capital improvement plan in 2022 which included replacement of certain lines and point repairs.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of the following: 1) statement of net position, 2) statement of revenues, expenses, and changes in net position, 3) statement of cash flows, and 4) notes to the financial statements. This report also contains other supplemental and other information in addition to the basic financial statements.

Financial Statements: The statement of net position represents information of all the District's assets, and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected property taxes).

Since the District follows enterprise fund accounting and reporting requirements, there is a statement of cash flows included as part of the basic financial statements.

The District's basic financial statements can be found on pages 1 through 3 of this report. The notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements can be found on pages 4 through 15 of this report.

Supplemental and other information also accompanies the basic financial statements on pages 16-20.

Condensed Statement of Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current and Other Assets	\$ 11,707,177	\$ 10,535,052	\$ 8,356,877
Capital Assets	12,070,957	11,056,427	10,917,228
Total Assets	<u>23,778,134</u>	<u>21,591,479</u>	<u>19,274,105</u>
Current Liabilities	158,944	473,916	82,533
Total Liabilities	<u>158,944</u>	<u>473,916</u>	<u>82,533</u>
Deferred Inflows of Resources	<u>1,676,490</u>	<u>1,537,826</u>	<u>1,491,547</u>
Net Position:			
Net Investment in capital assets	12,070,957	11,056,427	10,917,228
Restricted	52,800	48,400	49,700
Unrestricted	9,818,943	8,474,910	6,733,097
Total Net Position	<u>\$ 21,942,700</u>	<u>\$ 19,579,737</u>	<u>\$ 17,700,025</u>

At the end of the 2022, 2021 and 2020, the District shows a positive balance in total net position in the amount of \$21,942,700, \$19,579,737 and \$17,700,025, respectively. The positive balance is the amount by which total assets exceed liabilities and deferred inflows of resources. The restriction of net position is for emergencies as mandated by State law. Additional information on this restriction can be found in Note 9 in the Notes to Financial Statements. The District's total net position increased by \$2,362,963 from 2021 to 2022 and \$1,879,712 from 2020 to 2021. Approximately 55% of its total net position are invested in capital assets for 2022. Current and other assets are comprised of cash and cash equivalents, investments and various receivables of the District. Total cash and cash equivalents decreased from 2021 to 2022 by \$4,988,689 or 57.6% as a result of purchase of investments of \$5,858,127 and offset by net income for 2022 of \$2,362,963. The District has no long-term debt. The growth in capital assets between 2020 through 2022 can be attributed to slip-lining of portions of the sewer lines and removal and replacement of certain lines owned by the District.

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Condensed Statement of Activities and Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating Revenue:			
Service Fees	\$ 2,653,293	\$ 2,719,133	\$ 2,549,530
Total Operating Revenue	<u>2,653,293</u>	<u>2,719,133</u>	<u>2,549,530</u>
Expenses			
General and Administrative	328,620	259,069	242,199
Operations	1,961,195	2,252,020	2,203,064
Total Operating Expenses	<u>2,289,815</u>	<u>2,511,089</u>	<u>2,445,263</u>
Gain (loss) from Operations	<u>363,478</u>	<u>208,044</u>	<u>104,267</u>
Non-Operating Revenues (Expenses)			
Taxes	1,633,608	1,596,063	1,609,123
Net investment Income	123,502	15,019	47,343
Other	-	-	100
County Treasurer's Collection Fees	(23,235)	(22,449)	(22,369)
Sewer connection fees paid to MWRD	(108,330)	(82,885)	(13,020)
Total Non-Operating Revenues(Expenses)	<u>1,625,545</u>	<u>1,505,748</u>	<u>1,621,177</u>
Capital contributions	<u>373,940</u>	<u>165,920</u>	<u>26,040</u>
Change in Net Position	2,362,963	1,879,712	1,751,484
Net Position - Beginning of the Year	<u>19,579,737</u>	<u>17,700,025</u>	<u>15,948,541</u>
Net Position - End of the Year	<u>\$ 21,942,700</u>	<u>\$ 19,579,737</u>	<u>\$ 17,700,025</u>

Revenues

In 2022, property and specific ownership taxes provided 37% of the District's total revenue while service and maintenance fees provided 60% of total revenue. The most significant balance in services fees category is the facilities renovation and service fee which increased by \$89,202 from 2021 to 2022 as a result an increase in customers billed.

In 2021, property and specific ownership taxes provided 39% of the District's total revenue while service and maintenance fees provided 60% of total revenue. The most significant balance in services fees category is the facilities renovation and service fee which increased by \$169,603 from 2020-2021 as a result an increase in customers billed.

Expenses

The District's operating expenses decreased from 2021 to 2022 by \$221,274. Of this decrease, \$290,825 relates to sewer operations. This decrease is primarily due to a decrease in the treatment charges the District remits to Metro Wastewater Reclamation District of \$279,728. There are no other significant changes in general and administrative expenses.

The District's operating expenses increased from 2020 to 2021 by \$65,826. Of this increase, \$58,693 relates to sewer operations. This increase is primarily due to an increase in the treatment charges the District remits to Metro Wastewater Reclamation District of \$34,978. There are no other significant changes in general and administrative expenses.

Capital Assets The District's net investment in capital assets as of December 31, 2022, 2021 and 2020 amounted to \$12,070,957, \$11,056,427 and \$10,917,228 (net of accumulated depreciation). The majority of this net investment in capital assets is in the sewer lines. Over the past few years the District's capital improvement plan has replaced sections of the system resulting in increases in its investment in capital assets. The treatment plant was closed September 3, 2004. Treatment services are now provided by the Metro Wastewater Reclamation District. Additional information on the District's capital assets can be found in Note 4 in the notes to financial statements.

Long-Term Obligations On November 4, 2008, a majority of the District's voters approved an increase in the District's debt up to \$5,000,000 with a repayment of up to \$10,250,000, but without an increase in the District's taxes, for the financing of scheduled and emergency repair, replacement and improvement of the sanitary sewer system. As of December 31, 2022, 2021 and 2020, the District had not issued debt.

Economic Factors and Next Year's Budgets and Rates The 2023 budget as adopted contains no significant changes in service levels provided. The total assessed valuation decreased from 2022 collection year to 2023 collection year by \$5,639,339. The District continues to budget for sewer maintenance and rehabilitation and construction annually which is offset by the facility renovation and service fees assessed by the District. The District is anticipating capital-related expenses of \$3,136,675 in 2023.

Requests for Information This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Manager, Northwest Lakewood Sanitation District, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228-1898.

BASIC FINANCIAL STATEMENTS

DRAFT 9/21/2023

NORTHWEST LAKEWOOD SANITATION DISTRICT
STATEMENTS OF NET POSITION
December 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,674,842	\$ 8,663,531
Investments	5,882,540	-
Due from County Treasurer	6,782	7,108
Accounts receivable	438,360	325,882
Property taxes receivable	1,676,490	1,537,826
Prepaid expenses	28,163	705
Total current assets	11,707,177	10,535,052
CAPITAL ASSETS		
Assets not being depreciated:		
Land	7,584	7,584
Construction in process	66,469	488,358
	74,053	495,942
Assets being depreciated:		
Sewer lines	17,767,158	15,964,232
	17,767,158	15,964,232
Less accumulated depreciation	(5,770,254)	(5,403,747)
	11,996,904	10,560,485
Total capital assets, net	12,070,957	11,056,427
TOTAL ASSETS	\$ 23,778,134	\$ 21,591,479
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts and contracts payable	\$ 127,277	\$ 440,701
Retainage payable	-	18,366
Prepaid customer accounts	19,087	14,849
Expense reimbursement deposits	12,580	-
Total current liabilities	158,944	473,916
DEFERRED INFLOWS OF RESOURCES		
Deferred property taxes	1,676,490	1,537,826
Total deferred inflows of resources	1,676,490	1,537,826
NET POSITION		
Net investment in capital assets	12,070,957	11,056,427
Restricted for emergencies	52,800	48,400
Unrestricted	9,818,943	8,474,910
Total net position	21,942,700	19,579,737
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 23,778,134	\$ 21,591,479

These financial statements should be read only in connection with the accompanying notes to financial statements.

**NORTHWEST LAKEWOOD SANITATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Years Ended December 31, 2022 and 2021**

	2022	2021
OPERATING REVENUE		
Facilities renovation and service fees	\$ 2,313,142	\$ 2,223,940
Service fees	331,011	402,177
Grease trap inspections	9,140	3,725
Maintenance fees	-	89,291
Total operating revenue	2,653,293	2,719,133
OPERATING EXPENSES		
Sewer operations	1,594,688	1,884,714
General and administrative	328,620	259,069
Depreciation	366,507	367,306
Total operating expenses	2,289,815	2,511,089
NET GAIN FROM OPERATIONS	363,478	208,044
NONOPERATING REVENUES (EXPENSES)		
Property taxes	1,527,504	1,481,613
Specific ownership taxes	106,104	114,450
Net investment income	123,502	15,019
Other income	-	-
County treasurer's collection fees	(23,235)	(22,449)
Sewer connection fee paid to MWRD	(108,330)	(82,885)
Total nonoperating revenues (expenses)	1,625,545	1,505,748
CAPITAL CONTRIBUTIONS		
Sewer connection fee - District	265,610	83,035
Sewer connection fee - MWRD	108,330	82,885
Total capital contributions	373,940	165,920
CHANGE IN NET POSITION	2,362,963	1,879,712
NET POSITION - BEGINNING OF YEAR	19,579,737	17,700,025
NET POSITION - END OF YEAR	\$ 21,942,700	\$ 19,579,737

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**NORTHWEST LAKEWOOD SANITATION DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 2,540,815	\$ 2,544,049
Cash paid to vendors	<u>(2,265,738)</u>	<u>(1,752,655)</u>
Net cash provided by operating activities	<u>275,077</u>	<u>791,394</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	1,527,830	1,484,373
Specific ownership taxes	106,104	114,450
County treasurer's fees	(23,235)	(22,449)
Net cash provided by noncapital financing activities	<u>1,610,699</u>	<u>1,576,374</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital outlay	(1,381,037)	(506,505)
Sewer connection fees	373,940	165,920
Sewer connections fees paid to MWRD	(108,330)	(82,885)
Net cash required by capital financing activities	<u>(1,115,427)</u>	<u>(423,470)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(5,859,127)	-
Maturity of investments	-	-
Interest received	100,079	15,019
Net cash provided by investing activities	<u>(5,759,048)</u>	<u>15,019</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(4,988,699)	1,959,317
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>8,663,531</u>	<u>6,704,214</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 3,674,832</u></u>	<u><u>\$ 8,663,531</u></u>
RECONCILIATION OF OPERATING GAIN TO CASH FLOWS REQUIRED BY OPERATING ACTIVITIES		
Gain from operations	\$ 363,478	\$ 208,044
Adjustments to reconcile loss from operations to net cash provided (required) by operating activities:		
Depreciation and amortization	366,507	367,306
Effects of changes in operating assets and liabilities:		
Receivables	(112,478)	(175,084)
Prepaid expenses	(27,458)	(255)
Payables and other liabilities	(314,972)	391,383
Net cash provided by operating activities	<u><u>\$ 275,077</u></u>	<u><u>\$ 791,394</u></u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Northwest Lakewood Sanitation District (District), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Jefferson County, Colorado. The District provides sewer collection service to property within its service area and provides sewer treatment services through an intergovernmental agreement with Metro Wastewater Reclamation District.

The District has no employees and all operations and administrative functions are contracted.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental units accounted for as a proprietary enterprise fund. The enterprise fund is used since the District's powers are related to those operated in a manner similar to a private utility system where net income and capital maintenance are appropriate determinations of accountability.

The more significant accounting policies of the District are described as follows:

Basis of Accounting

The District's records are maintained on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemptions of bonds and loans are recorded as reductions in liabilities. Sewer connection fees and contributed assets from developers are recorded as capital contributions when received.

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021**

Operating Revenues and Expenses

The District distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating revenues consist of charges to customers for service provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions.

Restricted resources

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. For basic financial statement presentation purposes, the District is reported as a single enterprise fund. For budgetary purposes, the District separately budgets for a General Fund and Enterprise Fund.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021**

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

Capital Assets

Capital assets are recorded at cost except for those assets which have been contributed which are stated at estimated fair value at the date of contribution. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives of 50 years for sewer lines.

Sewer Connection Fees and Contributed Lines

Sewer connection fees are recorded as capital contributions when received. Lines contributed to the District by developers are recorded as capital contributions and additions to the systems at estimated fair market value when received.

Facilities Renovation and Service Fee

The District charges a facilities renovation and service fee in the amount of \$100 per quarter per single family equivalent tap in order to defray the costs of system repairs, renovations and if necessary, to defray annual maintenance costs and expenses associated with the system.

Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of net position and fund balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021**

NOTE 3 - CASH AND INVESTMENTS

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District's cash deposits had a bank balance of \$646,269 and a carrying balance of \$644,662. At December 31, 2021, the District's cash deposits had a bank balance of \$4,021,544 and a carrying balance of \$4,009,562.

Investments

The District has not adopted a formal investment policy however, the District follows state statutes regarding investments.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities and the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Certain securities lending agreements
- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021**

The District held the following investments as of December 31, 2022:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Maturity</u>
COLOTRUST	\$ 2,888,373	Less than one year
Money Market Mutual Funds	\$ 141,807	Weighted avg. 46 days
U.S. Treasury Bills / Notes	5,882,540	Mature in 2023
Total investments	<u>\$ 8,912,720</u>	

The District held the following investments as of December 31, 2021:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Maturity</u>
COLOTRUST	<u>\$ 4,653,969</u>	Less than one year

As of December 31, 2022, the District was invested in the Wells Fargo Money Market Fund which is a money market mutual fund that invests primarily in U.S. government Securities and other obligations issued by the U.S. government, its agencies or instrumentalities. The fund is unrated.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Credit Risk

As of December 31, 2022 and 2021, the District has invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in three portfolios, COLOTRUST Prime (Prime), COLOTRUST Plus+ (Plus+) and COLOTRUST Edge (Edge). All portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST Plus+ and COLOTRUST Edge may also invest in the highest rated commercial paper. The Prime and Plus+ portfolios are restricted to a weighted average maturity (WAM) of 60 days or less while the Edge portfolio incorporates longer-dated securities with a WAM of 60 days or more. Both Prime and Plus+ portfolios are rated AAAM by Standard and Poor's and the EDGE

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021**

portfolio is rated AAf/S1 by Fitch Ratings. Information related to COLOTRUST, including the annual audited financial statements, can be found at the COLOTRUST website at www.colotrust.com.

Cash and investments as of December 31, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Deposits with financial institutions	\$ 644,662	\$ 4,009,562
Investments	8,912,720	4,653,969
Total cash and investments	<u>\$ 9,557,382</u>	<u>\$ 8,663,531</u>

Investment Valuation

Investments that may be measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District's investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at yearend for which the investment valuations were determined as follows.

COLOTRUST records its investments at fair value and the District records its investments in COLOTRUST at net asset value as determined by fair value. Each share of Prime and Plus is equal in value to \$1.00 and the redemption frequency is daily with no redemption notice period. Edge's net asset value is managed to approximate a \$10.00 transactional share price and the redemption frequency is five business days. The principal value of an Edge investment may fluctuate and could be greater or less than \$10.00 per share at time of purchase, prior to redemption, and at the time of redemption. There are no unfunded commitments.

The valuation of the District's investments are as follows at December 31, 2022:

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021**

	Carrying Amount	Level 1 Inputs
Investments measured at fair value:		
U.S. Treasury Bills / Notes	\$5,882,540	\$ 5,882,540
Total investments at fair value	5,882,540	5,882,540
Investments measured at NAV:		
Colostrust	2,888,373	
Wells Fargo Government Money Fund	141,807	
Total investments at NAV	3,030,180	
Total investments	\$8,912,720	

The valuation of the District's investments are as follows at December 31, 2021:

	Carrying Amount
Investments measured at NAV:	
Colostrust	2,888,373
Total investments at NAV	2,888,373
Total investments	\$2,888,373

Cash Equivalents

Cash equivalents and investments are reflected for the December 31, 2022 and 2021 statements of net position and statements of cash flows as follows:

	2022	2021
Cash and cash equivalents	\$ 3,674,842	\$ 8,663,531
Investments	5,882,540	-
	\$ 9,557,382	\$ 8,663,531

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021**

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	<u>Balance at December 31, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2022</u>
Capital assets, not being depreciated:				
Land	\$ 7,584	\$ -	\$ -	\$ 7,584
Construction in process	488,358	1,381,037	1,802,926	66,469
Total capital assets not being depreciated	<u>495,942</u>	<u>1,381,037</u>	<u>1,802,926</u>	<u>74,053</u>
Capital assets, being depreciated:				
Sewer lines	15,964,232	1,802,926	-	17,767,158
Total capital assets being depreciated	<u>15,964,232</u>	<u>1,802,926</u>	<u>-</u>	<u>17,767,158</u>
Total accumulated depreciation	<u>(5,403,747)</u>	<u>(366,507)</u>		<u>(5,770,254)</u>
Total capital assets, net	<u>\$ 11,056,427</u>	<u>\$ 2,817,456</u>	<u>\$ 1,802,926</u>	<u>\$ 12,070,957</u>

An analysis of the changes in capital assets for the year ended December 31, 2021 follows:

	<u>Balance at December 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2021</u>
Capital assets, not being depreciated:				
Land	\$ 7,584	\$ -	\$ -	\$ 7,584
Construction in process	51,637	506,505	69,784	488,358
Total capital assets not being depreciated	<u>59,221</u>	<u>506,505</u>	<u>69,784</u>	<u>495,942</u>
Capital assets, being depreciated:				
Sewer lines	15,894,448	69,784	-	15,964,232
Total capital assets being depreciated	<u>15,894,448</u>	<u>69,784</u>	<u>-</u>	<u>15,964,232</u>
Total accumulated depreciation	<u>(5,036,441)</u>	<u>(367,306)</u>		<u>(5,403,747)</u>
Total capital assets, net	<u>\$ 10,917,228</u>	<u>\$ 208,983</u>	<u>\$ 69,784</u>	<u>\$ 11,056,427</u>

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021**

NOTE 5 – LONG-TERM OBLIGATIONS

Debt Authorization

On November 4, 2008, the District's voters authorized the issuance of debt up to \$5,000,000 with a repayment of up to \$10,250,000, but without an increase in the District's taxes, for the financing of scheduled and emergency repair, replacement and improvement of the sanitary sewer system. As of December 31, 2022, the District had not issued the debt.

NOTE 6 - NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets, consists of capital assets, net of accumulated depreciation. As of December 31, 2022 and 2021, the District had net investment in capital assets of \$12,070,957 and \$11,056,427, respectively equal to its net capital assets as the District has no outstanding debt.

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2022 and 2021 of \$52,800 and \$48,400 for TABOR emergency reserves (Note 9).

NOTE 7 – INTERGOVERNMENTAL AGREEMENTS

SEWER SERVICE AGREEMENT

Metro Water Recovery

The District has an agreement with Metro Water Recovery (Metro) for sewage treatment and disposal. The District is responsible for the maintenance and future construction costs of all sewer lines and retains title to all sewer lines within the District. The standard service agreement with Metro provides for annual charges to be assessed by formula against the District on an estimated basis for sewage treatment. Adjustments to the estimated charge for metered flows and actual costs are billed and payable or credited during the two succeeding years. Metro assesses tap fees against the District for connections to the system.

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021**

The composition of the sewage treatment charges for 2022 and 2021 is as follows:

	2022	2021
Estimate for current year	\$ 1,469,709	\$ 1,430,976
Adjustment of second preceding year estimate to actual	(145,854)	13,723
Preliminary adjustment of preceding year estimate	(140,622)	18,262
Total annual charges	<u>\$ 1,183,233</u>	<u>\$ 1,462,961</u>

The 2023 sewer treatment estimate is \$1,124,822. The total annual charge is expected to be \$1,449,563 which includes a favorable 2021 final adjustment of \$76,942 and a favorable 2022 preliminary adjustment of \$247,799.

College Park Water and Sanitation District

The District has an agreement to provide sewer treatment and transmission services to College Park Water and Sanitation District (College Park). The agreement is cancelable upon mutual agreement from both parties. The District bills College Park for a portion of the annual sewer treatment charges paid to Metro Water Recovery. The District also bills College Park for reimbursement of actual maintenance expenses incurred.

During the years ending December 31, 2022 and 2021, the District received fees in connection with the agreement as follows:

	2022	2021
Treatment service	<u>\$ 209,432</u>	<u>\$ 258,944</u>
	<u>\$ 209,432</u>	<u>\$ 258,944</u>

In accordance with the Agreement, the District calculated actual maintenance expenses incurred related to College Park for the calendar years 2010 – 2012 and determined that the District owed College Park a credit of \$15,036. During the years ended December 31, 2022 and 2021, the District incurred actual maintenance expenses related to College Park in the amount of \$0 and \$89,291, respectively, which leaves a remaining credit owed to College Park of \$0 as of December 31, 2022.

Sewer Service Agreement - Applewood Sanitation District

In September 2003, the District entered into the Restated and Amended Sewer Service Agreement with Applewood Sanitation District (Applewood). Both districts provide sanitary sewer service to certain properties located within the boundaries of the other district. The District has agreed to continue to serve each Applewood property located within its boundaries and Applewood has agreed to continue to serve each District property within its boundaries. The agreement outlines the charges and billing methodology to be followed by each district so that each district is charged the same rate.

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021**

During the years ended December 31, 2022 and 2021, the District paid treatment fees in connection with the Applewood taps in the amount of \$0 and \$0, respectively. The District received service fees from Applewood in the amount of \$14,400 and \$0 for the years ended December 31, 2022 and 2021, respectively.

On November 24, 2021, the District entered into a new Sewer Service Agreement with Applewood effective January 1, 2022. The new Sewer Service Agreement supersedes the Restated and Amended Sewer Service Agreement. The District has agreed to continue to serve each Applewood property (36 taps) located within its boundaries and Applewood has agreed to continue to serve each District property (5 taps) within its boundaries. The agreement outlines the charges and billing methodology to be followed by each district. The initial term of the agreement shall be 10 calendar years and shall automatically renew for two times, each time being for an additional term of 10 years unless either District provides the other District with written notice of non-renewal.

Sewer Service Agreement - Westridge Sanitation District

On June 24, 2009, the District approved the Second Restated and Amended Sewer Service Agreement with Westridge Sanitation District (Westridge).

On November 15, 2022, the District entered into a Sewer Service Agreement with Westridge Sanitation District that replaces the 2009 Agreement discussed above, in its entirety.). Both districts provide sanitary sewer service to certain properties located within the boundaries of the other district. The District has agreed to continue to serve each Westridge property located within its boundaries and Westridge has agreed to continue to serve each District property within its boundaries. The agreement outlines the charges and billing methodology to be followed by each district so that each district is charged the same rate. On March 21, 2023, the 1st amendment to the Sewer Service Agreement was approved between the parties to increase the number of connections served by the District to 10.

During the years ended December 31, 2022 and 2021, the District paid fees to Westridge in the amount of \$0 and \$10,165, respectively. The District received service fees from Westridge in the amount of \$0 and \$2,275 for the years ended December 31, 2022 and 2021, respectively.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**NORTHWEST LAKEWOOD SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021**

The District pays annual premiums to the Pool for liability, property, public officials liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 9 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes its operations qualify for this exclusion.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Some of the provisions of TABOR, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise may require judicial interpretation.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

DRAFT 9/21/2023

**NORTHWEST LAKEWOOD SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
Year Ended December 31, 2022**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Property taxes	\$ 1,537,826	\$ 1,527,504	\$ (10,322)
Specific ownership taxes	108,000	106,104	(1,896)
Net investment income	12,000	46,833	34,833
Other income	-	-	-
Total Revenues	<u>1,657,826</u>	<u>1,680,441</u>	<u>22,615</u>
EXPENDITURES			
General and administrative:			
Audit and accounting	36,500	39,636	(3,136)
Administration	48,000	69,530	(21,530)
Billing services	32,000	41,678	(9,678)
Consultant	-	48,800	(48,800)
Directors' fees	6,000	7,200	(1,200)
Dues and subscriptions	1,250	1,238	12
Election and publications	25,000	6,753	18,247
Insurance and bonds	45,000	30,454	14,546
Legal	48,000	50,349	(2,349)
Website maintenance	2,000	1,100	900
Bank charges	120	70	50
Office supplies	5,000	3,760	1,240
County treasurer's fees	23,067	23,235	(168)
Payroll taxes - directors	459	551	(92)
Miscellaneous	1,000	-	1,000
Operating expenses:			
Treatment charges	1,183,233	973,801	209,432
Engineering	60,000	-	60,000
Utilities	4,000	-	4,000
Contingency and reserves	199,735	-	199,735
Total Expenditures	<u>1,720,364</u>	<u>1,298,155</u>	<u>422,209</u>
NET CHANGE IN FUNDS AVAILABLE	(62,538)	382,286	444,824
FUNDS AVAILABLE - BEGINNING OF YEAR	<u>817,482</u>	<u>1,706,130</u>	<u>888,648</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 754,944</u>	<u>\$ 2,088,416</u>	<u>\$ 1,333,472</u>

**NORTHWEST LAKEWOOD SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS)
ENTERPRISE FUND
Year Ended December 31, 2022**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Facilities renovation fee	\$ 2,250,000	\$ 2,313,142	\$ 63,142
Service fees - Commercial	-	68,819	68,819
Service fees - College Park	209,432	209,432	-
Service fees - Applewood and Westridge	10,350	14,400	4,050
Denver water service agreement	37,000	31,543	(5,457)
Maintenance fees	-	-	-
Sewer connection fee - District	38,000	265,610	227,610
Sewer connection fee - Metro	-	108,330	108,330
Transfer service fees	6,000	2,542	(3,458)
Grease trap inspections	12,000	9,140	(2,860)
Net investment income	4,000	76,669	72,669
Miscellaneous	400	4,275	3,875
Total Revenues	<u>2,567,182</u>	<u>3,103,902</u>	<u>536,720</u>
EXPENDITURES (Page 18)	<u>2,938,450</u>	<u>2,137,755</u>	<u>800,695</u>
NET CHANGE IN FUNDS AVAILABLE	(371,268)	966,147	1,337,415
FUNDS AVAILABLE - BEGINNING OF YEAR	<u>8,988,363</u>	<u>6,817,180</u>	<u>(2,171,183)</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 8,617,095</u>	<u>\$ 7,783,327</u>	<u>\$ (833,768)</u>
FUNDS AVAILABLE - GENERAL FUND (PAGE 16)		\$ 2,088,416	
FUNDS AVAILABLE - ENTERPRISE FUND		<u>7,783,327</u>	
		<u>\$ 9,871,743</u>	
Total current assets		\$ 11,707,177	
Total current liabilities and deferred inflows of resources		<u>(1,835,434)</u>	
		<u>\$ 9,871,743</u>	

**NORTHWEST LAKEWOOD SANITATION DISTRICT
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
(BUDGETARY BASIS)
ENTERPRISE FUND
Year Ended December 31, 2022**

	<u>Original Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
ADMINISTRATIVE			
Billing	\$ 24,000	\$ 26,761	\$ (2,761)
Treasurer's fees	450	-	450
Legal	750	740	10
Miscellaneous	500	-	500
Total administrative	<u>25,700</u>	<u>27,501</u>	<u>(1,801)</u>
OPERATIONS			
Treatment charges - College Park	-	209,432	(209,432)
Treatment charges - Westridge	16,500	-	16,500
Repairs and maintenance	10,000	39,687	(29,687)
Connection fees - MWRD	18,500	108,330	(89,830)
Contract operator services	367,750	287,938	79,812
Miscellaneous	-	57	(57)
Total operations	<u>412,750</u>	<u>645,444</u>	<u>(232,694)</u>
CAPITAL OUTLAY			
Sewer lines	2,100,000	1,381,037	718,963
Non-capitalizable	400,000	83,773	316,227
Total capital outlay	<u>2,500,000</u>	<u>1,464,810</u>	<u>1,035,190</u>
TOTAL EXPENDITURES	<u>\$ 2,938,450</u>	<u>\$ 2,137,755</u>	<u>\$ 800,695</u>

**NORTHWEST LAKEWOOD SANITATION DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended December 31, 2022**

General Fund revenues - budgetary basis	\$ 1,680,441
Enterprise Fund revenues- budgetary basis	<u>3,103,902</u>
Revenues per Statements of Revenues, Expenses and Changes in Net Position	<u>4,784,343</u>
General Fund expenses - budgetary basis	1,298,155
Enterprise Fund expenses- budgetary basis	2,137,755
Depreciation	366,507
Capital outlay	<u>(1,381,037)</u>
Expenses per Statements of Revenues, Expenses and Changes in Net Position	<u>2,421,380</u>
Change in net position per Statements of Revenues, Expenses and Changes in Net Position	<u><u>\$ 2,362,963</u></u>

DRAFT 9/21/2023

OTHER INFORMATION

DRAFT 9/21/2023

**NORTHWEST LAKEWOOD SANITATION DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percentage Collected to Levied
			Levied	Collected	
2006	\$ 159,802,180	7.696	\$ 1,229,838	\$ 1,223,848	99.5%
2007	\$ 158,340,870	7.696	\$ 1,218,591	\$ 1,194,195	98.0%
2008	\$ 168,119,180	7.738 (1)	\$ 1,300,906	\$ 1,299,482	99.9%
2009	\$ 168,793,140	7.802 (2)	\$ 1,316,924	\$ 1,306,088	99.2%
2010	\$ 166,715,070	7.525 (3)	\$ 1,292,042	\$ 1,277,529	98.9%
2011	\$ 164,305,730	7.747 (4)	\$ 1,272,877	\$ 1,266,400	99.5%
2012	\$ 155,701,876	7.780 (5)	\$ 1,211,361	\$ 1,209,327	99.8%
2013	\$ 159,216,244	7.571 (6)	\$ 1,205,426	\$ 1,199,952	99.5%
2014	\$ 165,527,807	7.285 (7)	\$ 1,205,870	\$ 1,197,171	99.3%
2015	\$ 164,757,771	7.703 (8)	\$ 1,267,976	\$ 1,267,961	100.0%
2016	\$ 190,485,375	6.878 (9)	\$ 1,310,158	\$ 1,306,898	99.8%
2017	\$ 204,848,910	6.522 (10)	\$ 1,336,024	\$ 1,285,763	96.2%
2018	\$ 229,357,320	6.825 (11)	\$ 1,565,364	\$ 1,549,810	99.0%
2019	\$ 228,984,259	5.437 (12)	\$ 1,244,987	\$ 1,240,959	99.7%
2020	\$ 246,812,983	5.987 (13)	\$ 1,477,670	\$ 1,498,472	101.4%
2021	\$ 246,658,967	6.047 (14)	\$ 1,491,547	\$ 1,481,613	99.3%
2022	\$ 273,032,512	5.661 (15)	\$ 1,537,826	\$ 1,527,504	99.3%
Estimated for year ending December 31, 2023	\$ 267,393,173	6.317 (16)	\$ 1,676,490		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

- (1) Reflected net of a temporary mill levy rate reduction of .034 mills.
- (2) Reflected net of a temporary mill levy rate reduction of .002 mills.
- (3) Reflected net of a temporary mill levy rate reduction of .225 mills and a refunds and abatements levy of .054.
- (4) Includes a refund and abatement levy of .051 mills.
- (5) Includes a refund and abatement levy of .084 mills.
- (6) Reflected net of a temporary mill levy rate reduction of .143 mills and a refunds and abatements levy of .018.
- (7) Reflected net of a temporary mill levy rate reduction of .449 mills and a refunds and abatements levy of .038.
- (8) Includes a refund and abatement levy of .007 mills.
- (9) Reflected net of a temporary mill levy rate reduction of .856 mills and a refunds and abatements levy of .038.
- (10) Reflected net of a temporary mill levy rate reduction of 1.180 mills and a refunds and abatements levy of .006.
- (11) Reflected net of a temporary mill levy rate reduction of .871 mills
- (12) Reflected net of a temporary mill levy rate reduction of 2.264 mills and a refunds and abatements levy of .005.
- (13) Reflected net of a temporary mill levy rate reduction of 1.813 mills and a refunds and abatements levy of .104.
- (14) Reflected net of a temporary mill levy rate reduction of 1.664 mills and a refunds and abatements levy of .015.
- (15) Reflected net of a temporary mill levy rate reduction of 2.058 mills and a refunds and abatements levy of .023.
- (16) Reflected net of a temporary mill levy rate reduction of 1.418 mills and a refunds and abatements levy of .039.



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

September 27, 2023

To the Board of Directors
Northwest Lakewood Sanitation District
Jefferson County, Colorado

We have audited the basic financial statements of the Northwest Lakewood Sanitation District (District) for the year ended December 31, 2022 and have issued our report thereon dated September 27, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated January 16, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

Certain accounting estimates are particularly sensitive because of their significance to financial statements and because the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements was (were):

- Depreciable lives of capital assets
- Fair value of investments

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

The attached Exhibit I of material misstatements detected as a result of audit procedures were corrected by management.

The attached Exhibit II summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 27, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information (as listed in the table of contents to the basic financial statements), which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on other information (as listed in the table of contents to the basic financial statements), which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

SCHILLING & COMPANY, INC.

Schilling & Company, Inc.

Adj. Journal Entries
Northwest Lakewood Sanitation District
12/31/2022
Exhibit I

9/21/2023 10:41:31 AM

Done by:	Date:	Index:
Reviewer:	Date:	

AJE No.	Account Description	W/P Ref	Account Number	Debits	Credits
1	Unearned income	TB	4-325	548,807.00	
1	Accounts Rec-Fac Renovtion Fee		4-143		548,807.00
To remove January 2023 billing from unearned income and accounts receivable.					
2	Accounts Rec-Fac Renovtion Fee	B-2	4-143	19,087.46	
2	Prepaid Fac Renovation Fee		4-321		19,087.46
To reclassify FRF prepaid accounts at 12/31/22					
3	Fund Balance	PY	4-450	200,670.00	
3	Sewer Lines		4-166	18,147.50	
3	Construction in Progress		4-167	488,358.32	
3	Accumulated Depreciation		4-250		367,305.84
3	2021 CIP		4-883		291,692.00
3	2022 CIP		4-884		75,623.00
3	Facilities Renovation Fees		4-539	17,486.38	
3	Property Tax		1-510	9,958.64	
To adjust beginning balances to agree to 12/31/21 audit					
4	Sewer Lines	E	4-166	1,802,925.55	
4	Construction in Progress		4-167		421,889.57
4	2021 CIP		4-883		1,314,567.23
4	2022 CIP		4-884		66,468.75
4	Depreciation		4-736	366,506.39	
4	Accumulated Depreciation		4-250		366,506.39
To record depreciation expense and adjust CIP and sewer lines at 12/31/22.					
5	Facilities Renovation Fees	B-2	4-539	28,404.00	
5	Accounts Rec-Fac Renovtion Fee		4-143		28,404.00
5	Service Fees-Commercial		4-540	21,720.00	
5	Facilities Renovation Fees		4-539		21,720.00
To adjust A/R - FRF and reclassify Consolidated Mutual payment at 12/31/22					
6	Facilities Renovation Fees	104	4-539	31,543.03	
6	Denver Water Service Agreement		4-590		31,543.03
To reclassify Denver Water Moffat Treatment plant revenue					
7	NWLSD Treatment Chg-College Pk	300	4-721	209,432.24	
7	Treatment Charges		1-720		209,432.24
To reclassify College Park treatment expense at 12/31/22					
8	Deferred Interest TBills	A	4-117	24,346.99	
8	Interest Income		4-560		24,346.99
To reclassify TBills deferred interest to interest income at 12/31/22					
9	Accounts Receivable-Commercial	103	4-140	14,335.43	
9	Service Fees-Commercial		4-540		14,335.43
To adjust A/R commercial at 12/31/22					
10	Accounts Receivable-Other	300	4-142	14,400.00	
10	Service Agreement-Applewood		4-525		14,400.00
To record Accounts Receivable for Applewood billing for 2022.					
Totals				3,816,128.93	3,816,128.93

Passed Adjusting Journal Entries
 Northwest Lakewood Sanitation District
 12/31/2022

Exhibit II

Done by:	Date:	Index:
Reviewer:	Date:	

PAJE No.	Account Description	W/P Ref	Account Number	Asset	Liability	Equity	Revenue Expense
1	Accounts Receivable-Other	300	4-142	3,600.00			
1	Service Agreement-Westridge		4-520				-3,600.00
1	Accounts Payable		4-310		-10,165.00		
1	NWSD Treatment Chgs-Westridge		4-722				10,165.00

To record Westridge Sanitation 2022 billing for 9 properties served by NWLSD and expense for 68 properties served by Westridge.

PAJE Totals By Classification				<u>3,600.00</u>	<u>-10,165.00</u>	<u>0.00</u>	<u>6,565.00</u>
Classification Totals Before PAJE				<u>23,778,134.10</u>	<u>-1,835,434.54</u>	<u>-19,579,737.46</u>	<u>-2,362,962.10</u>

NORTHWEST LAKEWOOD SANITATION DISTRICT

September 27, 2023

Schilling & Company, Inc.
PO Box 631579
Highlands Ranch, CO 80163

This representation letter is provided in connection with your audits of the basic financial statements of Northwest Lakewood Sanitation District (District), which comprise the statements of as of December 31, 2022 and 2021, and the related statements of changes in financial position and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of the Independent Auditor's Report, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 16, 2023 including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units, if any, required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable, including the following:
 - a) The appropriateness and consistency of the measurement processes used by management in determining accounting estimates.

- b) That the assumptions appropriately reflect management's intent and ability to carry out specific courses of action.
 - c) That the disclosures related to accounting estimates are complete and appropriate.
 - d) That no subsequent event has occurred that would require adjustment to the accounting estimates or disclosures included in the financial statements.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
 - 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
 - 8) We have reviewed the attached Exhibit I of corrected misstatements and are in agreement with them. We have directed that these correcting entries be posted to the accounting records of the District.
 - 9) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter as Exhibit II.
 - 10) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
 - 11) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 12) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District or those designated by the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15) We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - a) Management,
 - b) Others where the fraud could have a material effect on the financial statements.

- 16) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government—specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 27) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements include all fiduciary activities required by GASBS No. 84 , if any.

- 31) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34, as amended.
- 32) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted), and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 40) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 41) We are following GASB Statement No. 54, to determine the fund balance classifications for financial reporting purposes.
- 42) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 43) With respect to the Supplemental Information as listed in the table of contents to the financial statements:
 - a) We acknowledge our responsibility for presenting the Supplemental Information in accordance with accounting principles generally accepted in the United States of America, and we believe the Supplemental Information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Supplemental Information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the Supplemental Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

- 44) The District understands that TABOR (Section 20 of Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time, the District is in compliance.
- 45) We have directed that all banking and savings and loan institutions be notified of our assigned number which identifies that our deposits are subject to the respective Public Deposit Protection Act.

NORTHWEST LAKEWOOD SANITATION DISTRICT

Member of the Board of Directors**

District Manager

** This letter is executed as President and delivered with the understanding that the statements made herein are made on behalf of the Northwest Lakewood Sanitation District in the capacity as President, and to the best of his/her current, actual and personal knowledge without separate independent investigation and without imputation of any other persons' knowledge.

Adj. Journal Entries
Northwest Lakewood Sanitation District
12/31/2022
Exhibit I

9/21/2023 10:41:31 AM

Done by:	Date:	Index:
Reviewer:	Date:	

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Exhibit II

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Classification Totals Before PAJE				<u>23,778,134.10</u>	<u>-1,835,434.54</u>	<u>-19,579,737.46</u>	<u>-2,362,962.10</u>

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
2757						
09/11/2023	Applewood Sanitation District	23851	Treatment Charges-Apple	4-726	1,800.00	1,800.00
09/11/2023	Applewood Sanitation District	24899	Treatment Charges-Apple	4-726	2,000.00	2,000.00
Total 2757:						3,800.00
2758						
09/11/2023	Collins Cole Flynn Winn & Ulmer,	4062	Legal	1-675	2,300.00	2,300.00
09/11/2023	Collins Cole Flynn Winn & Ulmer,	4193	Legal	1-675	3,134.00	3,134.00
Total 2758:						5,434.00
2759						
09/11/2023	Colorado Community Media	93451	Election and Publication	1-635	119.76	119.76
Total 2759:						119.76
2760						
09/11/2023	Martin/Martin	17.0638-00258	2023 CIP	4-885	12,116.83	12,116.83
09/11/2023	Martin/Martin	17.0638-00260	Sewer Lines/Eng./Observ.	4-810	2,845.00	2,845.00
09/11/2023	Martin/Martin	17.0638-00261	Sewer Lines/Eng./Observ.	4-810	600.00	600.00
Total 2760:						15,561.83
2761						
09/11/2023	Ramey Enviromental Compliance	26189	COS-Maintenance	4-749	20,300.70	20,300.70
Total 2761:						20,300.70
2762						
09/11/2023	Special Dist Management Serv	08/2023	Office Supplies	1-690	1,089.89	1,089.89
09/11/2023	Special Dist Management Serv	08/2023	Administration	1-614	7,056.00	7,056.00
09/11/2023	Special Dist Management Serv	08/2023	Accounting	1-612	5,422.00	5,422.00
09/11/2023	Special Dist Management Serv	08/2023	Billing	1-616	5,107.20	5,107.20
Total 2762:						18,675.09
2763						
09/11/2023	UNCC	223081019	Repairs & Maintenance-L	4-740	206.40	206.40
Total 2763:						206.40
2764						
09/11/2023	Xpress Bill Pay	INV-XPR004373	Billing	4-616	1,495.98	1,495.98
09/11/2023	Xpress Bill Pay	INV-XPR004373	Billing	4-616	1,495.98-	1,495.98-
Total 2764:						.00
Grand Totals:						64,097.78

Northwest Lakewood Sanitation District
September-23

	<u>General</u>	<u>Enterprise</u>	<u>Totals</u>
Disbursements	\$ 24,228.85	\$ 39,868.93	\$ 64,097.78
Payroll			\$ -
			\$ -
Payroll Taxes (Quarterly)	\$ -		\$ -
Direct Pay -- Consolidated Mutual Water	\$ -		\$ -
Total Disbursements from Checking Account	\$ 24,228.85	\$ 39,868.93	\$ 64,097.78



Northwest Lakewood Sanitation District

Monthly Report

August 1-31, 2023

Tues	8/1	Responded via phone, outside of normal business hours, to 1 emergency locate for an H2O main repair at W. 37 th Pl. & Lee St. Made a site visit for a tap inspection that was not ready at 1045 Yank St. Performed 2 locates.
Wed	8/2	Performed 1 tap inspection at 1045 Yank St.
Fri	8/4	Performed 1 locate.
Mon	8/7	Performed 1 tap inspection at 11480 W. 27 th Pl.
Tues	8/8	Performed 18 passing grease trap inspections. Performed 1 locate.
Wed	8/9	Performed 10 passing and 1 out of business grease trap inspections.
Tues	8/15	Responded via phone, outside of normal business hours, to 1 emergency locate for an electric conduit new and reporting damage at W. 32 nd Ave. & Kipling St. Performed 5 locates.
Fri	8/18	Performed 2 work orders: 9350 W. 26 th Ave. – Jet clean line. Wide Acres & Yank – Jet clean line. Performed 1 tap replacement inspection at 10180 W. 23 rd Ave.
Mon	8/21	Performed 1 locate.
Wed	8/23	Responded on site to notification of a broken manhole lid at 1906 Taft Dr. Performed 2 locates.
Thurs	8/24	Performed 2 bore meet locates.
Tues	8/29	Performed routine manhole inspections on resurfaced streets.
Wed	8/30	Performed 1 tap inspection at 11065 Linda Vista Dr. Performed routine manhole inspections on resurfaced streets. Performed 1 locate. Performed 1 bore meet locate.
Thurs	8/31	Performed 2 locates. Performed 1 bore meet locate.

Task #3 - Maintenance Services				
	Projected 2023 Footage	YTD Actual 2023 Footage	Current Monthly 2023 Footage	YTD Percentage 2023
	Zone B			
Jetting				
14" or Less		85,714.0	20,061.0	
15 or More"				
Easement				
Total Jetting	98,602.0	85,714.0	20,061.0	87%
Televising				
14" or Less		70,319.7	12,036.70	
15 or More"				
Total Televising	98,602.0	70,319.7	12,036.7	71%
Accelerated Maintenance				
Non-Routine Jetting		2,735.0		
Non-Routine Televising		130.0		
Hot Spot Jetting		3,204.0	1,068.0	0%
Hot Spot Televising				0%
Accelerated Jetting				0%
Annual Root Televising				0%
Annual Root Cut				0%
Annual Mineral Cleaning				0%
Annual Mineral Televising				0%
Total Accelerated Maintenance	0.0	6,069.0	1,068.0	0%
Total Length of Cleaning	98,602.0	88,918.0	20,061.0	90%
Total Length of Televising	98,602.0	70,449.7	12,036.7	71%
Total Task #3	197,204.0	165,436.7	33,165.7	84%

Northwest Lakewood Sanitation District
Summary for August 1-31, 2023

August 1, 2023

W. 37th Pl. & Lee St.

Emergency Locate

On Tuesday, August 1, 2023, at 5:45pm, David Moore of REC. Inc. was contacted by Colo811 regarding an emergency locate for an H2O main repair at W. 37th Pl. & Lee St. David noted this location was out of district for Northwest Lakewood Sanitation District and contacted Brandon Sorenson (720-417-1650) of Consolidated Mutual Water Co. and informed him of this. No further action needed at this time.

Total time on this issue: David Moore – .50hrs.

August 15, 2023

W. 32nd Ave. & Kipling St.

Emergency Locate

On Tuesday, August 15, 2023, at 8:40pm, Michael Carbajal of REC. Inc. was contacted by Colo811 regarding an emergency locate for an electric conduit new and reporting damage at W. 32nd Ave. & Kipling St. The damage reported was to catv, telco, H2O, fiber, with damage to two separate 2in. conduits, 1 orange and 1 blue, and the ticket requested these facilities only to respond. Michael contacted Nallely Cortes (909-373-5175) of Intensive Drilling to verify the damage and confirmed the sanitary sewer facility was not needed on site. Michael cleared Northwest Lakewood Sanitation District. No further action needed at this time.

Total time on this issue: Michael Carbajal -- .50hrs.

August 23, 2023

1906 Taft Dr.

Broken Manhole Lid

On Wednesday, August 23, 2023, at 10:30am, Ismael Gomez of REC. Inc. was contacted by Samuel Martinez also of REC. Inc. regarding a broken manhole lid that was located at 1906 Taft Dr. Samuel informed Ismael while he and David Moore, also of REC. Inc., were performing the regular 2023 jetting program it was observed the lid to manhole BH-7 was broken. Ismael arrived on site with a replacement lid, but it did not fit, so Ismael retrieved a different sized lid and returned to the site. Ismael, with the assistance of Samuel and David, replaced the broken lid with the correct fitting lid and departed the site. No further action is needed at this time.

Total time on this issue: Ismael Gomez – 1.00hrs.

Samuel Martinez – 1.00hrs.

David Moore – 1.00hrs.

UNCC Locates

Month: August 2023

District: Northwest Lakewood

Address	Locate Type	Date	Notes: What was located	Ticket Number
W. 25th Ave. & Iris St.	2	7/26/2023	Engineering	B320702172-00B
3375 Wright St.	1	7/31/2023	Tree Planting	B321204172-00B
2980 Xenon St.	1	7/31/2023	Sump Pump New	B321203138-00B
11238 W. 27th Ave.	1	7/31/2023	Stump Grinding	B321202844-00B
12285 W. 35th Ave.	1	7/31/2023	Comcast Drop Bury 12	B321201088-00B
1557 Owens St.	1	7/31/2023	Gas Main New	B321202220-00B
Cole Blvd & Colorado Mills Pkwy.	1	7/31/2023	Fiber New	B321203035-00B
14500 W. Colfax Ave.	1	7/31/2023	Conduit New	B321200211-00B
14500 W. Colfax Ave.	1	7/31/2023	Conduit New	B321200205-00B
1315 Colorado Mills Pkwy.	1	7/31/2023	Conduit New	B321200247-00B
2459 Ward Dr.	2	7/31/2023	Hydrovac	B321201402-00B
W. 37th Pl. & Lee St.	1	8/1/2023	H2O Main Repair	B321304686-00B
3705 Kipling St.	1	8/1/2023	Fence New	B321300943-00B
3210 Arbutus St.	1	8/1/2023	Footer Depth Survey Excavation	B321301348-00B
3783 Simms St.	1	8/1/2023	Signs Install	B321302805-00B
3800 Simms Ct.	1	8/1/2023	Signs Install	B321302845-00B
1490 Kingsbury Ct.	1	8/1/2023	Fence Replace	B321302857-00B
2075 Moore St.	1	8/1/2023	Foundation Addition	B321303219-00B
2025 Lee St.	1	8/1/2023	Sump Pump New	B321303877-00B
2 Morningside Dr.	1	8/1/2023	Comcast Drop Bury 12	B321300961-00B
3253 Taft Ct.	1	8/1/2023	Fence Replace	B321302631-00B
10651 W. 34th Pl.	1	8/2/2023	H2O Service Repair	B321400195-00B
1557 Owens St.	1	8/2/2023	Gas Main New	B321202220-01B
2419 Ward Dr.	1	8/2/2023	Asphalt Patching	B321400584-00B
10900 W. 23rd Ave. Dr.	1	8/2/2023	Irrigation New	B321402845-00B
3501 Clear Creek Dr.	1	8/2/2023	Electric Main New	B321402968-00B
3501 Clear Creek Dr.	1	8/2/2023	Electric Main New	B321402963-00B
3501 Clear Creek Dr.	1	8/2/2023	Electric Main New	B321402959-00B
11400 W. 39th Pl.	1	8/2/2023	Stump Grinding	B321403891-00B
2070 Moore St.	1	8/2/2023	Stump Grinding	B321404590-00B
2300 Urban St.	1	8/2/2023	Caissons Install	B321404317-00B
3026 Parfet Dr.	1	8/2/2023	Concrete Work	B321404185-00B
12700 W. 27th Ave.	2	8/2/2023	Channel Excavation	B321402494-00B
3400 Pierson St.	1	8/3/2023	Grading Overlot/New H2O/Sanitary/Storm Pipe	B321502313-00B
2620 Vivian St.	1	8/3/2023	Comcast Drop Bury 12	B321500944-00B
11881 W. 26th Ave.	1	8/3/2023	Tree/Shrub Planting	B321501173-00B
3501 Clear Creek Dr.	1	8/3/2023	Irrigation/Landscaping	B321501360-00B
2300 Urban St.	1	8/3/2023	New Sewer Service	B321500788-00B
2300 Urban St.	1	8/3/2023	New Sewer Service	B321500770-00B
13090 W. 21st Ave.	1	8/3/2023	Sewer Service Repair	B321500686-00B
2300 Urban St.	1	8/3/2023	Irrigation New	B321502539-00B
9357 W. 26th Ave.	1	8/4/2023	Fence Replace	B321603115-00B
12590 W. 32nd Ave.	1	8/4/2023	Sewer Service Replace	B321600255-00B
Tabor Ct. & W. 38th Ave.	1	8/4/2023	Sewer Main Repair	B321600188-00B
1025 Youngfield St.	1	8/4/2023	Landscaping	B321601405-00B
W. 26th Ave. & Eldridge St.	2	8/4/2023	H2O Service Valve Repair	B321602298-00B
1000 Zinnia St.	1	8/6/2023	Gardening	B321800254-00B
2548 Ward Dr.	1	8/6/2023	Fence New	B321800183-00B
11480 W. 27th Pl.	1	8/7/2023	Sewer Service Repair	B321900194-00B

10628 W. 31st Pl.	1	8/7/2023	Comcast Drop Bury 12	B321900906-00B
1641 Urban St.	1	8/7/2023	Comcast Drop Bury 12	B321900988-00B
14500 W. Colfax Ave.	1	8/8/2023	Conduit New	B322003374-00B
2550 Newcombe Way	1	8/8/2023	Tree Removal	B322003380-00B
9725 W. 23rd Ave.	1	8/9/2023	Foundation/Driveway New	B322100088-00B
1965 Zang St.	1	8/9/2023	Fence New	B322104316-00B
Eldridge St. & W. 20th Ave.	1	8/9/2023	Signs Install	B322101733-00B
3700 Youngfield St.	1	8/9/2023	Sprinkler New	B322101193-00B
10908 W. 30th Pl.	1	8/9/2023	Foundation Repair	B322101444-00B
12030 W. 26th Ave.	1	8/10/2023	Sewer Service Repair	B322200557-00B
1410 Normandy Rd.	1	8/10/2023	Sump Pump New	B322203725-00B
10865 W. 32nd Ave.	1	8/10/2023	Comcast Drop Bury 12	B322200850-00B
3160 Zinnia Ct.	1	8/10/2023	Landscaping/Sprinklers	B322204585-00B
W. 32nd Ave. & Kipling St.	1	8/10/2023	Electric Conduit New	B322201927-00B
30 Hillside Dr.	1	8/11/2023	Sewer Service Repair	B322300421-00B
2300 Urban St.	1	8/11/2023	Sewer Service New	B322300791-00B
12730 W. 19th Pl.	1	8/11/2023	Stump Grinding	B322300959-00B
Coors Dr. & Eldridge St.	2	8/11/2023	H2O Main Replace	B322301810-00B
Coors Dr. & Eldridge St.	2	8/11/2023	H2O Main Replace	B322301784-00B
W. 23rd Ave. & Eldridge St.	2	8/11/2023	H2O Main Replace	B322301814-00B
W. 22nd Ave. & Eldridge St.	2	8/11/2023	H2O Main Replace	B322301822-00B
W. 20th Pl. & Eldridge St.	2	8/11/2023	H2O Main Replace	B322301830-00B
11685 W. 22nd Pl.	1	8/14/2023	Sewer Service Repair	B322600849-00B
1919 Applewood Dr.	1	8/14/2023	Sewer Service Repair	B322600878-00B
3830 Quail Ct.	1	8/14/2023	Comcast Drop Bury 12	B322601119-00B
3239 Robb St.	1	8/14/2023	Tree Planting	B322601403-00B
2136 Zinnia St.	1	8/14/2023	Fence Replace	B322602049-00B
11755 W. 24th Pl. Cir.	1	8/14/2023	Fence Replace	B322604494-00B
3400 Pierson St.	1	8/14/2023	Electric Conduit New	B322600376-00B
3400 Pierson St.	1	8/14/2023	Landscaping/Sprinklers	B322604631-00B
3615 Lee St.	1	8/14/2023	Window Well Replace	B322602215-00B
11220 W. 27th Pl.	1	8/15/2023	H2O Main Replace	B322700665-00B
W. 35th Ave. & Parfet St.	1	8/15/2023	Hydrovac	B322700124-00B
12635 W. 10th Ave.	1	8/15/2023	Fence New	B322703314-00B
3239 Robb St.	1	8/15/2023	Tree Planting	B322700728-00B
1961 Youngfield St.	1	8/15/2023	Irrigation Repair	B322701115-00B
10120 W. 20th Ave.	1	8/15/2023	Fence New	B322704491-00B
W. 32nd Ave. & Kipling St.	1	8/15/2023	Electric Conduit New	B322704597-00B
10180 W. 23rd Ave.	1	8/15/2023	Sewer Service Repair	B322701095-00B
1919 Applewood Dr.	1	8/16/2023	Sewer Service Repair	B322800408-00B
12850 Willow Way	1	8/16/2023	Landscaping	B322801371-00B
2539 Alkire St.	1	8/16/2023	Egress Window New	B322801031-00B
10094 W. 41st Ave.	1	8/16/2023	Hydrovac	B322804912-00B
11220 W. 27th Pl.	1	8/17/2023	H2O Service Repair	B322900343-00B
1707 Cole Blvd.	1	8/17/2023	Fire Line Repair	B322903349-00B
1707 Cole Blvd.	1	8/17/2023	Fire Line Repair	B322902596-00B
11461 W. 29th Pl.	1	8/17/2023	Pavers Install	B322901518-00B
11237 W. 26th Pl.	1	8/17/2023	Comcast Drop Bury 12	B322900942-00B
13200 W. 32nd Pl.	1	8/17/2023	Irrigation Repair	B322900242-00B
3400 Pierson St.	1	8/17/2023	Grading Overlot/New H2O/Sanitary/Storm Pipe	B322903283-00B
2419 Ward Dr.	2	8/17/2023	Retaining Wall New/Pavers	B322901999-00B
14357 W. Colfax Ave.	1	8/18/2023	Fire Line Repair	B323000378-00B
10901 W. 20th Ave.	1	8/18/2023	Electric Conduit New	B323002426-00B
2300 Urban St.	1	8/18/2023	New Sewer Service	B323001122-00B
2075 Quail Dr.	1	8/18/2023	Telco Service Bury	B323002338-00B
10901 W. 38th Ave.	1	8/18/2023	H2O Main Extension	B323002092-00B

3501 Clear Creek Dr.	1	8/18/2023	Irrigation/Landscaping	B323003351-00B	
Youngfield Dr. & W. 15th Pl.	1	8/20/2023	Geotechnical Drill	B323200193-00B	
2419 Ward Dr.	1	8/21/2023	Retaining Wall New/Pavers	B323303943-00B	
13135 W. 28th Pl.	1	8/21/2023	Comcast Drop Bury 12	B323300917-00B	
11434 W. 28th Pl.	1	8/21/2023	Sprinklers New/Landscaping	B323301641-00B	
11065 Linda Vista Dr.	1	8/21/2023	Sewer Service Repair	B323303672-00B	
3400 Pierson St.	1	8/21/2023	Caissons Install	B323301372-00B	
2489 Alkire St.	1	8/21/2023	French Drain New/Ground Leveling	B323301497-00B	
3400 Pierson St.	1	8/21/2023	Grading Overlot/New H2O/Sanitary/Storm Pipe	B323302230-00B	
3490 Youngfield St.	1	8/21/2023	Soil Samples	B323301935-00B	
3253 Pierson St.	1	8/21/2023	Driveway New/Landscaping	B323303445-00B	
Youngfield St. & W. 11th Pl.	2	8/21/2023	Gas Main New/Potholing	B323303367-00B	
W. 10th Ave. & Xenophon St.	2	8/21/2023	Gas Main New/Potholing	B323303343-00B	
2075 Nelson St.	1	8/22/2023	Concrete Work For Patio Replace	B323400573-00B	
3261 Routt St.	1	8/22/2023	Anchors Install	B323401829-00B	
13207 W. 9th Pl.	1	8/22/2023	Piers Install	B323402361-00B	
10094 W. 41st Ave.	1	8/22/2023	Concrete Work	B323402555-00B	
W. 38th Ave. & Lee St.	1	8/22/2023	Fiber Main New	B323404446-00B	
W. 37th Pl. & Lee St.	1	8/22/2023	Fiber Main New	B323404479-00B	
10901 W. 38th Ave.	1	8/22/2023	H2O Main Extension	B323401254-00B	
2459 Ward Dr.	3	8/22/2023	Gas Service Replace	B323400966-00B	0.5
13160 W. 9th Ave.	1	8/23/2023	Fence Replace	B323500520-00B	
Twilight Dr. & Hillside Dr.	3	8/23/2023	Gas Main New	B323500517-00B	0.5
3160 Wirght St.	1	8/24/2023	Fence Replace	B323601051-00B	
2225 Lee St.	1	8/24/2023	Landscaping	B323602325-00B	
9755 W. 25th Ave.	1	8/24/2023	Electric Service New	B323603389-00B	
2451 Beech Ct.	1	8/24/2023	Landscaping	B323600279-00B	
3085 Alkire St.	1	8/24/2023	Demolition/Grading Fine/Rough/Sewer Service	B323603851-00B	
10901 W. 38th Ave.	1	8/25/2023	H2O Main Extension	B313401254-01B	
13579 W. 23rd Pl.	1	8/25/2023	Deck New	B323700790-00B	
11020 W. 41st Pl.	1	8/25/2023	Fence Replace	B323702036-00B	
Youngfield St. & W. 20th Ave.	1	8/25/2023	Engineering	B323701714-00B	
3526 Urban St.	1	8/26/2023	Mailbox New	B323800147-00B	
3165 Zinnia St.	1	8/28/2023	Irrigation New	B324000909-00B	
2458 Ward Dr.	1	8/28/2023	Sewer Service Repair	B324001300-00B	
3380 Parfet St.	1	8/28/2023	Gas Service New	B324001108-00B	
11163 W. 17th Ave.	1	8/28/2023	Fence New/Post Holes New	B324003323-00B	
W. 20th Ave. & Miller St.	1	8/28/2023	Caissons Install	A324000120-00A	
Lewis St. & W. 20th Ave.	1	8/28/2023	Caissons Install	A324000121-00A	
Youngfield St. & W. 11th Pl.	3	8/28/2023	Gas Main New/Potholing	B324000910-00B	0.75
W. 21st Pl. & Elderberry Rd.	1	8/29/2023	H2O Main New	B324102767-00B	
W. 22nd Ave. & Elderberry Rd.	1	8/29/2023	H2O Main New	B324102743-00B	
Foothill Cir. & Eldridge St.	1	8/29/2023	H2O Main New	B324102706-00B	
2995 Parfet Dr.	1	8/29/2023	Tree Planting	B324100367-00B	
2419 Ward Dr.	1	8/29/2023	Electric Service New	B324101450-00B	
1370 Hawthorne Rd.	1	8/29/2023	Stump Removal	B324104055-00B	
W. 25th Ave. & Iris St.	2	8/29/2023	Hydrovac	B324101900-00B	
10 Morningside Dr.	3	8/29/2023	Gas Service Replace	B324103045-00B	0.5
11065 Linda Vista Dr.	1	8/30/2023	Sewer Service Repair	B324200618-00B	
13456 W. 22nd Pl.	1	8/30/2023	Fence New	B324202358-00B	
11124 W. 27th Ave.	1	8/30/2023	Comcast Drop Bury 12	B324200458-00B	
10887 W. 30th Pl.	1	8/30/2023	Ground Rod Install	B324201888-00B	
3272 Hillside Dr.	1	8/30/2023	Gas/Electric/Communication Service New	B324202976-00B	
3752 Quail St.	1	8/30/2023	Comcast Drop Bury 12	B324200613-00B	
3913 Simms St.	1	8/30/2023	Comcast Drop Bury 12	B324200619-00B	
W. 20th Ave. & Quail St.	2	8/30/2023	Cathodic Protection Install	B324204994-00B	

W. 20th Ave. & Quail St.	2	8/30/2023	Cathodic Protection Install	B324204992-00B
1626 Cole Blvd.	1	8/31/2023	H2O Main Repair	B324300318-00B
11280 Benthaven Dr.	1	8/31/2023	Comcast Drop Bury 12	B324300942-00B
11640 W. 35th Ave.	1	8/31/2023	Sewer Service Reapir	B324301732-00B
3253 Taft Ct.	1	8/31/2023	Telco Service Bury	B324300027-00B

Bond No. 107888527

PERFORMANCE & WARRANTY BOND

STATE OF COLORADO
COUNTY OF JEFFERSON

KNOW ALL MEN BY THESE PRESENTS, That

Insituform Technologies, LLC, 580 Goddard Avenue, Chesterfield, MO 63005

hereinafter called the Principal, and

Travelers Casualty and Surety Company of America, One Tower Square, Hartford, CT 06183

a corporation duly organized under the laws of the State of Connecticut, hereinafter called the Surety, are held and firmly bound unto Northwest Lakewood Sanitation District, hereinafter called the Owner, and unto all persons, firms, and corporations who may furnish materials for, or perform labor upon the improvements, hereinafter referred to in the penal sum of \$923,564.00

Nine Hundred Twenty Three Thousand Five Hundred Sixty Four & 00/100's dollars in lawful money of the United States, to be paid to the order of the Owner, for the payment of which sum will and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal entered into a certain agreement with the Owner, dated the ___ day of _____, 2023, a copy of which is hereto attached and made a part hereof, for the performance of: Installation of the "Northwest Lakewood Sanitation District 2023 Sanitary Sewer Improvements".

NOW THEREFORE, if the Principal shall well, truly and faithfully perform and fulfill all the duties, obligations, undertakings, covenants, terms, conditions, and agreements of this contract, and any extensions thereof which may be granted by the Owner, with or without notice to the Surety, and during the life of any warranty required under the contract, and shall satisfy all claims and demands incurred under such contract, and shall fully indemnify and save harmless the Owner from all costs and damages which it may suffer by reason or failure to do so, and shall reimburse and repay the Owner all outlay and expense which the Owner may incur in making good any default, including cost for additional legal fees or engineering services, and shall promptly make payment to all persons, firms, subcontractors, and corporations furnishing materials, equipment, and cost of rentals for or performing labor in the prosecution of the work provided for in such contract, and any authorized extension or modification thereof, then this obligation shall be void; otherwise, to remain in full force and effect.

PROVIDED FURTHER, that if any legal action be filed upon this bond, venue shall lie in the State of Colorado. The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract, or to the work to be performed thereunder, or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, or alteration of the specifications.

PROVIDED FURTHER, that no final settlement between the Owner and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument is executed in six counterparts, each one of which shall be deemed an original, this the _____ day of _____, 2023.

PRINCIPAL Insituform Technologies, LLC

By *Whittney Schulte*

Attest

Clifford Schie

Title Whittney Schulte

Title Contracting & Attesting Officer

SURETY Travelers Casualty and Surety Company of America

(seal)

By

Andrew P. Thome

Title Andrew P. Thome, Attorney-in-Fact



State of Missouri
County of St. Louis

On 9/7/2023, before me, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Andrew P. Thome known to me to be Attorney-in-Fact of

Travelers Casualty and Surety Company of America

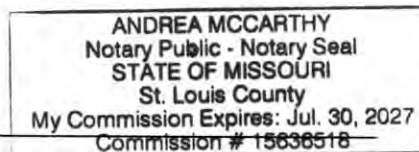
the corporation described in and that executed the within and foregoing instrument, and known to me to be the person who executed the said instrument in behalf of said corporation, and he duly acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year stated in this certificate above.



Andrea McCarthy, Notary Public

My Commission Expires: _____





**Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company**

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **ANDREW P THOME** of **CHESTERFIELD Missouri**, their true and lawful Attorney(s)-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **21st** day of **April, 2021**.



State of Connecticut

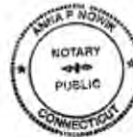
City of Hartford ss.

By: 
Robert L. Raney, Senior Vice President

On this the **21st** day of **April, 2021**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June, 2026**




Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

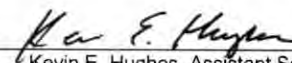
FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this **7th** day of **September**, **2023**




Kevin E. Hughes, Assistant Secretary

**To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.**



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/1/2024

9/7/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Companies Three City Place Drive, Suite 900 St. Louis MO 63141-7081 (314) 432-0500	CONTACT NAME: PHONE (A/C. No. Ext): E-MAIL ADDRESS:	FAX (A/C. No):	
	INSURER(S) AFFORDING COVERAGE		
INSURED 1348001 Insituform Technologies, LLC 580 Goddard Avenue Chesterfield MO 63005	INSURER A: XL Insurance America, Inc.		NAIC # 24554
	INSURER B: ACE American Insurance Company		22667
	INSURER C: AGCS Marine Insurance Company		22837
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES INSTE02 **CERTIFICATE NUMBER:** 19880282 **REVISION NUMBER:** XXXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Independt Contractor <input checked="" type="checkbox"/> XCU GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:	Y	N	CGD300084908 BROAD FORM PD/CONTRACTUAL	7/1/2023	7/1/2024	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 \$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	Y	N	ISA H10816166	7/1/2023	7/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ XXXXXXXX
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX AGGREGATE \$ XXXXXXXX \$ XXXXXXXX
B	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WLR C53501047 (AOS) (EXCLUDING MONOPOLISTIC)	7/1/2023	7/1/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	INSTALLATION FLOATER	N	N	MXI93050922	7/1/2023	7/1/2024	SEE ATTACHED LIMITS DEDUCTIBLES: VARIOUS PER POLICY SCHEDULE

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Insituform Job No. 171162: 2023 Sanitary Sewer Improvements; Martin/Martin Project No. 17.0638-C.08. Northwest Lakewood Sanitation District, Martin/Martin, Inc. are additional insureds under General Liability and Automobile Liability on a primary and non-contributory basis where required by written contract executed prior to loss, but only with respect to liability arising out of the Named Insured's operations.

CERTIFICATE HOLDER**CANCELLATION** See Attachments

19880282
 Northwest Lakewood Sanitation District
 141 Union Boulevard, Suite 150
 Lakewood CO 80228

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2015 ACORD CORPORATION. All rights reserved.

Installation Floater, No Co-Insurance, Replacement Cost, Special Perils Form including Flood & EQ

Limits:

\$10,000,000 any one installation site

\$10,000,000 any one loss, disaster, or casualty

Sublimits (including but not limited to:)

\$1,000,000 In Transit

\$1,000,000 Temporary Storage

\$1,000,000 Soft Costs (Delay of Use)/\$1,000,000 Aggregate

\$2,000,000 Rigging (\$500,000 temporary storage/\$500,000 transit)



Northwest Lakewood Sanitation District
141 Union Boulevard, Suite 150
Lakewood CO 80228

IMPORTANT NOTICE

To whom it may concern:

In our continued effort to provide timely certificate delivery, Lockton Companies is transitioning to paperless delivery of Certificates of Insurance going forward.

To ensure future renewals of this certificate, we need your email address. Please contact us via one of the methods below, referencing **Certificate ID 19880282**

- Email: *stl-edelivery@lockton.com*
- Phone: *(866) 728-5657 (toll-free)*

If we do not receive your email address via one of the above methods prior to the client's next renewal, we will assume you no longer need the certificate.

If you received this certificate through an internet link where the current certificate is viewable, we have your email and no further action is needed.

The above inbox is for collecting email addresses for renewal electronic certificate delivery ONLY. You will not receive a response from this inbox.

Thank you for your cooperation.

Lockton Companies

POLICY NUMBER: CGD300084908

COMMERCIAL GENERAL LIABILITY
CG 20 10 12 19**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
ANY PERSON OR ORGANIZATION THAT YOU ARE REQUIRED IN A WRITTEN CONTRACT OR WRITTEN AGREEMENT TO INCLUDE AS AN ADDITIONAL INSURED PROVIDED THE "BODILY INJURY" OR "PROPERTY DAMAGE" OCCURS SUBSEQUENT TO THE EXECUTION OF THE WRITTEN CONTRACT OR WRITTEN AGREEMENT, INCLUDING INDEMNIFICATION AGREEMENTS.	VARIOUS AS REQUIRED PER WRITTEN CONTRACT
Information required to complete this Schedule, if not shown above, will be shown in the	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
 2. The acts or omissions of those acting on your behalf;
- in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to

Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

POLICY NUMBER: CGD300084908

COMMERCIAL GENERAL LIABILITY
CG 20 37 12 19**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
ANY PERSON OR ORGANIZATION THAT YOU ARE REQUIRED IN A WRITTEN CONTRACT OR WRITTEN AGREEMENT TO INCLUDE AS AN ADDITIONAL INSURED PROVIDED THE "BODILY INJURY" OR "PROPERTY DAMAGE" OCCURS SUBSEQUENT TO THE EXECUTION OF THE WRITTEN CONTRACT OR WRITTEN AGREEMENT, INCLUDING INDEMNIFICATION AGREEMENTS.	VARIOUS AS REQUIRED PER THE WRITTEN CONTRACT.
Information required to complete this Schedule, if not shown above, will be shown in the	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

ENDORSEMENT #

This endorsement, effective 12:01 a.m., 7/1/2023, forms a part of

Policy No. CGD300084908 issued to AEGION CORPORATION

By XL Insurance America, Inc.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY INSURANCE CLAUSE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS COVERAGE
PART

It is agreed that to the extent that insurance is afforded to any Additional Insured under this policy, this insurance shall apply as primary and not contributing with any insurance carried by such Additional Insured, as required by written contract.

All other terms and conditions of this policy remain unchanged.

ENDORSEMENT #

This endorsement, effective 12:01 a.m., 7/1/2023, forms a part of

Policy No. CGD300084908 issued to AEGION CORPORATION

By XL Insurance America, Inc.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION NOTIFICATION TO OTHERS ENDORSEMENT

In the event coverage is cancelled for any statutorily permitted reason, other than nonpayment of premium, advanced written notice will be mailed or delivered to person(s) or entity(ies) according to the notification

Name of Person(s) or Entity(ies)	Mailing Address:	Number of Days Advanced Notice of Cancellation:
AS PER SCHEDULE ON FILE WITH THE COMPANY.		30

All other terms and conditions of the Policy remain unchanged.

AUTOMATIC ADDITIONAL INSURED ENDORSEMENT

Named insured Aegion Corporation			
Policy Symbol ISA	Policy Number ISA H10816166	Policy Period 7/1/2023 TO 7/1/2024	Effective Date of Endorsement 7/1/2023
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM**

SECTION II - LIABILITY COVERAGE, WHO IS AN INSURED is amended to include as an "insured" any person or organization you are required in a written contract or agreement to name as an Additional Insured on your policy but only for "bodily injury" or "property damage" to which this insurance applies if the "accident" is caused by:

1. You, while using a covered "auto" or
2. Any other person, while using a covered "auto" with your permission.

The insurance provided by this endorsement shall be subject to the following additional condition:

1. The Limit of Insurance provided for the Additional insured shall not be greater than those required by contract and, in no event, shall the policy Limits of Insurance be increased by the contract.
2. All insuring agreements, exclusions, terms and conditions of the policy shall apply to the coverage (s) provided to the Additional Insured, and such coverage shall not be enlarged or expanded by reason of the contract.
3. Coverage provided by this endorsement shall be excess over any other valid and collectible insurance available to the Additional Insured (s) whether primary, excess, contingent or on any other basis unless the contract specifically requires that this insurance be primary or you request that it apply on a primary basis prior to loss.

NON-CONTRIBUTORY ENDORSEMENT FOR ADDITIONAL INSUREDS

Named Insured Aegion Corporation			Endorsement Number
Policy Symbol ISA	Policy Number ISA H10816166	Policy Period 7/1/2023 TO 7/1/2024	Effective Date of Endorsement 7/1/2023
issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**BUSINESS AUTO COVERAGE FORM****MOTOR CARRIER COVERAGE FORM****AUTO DEALERS COVERAGE FORM**ScheduleOrganizationAdditional Insured Endorsement

Any additional insured with whom you have agreed to provide such non-contributory insurance, pursuant to and as required under a written contract executed prior to the date of loss.

(if no information is filled in, the schedule shall read: "All persons or entities added as additional insureds through an endorsement with the term "Additional Insured" in the title)

For organizations that are listed in the Schedule above that are also an Additional Insured under an endorsement attached to this policy, the following is added to the Other Insurance Condition under General Conditions:

If other insurance is available to an insured we cover under any of the endorsements listed or described above (the "Additional Insured") for a loss we cover under this policy, this insurance will apply to such loss on a primary basis and we will not seek contribution from the other insurance available to the Additional Insured.

**NOTICE TO OTHERS ENDORSEMENT SCHEDULE
NOTICE BY INSURED'S REPRESENTATIVE**

Named Insured Aegion Corporation			
Policy Symbol ISA	Policy Number ISA H10816166	Policy Period 7/1/2023 TO 7/1/2024	Effective Date of Endorsement
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- A. If we cancel this Policy prior to its expiration date by notice to you or the first Named Insured for any reason other than nonpayment of premium, we will endeavor, as set out in this endorsement, to send written notice of cancellation, to the persons or organizations listed in the schedule that you or your representative create or maintain (the "Schedule") by allowing your representative to send such notice to such persons or organizations. This notice will be *in addition to* our notice to you or the first Named Insured, and any other party whom we are required to notify by statute and in accordance with the cancellation provisions of the Policy.
- B. The notice referenced in this endorsement as provided by your representative is intended only to be a courtesy notification to the person(s) or organization(s) named in the Schedule in the event of a pending cancellation of coverage. We have no legal obligation of any kind to any such person(s) or organization(s). The failure to provide advance notification of cancellation to the person(s) or organization(s) shown in the Schedule will impose no obligation or liability of any kind upon us, our agents or representatives, will not extend any Policy cancellation date and will not negate any cancellation of the Policy.
- C. We are not responsible for verifying any information in any Schedule, nor are we responsible for any incorrect information that you or your representative may use.
- D. We will only be responsible for sending such notice to your representative, and your representative will in turn send the notice to the persons or organizations listed in the Schedule at least 30 days prior to the cancellation date applicable to the Policy. You will cooperate with us in providing the Schedule, or in causing your representative to provide the Schedule.
- E. This endorsement does not apply in the event that you cancel the Policy.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Workers' Compensation and Employers' Liability Policy

Named Insured AEGION CORPORATION 580 GODDARD AVENUE CHESTERFIELD MO	Endorsement Number
	Policy Number Symbol: WLR Number: WLR C53501047 (AOS)
Policy Period 7/1/2023 TO 7/1/2024	Effective Date of Endorsement 7/1/2023
Issued By (Name of Insurance Company) ACE AMERICAN INSURANCE COMPANY	
Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy. This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.	

**NOTICE TO OTHERS ENDORSEMENT – SCHEDULE
NOTICE BY INSURED'S REPRESENTATIVE**

- A. If we cancel this Policy prior to its expiration date by notice to you or the first Named insured for any reason other than nonpayment of premium, we will endeavor, as set out in this endorsement, to send written notice of cancellation, to the persons or organizations listed in the schedule that you or your representative create or maintain (the "Schedule") by allowing your representative to send such notice to such persons or organizations. This notice will be in addition to our notice to you or the first Named Insured, and any other party whom we are required to notify by statute and in accordance with the cancellation provisions of the Policy.
- B. The notice referenced in this endorsement as provided by your representative is intended only to be a courtesy notification to the person(s) or organization(s) named in the Schedule in the event of a pending cancellation of coverage. We have no legal obligation of any kind to any such person(s) or organization(s). The failure to provide advance notification of cancellation to the person(s) or organization(s) shown in the Schedule will impose no obligation or liability of any kind upon us, our agents or representatives, will not extend any Policy cancellation date and will not negate any cancellation of the Policy.
- C. We are not responsible for verifying any information in any Schedule, nor are we responsible for any incorrect information that you or your representative may use.
- D. We will only be responsible for sending such notice to your representative, and your representative will in turn send the notice to the persons or organizations listed in the Schedule at least 30 days prior to the cancellation date applicable to the Policy. You will cooperate with us in providing the Schedule, or in causing your representative to provide the Schedule.
- E. This endorsement does not apply in the event that you cancel the Policy.

All other terms and conditions of this Policy remain unchanged.

This endorsement is not applicable in the states of AZ, FL, ID, ME, NC, NJ, NM, TX and WI.


Authorized Representative

AGREEMENT

This Agreement is made this ___ day of _____, 2023, between the Northwest Lakewood Sanitation District, a quasi-municipal corporation and political subdivision located in the County of Jefferson, State of Colorado, hereinafter referred to as "Owner", and Insituform, a ~~Corporation~~, LLC of Delaware, hereinafter referred to as "Contractor." Technologies, LLC

Section 1. Scope of Work. Contractor shall perform all work in accordance with the plans and specifications set forth in the Contract Documents, as specified herein, 2023 Sanitary Sewer Improvements including furnishing all supervision, labor, equipment and materials therefor, hereinafter referred to as "Project".

Section 2. Contract Price. Owner shall pay Contractor for the performance of work and completion of the Project the total price of ^{Nine Hundred twenty-three Thousand,} ~~five Hundred sixty-four dollars & 00/100s~~ Dollars (\$923,564.00) in accordance with the bid proposal submitted by Contractor. The Contract Price shall be subject to adjustment for changes in the plans and specifications or for extensions of time to complete performance, if approved by Owner and Contractor as hereinafter provided, and for changes in quantities, if bid on a unit-price basis in the bid proposal, which shall be verified by the Engineer.

Section 3. Progress Payments. Owner will make progress payments monthly on account of the Contract Price in accordance with partial payment applications prepared by the Contractor for work performed to date and approved by the Engineer and Owner. Contractor shall submit all partial payment applications for the last completed work period to the Engineer by the first Tuesday of each month. Owner shall authorize progress payments for the amount approved by the Engineer and Owner under such partial payment applications on or before the second Tuesday of each month. Progress payments shall not constitute final acceptance of work. Owner may withhold progress payments if: (a) Contractor's performance is inadequate or defective and not remedied in accordance with the Engineer's directions; (b) Contractor does not make prompt and proper disbursements to subcontractors on receipt of progress payments from Owner; (c) Contractor does not promptly pay for materials, labor or equipment furnished by third parties; (d) claims or liens are filed on the Project; or (e) in the Engineer's opinion, Contractor's performance is not progressing satisfactorily or completion of the Project is jeopardized by Contractor's performance.

Section 4. Retainage. In accordance with Section 24-91-103, C.R.S., the Owner shall retain from progress payments 5% of the calculated value of completed work, if the Contractor is satisfactorily performing all work under and is in compliance with terms of this Agreement. If contractor has timely submitted its progress payment application in accordance with, the terms of the Agreement the Owner shall authorize payment of the amounts due there under on or before the end of the calendar month (or, if different, the partial payment date specified elsewhere in the contract documents) or as soon thereafter as practical. Unless otherwise approved by the Owner, in its sole discretion, the retained amount will be retained by the Owner until all work and other responsibilities of the Contractor under the Agreement have been completed satisfactorily and finally accepted by the Owner. Any release of retainage to the Contractor or a subcontractor prior to final furnishing bonds under the Agreement, which the Contractor shall provide to the Owner.

Section 5. Final Payment. Owner shall make final payment to Contractor in accordance with Section 38-26-107, C.R.S., within sixty (60) days after final acceptance of performance by Owner, as specified in Section 6 herein, and after receipt of the engineers confirmation to Owner that the project has been completed satisfactorily. Upon completion of the Project and notice thereof to Owner, the Engineer

shall inspect the Project and may reject any portion of performance not in conformity with the Contract Documents. Defective materials, equipment or work shall be remedied immediately by Contractor and before final payment.

In no event shall final payment be due until Contractor has delivered to Owner a complete release of all claims or liens against the Project and has produced the necessary receipts or waivers indicating final and total payment to all persons who have furnished materials, labor and equipment on which a lien or claim might potentially be filed. Publication of notice of final settlement pursuant to legal requirements shall also precede final payment to Contractor.

By making final payment, Owner waives all claims against Contractor, except those expressly declared to Contractor in writing or those arising out of: (a) defective performance appearing after final acceptance; (b) performance in patent noncompliance with Contract Documents, unless expressly waived by Owner; (c) outstanding claims of any nature, including but not limited to claims for property damage or personal injury arising during the construction period or liens against the Project; or (d) Contractor's failure to execute any warranties, guarantees or bonds, or to provide insurance or other indemnification required by the Contract Documents. By accepting final payment, Contractor thereby waives any and all claims of every nature against Owner, except those expressly declared to Owner in writing prior to final payment.

Section 6. Final Acceptance. Final acceptance of the Project shall follow inspection and approval of Contractor's performance by the Engineer, along with inspection by appropriate manufacturers' representatives and governmental officials pursuant to local, state and federal requirements, if necessary. Owner shall have the right and authority to determine the acceptability of Contractor's performance for conformity with the Contract Documents, which determination shall be conclusive and binding upon Contractor. Final acceptance by Owner is subject to the provisions of Section 5 herein and in no manner affects or releases any warranties or guarantees with Contractor or manufacturers of Project equipment. Publication of Notice of Final Settlement pursuant to § 38-26-107, C.R.S., shall also precede final payment to Contractor.

The Project, when presented to Owner for final acceptance, shall be delivered free from any and all liens, claims or encumbrances, whether then in existence or later established by law, statute, ordinance or otherwise. No lien, claim or encumbrance against the Project or the Project site shall be outstanding or otherwise unsettled at the time of final acceptance. The right to assert any lien, claim or encumbrance against the Project, after final acceptance by Owner and final payment to Contractor, is hereby waived by Contractor on behalf of itself and any subcontractor, laborer, materialman, equipment supplier, manufacturer or other person.

Section 7. Commencement and Completion of Performance. Contractor shall commence performance on the Project within seven (7) days after receipt of written notice to proceed, and will diligently prosecute all work through completion. Unless an extension of time is granted by Owner as herein provided, Contractor shall complete the Project within a maximum period of ninety (90) days after commencement of performance. If Contractor does not complete performance within such maximum period, Contractor shall be responsible for all additional costs incurred by Owner due to such late performance. In addition, if Contractor does not complete performance within such maximum period, Owner shall be compensated by Contractor, at the rate of One Thousand dollars (\$1,000) per day beyond such maximum period for completion, for ordinary and general damages and inconvenience (exclusive of any special damages) to Owner. Such sum shall not be considered a penalty but shall be deemed a reasonable measure of general damages which will be suffered by Owner as a consequence of such delays, such damages being difficult to ascertain by precise measurement.

No extension of time to complete performance shall be granted under normal circumstances.

Extensions of time to complete performance may be authorized for any actual period of delay, on an occurrence basis, for: (a) adverse weather or climatic conditions not reasonably anticipated; (b) major labor disputes; (c) acts of God; (d) detrimental acts of Owner; (e) acts of another contractor in the performance of related work under a separate contract with Owner; (f) delays resulting from the intervention of governmental agencies in the performance of the work on the Project, if not caused by Contractor; or (g) other extraordinary circumstances beyond Contractor's reasonable control. Foreseeable weather delays or failures in delivery of equipment or materials shall not constitute cause for an extension of time to complete performance. Any request for an extension of time to complete performance, including adjustments to the Contract Price resulting therefrom, shall be submitted in writing to the Engineer for Owner's approval within ten (10) days after such occurrence, and the decision of Owner shall be conclusive and binding upon Contractor.

Section 8. Default. At any time Owner may give to Contractor written notification of grounds for default, if: (a) Contractor fails to perform in an adequate or specified manner or proceeds in willful violation of the conditions, provisions, or terms of this Agreement or the Contract Documents, as determined by the Engineer or Owner; (b) Engineer advises Owner that performance of work on the Project is being delayed unnecessarily or that Contractor is executing its responsibilities hereunder in bad faith or contrary to the intent of this Agreement; (c) performance is not fully completed within the maximum period of time specified for completion under Section 7 herein; (d) work to be performed by Contractor under this Agreement is assigned without Owner's consent; (e) Contractor is insolvent or files for bankruptcy; (f) Contractor makes a general assignment of assets for the benefit of creditors; (g) a receiver is appointed for Contractor; or (h) other serious and reasonable cause exists, which jeopardizes completion of the Project. If Contractor shall not remedy or otherwise correct the grounds for default within ten (10) days or such additional period of time specified by Owner after receipt of such notice, Owner may thereafter terminate this Agreement and direct Contractor to discontinue any further performance on the Project, and Contractor shall then immediately stop all work on the Project and forfeit all rights hereunder. Owner, in its discretion, may request the surety of Contractor to complete the Project, or may contract with others or pay itself to perform such work at the expense of Contractor and its surety. Any increase in costs over the Contract Price and any special damages incurred by Owner as a consequence of such default, including reasonable attorneys' fees, shall be paid and satisfied in full by Contractor and its surety.

Section 9. Termination. At any time Owner may, without cause and without prejudice to any other right or remedy hereunder, elect to abandon the Project and to terminate this Agreement. In such event, Owner shall give to Contractor written notification of Project termination at least ten (10) days in advance of the Project termination date. Owner shall pay Contractor for the performance of all work, including retainage, to the Project termination date and for such additional amounts as, in the judgement of the Engineer, are reasonable to compensate Contractor for the termination of this Agreement. Final payment to Contractor shall be made in accordance with Section 5 herein.

Section 10. Taxes, Licenses, Permits and Regulations. In all operations connected with the Project, Contractor shall pay all fees, charges and taxes imposed by law, except for sales and use taxes from which Owner and the Project are exempted by law, and shall obtain all licenses and permits necessary for completion of the Project, paying all fees therefor unless otherwise specified by the Engineer. Contractor shall comply with all laws, ordinances, codes, rules and regulations of all governmental authorities, whether local, state or federal, relating to the performance of work on the Project and, particularly, in complying with those laws concerning the environment, workmen's compensation, safety and health, state labor and materials, and equal employment opportunity. Owner shall, upon request, furnish Contractor with a copy of its certificate of tax exemption, which allows construction of the Project without incurring sales or use taxes thereon. Owner shall not reimburse Contractor for any sales or use taxes paid to the State of Colorado or any county or municipality from which Owner or the Project are exempted by law.

Contractor certifies that Contractor shall comply with the provisions of Section 8-17.5-101 et seq., C.R.S. Contractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement or enter into an Agreement with a subcontractor that knowingly employs or contracts with an illegal alien. The Contractor represents, warrants, and agrees that it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program described in Section 8-17.5-101, C.R.S. The Contractor shall not use either the E0Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the public contractor for services is being performed. If the Contractor obtains actual knowledge that s subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Contractor shall (i) notify the subcontractor and District within three (3) days that Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontract with the subcontractor if within three (3) days of receiving such notice, the subcontractor does not stop employing or contracting with the illegal alien, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien. The Contractor shall comply with all reasonable requests made in the course of an investigation by the Colorado Department of Labor and Employment. If the Contractor fails to comply with any requirement of Section 8-17.5-102(2), C.R.S. the Owner may terminate the Agreement for breach, and Contractor shall be liable for actual damages to the Owner and any other provision herein notwithstanding. If the Contractor participates in the Department Program, the Contractor shall provide the affirmation required under Section 8-17.5-102(5)(e)(III), C.R.S. to the Owner.

Section 11. Indemnification. Contractor shall indemnify defend and hold Owner, and its agents, employees, engineers and attorneys, harmless from and against all costs, claims, damages, judgments, losses and expenses of every nature, including reasonable attorneys' fees, arising at any time out of any act or omission of Contractor, and its employees, subcontractors and their employees, and all other persons directly or indirectly involved in or performing work for the Contractor on the Project.

Section 12. Insurance. Contractor shall, during the term of this Agreement (a) maintain all insurance required by the Colorado State Workmen's Compensation Act or any other employee benefit law; (b) provide broad form general liability and property damage insurance in the minimum amount of \$500,000 for bodily injury or death or damage to property of any one person, and \$1,000,000 for bodily injury or death or damage to property of more than any one person, which may arise out of or result from Contractor's performance on the Project and for which the Contractor is responsible hereunder, designating Owner and Engineer as "additional insureds" thereunder; and (c) furnish casualty insurance for protection against damage, explosion, fire, vandalism, theft and other such dangers ordinarily included under such coverage, including loss of use resulting therefrom, to the full insurable value of all property, structures, equipment and material of Owner within Contractor's control, designating Owner as "loss payee" thereunder. Contractor shall file certificates of insurance coverage satisfactory to Owner prior to commencement of performance. Such certificates shall provide that coverages afforded thereunder shall not be canceled until at least thirty (30) days' prior written notice has been given to Owner.

Section 13. Performance Bond. Contractor shall provide to Owner, prior to commencement of performance, a general performance bond executed by Contractor and an acceptable corporate surety, or other surety or authorized collateral approved by Owner, in the full amount of the Contract Price, including provision for any adjustment thereof in accordance with the terms of this Agreement. Such performance bond shall expressly guarantee the (a) faithful performance of this Agreement and completion of the Project in strict compliance with all Contract Documents, according to the intent and meaning thereof; (b) repair and replacement, if required, or payment of the costs of all defective equipment, materials and work performed on the Project or as provided under any guarantee, condition or other Contract Document; and (c) payment to all persons performing labor and furnishing materials, supplies, tools and equipment in

connection with completion of the Project. Contractor shall obtain such performance bond on Owner's behalf separate and apart from any similar bonds or surety or warranty agreements entered into independently between Owner and any manufacturer or supplier.

Section 14. Warranties and Guarantees. Contractor hereby represents, warrants and guarantees to Owner all workmanship, equipment and materials on or made a part of the Project and its structures for a period of one (1) year from and after the date of final acceptance. Such warranty and guarantee shall be construed to include, but is not limited to, representations that all workmanship, equipment or materials are of good quality, free from any defects or irregularities, and in absolute conformity with Contract Documents. If any defect in workmanship, equipment or materials arises within such one-year period, Contractor shall remedy or otherwise correct such defect without cost to Owner within ten (10) days after receipt of written notice of any such defect. In the event of Contractor's failure to repair such defect within ten (10) days or such additional period of time specified by Owner after receipt of such notice, Owner may contract or arrange for such repair at the complete expense of Contractor and its surety. Contractor expressly declares that the performance bond specified in Section 13 herein, shall remain in full force and effect during the period of this warranty and guarantee. Contractor shall provide such warranty and guarantee in Owner's behalf separate and apart from other warranties, guarantees and surety agreements entered into independently between Owner and any manufacturer or supplier.

Section 15. Subcontractors. Contractor shall submit a list of all major subcontractors engaged to work on the Project prior to commencement of performance. All contracts between Contractor and subcontractors shall conform explicitly to all applicable provisions of this Agreement and the Contract Documents. In all events, Contractor shall be responsible and held liable for any bonding, insurance, warranties, indemnities, progress payments and completion of performance of or to such subcontractors. Upon receipt of progress and final payments from Owner, Contractor shall disburse the same immediately to subcontractors without any requirement of Owner to supervise the same. No contractual relationship shall exist between Owner and any subcontractor because of the subletting of any part of the Project work.

Section 16. Engineer. Official authority for the surveillance and administration of all performance under this Agreement is hereby delegated to the Engineer of Owner, who is MARTIN/MARTIN, Inc., Consulting Engineers (referred to herein as "Engineer"), unless otherwise provided in the Contract Documents. Throughout the construction period, the Engineer, or such other duly authorized representative of Owner, shall observe the Project and shall consult with Contractor in regard to any inquiries, directions or interpretations of Contract Documents.

Section 17. Change Order. Contractor shall consult with the Engineer before a material change or alteration in Contract Documents is undertaken by Contractor, whether or not the Contract Price is affected thereby. Any change in the Contract Price shall be considered a material change for purposes of this Section 17. Any material change or alteration shall be approved in advance by proper written order signed by the Engineer and, if an adjustment to the Contract Price in excess of Five Hundred Dollars (\$500) results therefrom, by the Owner. Otherwise, Contractor proceeds at its own risk and expense, and Owner, in its discretion, may order the removal and reconstruction of any unauthorized performance in actual conflict with the Contract Documents.

Section 18. Contract Documents. The Contract Documents which comprise the entire agreement and contract between Owner and Contractor, consist of this Agreement and any Addendum thereto; the documents contained in the Project Specifications, including but not limited to notice to bidders, instructions to bidders, bid or proposal, performance, payment and maintenance bond, notice of award, notice to proceed, drawings, general and specific specifications, and any Addendum to such specifications; and any modifications, change orders or other such revisions properly authorized after the execution of this Agreement.

Section 19. No Damages for Delay. The Contractor agrees that delays resulting from any causes other than acts or omissions of the Owner, its employees, agents or other acting on its behalf shall be considered fully compensated by an extension of the Contract Time and the Contractor agrees to make no claim for monetary damages for such delays, unless authorized pursuant to Section 24-91-103.5(1), C.R.S. in no event shall the Contractor be entitled to recover any delay costs caused by the agents or anyone for whom it is responsible. The Contractor's damages for delays resulting from acts or omissions of the Owner, its limited to extend general condition costs associated with a delay, unless authorized pursuant to Section 24-91-103.5(1), C.R.S.

Section 20. Consequential Damages. The Contractor and Owner waive claims against each other for consequential damages arising out of or relating to the Contract Documents other than consequential damages authorized pursuant to Section 8-17.5-102, C.R.S. This mutual waiver includes: (a) damages incurred by Owner for Rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and (b) damages incurred by Contractor for principal office expenses including the compensation of personal stationed there, for losses of financing, business and reputation and for loss of profit, except anticipated profit arising directly from the work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with the Contract Documents. Nothing contained in this paragraph shall be deemed to preclude an award of liquidated damages, where applicable, in accordance with the requirements of the Contract Documents.

Section 21. Owner Representations and Contractor Remedy Granting Provisions.

- (a) The Owner makes the following representations: (i) The Owner has appropriated money equal to or in excess of the Contract Price. (ii) the Owner, by issuing any change order or other directive requiring additional compensable work to be performed by Contractor without Contractor's consent, which work causes the aggregate amount payable under the Agreement to exceed the amount appropriated for the original Contract Price, represents to the Contractor that lawful appropriations to cover the costs of the additional work have been made.
- (b) For any form of change order or directive, other than a clarification, by the Owner, requiring additional compensable work to be performed, the Owner shall reimburse the Contractor for the Contractor's cost on the periodic basis set forth in the Contract Documents for additional directed work performed until a change order is finalized and approved by the Contractor. In no instance shall the periodic reimbursement be required before the Contractor has submitted an estimate of cost to the Owner for the additional compensable work to be performed.
- (c) Upon the Owner's issuance of any change order or directive, other than a clarification, requiring additional compensable work to be performed without the Contractor's consent, the Contractor may request in writing within five (5) days from the date of such issuance that the Owner provide written assurance that appropriations are immediately available to the Owner for payment to the Contractor prior to performance of such additional work. Such written assurances may include, but are not limited to, a letter from the Owner explaining the expected sources of funding for the additional work. In the event that the Contractor makes such a

request within five (5) days and the Owner does not provide written assurance reasonably satisfactory to the Contractor, the Contractor may stop work until such time as the Owner provides satisfactory assurances. The Contractor's acceptance of a change order in accordance with any assurances provided under this paragraph shall not limit or restrict the Contractor from making a claim under the Contract Documents for an adjustment to the Contract Price or the contract times or otherwise for expenses or damages directly attributable to the Contractor's stoppage of the work as permitted hereunder.

Section 22. Assignment. Contractor shall not, at any time, assign any interest in this Agreement to any person or entity without the prior written consent of Owner. The terms of this Agreement shall inure to and be binding upon the successors and assigns of the parties hereto.

Section 23. Amendment. This Agreement may be amended, from time to time, by agreement between the parties hereto. No amendment, modification or alteration of this Agreement shall be binding upon the parties hereto unless the same is in writing and approved by the duly authorized representatives of each party hereto.

Section 24. Severability. If any term, section or other provision of this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such term, section or other provisions shall not affect any of the remaining provisions of this Agreement.

Section 25. Waiver. No waiver by either party of any right, term or condition of this Agreement shall be deemed or construed as a waiver of any other right, term or condition, nor shall a waiver of any breach hereof be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different provision of this Agreement.

Section 26. Remedies. None of the remedies provided to either party under this Agreement shall be required to be exhausted or exercised as a prerequisite to resort to any further relief to which such party may then be entitled. Every obligation assumed by, or imposed upon, either party hereto shall be enforceable by any appropriate action, petition or proceeding at law or in equity. In addition to any other remedies provided by law, this Agreement shall be specifically enforceable by either party. This Agreement shall be construed in accordance with the laws of the State of Colorado, and particularly those relating to governmental contracts.

Section 27. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one and the same document.

Section 28. Entirety. This Agreement constitutes the entire Agreement between the parties concerning the subject matter herein, and all prior negotiations, representations, contracts, understandings or agreements pertaining to such matters are merged into and superseded by this Agreement.

¹ Section 29. Conflicting Provisions. In the event any provision of this Agreement conflicts with any provision of any other Contract Document, then the provisions of this Agreement shall govern and control such conflicting provisions.

Section 30. Miscellaneous. Unless otherwise expressly provided, any reference herein to days shall mean calendar days. All times stated in this Agreement are of the essence.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

OWNER

NORTHWEST LAKEWOOD SANITATION DISTRICT

By: _____
President

ATTEST:

By _____
Secretary

STATE OF COLORADO)
) SS.
COUNTY OF _____)

The foregoing Agreement was acknowledged before me this ____ day of _____, 2021, by _____ as President of the Northwest Lakewood Sanitation District, Owner.

Notary Public

My commission expires: _____

CONTRACTOR

Insituform Technologies, LLC

By: Whitney Schulte
Title: Whitney Schulte Contracting & Attesting Officer

STATE OF ~~COLORADO~~ MISSOURI)
) SS.
COUNTY OF SAINT LOUIS)

The foregoing Agreement was acknowledged before me this 8 day of September, 2023, ~~2021~~ by Whitney Schulte as Contracting & Attesting Officer of Insituform Technologies, LLC Contractor.

Diane Partridge
Notary Public

My commission expires: 7/8/2024

DIANE PARTRIDGE
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: July 8, 2024
Commission # 12595471

METRO WATER RECOVERY

Operations Committee Meeting

Agenda

Tuesday, September 5, 2023

11:30 a.m.

Boardroom

Administration Building

Roll Call

Public Comment

Information Item

1. Annual Pay and Benefits Recommendation (*This discussion will be held in executive session.*) (O/F/E)

Action Items

Tab No.

1. **Consideration of Resolution Recognizing Employees' Years of Service** 1
(O/F/E/Bd)

Chief Executive Officer's Proposal:

Adopt the Resolution attached to the Memorandum recognizing Metro Water Recovery employees for completing service milestones.

2. **Consideration of Resolution Recognizing Directors' Years of Service** 2
(O/F/E/Bd)

Chief Executive Officer's Proposal:

Adopt the Resolution attached to the Memorandum recognizing Metro Water Recovery Directors for completing service milestones.

3. **Consideration of On-Call Consulting Services for General Engineering Support** 3
(O/F/E/Bd)

Chief Executive Officer's Proposal:

Authorize the Chief Executive Officer to enter into five-year, on-call service agreements with Black & Veatch Corporation, Brown and Caldwell, Burns & McDonnell, Carollo Engineers, Inc., CDM Smith Inc., Garver LLC, Hazen and Sawyer, HDR Engineering Inc., Jacobs Engineering Group Inc., Merrick & Company, The RMH Group Inc., and Stantec Consulting Services Inc., to provide general engineering support services for miscellaneous projects.

Tab No.

4. **Consideration of Heating, Ventilation and Air Conditioning (HVAC) Services Contract (O/F/E/Bd)** (This discussion may be held in executive session.) 4

Chief Executive Officer's Proposal:

Authorize the Chief Executive Officer to:

1. Enter into a one-year agreement effective November 1, 2023 through October 31, 2024 with Frontier Mechanical Inc. to provide preventive and corrective maintenance services for Metro Water Recovery's HVAC systems at the Robert W. Hite Treatment Facility and the Northern Treatment Plant (NTP), in the total amount of \$1,159,200 for the initial agreement year.
2. Approve overtime and emergency services above the base agreement amount up to \$15,000 for the one-year agreement period.
3. Enter into additional agreement periods, not exceeding a total of five years, if it is determined by the Chief Executive Officer to be in the best interest of Metro Water Recovery.

The proposed agreement will be a fixed price for monthly service and a time and materials-based structure for overtime and emergency services. If additional periods are entered into, the total five-year, not-to-exceed agreement amount, including overtime and emergency services, is \$6,466,920.

- 5 **Consideration of NTP Modeling and Advanced Automation (PAR 1430) Consulting Services Agreement and Appropriation (O/F/E/Bd)** 5

Chief Executive Officer's Proposal:

1. Authorize the Chief Executive Officer to enter into a task order-based agreement with Brown and Caldwell to provide owner's advisor services for the NTP Modeling and Advanced Automation Project (PAR 1430) (Project).
2. Appropriate \$2,000,000 from the General Fund Capital Project Account for this Project.

Information Items Continued

2. Semi-annual Status Report for Metro Water Recovery's Small Projects Account (O/F/E) 6
3. 2025 Budget Preparation Schedule (O/F/E) 7
4. Innovation Quarterly Report (O/F/E) 8

	<u>Tab No.</u>
5. Status of Capital Improvement Projects Report (O/F/E)	9
6. Current Activities/Operational Performance Report (O/F/E)	10
7. Financial Reports (O/F/E)	11
8. Upcoming Events (O/F/E) (<i>Separate Attachment</i>)	

Individual Director Comments

Other Information

MC:rak/lmn

METRO WATER RECOVERY

MEMORANDUM

TO: Board of Directors

DATE: August 2, 2023

FROM: Mickey Conway, Chief Executive Officer

RE: 2023 Employee Service Recognition

RECOMMENDATION

I recommend the Board of Directors adopt the attached Resolution recognizing Metro Water Recovery employees for completing service milestones.

SUMMARY

The attached Resolution lists employees who will complete service milestones with Metro Water Recovery by the end of this year. I believe it is important to recognize employees for their service.

BACKGROUND

Since 1982, Metro Water Recovery has recognized employees yearly for years of service in five-year increments.

JUSTIFICATION FOR BOARD ACTION

Board action is needed to adopt the Resolution. Once the Resolution has been adopted, awards and certificates of the appropriate milestones will be distributed to the employees being recognized.

**RESOLUTION
BOARD OF DIRECTORS
METRO WATER RECOVERY
September 19, 2023**

WHEREAS, by the year ending December 31, 2023, certain employees of Metro Water Recovery will have completed five, ten, fifteen, twenty, twenty-five, thirty, and thirty-five years of faithful service on behalf of Metro Water Recovery and the people of the Denver metropolitan area; and

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

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

35 YEARS OF SERVICE

James T. Graber

30 YEARS OF SERVICE

Jimmy A. Morales

Lance R. Wenholz

25 YEARS OF SERVICE

James C. Dorsch

Elizabeth M. McLaughlin

James E. Nickolette

20 YEARS OF SERVICE

*Stanley A. Light
Jennifer S. Schwarz*

Roxangela K. McDaniel

*Steven E. Sanchez
Michelle R. Turner*

15 YEARS OF SERVICE

*Christopher M. Bailey
Thomas J. Gerst
Jack M. Mirabile
Michelle D. Neilson
Daniel J. Stillwell*

*Angela S. Betts
Calvin M. Harding
Sean E. Monroe
Adrian J. Quintana*

*Kimberly N. Cowan
Abraham Martinez
Steven R. Musco
Jensen T. Santos
Theresa A. Stone*

10 YEARS OF SERVICE

*Jonathan M. Buscher
Patrick R. Gehlhoff
Michael J. Grengs
Jordan J. Padilla*

*Tina M. Clark
Bryan M. Gilbert
Patricia R. Lopez
Paul D. Parodi*

*William J. Conway
Joseph T. Greer
Brian C. O'Malley
Ryan L. Winterhalder*

5 YEARS OF SERVICE

*Rika J. Beck
Brienne E. Burd
Thomas Copeland
Daniel Freedman
Muzit Kiflai
Sean R. Morris
Cameron D. Rose
Ethan Weyer*

*Andrew M. Brown
Cassandra L. Caley
Tambrae D. Elhart
Ruth A. Kedzior
Patrick M. Maes
Miracle Ott
Travis J. Sargent*

*Ashley N. Bruhn
Leah G. Chamberlain
Phillippe M. Flechas
Christopher R. Kershner
Daniel J. McCausland
Ravi S. Raj
Brian Soderman
Mark A. Wood*

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.

METRO WATER RECOVERY

MEMORANDUM

TO: Board of Directors

DATE: August 2, 2023

FROM: Mickey Conway, Chief Executive Officer

RE: 2023 Director Service Recognition

RECOMMENDATION

I recommend the Board of Directors adopt the attached Resolution recognizing Metro Water Recovery Directors for completing service milestones.

SUMMARY

The attached Resolution lists Directors who will complete service milestones with Metro Water Recovery by the end of this year. I believe it is important to recognize Directors for their service.

BACKGROUND

Since 2010, Metro Water Recovery has recognized Directors every year for years of service in five-year increments.

JUSTIFICATION FOR BOARD ACTION

Board action is needed to adopt the Resolution. Once the Resolution has been adopted, certificates of the appropriate milestones will be distributed to the Directors being recognized.

**RESOLUTION
BOARD OF DIRECTORS
METRO WATER RECOVERY
September 19, 2023**

WHEREAS, by the year ending December 31, 2023, certain members of the Board of Directors of Metro Water Recovery will have completed five, twenty, and twenty-five years of faithful service on behalf of Metro Water Recovery; and

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

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

TWENTY-FIVE YEARS OF SERVICE

Phil Burgi, Wheat Ridge Sanitation District

TWENTY YEARS OF SERVICE

Curt Aldstadt, City of Westminster

Craig Kocian, City of Arvada

FIVE YEARS OF SERVICE

Janet Kieler, City and County of Denver

Del Smith, Bancroft-Clover Water and Sanitation District

Mary Beth Susman, City and County of Denver

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

METRO WATER RECOVERY

MEMORANDUM

TO: Mickey Conway, Chief Executive Officer **DATE:** August 24, 2023

FROM: Sherman Papke, Chief Technical Officer
Andrew Nelson, Director of Engineering
Daniel Stillwell, Senior Quality Control Engineering Manager

RE: On-Call Consulting Services for General Engineering Support

RECOMMENDATION

We recommend the Board of Directors authorize the Chief Executive Officer (CEO) to enter into five-year, on-call service agreements with Black & Veatch Corporation, Brown and Caldwell, Burns & McDonnell, Carollo Engineers, Inc., CDM Smith Inc., Garver LLC, Hazen and Sawyer, HDR Engineering, Inc., Jacobs Engineering Group Inc., Merrick & Company, The RMH Group, Inc., and Stantec Consulting Services Inc., to provide general engineering support services for miscellaneous projects.

SUMMARY

Metro Water Recovery currently has on-call agreements with five engineering consulting firms to provide general engineering support services. Each contract expires in early 2026 or when the upper limit dollar amount is reached. Additional services have been identified and modifications to Metro's standard professional services agreement have been made requiring a new solicitation for these services.

BACKGROUND

Metro Water Recovery has historically contracted with multiple "on-call" engineering firms to provide a wide variety of consulting services on an as-needed basis. Metro last entered into five-year contracts with firms to provide technical expertise for various professional engineering support services following approvals by the Board in [January 2021](#) and [February 2022](#).

JUSTIFICATION FOR BOARD ACTION

The Board must authorize the CEO to execute these agreements as the cost of the services are expected to exceed \$500,000.

CONTRACT AND PROCUREMENT INFORMATION

A Request for Statements of Qualifications (SOQ) to provide wastewater process and civil engineering consulting services including project management, data compilation and analysis, applied research, preliminary and final design, structural engineering, construction cost estimation, and scheduling was advertised on *BidNet* on July 25, 2023. Since the previous

solicitation in November 2020, Metro Water Recovery identified additional process modeling needs, cost estimating, construction schedule estimating, engineering discipline-specific support, and building information modeling (BIM) and computer aided design (CAD) support as additional services which Metro could require. Professional engineering consulting firms submitted SOQs on August 18, 2023.

A Selection Committee made up of Metro Water Recovery staff evaluated the SOQs as the cost associated with each agreement is not expected to exceed \$1.5 million. The committee considered a range of services and capabilities, past performance of similar services, history with Metro, ability to respond in a timely manner, and hourly rates. The committee recommended contracting with Black & Veatch Corporation, Brown and Caldwell, Burns & McDonnell, Carollo Engineers, Inc., CDM Smith Inc., Garver LLC, Hazen and Sawyer, HDR Engineering, Inc., Jacobs Engineering Group Inc., Merrick & Company, The RMH Group, Inc., and Stantec Consulting Services Inc. to provide the breadth of services required by Metro.

Contracting with multiple firms will allow for the selection of the appropriate consultant for each given task and ensure subject matter experts can be enlisted to assist with specialized tasks. It will also provide redundancy to ensure work is completed in a timely manner should one firm be unavailable. Task orders will be used to assign work and Metro Water Recovery's Quality Control Division of the Engineering Department will administer the agreements. Individual task orders will be managed by the department leading the effort, with Quality Control Division staff providing reviews and oversight to ensure compliance with the terms of the agreements.

FINANCIAL IMPACTS

Funding for the general engineering support services will be provided through previously approved capital project appropriations, annual departmental operating budgets, or small project appropriations. No appropriation is included or required as part of this recommendation.

METRO WATER RECOVERY

MEMORANDUM

TO: Mickey Conway, Chief Executive Officer **DATE:** August 23, 2023

FROM: Liam Cavanaugh, Chief Operating Officer
Orren West, Director of Maintenance
Kim Cowan, Director of Northern Treatment Plant Operations and Maintenance

RE: Heating, Ventilation, and Air Conditioning Services Agreement

RECOMMENDATION

We recommend the Board of Directors authorize the Chief Executive Officer (CEO) to:

1. Enter into a one-year agreement effective November 1, 2023 through October 31, 2024 with Frontier Mechanical Inc. (Frontier) to provide preventive and corrective maintenance services for Metro Water Recovery's heating, ventilation, and air conditioning (HVAC) systems at the Robert W. Hite Treatment Facility (RWHTF) and the Northern Treatment Plant (NTP), in the total amount of \$1,159,200 for the initial agreement year.
2. Approve overtime and emergency services above the base agreement amount up to \$15,000 for the one-year agreement period.
3. Enter into additional agreement periods, not exceeding a total of five years, if it is determined by the CEO to be in the best interest of Metro Water Recovery.

The proposed agreement will be a fixed price for monthly service and a time and materials-based structure for overtime and emergency services. If additional periods are entered into, the total five-year, not-to-exceed agreement amount, including overtime and emergency services, is \$6,466,920.

SUMMARY

Metro Water Recovery has an on-going need for HVAC services throughout Metro facilities. The current agreement with Frontier expires October 31, 2023. This work is critical to the overall operations of Metro facilities and a new service agreement is required.

BACKGROUND

Metro Water Recovery uses specialty contractors to provide preventive and corrective maintenance as well as operational assistance related to HVAC systems. Typical maintenance activities include inspections, belt replacement, filter replacement, lubrication, complete system repairs, seasonal inspection and startups, Metro construction project support, warning system testing, power disruption restarts, shelter-in-place equipment maintenance, and control system monitoring. Since 1993, Frontier has satisfactorily provided HVAC services to Metro at the RWHTF and NTP since 2017. Frontier currently has full-time staff assigned to the RWHTF agreement and the NTP agreement; the company also has local fabrication, warehouse, and staffing resources available to complete work under Metro's agreement.

Metro Water Recovery’s need for HVAC work has increased as facilities have been constructed and upgraded to meet building codes. Since 2012, Metro staff has developed and implemented technical design standards for HVAC systems across facilities to adopt consistent approaches for HVAC facility design and upgrades. The Maintenance and NTP departments are currently responsible for all HVAC equipment such as air handlers, supply and exhaust fans, heaters, chillers, and variable air volume boxes that control area temperature setpoints.

JUSTIFICATION FOR BOARD ACTION

Metro Water Recovery requires specialty contractor services to perform HVAC maintenance at all the facilities. The current agreement expires on October 31, 2023. The need for this service is critical and on-going.

The selected vendor will provide preventive and corrective maintenance, as well as operational assistance related to HVAC systems.

On July 6, 2023, Metro Water Recovery issued a Request for Proposals (RFP) for HVAC services for all facilities. Prior to bid closing, the RFP required mandatory walk-throughs at the RWHTF and NTP on July 13, 2023. Two companies attended the walk-throughs. Metro received proposals from only one of the interested firms on August 2, 2023. The proposal received was from the incumbent, Frontier. Metro’s [Purchasing and Contracts Policies](#) require the consultant selection be made by a Committee of Metro staff and Directors when the estimated costs for consultant services are greater than \$1.5 million. The August 23, 2023 Selection Committee included Directors Travis Bogan and Charlie Miller, and Metro staff members Matthew Botruff, Mark Gipe, Jason Greenberg, and Jeff Scheble. On behalf of the Board, Directors Bogan and Miller directed Metro staff to negotiate an agreement with Frontier.

CONTRACT AND PROCUREMENT INFORMATION

After negotiating scope of work and fees with the selected vendor, Metro Water Recovery staff is requesting the Board authorize the CEO to enter into a one-year agreement with the selected vendor. This agreement provides for the possibility of annual renewals not to exceed a total five-year period.

<u>Company</u>	<u>Year One Bid Price</u>	<u>Total Bid Price for Five Years</u>
Frontier Mechanical	\$1,159,200	\$6,466,920

With respect to the five-year bid price, the vendor included annual increases for each year. The five-year price noted above reflects these increases.

FINANCIAL IMPACTS

The HVAC service agreement is budgeted annually in the RWHTF and NTP Maintenance departments’ operating budgets as Outside Services. The budget is reviewed and revised annually to account for this work.

METRO WATER RECOVERY

MEMORANDUM

TO: Mickey Conway, Chief Executive Officer **DATE:** August 18, 2023

FROM: Liam Cavanaugh, Chief Operating Officer
Andrew Nelson, Director of Engineering
Dan Freedman, Interim Director of Technology and Innovation

RE: Northern Treatment Plant Modeling and Advanced Automation (PAR 1430)
Consulting Services Agreement and Appropriation

RECOMMENDATION

We recommend the Board of Directors:

1. Authorize the Chief Executive Officer (CEO) to enter into a task order-based agreement with Brown and Caldwell to provide owner's advisor services for the Northern Treatment Plant (NTP) Modeling and Advanced Automation Project (PAR 1430) (Project).
2. Appropriate \$2,000,000 from the General Fund Capital Project Account for this Project.

SUMMARY

The NTP flows are projected to increase substantially over the next two years, and while the plant was designed as a state-of-the-art facility, **current data visualization and automation outside of the supervisory control and data acquisition (SCADA) system is limited.** Due to the complexity of the process and increasingly stringent regulatory limits, Metro Water Recovery staff procured a software vendor to deploy a digital technology platform which uses advanced modeling and data visualization tools to supplement the existing SCADA system with intelligent process automation for select treatment processes. To support the implementation, Metro requires the assistance of a consultant to provide owner's advisor services. The consultant will offer expertise in project management, advanced data analytics, wastewater process modeling, process control and automation, and organizational change management.

BACKGROUND

Since plant commissioning in October 2016, NTP staff has observed and documented several key challenges and limitations. Because the plant was initially designed as a state-of-the-art facility, it employs a highly complex treatment process. However, the level of process instrumentation, control, and automation is not commensurate with the high level of complexity. The inherent challenges with process complexity have been exacerbated by the current flow and loading conditions, extreme weather events, and inadequate staffing. Originally planned for a reduced staffing strategy with 16 hours of coverage per day (eight hours unmanned), operational experience has demonstrated staffing needs well beyond the initial plan. To complicate the matter, employee recruitment and retention have been limited by the post-pandemic workforce conditions, which are likely to worsen with the rising retirement wave.

To counter these challenges, the NTP has already undertaken efforts to improve process instrumentation, control, and automation, and expand data utilization through analytics and visualizations. While these efforts have led to a more comprehensive and systematic approach to process monitoring and troubleshooting, the data are often not fully utilized to increase process knowledge and select optimal operating and control strategies. As the NTP prepares for increasing flows and tighter effluent limits, it will become essential to effectively optimize the treatment process operation, control, and performance. At the same time, it is imperative operators are provided training and tools to improve their process knowledge and support data-driven decision-making.

To better address these challenges, Metro Water Recovery staff will leverage an advanced digital technology solution. The digital solution will leverage data-driven technologies (e.g., digital twin models) to simulate complex control scenarios and provide recommendations and real-time insight to support operator decision-making. These technologies can be integrated with process modeling software and dashboarding platforms for continuous performance monitoring and automated reporting. With sufficient instrumentation and model calibration, the technology has potential for full automation of process operation, control, and optimization.

JUSTIFICATION FOR BOARD ACTION

Per Metro Water Recovery's [Purchasing and Contracts Policy](#), the Board must authorize the CEO to execute this agreement as the expected cost of the services may exceed \$500,000.

CONTRACT AND PROCUREMENT INFORMATION

DHI Water & Environment, Inc.

On March 10, 2023, Metro Water Recovery issued a Request for Proposals (RFP) to identify a preferred vendor of a commercially available off-the-shelf software package and professional integration support services for process modeling, data visualization, and advanced process automation. Proposals were submitted by the following vendors:

- Aquasight LLC
- Autodesk, Inc.
- DHI Water & Environment, Inc.
- inCTRL Solutions Corp
- Xylem Vue, Inc.

The proposal review committee recommended DHI Water & Environment, Inc. (DHI) and Xylem Vue, Inc. (Xylem) be invited to participate in software demonstrations. The presentations were conducted on May 11, 2023. The Selection Committee, comprised of Metro Water Recovery staff members Liam Cavanaugh, Kim Cowan, Dan Freedman, David Slaughter, and Johnny Tran, ranked DHI as the higher of the two vendors. Following preferred vendor selection and notification, Metro staff negotiated an agreement in the amount of \$250,000 for consulting services. The agreement was made on August 2, 2023 and was funded by the small project account budget.

Brown and Caldwell

On April 18, 2023, Metro Water Recovery issued an RFP to select a consultant as an owner’s advisor with experience in process controls and automation integration, facility management consulting, and intelligent digital solutions services. Proposals were submitted by the following firms:

- Black & Veatch
- Brown and Caldwell
- Jacobs
- Tetra Tech
- WANDR Studio

The Selection Committee, comprised of Metro Water Recovery staff members Liam Cavanaugh, Dan Freedman, and Andy Nelson, ranked Brown and Caldwell as the highest of the five firms. Following firm selection and notification, Metro staff negotiated a standard task order-based agreement with a not-to-exceed upper limit of \$1,500,000. Task orders will be developed, negotiated, and executed as needed to support the Project. Initial (i.e., first year) task order scope of services in the amount of \$500,000 are to provide oversight, facilitation, and process support services for DHI’s TwinPlant digital solution software implementation.

FINANCIAL IMPACTS

Metro Water Recovery staff negotiated an agreement for consulting services with DHI and a task order-based agreement for consulting services with Brown and Caldwell. The total requested appropriation is as follows:

DHI Consulting Services	\$250,000
Brown and Caldwell Task Order-Based Consulting Services (Not-to-Exceed)	\$1,500,000
Administrative (2.5 percent)	\$50,000
Contingency (10 percent)	\$200,000
Subtotal	\$2,000,000
Small Project Account Reimbursement	\$250,000
Less Amount Remaining in Small Project	(\$250,000)
Total Appropriation Requested	\$2,000,000

Pursuant to Metro Water Recovery’s capital financing policy, \$2,000,000 (100 percent) will come from the General Fund Capital Project Account. The [Ten-Year Capital Expenditure Schedule](#) used to prepare the cash flow schedule for the 2024 Adopted Budget includes \$250,000 for this Project. The CES is being updated to include \$2 million for this project.

METRO WATER RECOVERY

MEMORANDUM

TO: Mickey Conway, Chief Executive Officer **DATE:** August 4, 2023

FROM: Perry Holland, Director of Comprehensive Planning
Jessica Maloney, Senior Wastewater Infrastructure Planner

RE: SEMI-ANNUAL STATUS REPORT – JANUARY THROUGH JUNE 2023
General Fund Small Projects, Studies, and Expenditures Account
Fixed Asset Replacement Fund Small Projects, Studies, and Expenditures Account

BACKGROUND

The Board of Directors established the Small Projects Accounts by delegating authority to the Chief Executive Officer (CEO) to approve small projects subject to the CEO's spending authority rather than requiring individual appropriations by the Board for each activity. This process increases efficiency and allows Metro Water Recovery staff to better manage small projects. Metro staff requests an appropriation for small projects each year as part of the annual budget process.

Under the authority delegated by the Board, the CEO has the discretion, subject to the CEO's spending authority, to:

- Approve expenditures from the General (GEN) Fund Small Projects, Studies, and Expenditures Account for (1) environmental projects, studies, or activities; (2) improvement and growth-related projects, studies, or expenditures; or (3) relatively minor initial services to determine the scope of potential improvement and growth-related and regulatory projects expected to exceed the CEO's spending authority.
- Approve expenditures from the Fixed Asset Replacement (FAR) Fund Small Projects, Studies, and Expenditures Account for (1) replacement/rehabilitation projects, studies, and expenditures; or (2) relatively minor initial services needed to determine the scope of potential replacement/rehabilitation projects expected to exceed the CEO's spending authority.

The following table describes these two accounts.

Account	Purpose
GEN Fund Small Projects, Studies, and Expenditures	Environmental assessment efforts – ensure regulatory requirements are met in a logical/cost-effective manner Improvement and growth-related (to a new condition) – adding capacity, improving technology, expanding, and upgrading
FAR Fund Small Projects, Studies, and Expenditures	Replacement and rehabilitation (to previous/existing condition) – restoring and repairing

PROJECT ACTIVITIES – STATUS REPORT

The attached overview summarizes ongoing and new projects as well as projects completed under each of the two accounts from January to June 2023:

- Attachment A: GEN Fund Small Projects, Studies, and Expenditures Account; FAR Fund Small Projects, Studies, and Expenditures Account; and GEN Fund and FAR Fund Combined Small Projects, Studies, and Expenditures Accounts

The attachment also indicates an estimate of the work completed for each ongoing small project and lists projects for which the work is completed but the closeout paperwork has not been completed or the final payments have not been made. Remaining funds for all closed projects have been rescinded.

FINANCIAL IMPACTS

The following table gives a summary of how the Small Projects have impacted the overall budget from January to June 2023:

2022 Year-End Balance	\$3,167,105
Total Appropriated Amount for 2023	\$2,500,000
Total Initiated	(\$2,491,000)
Total Amount Rescinded	\$373,729
Total Small Project Balance	\$3,549,834
Total Spent on Small Projects from January to June 2023 (Initiated less Rescinded)	\$2,117,271

A list of current and future projects can also be found on the [Ten-Year Capital Expenditure Schedule](#).

Attachment

January 1 through June 30, 2023

**GENERAL FUND, FIXED ASSET REPLACEMENT FUND, AND COMBINED PROJECTS
SMALL PROJECTS, STUDIES, AND EXPENDITURES ACCOUNTS**

ONGOING PROJECTS

These projects have received funding from either the General Fund (GEN), Fixed Asset Replacement Fund (FAR), or both if they fall into both categories. Dollar amounts have been assigned according to the amount of work expected in each category. Some links have been provided throughout to our treatment website:

<https://treatment.metrowaterrecovery.com/>.

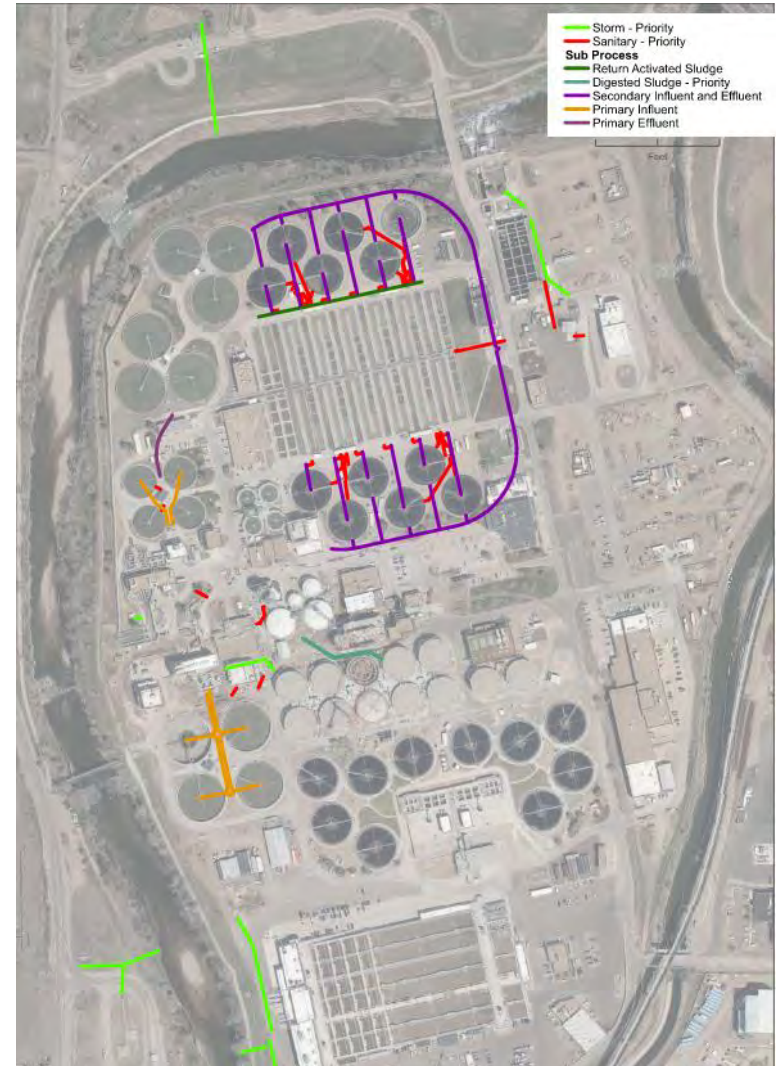
Asset Management:

Featured Project:

PAR 1413 – Robert W. Hite Treatment Facility Conduit Study
(M. Said)

The assessment program for the Robert W. Hite Treatment Facility (RHWTF) underground conduits and associated documentation has been developed. The prioritization of all underground conduits has been done through [GIS](#). The first-year assessment priorities and their associated costs have been identified. Two specialty vendors are contracted and managed by HDR Engineering Inc., to perform the necessary work.

Engineering went to the [August](#) 2023 Board Meeting to request an appropriation of \$1,725,000 for the project and to reimburse Small Project Account for the desktop study phase.



Assessment Priority Map – First Year

GEN Authorized: \$250,000	Expended: \$228,636	Work Completed: 91%	
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Other Projects:

Project Title and Project Manager	Update	Amount Authorized/Expended	Work Completed Percentage
PAR 1405 – Asset Management Program Implementation E. Stec-Uddin	The Asset Management (AM) Reference Manual is being finalized and associated documentation is being reviewed and developed. AM Plan pilot efforts have started, with the North Preliminary Process selected as the pilot. Staff continues to work with the Enterprise Asset Management (EAM) Request for Proposals (RFP) team to select a software solution capable of supporting the computerized maintenance management system and AM needs.	FAR Authorized: \$250,000 Expended: \$ 81,966	40 Percent

Continuous Improvement:

Featured Project:

PAR 1388 – Education and Outreach Asset Update (K. Merritt)

The design for the education mascot is complete. Metro Water Recovery’s new friend is an orange-spotted sunfish named “Fin.” A large pull-up sign was created that allows the mascot to be displayed at public events such as the annual Bike to Work Day booth along the South Platte River. The script for the new children’s video is complete and features “Fin.”

Additional pull-up signs were designed and printed with educational messaging, including one for the [Wipes, Clog Pipes](#) campaign, one for the [Fats, Oils, and Grease](#) campaign, and another sign summarizing the wastewater treatment process.

Metro Water Recovery’s new education mascot is named “Fin.”



GEN Authorized: \$100,000	Expended: \$45,977	Work Completed: 60%	
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Other Projects:

Project Title and Project Manager	Update	Amount Authorized/Expended	Work Completed Percentage
PAR 1367 – Digital Presence J. Hennes	Metro Water Recovery successfully launched a new website in 2021. The organization also has active social media accounts with an exponential increase in followers and engagement. The remaining funds are being used to develop/revise additional web pages and promote social media campaigns. In late 2022, funds were used to deploy a social media followership campaign which generated impressive returns.	FAR Authorized: \$100,000 Expended: \$ 95,526	99 Percent
PAR 1372 – Pretreatment Database Pretreatment Information Management System (PIMs) Replacement and Cross-Media Electronic Reporting Rule Portal S. Fredrickson	The project is in progress with Environmental Services (ES) and Information Technology (IT) staff working with EnfoTech (software vendor) staff on data migration and system implementation of the iPACS system. The remaining funds are being used for customizations. The product is currently in testing and will go live once the customizations are completed.	FAR Authorized: \$250,000 Expended: \$222,884	88 Percent
PAR 1386 – Legal Assistance Fund 1 B. Peshek	The project team has continued to address chemical approvals, contracting with Stantec Inc. for support, and contribute to work on per- and polyfluoroalkyl substances (PFAS), and other ongoing regulatory items.	GEN Authorized: \$250,000 Expended: \$224,830	90 Percent
PAR 1387 – Legal Assistance Fund 2 B. Peshek	The project is focused on addressing heat recovery innovations.	GEN Authorized: \$250,000 Expended: \$ 51,392	20 Percent
PAR 1389 – Records Management System Upgrade 2020 E. Sturgeon	As of June 30, 2023, the test version of the Records Management System software has been installed in the cloud/Windows 11 environments and Records and Information Management staff is in the process of testing the Full Client/Web Client versions of the software. BarTender software for hardcopy folder labels has been upgraded/installed and is also being tested. Once all the software is tested and accepted it will be moved into production. Then, staff will start user training and SharePoint integration.	FAR Authorized: \$75,000 Expended: \$25,050	40 Percent
PAR 1403 – Continuous Improvement Framework M. Kiflai	The Continuous Improvement (CI) Framework has been completed and will align with the strategic plan implementation. Presently, trainers for both CI and change management have been contracted to collaborate on designing the curriculum for 2024.	GEN Authorized: \$250,000 Expended: \$ 93,771	30 Percent

<p>PAR 1414 – Digital Screens R. Nuber</p>	<p>Strategy and Communication’s (StratComm) Internal Communications Division has selected Rise Vision as the cloud digital signage software for this project. All screens but one are hung in their locations and technology has been secured and delivered and is ready for implementation. A management/implementation plan is being finalized and will be presented to SMT on September 19, 2023. If approved, the planned roll out to all employees is October 3, 2023.</p>	<p>GEN Authorized: \$50,000 Expended: \$36,735</p>	<p>20 Percent</p>
<p>PAR 1415 – EAM Business Process Study and Mobile M. Simmons</p>	<p>Following on the completed assessment work of the current EAM system and future requirements, the staff EAM selection committee reviewed vendor proposals, scored proposals and software demos for the next phase of business system tools. Staff worked to narrow the group of vendors to two. A separate selection committee comprised of SMT and ELT members will make the final selection in late August.</p>	<p>GEN Authorized: \$250,000 Expended: \$ 71,189</p>	<p>40 Percent</p>
<p>PAR 1417 – Strategic Plan Update (2022) M. Kiflai</p>	<p>The strategic plan update was successfully completed and adopted by the Board of Directors in May 2023. The project has now entered the implementation phase. In June, a six-month implementation progress report was presented to the Board. Currently, staff is developing metrics to align with the plan, and developing the 2024 progress report.</p>	<p>GEN Authorized: \$250,000 Expended: \$192,079</p>	<p>75 Percent</p>
<p>PAR 1423 – Maintenance Equipment Optimization M. Kiflai</p>	<p>The Process Maintenance and Electrical Maintenance divisions have been working to reorganize the maintenance shop. Updated workstations have been identified and installed for the Electrical Maintenance Division. These workstations provide standardization across all electricians and enable them to store their materials in enclosed spaces. Hand-made tables have been replaced with new proper welding tables and jigs. Additionally, a jig stand and a new welder were purchased to improve material storage and retire an obsolete welder. Next, the workstations of the Mechanical Maintenance Division will be assessed.</p>	<p>FAR Authorized: \$250,000 Expended: \$ 70,375</p>	<p>30Percent</p>
<p>PAR 1427 – Payment Optimization P. Parodi</p>	<p>Wells Fargo Adapter Software License and Maintenance Agreement is signed and Metro Water Recovery is now awaiting the assignment of the Wells Fargo project team to begin implementation and receive an updated implementation timeline. A Wells Fargo project manager and project team were assigned and the initial project implementation began with a kickoff meeting on Thursday July 27, 2023 between Metro and the Wells Fargo project team.</p>	<p>GEN Authorized: \$150,000 Expended: \$ 0</p>	<p>0 Percent</p>
<p>PAR 1428 – Community Relations Program D. Ambrosio</p>	<p>The procurement selection process has ended; contracting is in progress.</p>	<p>GEN Authorized: \$250,000 Expended: \$ 0</p>	<p>0 Percent</p>

PAR 1429 – Labworks Upgrade S. Pargee	The new version of Labworks has been installed on a test server. Key lab staff members have been meeting with the vendor weekly for training since April, and Lab and IT staff members have weekly stand-up calls with the vendor to work through any issues.	FAR Authorized: \$250,000 Expended: \$ 43,294	30 Percent
PAR 1439 – Data Lake House A. Tillman	When the data lake house is complete it will allow for the storing of both structured and unstructured data. Staff is waiting for the consultant's presentation of the proof of concept results.	FAR Authorized: \$475,000 Expended: \$ 0	0 Percent

Energy:

Featured Project:

PAR 1401 – Alternative Energy Evaluation (J. Trujillo)

The Project Team is drafting an RFP to engage a solar photovoltaic (PV) developer and/or consulting engineer to evaluate/study the feasibility of solar PV at various Metro Water Recovery facilities and ultimately design, construct, operate, and maintain solar PV installations. The current schedule is to finalize the RFP by September with proposals due in October and execute an agreement with the developer or consulting engineer by January 2024.

A photovoltaic (PV) cell, commonly called a solar cell, is a nonmechanical device that converts sunlight directly into electricity using semiconducting materials. The goal is to install solar PV systems on certain facilities. Metro Water Recovery desires to offset utility costs to the extent possible and, as such, is interested in reducing peak demand charges through increased electricity generation during these periods and evaluation of on-site battery storage systems which can further decrease peak demand charges. Metro also desires to reduce greenhouse gas emissions across its facilities in furtherance of sustainability goals.



Example of a Solar Photovoltaic System

GEN Authorized: \$750,000	Expended: \$200	Work Completed: 5%
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Other Projects:

Project Title and Project Manager	Update	Amount Authorized/Expended	Work Completed Percentage
PAR 1397 – Electric Fleet Vehicle Charging Infrastructure C. Geier	Installation, testing, and commissioning of all four charging stations has been completed. Two stations are located near the Technical Services Building, one at the Resource Recovery and Reuse Biosolids and Fleet Services Building, and one at the METROGRO Farm (Farm). The radio frequency identification cards needed to use the stations at the RWHTF have been activated. All four charging stations are operational and in use.	GEN Authorized: \$250,000 Expended: \$153,777	100 Percent
PAR 1398 – Effluent Temperature Compliance Study A. Norford	The report was finalized in June 2023, identifying areas of opportunity to incorporate heat recovery into the HVAC systems at the RWHTF, offering thermal pollution reduction while reducing the combustion of natural gas for heating buildings and sludge in support of anaerobic digestion . Staff is currently investigating funding and execution opportunities for the implementation of the identified heat recovery projects. The consultant’s final invoice has been received and approved for final payment. The project manager is beginning steps to close the project.	GEN Authorized: \$250,000 Expended: \$246,739	99 Percent

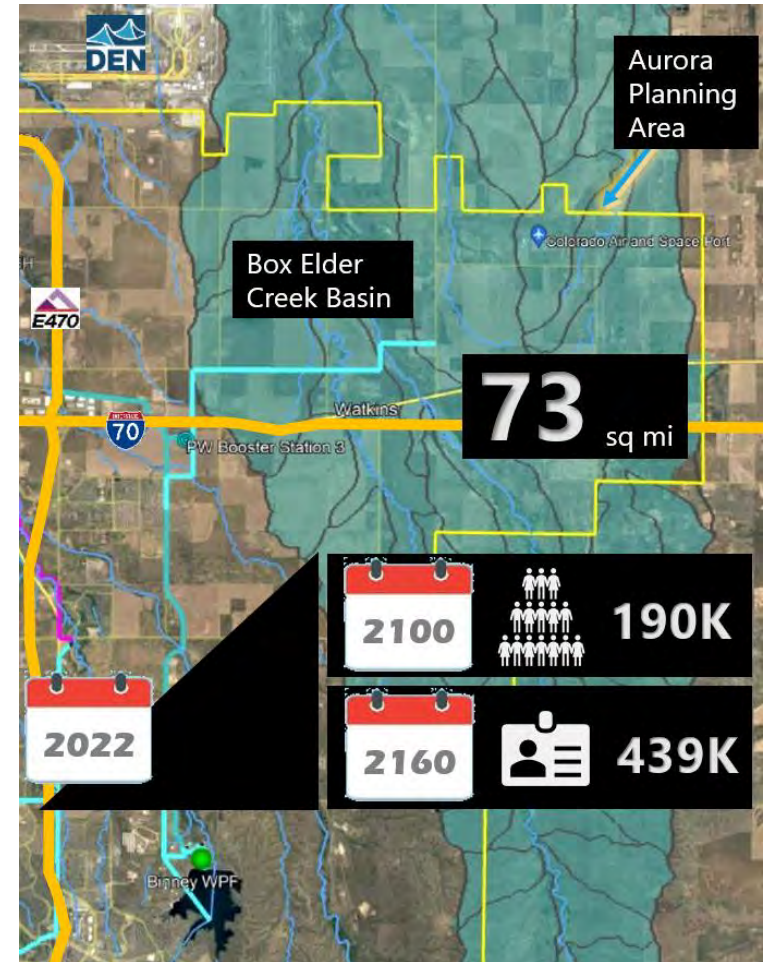
Liquids:

Featured Projects:

PAR 1373 – Innovation and Research Initiatives
 (K. Gedge)

This small project supports multiple studies including support of the city of Aurora’s Box Elder Feasibility Study and change management and support of water research projects such as source identification, control, fate, and transport of PFAS occurrence in U.S. wastewater treatment plants.

Metro Water Recovery and Aurora met in late June for a workshop to discuss the long-term and near-term water/wastewater planning for the Box Elder region. Carollo Engineers is finalizing the Box Elder Study report based on discussion from this workshop. Once finalized, Metro and Aurora will review the Box Elder Study Report. There are also some change management structures being finalized with the StratComm group as part of this project. This project should be completed by the end of 2024.



Screenshot from the June 28, 2023 Box Elder Feasibility Study Workshop with City of Aurora, Metro Water Recovery, and Carollo Engineers

GEN Authorized: \$250,000	Expended: \$148,721	Work Completed: 50%
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PAR 1422 – Dissolved Organic Nutrients Evaluation

(J. Hlad)

A study and piloting effort was initiated at the RWHTF in June 2022 to determine the magnitude and treatability of dissolved organic nitrogen (DON) dissolved organic phosphorous (DOP) and to evaluate [tertiary](#) treatment strategies. The study focused on the development of laboratory analysis methodology and a one-year sampling campaign to benchmark dissolved organic nutrient levels and overall treatability at various locations throughout the plant, including [primary](#) influent, primary effluent, and [secondary](#) effluent. The study also included piloting efforts which evaluated the efficacy of conventional tertiary treatment ([flocculation](#), sedimentation, and [filtration](#)) compared to advanced treatment (ozonation, biologically active filtration, and granular activated carbon polishing).

Several other analysis techniques were used in the study, including:

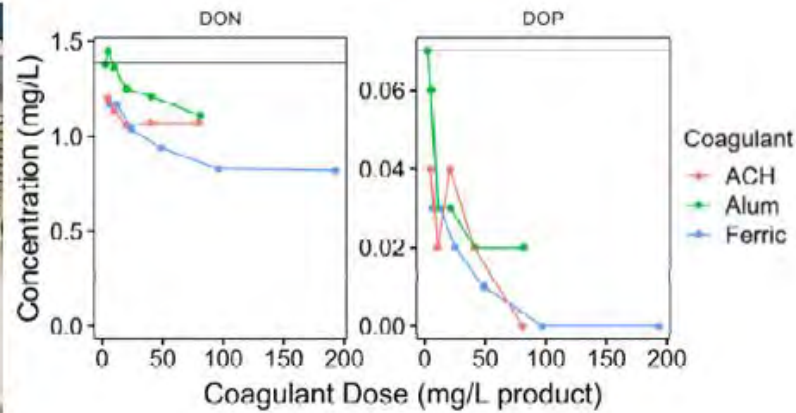
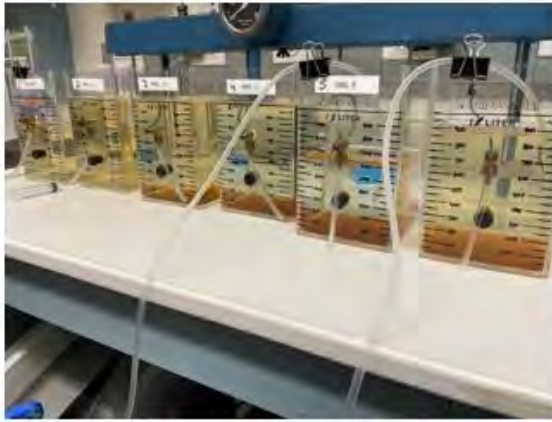
- Excitation emission matrices to qualitatively characterize changes in bulk organic matter
- Evaluation of Specific Ultraviolet Absorbance to understand the change in hydrophobicity of pre- and post-treatment
- Jar testing sampling campaigns to understand removal efficiency
- Use of rapid small scale column testing to understand filter media life cycle analysis

Preliminary results indicate DOP can likely be managed through conventional tertiary treatment, but DON will likely require additional pre-treatment and/or advanced treatment. The study is ongoing through the fourth quarter of 2023 to verify performance through seasonal changes. Remaining efforts for the project include summarizing the cumulative findings in a technical memorandum highlighting the areas of source control, benchmarking, and treatability. The memorandum will also include recommendations for further experimental design and testing that will focus on studying parameters used for a design basis and optimization. It is anticipated additional pilot testing will be necessary to validate preliminary findings.

The Technology and Innovation (TID) and ES departments collaborated with Hazen and Sawyer to complete a substantial jar testing sampling campaign focused on comparing the efficacy of different metal salts used as pretreatment for dissolved organic nitrogen reduction.



Seen here, ES; Laboratory Research Scientist I Ashley Bruhn is preparing samples for the analysis of over 300 analytes.



Results of different doses of Ferric Chloride addition, which was the product that showed the best efficiency for DON reduction. The adjacent graphs show the associated reduction of DON and DOP. The takeaway is that higher the dose, the greater the reduction.

GEN Authorized: \$250,000	Expended: \$108,498	Work Completed: 90%
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Other Projects:

Project Title and Project Manager	Update	Amount Authorized/Expended	Work Completed Percentage
PAR 1336 – North Secondary Pilot Program R. Maltos	Innovative process concepts and new technologies and equipment are being investigated and tested for the ability to improve performance, increase energy efficiency, and increase the ease of operation and maintenance while simultaneously delivering overall secondary capacity needs at the RWHTF. Hydrocyclones were selected for a technology evaluation to increase the treatment capacity of the North Secondary Complex (NSEC), allowing for the retention of current rated capacity at future permit limits. The initial pilot experiment focused on the appropriate biological selection to achieve densification has been completed. The pilot continues to operate to support the design of the NSEC Upgrades and Intensification Project (PAR 1411); these investigations focused on the impacts of physical selection on particle size distribution. Additionally, findings from these studies are also supporting the Water Research Foundation Project 5130, of which Metro Water Recovery is a co-principal investigator.	GEN Authorized: \$250,000 Expended: \$209,207	90 Percent

<p>PAR 1385 – NTP Post Startup Evaluation T. Worley-Morse</p>	<p>Through the NTP Post Startup Evaluation Project, the Post Digestion Sidestream Improvements Project (PAR 1434) was initiated. Recommendations for Phase Gate approval followed for three projects which have been approved internally: 1) The NTP Post Anaerobic Digester (PAD) Expansion, 2) NTP Tertiary Denitrification, and 3) NTP BioReactor Instrumentation Upgrades. Improvements to the plant recycle water system will be performed under the NTP Supplemental Improvements Project (IR 658). The prioritized safety improvements will be developed into a separate business case evaluation for Phase Gate approval.</p>	<p>GEN Authorized: \$250,000 Expended: \$145,295</p>	<p>95 Percent</p>
<p>PAR 1390 – Aeration Control Strategy Review and Implementation D. Freedman</p>	<p>This project is evaluating the existing aeration control strategies at the three secondary treatment systems across Metro Water Recovery (NSEC, South Secondary [SSEC], and NTP) and reviewing the available market options for implementation. The project team identified an opportunity to partner with APG-Neuros (APGN) on a full-scale demonstration of its newly developed advanced aeration control (AAC) platform at the NTP. The APGN AAC employs a data-driven, machine-learning model to calculate optimized control setpoints. In preparation for deployment of the control platform, the project team designed and implemented a major analytical instrumentation upgrade in BioReactor No. 4. The sensor data resulting from this upgrade is critical for the successful implementation and optimization of any advanced aeration control system. After completion of the instrumentation upgrade in October 2022, the APGN AAC was deployed to the NTP in November. Since that time, the model has been collecting data and running simulations to calibrate against real-time plant data. Additional control system modifications are underway to support the implementation. The system was placed in service for real-time operational control in the first quarter of 2023 and data collection is ongoing.</p>	<p>GEN Authorized: \$500,000 Expended: \$161,642</p>	<p>35 Percent</p>
<p>PAR 1410 – 2021 Process Optimization R. Maltos</p>	<p>The evaluation of an online microbial measurement instrument for continuous monitoring of pre-disinfection Escherichia coli (E. coli) is being conducted to understand the potential application for optimizing disinfectant dose control. The instrument piloting was completed in the fourth quarter of 2022, and data analysis is ongoing. The project also procured a zeta-potential device for measuring electrokinetic potential as a means to optimize sludge granulation and/or dewatering polymer dose. The data is being used to support the NSEC Pilot Program (PAR 1336) and the NSEC Upgrades and Intensification Project (PAR 1411). These efforts are ongoing, and an additional study which will focus on the optimization of dewatering at the Biosolids Dewatering Services Facility will</p>	<p>GEN Authorized: \$250,000 Expended: \$129,830</p>	<p>20 Percent</p>

	<p>begin in the fall. An optical instrument was procured for direct control of dewatering polymer and will be installed at the NTP. Additionally, the purchase of an online UV254 instrument will occur in the fall of 2023. This instrument will serve as a pilot. Staff would like to determine if the instrument could provide operations with the ability to monitor soluble chemical oxygen demand (sCOD) in the anoxic basin. With this information, actions could be taken to minimize sCOD in the aerobic zone which would reduce the growth of filamentous bacteria and improve settling in the secondary clarifier.</p>		
<p>PAR 1430 – 2022 Process Optimization D. Freedman</p>	<p>Process Optimization was initiated as an annually recurring small project for the completion of studies, demonstrations, or other efforts to assess the viability of optimizing treatment processes. The projects have the common goal of generating long-term sustainable operating cost savings. Digital solutions will be evaluated for intelligent, data-driven operation and control at the NTP. The project team has completed the procurement phase of the project; DHI Water was selected as the preferred vendor for the digital software platform, and Brown and Caldwell was selected as the owner’s advisor to support the implementation phase. The project is being converted from a small to a large project, with the Board action request on the agenda for the September 2023 Board cycle.</p>	<p>GEN Authorized: \$250,000 Expended: \$250,000</p>	<p>5 Percent</p>
<p>PAR 1432 – NTP Loading Evaluation J. Hlad</p>	<p>Flows to the NTP include discharges from residential sources as well as commercial and industrial businesses. Wastewater discharges from commercial and industrial facilities often contain disproportionately higher loadings of pollutants, many of which have the potential to adversely affect NTP operations. Because higher-than-anticipated loadings affect the overall treatment capacity of the facility, there are multiple current and future industrial facilities in the NTP service area which pose a risk to the NTP being able to continuously meet permit limitations. PAR 1432 seeks to assess/model the flows and loads of the industrial dischargers and Connectors individually and/or as a combined loading, to develop pretreatment effluent limits and/or operational strategies to support the existing treatment configuration.</p>	<p>GEN Authorized: \$250,000 Expended: \$ 0</p>	<p>30 Percent</p>

Operational Risk Management:

Project Title and Project Manager	Update	Amount Authorized/Expended	Work Completed Percentage
PAR 1307 – North and South Entry Gate Emergency Notification Improvement L. Chamberlain	The final programmable logic controller upgrade is scheduled to fully integrate the signs with supervisory control and data acquisition and with the plant emergency and announcement system. The project is scheduled to be completed in the last quarter of 2023.	GEN Authorized: \$250,000 Expended: \$191,489	95 Percent
PAR 1347 – RWHTF HazMat Shelter-In-Place Rehabilitation M. Gipe, B. O’Malley	This project provides modifications and upgrades to the HazMat controls in office buildings, eliminating inconsistencies between shelter-in-place locations on the RWHTF plant site. Additionally, some HazMat shelter-in-place locations in process areas were decommissioned and several new ones were added for better distribution across the plant site. Work has been completed and the project will be closed out.	FAR Authorized: \$250,000 Expended: \$246,310	100 Percent
PAR 1350 – RWHTF Radio System Upgrade Project K. Burton	Motorola conducted an assessment for digital radio performance from analog. Staff is conducting a digital coverage test with a local vendor for the RWHTF, NTP, and Farm and has procured new digital radios.	FAR Authorized: \$250,000 Expended: \$179,672	70 Percent
PAR 1433 – Asbestos Containing Materials Survey E. Borisova	This project identifies asbestos containing building materials at the RWHTF and NTP and assesses their condition. The contractor is conducting the survey including sample collection and providing reports to Metro Water Recovery.	GEN Authorized: \$250,000 Expended: \$47,053	35 Percent
PAR 1435 – Security Services Evaluation K. Burton	The independent audit will seek to identify the responsibilities, charter, effectiveness, and any shortcomings of the Security Division. The assessment should identify short and long-term recommendations for the Security Division.	FAR Authorized: \$250,000 Expended: \$ 0	10 Percent
PAR 1436 – Admin and TSB Door Hardware and Re-Core K. Burton	The project goals are to provide employees with a safe and secure work environment. Re-coring the door hardware in the Administration Building and the Technical Services Building (TSB), will meet the National Institute of Standards and Technology (NIST) requirements. The ability to secure office doors from the inside will greatly improve the safety of employees in the event of an active shooter onsite.	FAR Authorized: \$250,000 Expended: \$ 0	10 Percent

Solids:

Project Title and Project Manager	Update	Amount Authorized/Expended	Work Completed Percentage
PAR 1354 – Process Building Centrifuge Variable Frequency Drives Replacement D. Miller	The current Process Building’s equipment (variable frequency drives) is being used as a bypass for the continued processing of solids as the new Sludge Process Building Improvements Project (PAR 1244) completes construction later this year. PAR 1354 was contingent upon completion of PAR 1244. Since PAR 1244 has met substantial completion and the old equipment from PAR 1354 has been removed and is no longer in service, PAR 1354 is now complete.	FAR Authorized: \$75,000 Expended: \$59,071	100 Percent
PAR 1404 – Biosolids Master Plan D. Wcislo	This project was originally initiated to provide screening and thickening pilot testing based on 2018 Facility Plan recommendations. The thickening pilot was completed in 2022. The project team has been evaluating primary sludge screening options for a full-scale demonstration unit and has also been drafting the master plan scope of services and RFP. The primary sludge screening demonstration will be done under the 2020 Annual Fixed Asset Replacement Priorities Project (PAR 1379) and the master plan will move to a large project via Board funding appropriation request planned for October; small project funds will be reimbursed upon appropriation of large project funds.	GEN Authorized: \$250,000 Expended: \$160,993	60 Percent
PAR 1420 – Technical Support for Legal Work J. Hlad	This project was initiated to coordinate and support technical information related to the work being conducted with outside legal counsel under Legal Assistance Fund 1 Project (PAR 1386). Work is progressing on schedule.	GEN Authorized: \$250,000 Expended: \$ 62,174	50 Percent
PAR 1426 – Phosphorus Recovery Facility Reliability Improvements J. Schroeder	Additional scope has been added to include the design of a recycle pumping system from the struvite classifier effluent. An RFP was posted on <i>BidNet</i> on May 22, 2023 for job order contractors, and proposals were received on June 29, 2023.	GEN Authorized: \$500,000 Expended: \$ 95,248	20 Percent

Support Facilities:

Project Title and Project Manager	Update	Amount Authorized/Expended	Work Completed Percentage
PAR 1374 – Facilities Maintenance Satellite Facility Improvements T. Gottschalk	Staff initiated this project to address improvements and deficiencies in the steel structure which was purchased from the SSEC Improvements Project (PAR 1085) contractor for Facilities Maintenance storage use. Delays in material deliveries have extended the original schedule. Work crew commitments changed with the delay in materials causing delays in completion. An initial change order was issued extending the contract times. A second change order is in process to add a new door to the structure. The adjusted final completion is expected in the fourth quarter of 2023.	GEN Authorized: \$100,000 FAR Authorized: \$150,000 Total Authorized: \$250,000 GEN Expended: \$ 91,689 FAR Expended: \$ 137,534 Total Expended: \$229,223	90 Percent
PAR 1391 – Boardroom Refresh R. Kedzior	The remaining funds are being used to update the NTP conference room to a TEAMS room. This should be completed in September.	FAR Authorized: \$250,000 Expended: \$135,598	85 Percent
PAR 1392 – HVAC High Priority Improvements M. Gipe	Replacement of certain HVAC assets which have reached or exceeded their service life will be evaluated, as well as addressing operational issues of certain other HVAC fixed assets at both plant sites. The study phase has been completed, and additional funding was requested during the July Board Meeting to proceed with the design phase.	FAR Authorized: \$250,000 Expended: \$184,250	100 Percent
PAR 1412 – Administration Office Remodel 2021-22 P. Gehlhoff	Interviews to understand staff requirements have been conducted and the project is in design. The project was bid, but staff did not receive any bids for the project. Project scope was reduced to Human Resources (HR)'s Recruiting and Employee Development Team area only. Staff is awaiting delivery of furniture, fixtures, and equipment which will meet HR's needs.	GEN Authorized: \$250,000 Expended: \$ 74,893	90 Percent
PAR 1437 – South Platte River Aquatic Life Habitat Improvements M. Hofmeister	This project was initiated to improve aquatic habitat in the South Platte River. The kickoff meeting with departmental coordinators occurred in June, a project impact checklist has been completed and an RFP has been sent to CDM Smith through the task order on-call engineering services. The team anticipates reviewing the proposal and commencing design in the fall of 2023.	GEN Authorized: \$250,000 Expended: \$ 0	0 Percent

Transmission:

Project Title and Project Manager	Update	Amount Authorized/Expended	Work Completed Percentage
PAR 1438 – Delgany and South Thornton Odor Control A. Rushton	This project was initiated to address odor issues in the Delgany and South Thornton interceptors. An RFP was posted on <i>BidNet</i> on June 20, 2023 and proposals were due on July 25. Two proposals were received and HDR Engineering, Inc. was selected. An Adhoc Phase Gate memo was submitted to CPW to request additional funding as both proposals exceeded the approved \$250,000.	GEN Authorized: \$250,000 Expended: \$ 0	0 Percent

Work Completed – Closeout Pending or in Routing:

Project Title and Project Manager	Update	Amount Authorized/Expended	Work Completed Percentage
PAR 1355 – Dynamic Safety System B. O'Malley	Final program development of an asbestos management plan was completed in July 2022 along with associated training presentations. Training at the awareness and maintenance levels is now available with rollout dependent on a survey (separate project) taking place in 2023. A spreadsheet to be used to track asbestos surveys in 2023 has been created.	GEN Authorized: \$200,000 Expended: \$185,530	100 Percent
PAR 1360 – Intellectual Property Program E. Jackson	Work continues with outside counsel to evaluate potentially patentable ideas and close out the process of procuring patent protection for efforts associated with simultaneous nitrogen and phosphorus removal from anaerobically digested sludge in the PAD process at the NTP. This project has not been needed for this six-month period. The team is going to work on closing this project.	GEN Authorized: \$100,000 Expended: \$ 35,055	34 Percent
PAR 1365 – Fall Protection Infrastructure Improvements B. O'Malley	Bulk swing installation work is complete as are the technical guidelines for fall protection design. An additional request of \$10,000 was approved internally to cover the cost of swing gates on the SSEC clarifiers. This installation was completed in October 2022.	GEN Authorized: \$210,000 Expended: \$203,233	100 Percent
PAR 1377 – Office 365 Evolution S. Fredrickson	This project will be closed and the remaining work will be included in the full MetroNet migration and redesign which is being managed under the 2022 Grouped IT Customer Experience Project (PAR 1409). The closing process has been initiated.	FAR Authorized: \$100,000 Expended: \$ 55,450	100 Percent

PAR 1381 – NTP Effluent Pond Herbicide Treatment for Aquatic Nuisance Species S. Lundt	Staff's goal is to eradicate and prevent further spread of non-native, aquatic nuisance species (ANS) from the NTP ponds. 2022 was the third and final year of treatment for all three NTP ponds. This project will go through the close out process in 2023. No invasive plants were documented during plant surveys in 2022 or in the first half of 2023.	GEN Authorized: \$75,000 Expended: \$73,111	100 Percent
PAR 1384 – Vital Records Update 2020 D. Dickson	Staff has updated the retention schedule, prepared a new signature/acknowledgment page, and is in the process of summarizing the changes made to the schedule in a memo. Once the ELT and/or the SMT reviews the summarization memo and executes the new signature page, this PAR can be closed. It is anticipated the ELT and/or SMT will review the memo and execute the signature page in October 2023. The project will then be closed in November 2023. The project is currently in the closeout process.	FAR Authorized: \$50,000 Expended: \$27,600	95 Percent

Closed (or Reimbursed) Projects:

Project Title and Project Manager	Update	Amount Authorized/Expended	Work Completed Percentage
PAR 1271 – RWHTF Electric Gate Actuator Project C. Geier	The electric actuators on 27 large gates and valves located at the SSEC Complex at the RWHTF were installed. The electrical contractor completed their work, the Maintenance Department installed all actuators, and all are operable.	FAR Authorized: \$250,000 Expended: \$192,697	100 Percent
PAR 1375 – Transformer and ARMS Standardization C. Geier	The consultant has developed design guides for both transformer protection and Arcflash Reduction Maintenance System control scheme for future projects; made modifications to existing equipment; and submitted the Issued for Construction drawings.	GEN Authorized: \$125,000 FAR Authorized: \$125,000 Total Authorized: \$250,000 GEN Expended: \$125,000 FAR Expended: \$125,000 Total Expended: \$250,000	100 Percent
PAR 1399 – Support Facilities Master Plan P. Gehlhoff	Project scope included development of a master plan for all support facilities at the RWHTF and NTP, identification of space requirements including future staff projections, functional adjacencies, and work environment trends and will serve as a guide for future capital construction projects. The first draft has been submitted and is currently being reviewed. Comments will be provided to the consulting team and a second draft will be reviewed by the Capital Planning Workgroup before closeout.	GEN Authorized: \$250,000 Expended: \$199,574	95 Percent

<p>PAR 1411 – North Secondary Upgrades and Intensification A. Norford</p>	<p>Hazen & Sawyer, P.C., (Hazen) supported this study phase work (managed by TID Director Dan Freedman) and completed it in June 2022. Stantec Inc./Hazen/NEI Electric Power Engineering, Inc., was the consultant team for design. Large project appropriations reimbursed the small project in January.</p>	<p>FAR Authorized: \$250,000 Expended: \$211,200</p>	<p>100 Percent</p>
<p>PAR 1425 – Aurora Westside Interceptor Study Amendment M. Howard</p>	<p>This \$16,000 amendment was due to a relatively new environmental impacts study requirement. The environmental impacts study required outside expertise and used an on-call services task order to be completed. Large project appropriations reimbursed the small project in June.</p>	<p>FAR Authorized: \$16,000 Expended: \$11,790</p>	<p>100 Percent of the small project</p>

METRO WATER RECOVERY

2025 ANNUAL BUDGET PREPARATION SCHEDULE

2023	
July	<ul style="list-style-type: none"> Budget staff prepares computer system and operating budget worksheets for the 2025 Budget.
August / September	<ul style="list-style-type: none"> Metro staff prepares individual Department/Division proposed 2025 Budget.
October	<ul style="list-style-type: none"> Budget staff prepares first draft of the proposed 2025 Budget.
November / December	<ul style="list-style-type: none"> CEO, Department Heads, and key staff conduct review. Budget staff updates proposed 2025 Budget.

2024	
January	<ul style="list-style-type: none"> Consulting Engineer conducts budget review with CEO, Department Heads, and key staff. Budget staff makes necessary revisions to the proposed 2025 Budget.
March	<ul style="list-style-type: none"> The Board of Directors' Finance Committee holds the Budget Workshop following the March Committee meeting. Budget staff prepares the preliminary 2025 Budget based on the Finance Committee's review.
April/May	<ul style="list-style-type: none"> Preliminary 2025 Budget is distributed to Board of Directors, Connectors, Consulting Engineer, and Bond Trustee. Board of Directors reviews the preliminary 2025 Budget information at the Spring Workshop. Notice of a Public Hearing on the 2025 Budget is posted in the newspaper.
May	<ul style="list-style-type: none"> Public Hearing on the 2025 Budget is held at Board of Directors' meeting.
June	<ul style="list-style-type: none"> Board of Directors adopts the 2025 Budget and appropriates funds. Board of Directors adopts the total 2025 Annual Charges for Service.
July	<ul style="list-style-type: none"> Budget staff prepares the 2025 Budget final document.
August	<ul style="list-style-type: none"> Board of Directors adopts and certifies the Estimated 2025 Annual Charges for Service for individual Connectors. Adopted 2025 Budget is published; an electronic copy is filed with the State of Colorado.

* In addition to preparing the proposed 2025 Budget, Metro staff will prepare the revised 2024 Budget, which is adopted by the Board of Directors during the same process and used to prepare and refine the 2025 Budget.



Effluent Temperature Demonstration at the Northern Treatment Plant

The Northern Treatment Plant (NTP) Effluent Temperature Demonstration (PAR 1416) is a key piece of Metro Water Recovery's portfolio of strategies to reduce temperature in [Segment 15](#) of the South Platte River. The Colorado Department of Public Health and Environment (CDPHE) [Regulation 38](#) requires both of Metro's treatment facilities meet temperature limits in December through February to protect aquatic life.

CDPHE approved Metro Water Recovery's site application and testing plan for the project in April 2022 to advance understanding of this technology application and generate data for design and operation of full-scale systems for Metro's treatment facilities. Metro commissioned the cooling tower equipment in time for an extra season of operation, providing an opportunity to capture data earlier than anticipated.

Phase 1 of the demonstration used a sidestream of secondary effluent to evaluate the cooling tower equipment and operation. Phases 1A and 2 will test a sidestream of tertiary effluent, at two different flow rates, using the same equipment.

Additional detail around Regulation 38 and Metro Water Recovery's strategies are featured in the [August 2021](#) and [May 2022](#) editions of *Emerging Issues*. This *Innovation Quarterly* provides an update since May 2022, including the demonstration technology and methodology, testing and results, and next steps.



NTP effluent temperature demonstration cooling tower

Why Innovate?

1. New applications of cooling tower technology
2. No CDPHE design criteria in place
3. NTP and Robert W. Hite Treatment Facility compliance schedules

Feasibility study recommends cooling towers as top option to explore

2021

Demonstration cooling towers acquired and installed in December

2022

Cooling tower commissioned January 16, decommissioned May 17

2023

Tertiary effluent demonstration begins

Winter 2023

Tertiary effluent demonstration ends

2026

NTP discharge permit temperature limits take effect

April 1, 2026

NTP effluent temperature compliance timeline



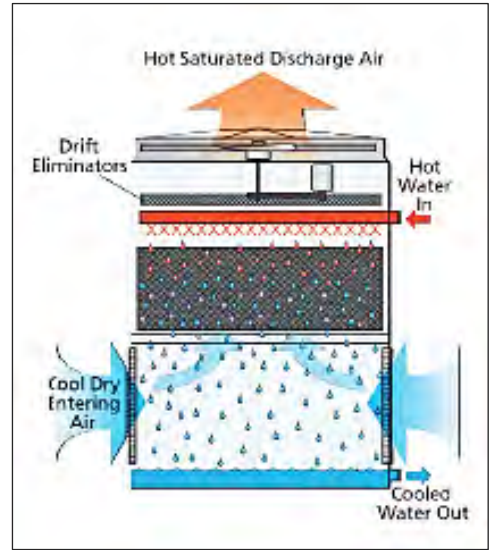
Technology and Methodology

Metro Water Recovery rented an EVAPCO cooling tower from Sys-Cool that distributes effluent over the tower's evaporative media (fill), dissipating heat as the water cascades through the fill. As illustrated to the right, the unit draws air in through inlet louvers at the base of the tower and sends it up through the fill, opposite the water flow. Warm, moist air is drawn to the top of the unit and discharged to atmosphere. The remaining water evaporates or falls to the bottom and returns to process.

Phase 1 Configuration

The secondary effluent cooling demonstration system was installed adjacent to the Tertiary Pump Station Electrical Building. The system was fed approximately 900 gallons per minute of secondary effluent via a submersible pump installed in an isolated section of the Tertiary Pump Station wet well. Cooled effluent was conveyed by gravity back to the wet well for transfer to tertiary treatment with the mainstream.

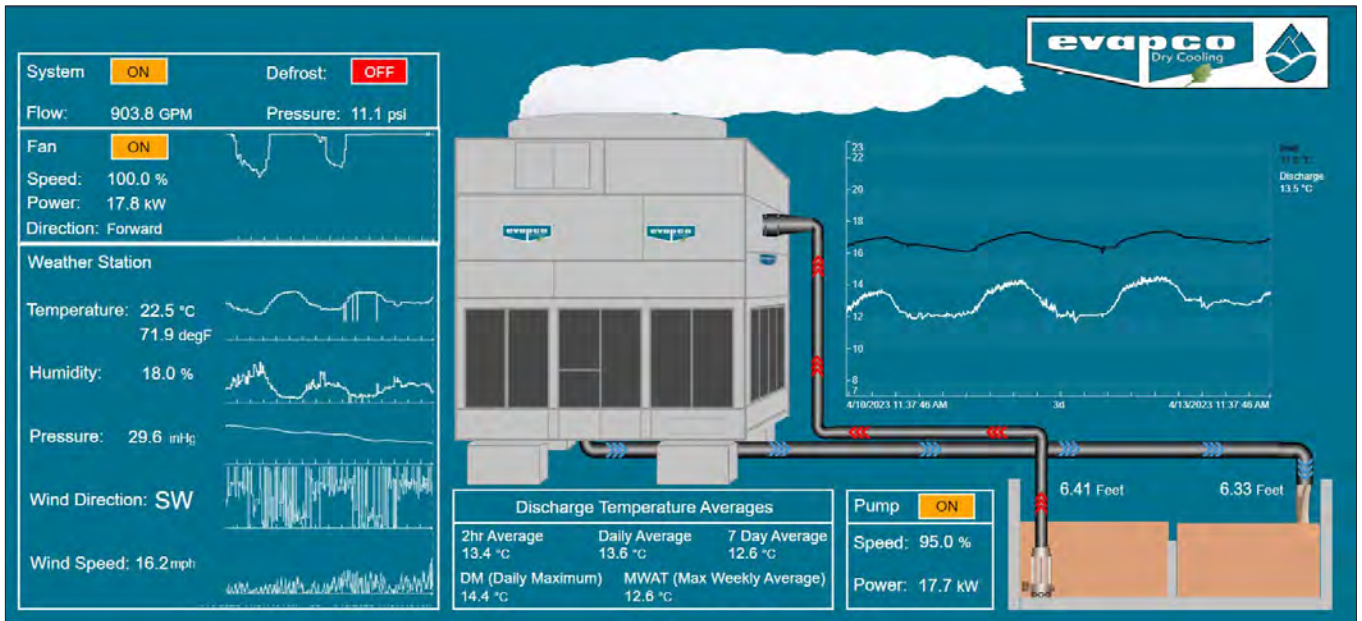
A weather station was installed on the southwest corner of the Tertiary Pump Station roof to measure temperature (referred to as the dry bulb temperature), barometric pressure, and relative humidity. These ambient conditions affect cooling tower performance and are monitored, along with other sensor data, on a dashboard (below) designed by NTP Operator Technician Jeremy Hileman.



EVAPCO cooling tower illustration



Phase 1 demonstration west of tertiary facilities in red



Operations monitoring dashboard



Testing and Preliminary Results

Metro Water Recovery submitted a Demonstration Project Testing Plan to CDPHE with the April 2022 site application, which focuses on two new applications for this technology to meet the standards listed below: (1) for wastewater effluent cooling (2) in a cold, semi-arid environment. The objectives of the testing plan are to:

- Assess the technical and environmental feasibility of cooling towers to reduce effluent temperature
- Inform the full-scale system design and cost



Ice inside the cooling tower (formed at 28.4°F)

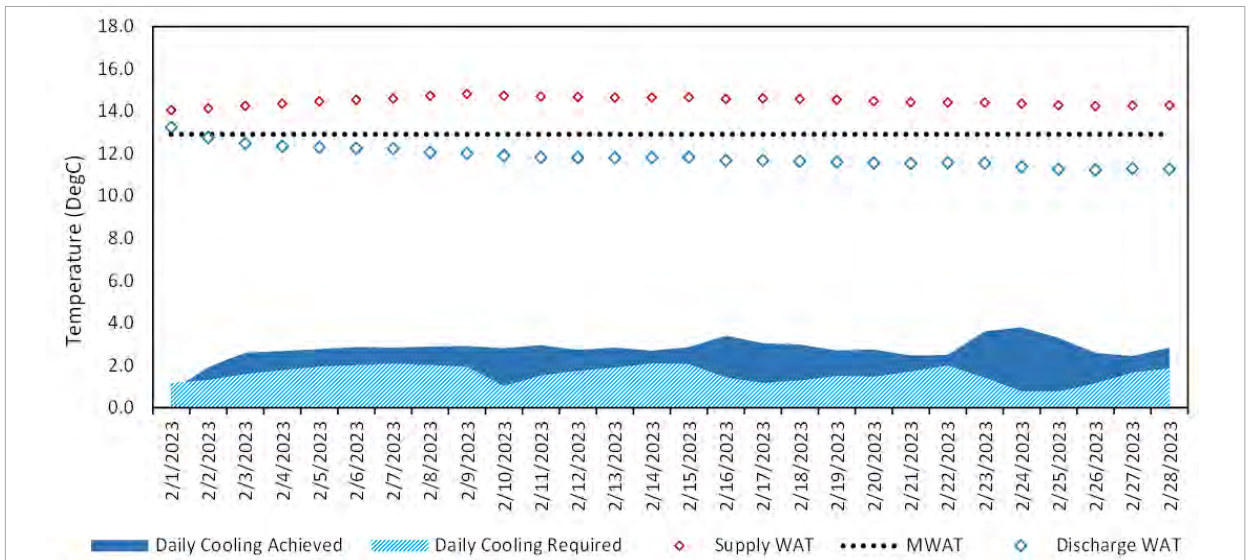
Phase 1 Preliminary Results

This cooling tower configuration effectively cooled NTP secondary effluent during February to below the CDPHE temperature limits, as shown below. Noise, odor, and air emissions met worker safety and permit limits, with minimum values for Legionella bacteria detected in two tests, indicating very low risk of exposure.

Solids accumulation in several sections of fill was more than typical, according to EVAPCO, and as a result, the smaller cross-fluted media used in this test are not recommended. Considerable icing occurred during freezing weather, but defrost programming resolved these issues with no adverse impacts to adjacent equipment observed. The plume was visible from outside the NTP on cold days.

NTP Effluent Temperature Standards

- Maximum Weekly Average Temperature (MWAT)
 - December 13.3°C (55.9°F)
 - January 19.3°C (66.7°F)
 - February 12.9°C (55.2°F)
- Daily Maximum
 - December 19.7°C (67.5°F)
 - February 14.5°C (58.1°F)
 - All other months do not have an effluent limit when the compliance schedule ends, but a report of the measured result is required.



February secondary effluent Weekly Average Temperature (WAT) compared to MWAT limits



Discussion and Next Demonstration

The Phase 1 demonstration accomplished its primary objective of generating data to support the feasibility assessment and inform full-scale secondary effluent cooling tower design decisions. The relevant data used to inform full-scale design is specific to the suitability of the media fill size and an understanding of the operations and maintenance requirements, including redundancy requirements, which will affect the ultimate size and cost of the future system.

Key outcomes of the demonstration include establishing design criteria, confirming the least efficient fill media size is required, and identifying recommendations for the tertiary effluent demonstration work plan (see Lessons list).

Phases 1A and 2 Tertiary Demonstration

Metro Water Recovery purchased the cooling tower cell to save on future rental costs and ensure commissioning ahead of the upcoming winter season. Owning the unit also provides flexibility and the opportunity to relocate the system to the Robert W. Hite Treatment Facility or lend it to other utilities.

Phase 1A of the project will test fill media materials, water quality impacts, and operational conditions using tertiary effluent. This demonstration will allow staff to ascertain the impact on full-scale system design and cost between the two effluent streams.

The Phase 2 demonstration system will be designed and installed based on the findings from Phases 1 and 1A. This system will be sized to provide cooling of the projected 2026 plant flows, ensuring permit compliance when the temperature limits take effect.



NTP with tertiary effluent temperature demonstration in red

Lessons for Tertiary Demonstration

- Increase the flow for better performance
- Test more efficient fill media
- Diversify fill media vendors
- Monitor corrosion potential in the headspace of the tower
- Consider plume testing of volatile organic compounds and bioaerosols
- Omit Legionella, odor, and noise testing

If cooling towers are determined to be technically and environmentally feasible, staff will submit a request to amend the existing Site Location Approval for a permanent system. The system would be expanded in the future as needed to achieve the cooling capacity required for the rated plant flow of 28.8 MGD.



Phases 1A and 2 effluent temperature demonstration timeline



METRO WATER RECOVERY

MEMORANDUM

TO: Mickey Conway, Chief Executive Officer **DATE:** August 16, 2023
FROM: Andy Nelson, Director of Engineering
RE: Status of Capital Improvement Projects Report Through July 2023

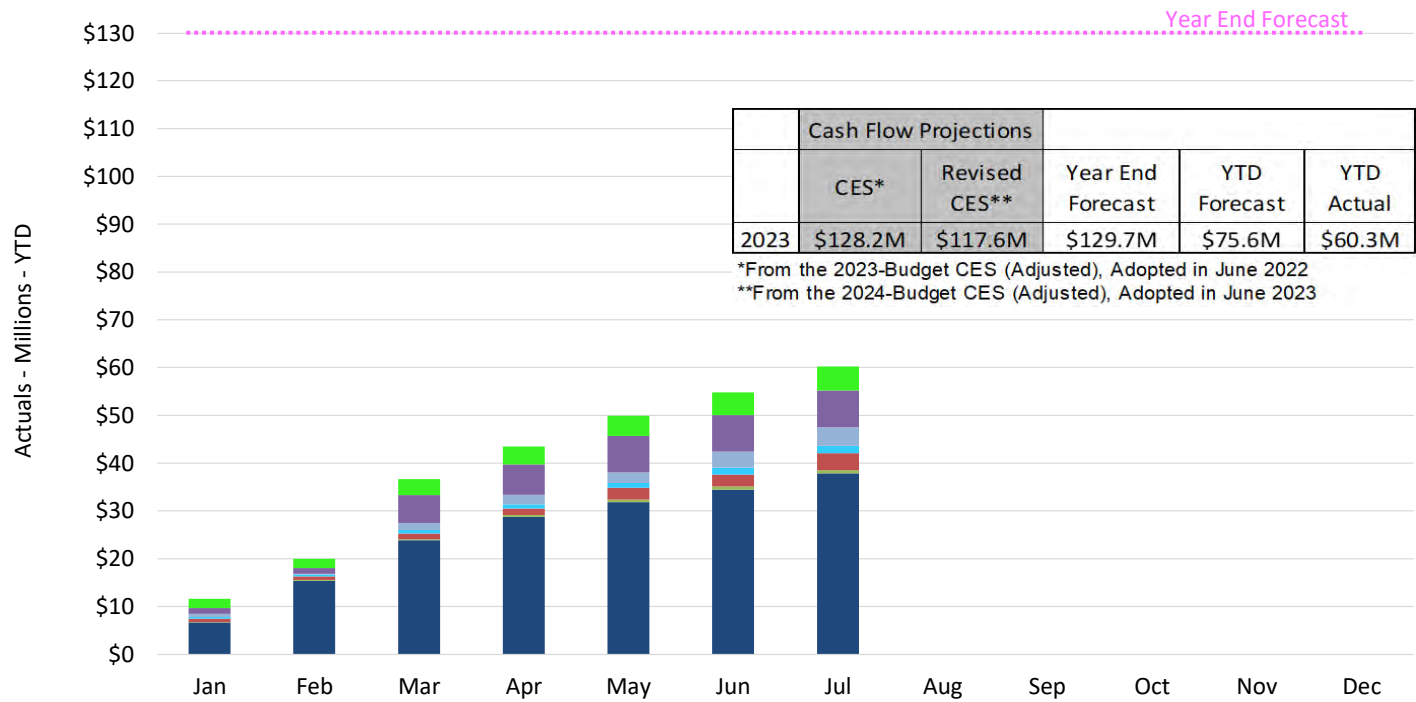
The monthly Status of Capital Improvement Projects Report provides information on capital improvement projects. The Report includes:

1. *Cash Flow Projections versus Actual (Attachment 1)*: This bar graph provides a program-wide cash flow forecast versus actual expenditures and the capital program's monthly cash flow projections for the current year. Content includes the 2023 *Ten-Year Capital Expenditure Schedule* (CES) amount, the Revised 2023 CES amount, dollars spent to date on all capital projects (by Program) and forecast of expenditures. The legend is shown on the attachment.
2. *Five-Year Schedule (Attachment 2)*: This bar graph provides basic project schedule information for significant projects which are currently active or will be initiated in the near term. Content includes the Project Action Request (PAR) number, project name, and a five-year project schedule window showing the previous and current years plus the next three years. The legend is shown on the attachment.
3. *Monthly Capital Project Financial Status Report (Attachment 3)*: This table provides financial information on large capital projects. Content includes general project information, active phase, and total project cost information. The Definitions Page provides a definition of certain columns and how each column's value is calculated.

Attachments

Attachement 1

CAPITAL IMPROVEMENT PROJECTS 2023 Cash Flow Projections versus Actuals through July 2023

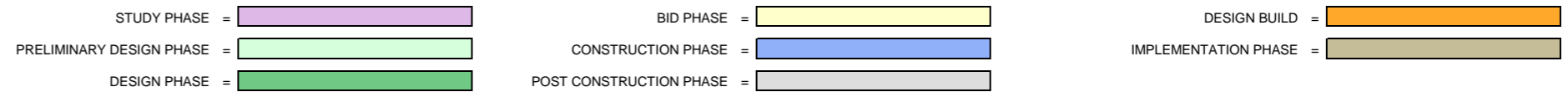


- Programs:
- Asset Management
 - Energy
 - Liquids
 - Other
 - Solids
 - Support Facilities
 - Transmission

Attachment 2 CAPITAL IMPROVEMENT PROJECTS Five-Year Schedule

PAR	PROJECT	2022												2023												2024												2025												2026																																				
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec																									
	<i>ASSET MANAGEMENT</i>																																																																																					
1379	2020 Annual Fixed Asset Replacement Priorities																																																																																					
1382	North Complex Natural Gas System Replacement																																																																																					
1408	Potable Waterline Replacement																																																																																					
	<i>LIQUIDS</i>																																																																																					
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1244	Solids Processing Building Improvements																																																																																					
1434	NTP Post Digestion Sidestream Improvements																																																																																					
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1363	Interceptor Rehabilitation 2020-2022																																																																																					
1425	Aurora Westside Interceptor Rehabilitation																																																																																					

DATELINE





Attachment 3 Monthly Capital Projects Financial Status Report

						ACTIVE PHASE									TOTAL PROJECT				
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
PAR #	Project Name	Active Phase	Deliv Meth	Consultant(s)	Contractor(s)	Appropriations	Consultant			Contractor			Other Tasks	Remaining Contingency	Costs to Date	Total Project Cost Estimate	Total Appropriations	Total Costs to Date	Total Variance
							Contracts	Amendments	%	Contracts	Change Orders	%							
Asset Management																			
1379	Annual Fixed Asset Replacement Priorities	Construction	N/A	NEI	Moltz and Sturgeon	\$7,375,000	\$140,000	\$0	0.0%	\$6,525,000	(\$200,000)	-3.0%	\$210,000	\$500,000	\$5,350,620	\$11,728,000	\$12,928,000	\$8,979,072	\$3,948,928
1382	North Complex Natural Gas System Replacement	Construction	DBB	Metro Water Recovery	Blackeagle Energy Services	\$1,143,000	\$0	\$0	0.0%	\$876,797	\$0	0.0%	\$43,308	\$222,895	\$183,792	\$1,142,895	\$1,143,000	\$183,792	\$959,208
1408	Potable Waterline Replacement	Construction	N/A	Adams County	Adams County	\$1,825,000	\$0	\$0	0.0%	\$1,652,000	\$1,002,000	154.2%	\$15,000	\$158,000	\$65,104	\$1,825,000	\$1,825,000	\$65,104	\$1,759,897
Sub Total for Asset Management :						\$10,343,000	\$140,000	\$0		\$9,053,797	\$802,000		\$268,308	\$880,895	\$5,599,515	\$14,695,895	\$15,896,000	\$9,227,967	\$6,668,033
Liquids																			
1396	NTP Primary Clarifier Cover Damage Repair	Construction	DBB	Stantec Consulting Services, Inc	Hensel Phelps Construction	\$5,919,278	\$129,500	\$0	0.0%	\$4,988,000	\$0	0.0%	\$50,000	\$751,778	\$358,039	\$6,000,000	\$6,000,000	\$428,261	\$5,571,739
1400	PAA Disinfection System Improvements	Design	CMAR	CDM Smith, Inc.	Garney Construction	\$1,729,970	\$1,658,645	\$490,880	42.0%	\$0	\$0	0.0%	\$71,325	\$0	\$1,685,320	\$13,000,000	\$25,230,000	\$2,891,893	\$22,338,107
1411	North Secondary Upgrades and Intensification	Pre-Design	CMAR	Stantec Consulting Services, Inc	PCL Construction, Inc	\$7,569,908	\$7,569,908	\$45,000	.6%	\$0	\$0	0.0%	\$0	\$0	\$1,767,294	\$231,000,000	\$24,015,000	\$2,336,905	\$21,678,095
1416	NTP Effluent Temperature	Study Phase	N/A	Stantec Consulting Services, Inc	Hensel Phelps Construction Co	\$991,000	\$645,000	\$395,000	158.0%	\$0	\$0	0.0%	\$266,000	\$80,000	\$461,252	\$21,970,000	\$2,036,000	\$1,030,833	\$1,005,167
Sub Total for Liquids :						\$16,210,156	\$10,003,053	\$930,880		\$4,988,000	\$0		\$387,325	\$831,778	\$4,271,905	\$271,970,000	\$57,281,000	\$6,687,892	\$50,593,108
Solids																			
1244	Solids Processing Building Improvements	Construction	DBB	Brown And Caldwell	MWH Constructors, Inc	\$89,637,329	\$8,704,942	\$463,688	5.6%	\$76,702,633	\$2,506,868	3.4%	\$950,000	\$3,279,754	\$81,593,135	\$96,757,000	\$96,757,000	\$88,621,850	\$8,135,150
1434	NTP Post Digestion Sidestream Improvements	Design Phase	CMAR	Black & Veatch Corporation	Archer Western Construction, LLC	\$852,000	\$720,000	\$0	0.0%	\$0	\$0	0.0%	\$22,000	\$110,000	\$0	\$1,232,000	\$1,232,000	\$0	\$1,232,000
Sub Total for Solids :						\$90,489,329	\$9,424,942	\$463,688		\$76,702,633	\$2,506,868		\$972,000	\$3,389,754	\$81,593,135	\$97,989,000	\$97,989,000	\$88,621,850	\$9,367,150
Energy																			
1265	Electrical Transmission Service Substation	Design	CMAR	NEI	PCL Construction, Inc	\$2,139,650	\$2,089,650	\$0	0.0%	\$0	\$0	0.0%	\$50,000	\$0	\$1,768,412	\$39,700,000	\$33,026,500	\$9,299,148	\$23,727,352
1395	RWHTF Biogas Utilization	Pre-Design	CMAR	Carollo Engineers, Inc	Moltz Construction, Inc	\$707,000	\$707,000	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	\$681,770	\$44,100,000	\$3,570,976	\$2,362,205	\$1,208,771
Sub Total for Energy :						\$2,846,650	\$2,796,650	\$0		\$0	\$0		\$50,000	\$0	\$2,450,182	\$83,800,000	\$36,597,476	\$11,661,353	\$24,936,123



Attachment 3 Monthly Capital Projects Financial Status Report

						ACTIVE PHASE								TOTAL PROJECT					
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
PAR #	Project Name	Active Phase	Deliv Meth	Consultant(s)	Contractor(s)	Appropriations	Consultant			Contractor			Other Tasks	Remaining Contingency	Costs to Date	Total Project Cost Estimate	Total Appropriations	Total Costs to Date	Total Variance
							Contracts	Amendments	%	Contracts	Change Orders	%							
Transmission																			
1232	Second Creek Interceptor and Sand Creek Interceptor System Improvements	Construction	CMAR	HDR Engineering, Inc	Garney Construction	\$162,288,600	\$13,830,000	\$0	0.0%	\$137,179,189	\$4,516,659	3.4%	\$5,000,000	\$6,279,411	\$126,016,358	\$194,309,000	\$192,901,417	\$147,196,947	\$45,704,470
1312	Lift Station (TNW & DM)	Construction	CMAR	Stantec Consulting Services, Inc	PCL Construction, Inc	\$38,450,000	\$2,833,000	\$0	0.0%	\$32,208,000	\$0	.8%	\$1,505,000	\$1,904,000	\$12,917,861	\$41,726,000	\$41,726,000	\$16,335,748	\$25,390,252
1325	Transmission System Structure Rehabilitation 2020	Construction	DBB	Mott MacDonald	Iron Woman Construction	\$3,568,816	\$91,996	\$1,780	2.0%	\$2,852,077	(\$306,523)	-9.7%	\$7,000	\$617,743	\$1,983,001	\$4,008,316	\$4,008,316	\$2,347,365	\$1,660,951
1340	Force Main and Siphon Condition Assessment and Cleaning	Construction	DBB	Brown & Caldwell	Doestch Environmental Services	\$6,211,709	\$443,000	\$0	0.0%	\$5,128,150	(\$57,435)	-1.1%	\$20,000	\$620,559	\$4,004,866	\$6,859,000	\$6,859,000	\$4,652,156	\$2,206,844
1363	Interceptor Rehabilitation 2020-2022	Design	CMAR	Metro Water Recovery	Granite InLiner, LLC	\$838,000	\$784,000	\$286,000	57.4%	\$0	\$0	0.0%	\$5,000	\$49,000	\$774,925	\$35,812,000	\$35,812,000	\$31,070,305	\$4,741,695
1425	Aurora Westside Interceptor Rehabilitation	Construction	DBB	Metro Water Recovery	Inliner Solutions, LLC	\$11,370,000	\$51,000	\$0	0.0%	\$10,241,710	\$0	0.0%	\$51,000	\$1,026,290	\$11,790	\$11,370,000	\$11,370,000	\$11,790	\$11,358,210
Sub Total for Transmission :						\$222,727,125	\$18,032,996	\$287,780		\$187,609,126	\$4,152,701		\$6,588,000	\$10,497,003	\$145,708,801	\$294,084,316	\$292,676,733	\$201,614,310	\$91,062,423
Report Total:						\$342,616,260	\$40,397,641	\$1,682,348		\$278,353,556	\$7,461,569		\$8,265,633	\$15,599,430	\$239,623,539	\$762,539,211	\$500,440,209	\$317,813,373	\$182,626,836

ATTACHMENT 3 - DEFINITIONS

COLUMN	COLUMN TITLE & DEFINITION
D	<p>Delivery Method: DBB = Design/Bid/Build (Traditional Metro Water Recovery Delivery Method)</p> <p>DB = Design/Build (Progressive, Collaborative)</p> <p>CMAR = Construction Manager at Risk</p> <p>N/A = Studies, Facility Plans</p>
G	Appropriation(s) = Total available appropriation for the active phase. Includes requested appropriation number in the Board resolution for the active phase plus unused, available appropriation from any previous phase or phases.
H	Consultant Contract(s) = Original contract plus any amendments (for the active phase). May include more than one consultant contract.
I	Consultant Amendments = Summation of all consultant amendments (for the active phase).
J	Consultant Amendment % = The consulting amendments as a percentage of the original consulting services contract (for the active phase).
K	Contractor Contract(s) = Original contract plus any change orders (for the active phase). A typical project has only one contractor (General Contractor).
L	Change Orders = Summation of change orders (for the active phase).
M	Construction Change Order % = Change Orders as a percentage of the original construction contract (for the active phase).
N	Other Tasks = Administrative costs, materials testing, owner-purchased equipment, land/easement acquisition, etc.
O	Remaining Contingency = Original appropriated contingency minus the portion of contingency used for amendments, change orders, or other tasks.
P	Costs to Date = Active phase payments made as of the report date (shown in the report's upper left corner).
Q	Total Project Cost Estimate (TPCE) = Total appropriations or project cost amount as shown in the <i>Capital Expenditure Schedule (CES)</i> .
R	Total Appropriations = Total requested appropriation amount in the Board resolution. This value is a summation of appropriations from all project phases to date.
S	Total Costs to Date = Payments made as of the report date (shown in the report's upper left corner). This amount is a summation of all payments for all project phases to date.
T	Total Variance = Total Appropriations minus Total Costs to Date. Includes remaining portion of agreements, contracts, other tasks, and contingency.

METRO WATER RECOVERY

CURRENT ACTIVITIES/OPERATIONAL PERFORMANCE REPORT

July 2023 – August 2023

NORTHERN TREATMENT PLANT (NTP) Current Activities

United Fermentation and Thickening Improvements

This month, the NTP began construction on NTP Task Order 21 for the United Fermentation and Thickening (UFAT) Improvements Project. UFAT is a treatment process which uses gravity thickener tanks to ferment and thicken [primary sludge](#). This process not only improves solids handling efficiency by reducing water content sent to the digester, but also recovers resources from the sludge through fermentation. This process generates valuable Volatile Fatty Acids (VFA's) to fuel critical biological processes which remove both [nitrogen](#) and [phosphorus](#) from the liquids stream in [secondary](#) treatment. Generating this internal carbon is essential to meeting more stringent effluent nutrient limits and saves money by reducing reliance on purchased chemical carbon sources.

This process is a major component of both secondary and solids treatment, making it vital to obtain reliable and consistent data for monitoring and optimization. This has proven difficult due to the complex nature of fermented primary sludge, which can generate more [grease](#) and [scum](#) than traditional gravity thickeners. The original instrumentation used for monitoring sludge solids concentrations and flow experienced difficulties in this challenging matrix and proved unsuitable for this application. Without consistent data monitoring solids content and sludge flow, it becomes arduous to operate the UFAT system to optimize VFA generation and maintain ideal blanket thickness.

To address these issues, the Technology and Innovation Department (TID) created a task order to replace the ultrasonic flow meters with [magmeters](#) and the existing [total suspended solids](#) meters with new [total solids](#) meters, both of which are better suited to the type of sludge generated in the UFAT process. The new meters will allow for better solids monitoring and will help Operations and Maintenance (O&M) at NTP more accurately diagnose clogging and other mechanical issues in UFAT. Along with the new instrumentation, construction will add additional isolation valves and bypass lines to help operations and the In-line Instrumentation Division maintain these new meters. Construction on this project began on July 18, 2023 with coordination from TID and NTP O&M staff to install bypass lines for construction and prepare equipment for demolition and installation. The work will be completed in two phases, with start-up planned for mid-August.



NTP Maintenance staff installing bypass lines for construction.

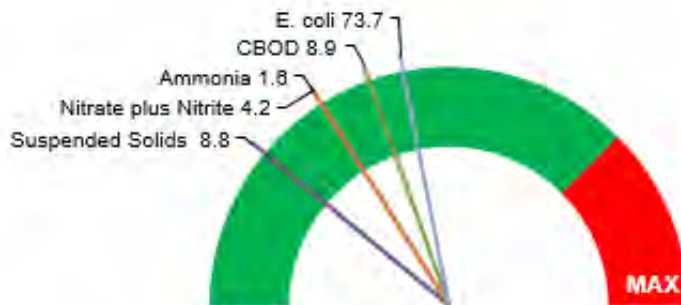
**Robert W. Hite Treatment Facility (RWHTF)
Permit Compliance Performance—June 2023**

**Discharge Permit/Limits and
Effluent Quality**

<u>Parameter</u>	<u>Max. Limit</u>
Suspended Solids, mg/L, 30-day*	30.00
CBOD, mg/L, 30-day*	17.00
Ammonia (NH ₃) mg/L, 30-day	3.80
Nitrate plus Nitrite, mg/L, Daily	9.60
E. coli per 100 mL, 30-day	126.00

(*) 7-day average is higher than average due to an outlying data point. Data is being reviewed.

Performance



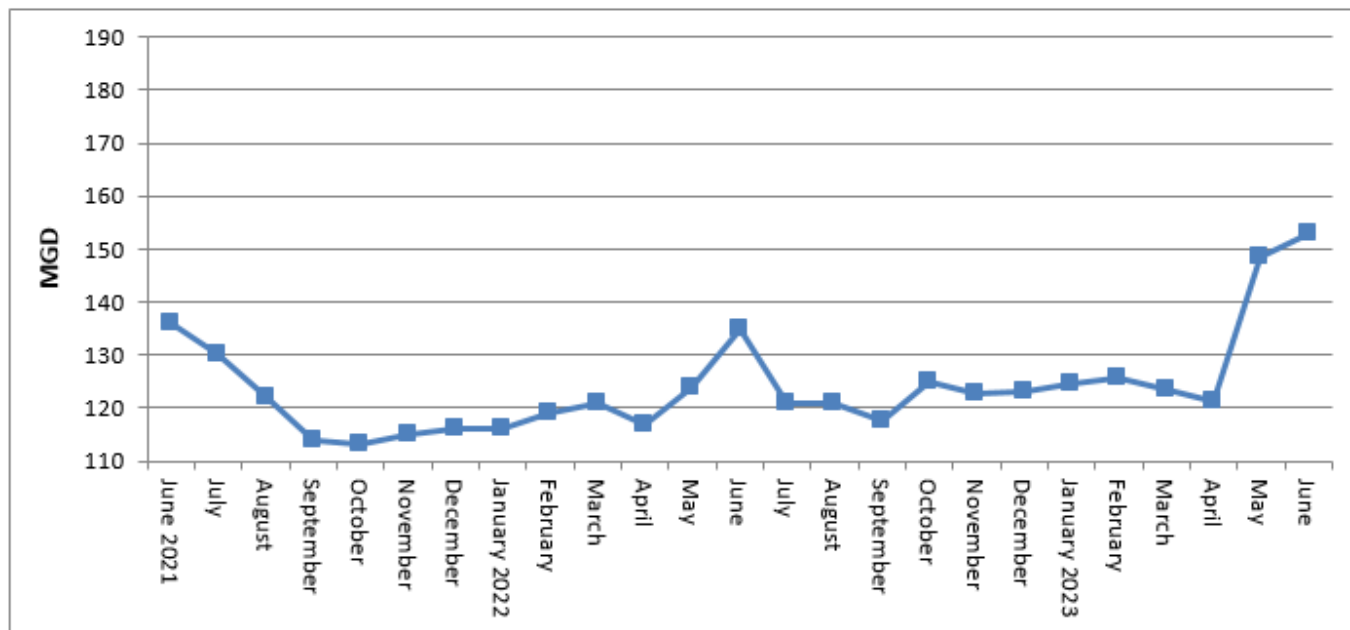
503 Regulations/Anaerobic Digester Limit

<u>Parameter</u>	<u>Min. Limit</u>
Temperature – Monthly Average Degrees °F	95 ¹
Solids Retention – Days	15
Volatile Solids Percent Reduction – Monthly Average	38

¹ A maximum limit also applies; the maximum allowable regulatory monthly average temperature is 131°F.



RWHTF Total Plant Effluent Flow 2021-2023

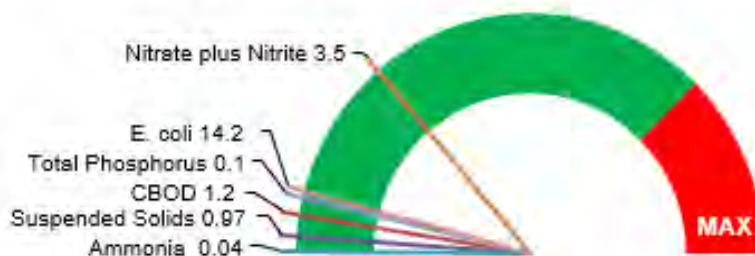


**Northern Treatment Plant (NTP)
Permit Compliance Performance—June 2023**

**Discharge Permit
Limits and Effluent Quality**

<u>Parameter</u>	<u>Max. Limit</u>
Suspended Solids, mg/L, 30-day ^a	30.00
CBOD, mg/L, 30-day ^b	17.00
Ammonia (NH ₃) mg/L, 30-day	7.33
Nitrate plus Nitrite, mg/L, Daily	9.60
E. coli per 100 mL, 30-day	126.00
Total Phosphorus mg/L, Running Annual median	1.00

Performance



503 Regulations/Anaerobic Digester Limit

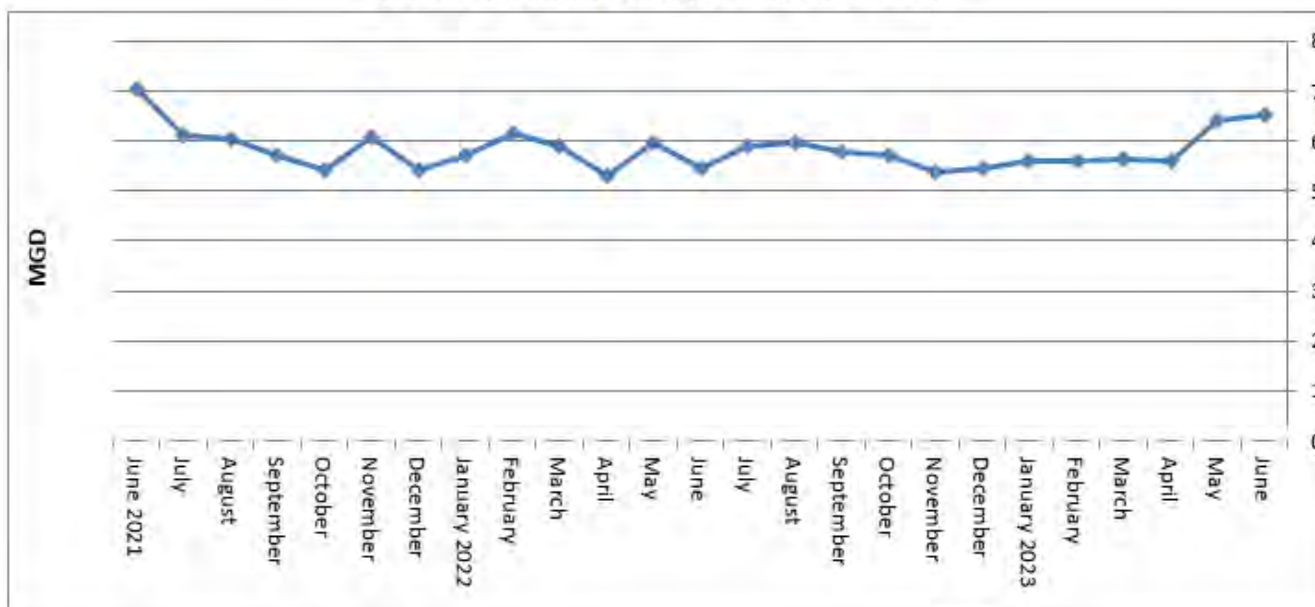
<u>Parameter</u>	<u>Min. Limit</u>
Temperature – Monthly Average °F	95 ¹
Solids Retention – Days	15
Volatile Solids Percent Reduction – Monthly Average	38

¹ A maximum limit also applies; the maximum allowable regulatory monthly average temperature is 131°F.



Land Application: 6/26 – 6/30; Compost: 6/1 – 6/25

NTP Total Plant Effluent Flow 2021-2023



MAINTENANCE DEPARTMENT
Current Activities – July 2023

Maintenance Project Coordinator



Maintenance Project
Coordinator Matthew
"Beau" Botruff

The Maintenance Project Coordinator position was recently identified as a key need for the Maintenance Department, so a job description was developed and approved for this new role. After recruitment, Matthew "Beau" Botruff was selected for this position. Beau brings over ten years of diverse project management experience in addition to professional certifications in Business Management. Beau also served eight years in the U.S. Army.

This new role is responsible for the coordination, representation, and provision of input into Capital Projects which occur at Metro Water Recovery facilities. It serves as the single point of contact for all key decisions regarding Maintenance activities with Capital Projects as well as plans and oversees asset handover and maintenance of these assets. This coordinator oversees small project activities and leverages outside contractor capabilities to meet asset rehabilitation and replacement needs.

Since joining, Beau has been working to develop and improve the project close-out process. This includes ensuring assets are added to Enterprise Asset Management (EAM) accurately, spare parts are identified and purchased, and preventative maintenance is set up on new equipment, aligning with Lean Six Sigma, and the implementation of Business Risk Exposure (BRE) scoring into Maintenance strategy.

Beau has taken on the lead role for Asset Management for the Maintenance Department and is also being integrated into all current and future capital project work. A few of those projects include:

- PAR 1244 — Sludge Process Building Improvements — project close-out, technician training, warranty work, etc.
- PAR 1265 — Electrical Transmission Service Substation — construction starting soon
- PAR 1382 — North Complex Natural Gas System Replacement — under construction
- PAR 1400 — [Peracetic Acid](#) Disinfection Systems Improvements — construction starting soon
- PAR 1411 — North Secondary Upgrades and Intensification — design meetings and coordination
- Metro HVAC Service Contract — scope development and vendor selection
- Metro Digester Cleaning Service Contract — scope development and vendor selection

Current Maintenance Summary—July 2023

July 2023	Jobs Completed	Overtime ^a	Priority 0 ^{a,b}
Mechanical Maintenance	516	10.9%	0.8%
Electrical Maintenance	215	1.9%	11.1%
Facilities Maintenance	603	0.0%	0.0%

^a Target overtime and Priority 0 rate is 5 percent or less.

^b Priority 0 work orders address critical safety, permit, and production issues.

RESOURCE RECOVERY AND REUSE (RR&R) DEPARTMENT
Current Activities – July 2023

Board of Directors Tour METROGRO Farm

On July 20, 2023, the RR&R Department hosted a tour for the Board of Directors at the METROGRO Farm (Farm). RR&R staff rode with the Directors and answered questions about the Farm and the biosolids application program. Upon arrival at the Farm shop, Board members were served breakfast and given an overview of the Farm operation by Farm Administrator Jason Zimbelman.

The tour then moved on to an application site on the north Farm property where Land Application Coordinator Dan Shockman explained the processes of soil sampling, analysis, and nutrient requirements which must be in place before land application can occur. RR&R Ag Operators Jason Menor and Mack DeWindt gave a briefing on required field calculations as well as Terra Gator setup and operation. Then, they gave ride-along demonstrations to all who wished to participate. RR&R Heavy Equipment Operator Sean Rutt gave an update on constructing a permanent containment area on the Farm; from site selection, area development and permitting processes, and the benefits of having these containment areas on the Farm.



(Continued on p 6)

RESOURCE RECOVERY AND REUSE (RR&R) DEPARTMENT
Current Activities – July 2023

After lunch, the group moved to the grain storage facility where Jason Zimbelman led a tour around the facility and gave an in-depth talk of how the bins and storage capacity benefit the Farm operation.

RR&R staff enjoyed briefing the Board members on the aspects of the Farm, land application, harvest, fleet maintenance, and everything they do to support the Biosolids Program.



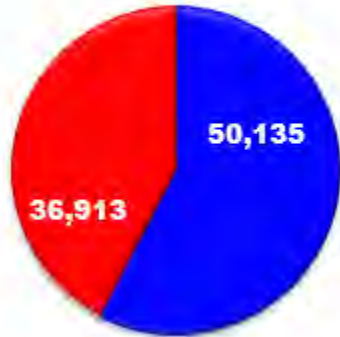
RR&R AG Operators Jason Menor, Mack DeWindt & RR&R Heavy Equipment Operator Sean Rutt.



Inside a grain bin at the Farm.

**METROGRO
Biosolids Management – July 2023**

RWHTF Total Wet Tons Applied 2023 YTD



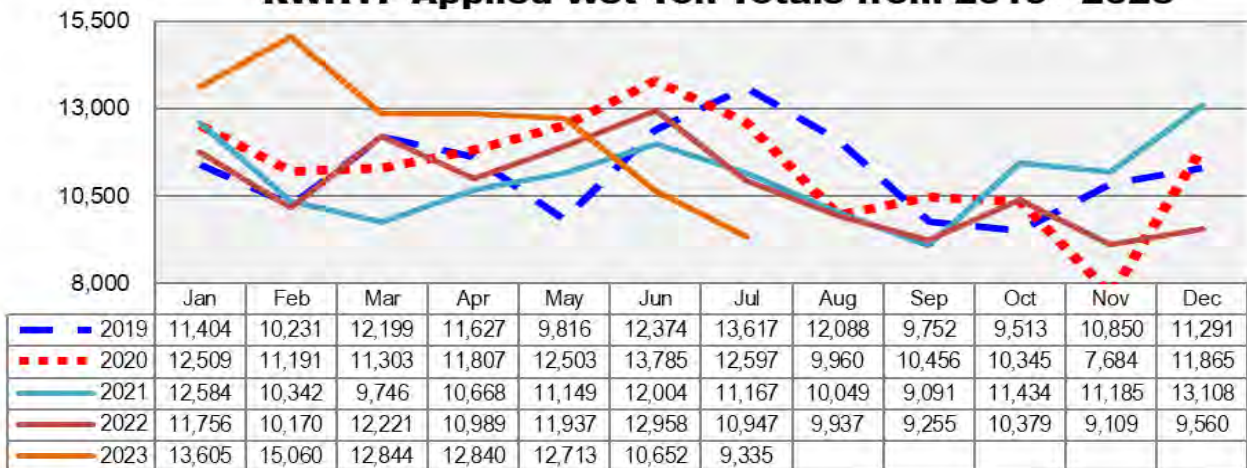
■ Private Farmer ■ METROGRO Farm

Dry Tons	July 2023	YTD 2023
RWHTF Biosolids		
METROGRO Farm	1,067	7,601
Private Farms	918	10,097
NTP Biosolids		
Private Composter	0	621
METROGRO Farm	117	245
METROGRO Cake (Total Solids)		
<i>(Percentage)</i>	RWHTF	NTP
Average	21.27	21.24
High	21.55	21.57
Low	20.93	20.89

METROGRO Farm Schedule 2023



RWHTF Applied Wet Ton Totals from 2019 - 2023



METRO WATER RECOVERY

Month End Financial Report July 31, 2023

Economic Update

The Federal Reserve adopted an additional interest rate hike in late July to continue to combat inflation, which was the eleventh interest rate increase since early 2022. Some economists predicted a pullback sooner than expected on interest rate hikes as the national economy slows a bit; however, the overall rate of inflation tracked by the Federal Reserve is almost double the target rate of 2 percent. Currently, the markets are pricing in one more rate hike in 2023. Economists express continued uncertainty about this economic environment and potential recession, though recent indicators suggest economic activity continues at a modest pace. Local and national job gains continue to be strong and unemployment rates remain significantly low, which has led to labor shortages accompanied by higher-than-average turnover rates.

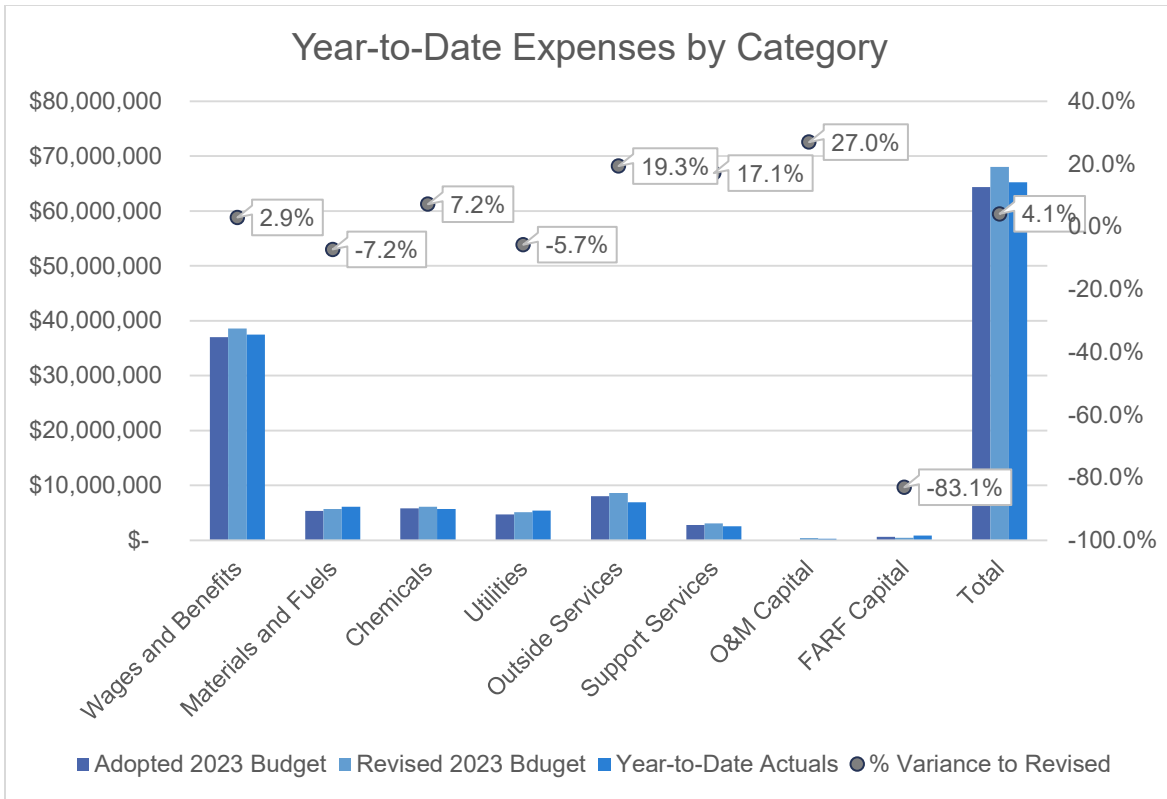
Metro Water Recovery continues to experience impacts from the current economic cycle, including higher prices for materials and fuels, chemicals, and utilities and significant escalation of capital project costs. This report captures the seven months of 2023 activities for Metro and shows expenses are tracking right along the revised budget for 2023. Metro staff will continue to monitor operating and capital expenditures to ensure prudent management of resources while continuing to meet the organization's mission.

Operating Budget Summary

The Operations and Maintenance (O&M) Fund appropriation is an authorization by the Board of Directors for expenditures to meet Metro Water Recovery's day-to-day operating and capital expenses within the budget year. As part of the annual budget process, staff prepares a revised budget for the current year which reflects more recent cost projections for Metro's operating expenses.

The adopted 2023 Budget, as approved by the Board in June 2022, totals \$109,437,851 for both O&M operating expenses and capital. The revised 2023 Budget totals \$116,009,099. Actual year-to-date expenses are compared to both the 2023 Budget and the revised 2023 Budget. O&M Capital represents new equipment and vehicles greater than \$10,000 and less than or equal to \$500,000.

The Board also approved \$1,060,050 for Fixed Asset Replacement (FAR) Fund capital equipment and vehicles for 2023. This was revised to \$1,089,272 during the revised budget process. The FAR Fund appropriation is an authorization by the Board for expenditures for replacement equipment and vehicles greater than \$10,000 and less than or equal to \$500,000 within the budget year.



Through July 2023, Metro Water Recovery is reporting an unfavorable actual-to-adopted budget variance for O&M expenses and capital of \$680,529 (0.01 percent). The total Metro actual-to-adopted budget variance for all O&M and FAR Fund expenses is unfavorable by \$883,798 (1.4 percent).

Through July 2023, Metro Water Recovery is reporting a favorable actual-to-revised budget variance for O&M expenses and capital of \$3,165,022 (4.7 percent) and the total Metro actual-to-revised budget variance for all O&M and FAR Fund expenses is favorable by \$2,792,134 (4.1 percent).

Wages are favorable to the revised budget by approximately \$1,000,000 (2.9 percent) primarily due to vacant positions across Metro.

Materials and Fuels are unfavorable to the revised budget by approximately \$410,000 (7.2 percent) primarily due to rising costs of fuel.

Chemicals are favorable to the revised budget by approximately \$430,000 (7.2 percent) primarily due to the timing of operational needs for wastewater treatment and the timing of weed control at METROGRO Farm.

Utilities are unfavorable to the revised budget by approximately \$290,000 (5.7 percent) primarily due to seasonal usage and rate increases.

Outside Services actuals are favorable to the revised budget by approximately \$1,700,000 (19.3 percent) primarily due to timing of the need for those services.

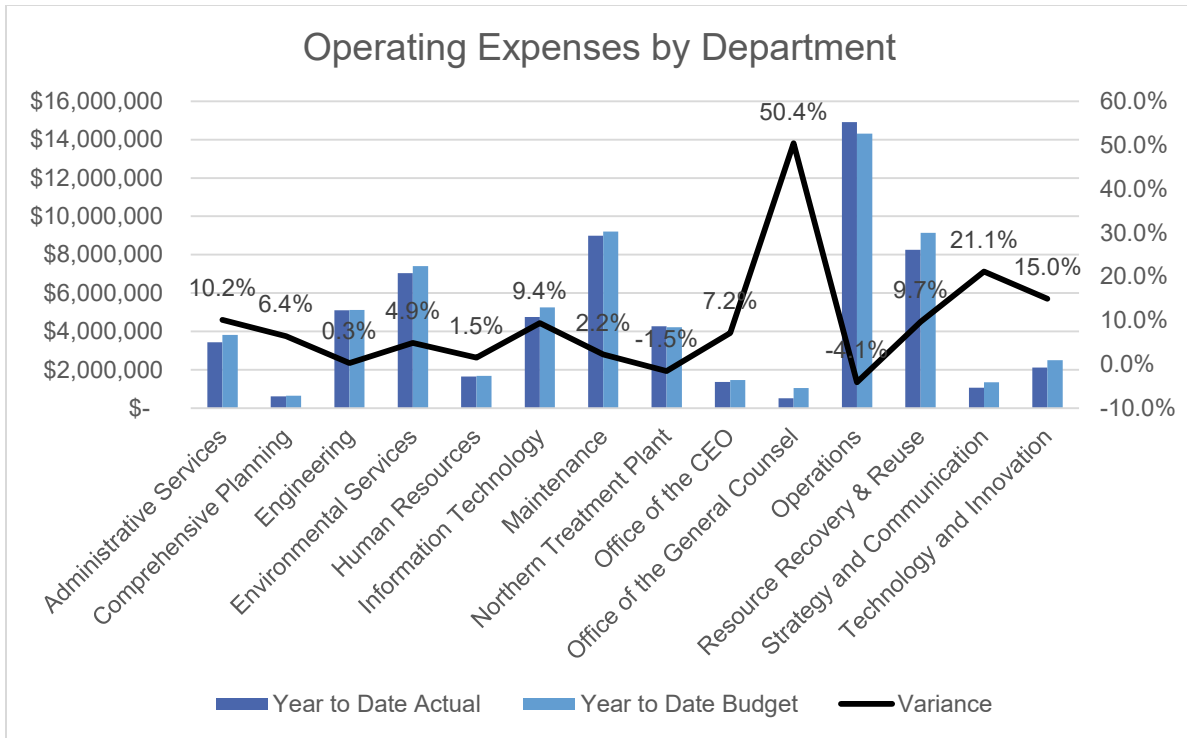
Support Services are favorable to the revised budget by approximately \$520,000 (17.1 percent) primarily due to the timing of the need for those services.

FAR Fund Capital Equipment is unfavorable to the *revised* budget by approximately \$370,000 (83.1 percent) primarily due to the timing of the delivery of equipment.

O&M Fund Summary

For the period ending July 31, 2023

	Month-to-Date Actual	Month-to-Date Revised Budget	Month-to-Date Variance	Year-to-Date Actual	Year-to-Date Revised Budget	Year-to-Date Variance
Operating Revenues						
Annual Charges for Service	\$ 12,088,094	\$ 12,088,094	\$ -	\$ 84,616,655	\$ 84,616,655	\$ -
Other Income	621,284	233,083	388,201	1,828,887	1,631,583	197,304
Total Operating Revenues	12,709,378	12,321,177	388,201	86,445,542	86,248,238	197,304
Operating Expenses						
Administrative Services	\$ 342,981	\$ 537,937	\$ 194,956	\$ 3,429,319	\$ 3,817,374	\$ 388,055
Comprehensive Planning	82,056	91,108	9,052	611,817	653,758	41,941
Engineering	702,093	712,338	10,245	5,101,220	5,114,765	13,545
Environmental Services	1,041,537	1,035,326	(6,211)	7,037,628	7,396,898	359,270
Human Resources	220,315	235,794	15,479	1,654,936	1,679,945	25,009
Information Technology	619,253	738,581	119,328	4,754,643	5,248,071	493,428
Maintenance	1,231,107	1,294,585	63,478	8,997,381	9,202,686	205,305
Northern Treatment Plant	671,147	594,350	(76,797)	4,275,861	4,212,250	(63,611)
Office of the CEO	194,617	206,605	11,988	1,366,219	1,471,643	105,424
Office of the General Counsel	75,842	148,300	72,458	521,615	1,051,700	530,085
Operations	2,084,713	2,034,092	(50,621)	14,905,996	14,320,440	(585,556)
Resource Recovery & Reuse	1,319,267	1,289,163	(30,104)	8,261,286	9,146,717	885,431
Strategy and Communication	146,003	188,968	42,965	1,066,679	1,352,567	285,888
Technology and Innovation	258,320	349,257	90,937	2,123,485	2,496,996	373,511
Total Operating Expenses	8,989,251	9,456,404	467,153	64,108,085	67,165,810	3,057,725
Net Operating Income/(Loss)	3,720,127	2,864,773	855,354	22,337,457	19,082,428	3,255,029
Non-Operating Revenues						
Interest	744,524	212,364	532,160	4,513,666	1,486,549	3,027,117
Other	1,728	-	1,728	933,049	-	933,049
Total Non-Operating Revenues	746,252	212,364	533,888	5,446,715	1,486,549	3,960,166
Non-Operating Expenses						
Capital O&M	53,229	56,834	3,605	290,535	341,000	50,465
Net Revenues Over Expenses	4,413,150	3,020,303	1,392,847	27,493,637	20,227,977	7,265,660



Total Operating Revenues

Total operating revenues were favorable to the year-to-date *revised* budget for the 7 months ending July 31, 2023 by approximately \$200,000 (0.2 percent). This is primarily due to the timing of miscellaneous revenue.

Total Operating Expenses

Operations Department costs are unfavorable to the year-to-date *revised* budget by approximately \$590,000 (4.1 percent). Utilities are unfavorable due to rising unit cost and seasonal usage. Outside Services are unfavorable primarily due to the timing of those services.

Resource Recovery and Reuse Department costs are favorable to the year-to-date *revised* budget by approximately \$890,000 (9.7 percent). Chemicals are favorable primarily due to the timing of weed spray services. Outside Services are favorable primarily due to the timing of those services.

Environmental Services Department costs are favorable to the year-to-date *revised* budget by approximately \$360,000 (4.9 percent). Wages and Benefits are favorable primarily due to open positions. Materials and Fuel are favorable primarily due to the timing of supplies needed.

Information Technology Department costs are favorable to the year-to-date *revised* budget by approximately \$490,000 (9.4 percent). Wages and Benefits are favorable primarily due to open positions.

Office of the General Counsel Department costs are favorable to the year-to-date *revised* budget by approximately \$530,000 (50.4 percent). Outside Services are favorable primarily due to the timing of those services.

Technology and Innovation Department costs are favorable to the year-to-date *revised* budget by approximately \$370,000 (15.0 percent). Wages and Benefits are favorable primarily due to open positions. Materials and Supplies are favorable primarily due to the timing of supplies needed.

Administrative Services Department costs are favorable to the year-to-date revised budget by approximately \$390,000 (10.2 percent). Outside services are favorable primarily due to the timing of those services.

Strategy and Communication Department costs are favorable to the year-to-date revised budget by approximately \$290,000 (21.1 percent). Wages and Benefits are favorable primarily due to open positions. Outside Services are favorable primarily due to the timing of those services.

Net Revenues Over Expenses

Metro Water Recovery is reporting year-to-date Net Revenues Over Expenses at approximately \$7,270,000 (35.9 percent) favorable to the year-to-date adopted budget for the O&M Fund. Net Revenues Over Expenses is calculated by subtracting operating and non-operating expenses from all operating and non-operating revenues. Metro is not held to the Net Revenues Over Expenses figure but uses it only as a reference point from year to year and for cash flow purposes.

The following table summarizes personnel at Metro Water Recovery.

	2023 Adopted Budget	2023 Revised Budget	2023 July Actual	Revised Budget Variances
Administrative Services	31.00	33.00	28.00	5.00
Comprehensive Planning	5.00	5.00	5.00	0.00
Engineering	48.75	48.00	48.00	0.00
Environmental Services	78.00	76.00	69.00	7.00
Human Resources	13.00	13.00	13.00	0.00
Information Technology	32.00	31.00	27.00	4.00
Maintenance	82.00	79.00	70.00	9.00
Northern Treatment Plant	28.00	28.00	23.00	5.00
Office of the CEO	7.00	8.00	7.00	1.00
Office of the General Counsel	3.00	4.00	3.00	1.00
Operations	42.00	42.00	36.00	6.00
Resource Recovery and Reuse	69.00	69.00	66.00	3.00
Strategy and Communications	11.00	14.00	10.00	4.00
Technology and Innovation	23.00	22.00	16.00	6.00
Totals*	472.75	472.00	421.00	51.00

*Of the 51 positions, 45 positions are currently in the process of being filled and the other six positions are in various stages of review prior to initiating work on filling the position.

Balance Sheet Summary

For the period ending July 31, 2023 (in thousands)

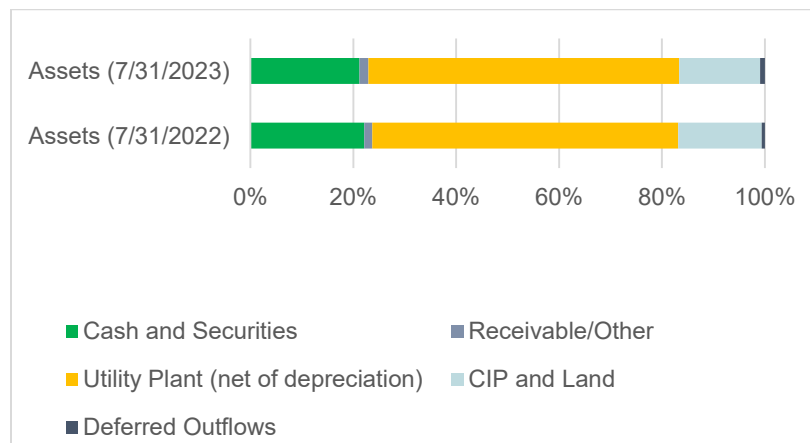
	July 2023	July 2022
Assets		
Cash and Securities	\$ 377,315	\$ 380,787
Receivables/Other	31,110	26,857
Utility Plant (net of depreciation)	1,073,591	1,023,892
CIP and Land	280,520	279,284
Deferred Outflows	15,953	10,854
Total Assets	1,778,489	1,721,674
Liabilities		
Payables	47,895	47,699
Long-term liabilities	633,015	640,853
Deferred Inflows	5,444	19,291
Total Liabilities	686,354	707,843
Equity		
Contributions in aid of construction (net)	118	132
Retained earnings, reserved	291,609	271,970
Retained earnings, unreserved	800,408	741,729
Total Equity	1,092,135	1,013,831
Total Liabilities and Equity	\$ 1,778,489	\$ 1,721,674

Assets

Cash and Securities - Assets include cash and securities used to meet Metro Water Recovery’s current obligations. Current assets have decreased in the last year due to the spend down of the 2020A Bond proceeds for the Second Creek Interceptor and Sand Creek Interceptor System Improvements Project (PAR 1232).

Utility Plant - Completed construction projects are transferred from Construction in Progress to Plant in Service when substantially completed and placed in active service.

Construction in Progress - Records the cost of not-yet-completed construction work.

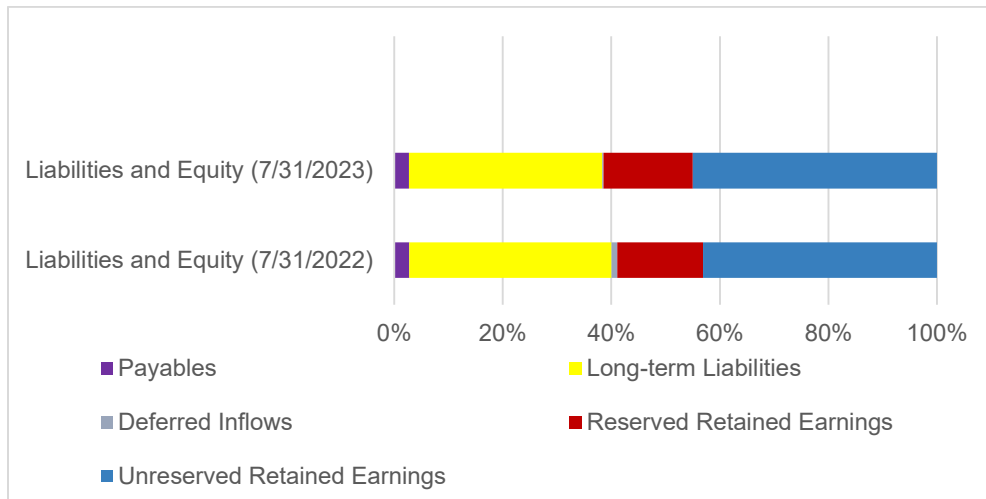


Liabilities and Equity

Long-Term Liabilities - In October 2020, Metro Water Recovery issued series 2020A Sewer Refunding Bonds for PAR amount of \$146,545,000. The issuance capitalized on favorable market conditions and interest rates and resulted in a premium on issuance of \$14 million. These bonds were issued to pay for the construction of the Second Creek Interceptor and Sand Creek Interceptor System Improvements Project (PAR 1232). As of April 30, 2023, the total amount of principal debt for Metro’s four outstanding bond issues is approximately \$567 million, which includes \$29.4 million principal and interest payments payable on April 1, 2024.

Reserved Retained Earnings - Reserved Retained Earnings represents the unexpended portion of capital project appropriations in the Acquisition and Construction Fund, General Fund, and FAR Fund. A detailed listing of approximately \$292 million in unexpended capital appropriations can be found in the Capital Project Expenditures. As money is spent on projects, retained earnings no longer need to be reserved and an adjusting entry is made between Reserved and Unreserved balances.

Total Equity - Total Equity increased \$78,304,183 from the July 2022 balance. This is mainly due to the net change in reserved and unreserved retained earnings.



Cash Flow – Trust Funds

For the 7 months ended July 31, 2023

	Operation & Maintenance Revenue	Bond	General	Sewer Connection Charges	Acquisition & Construction	Total
Sources of Funds						
Investment Income	\$ 4,741,593	\$ 546,542	\$ -	\$ -	\$ 792,018	\$ 6,080,153
Other, Net	-	-	-	-	-	-
	<u>4,741,593</u>	<u>546,542</u>	<u>-</u>	<u>-</u>	<u>792,018</u>	<u>6,080,153</u>
Uses of Funds						
Operating Expenses	28,314,495	-	-	-	-	28,314,495
Capital Expenditures	-	-	-	-	84,067	84,067
Bond Interest & Principal Payments	-	38,879,249	-	-	-	38,879,249
	<u>28,314,495</u>	<u>38,879,249</u>	<u>-</u>	<u>-</u>	<u>84,067</u>	<u>67,277,811</u>
Interfund Transfers						
Required Transfers	23,572,902	23,974,000	25,415,345	-	(16,715,995)	56,246,252
	<u>23,572,902</u>	<u>23,974,000</u>	<u>25,415,345</u>	<u>-</u>	<u>(16,715,995)</u>	<u>56,246,252</u>
Net Change in Cash & Securities	-	(14,358,708)	25,415,345	-	(16,008,044)	(4,951,407)
Beginning Cash & Securities, 1/1/2023	<u>28,374,463</u>	<u>39,001,954</u>	<u>237,015,332</u>	<u>25,000,000</u>	<u>52,874,542</u>	<u>382,266,292</u>
Ending Cash & Securities, 7/31/2023	<u>\$ 28,374,463</u>	<u>\$ 24,643,247</u>	<u>\$ 262,430,677</u>	<u>\$ 25,000,000</u>	<u>\$ 36,866,498</u>	<u>\$ 377,314,885</u>

The cash flow reflects all cash transactions occurring in each of Metro Water Recovery’s trust funds. In order to account for cash and securities at their fair market value, investment income includes unrealized gains or losses. All cash received by Metro is initially deposited into one of these funds. The funds held in these trust funds are invested in accordance with Metro’s investment policy. These investments sometimes are purchased at a premium or at a discount, based on market interest rates. Premiums and discounts are recorded in accordance with generally accepted accounting principles. Disbursements are made through the operating checking account.

Sewer Connection Charges

Sewer Connection Charges received in July 2023 for the second quarter of 2023 were approximately \$58.9 million, which includes the City of Brighton’s entire remaining buy-in of \$47 million. All other Sewer Connection Charges received in July 2023 amounted to approximately \$12.3 million (as compared to \$12.3 million for the same period in 2022). This is approximately \$0.3 million favorable to the adopted budget and \$0.9 million unfavorable to the revised budget. Sewer Connection Charges budget for 2023 include the South Adams County Water and Sanitation District’s \$1.8 million payment to Metro Water Recovery as part of the annual buy-in of existing connections in the member’s service area. Sewer Connection Charges are due quarterly, with the third quarter of 2023 due October 15, 2023.

Capital Project Expenditures

As of July 31, 2023

	Appropriations			Expenditures			Appropriation Remaining	Transferred to Expense/ Fixed Assets
	2023	Prior Years	Total	2023	Prior Years	Total		
Acquisition and Construction Fund								
Treatment Facilities	\$ -	\$ 411,038,573	\$ 411,038,573	\$ 69,620	\$ 410,283,012	\$ 410,352,632	\$ 685,941	\$ 410,283,012
Transmission Facilities	-	167,203,417	167,203,417	16,589,678	114,336,473	130,926,151	36,277,266	1,370,836
	-	578,241,990	578,241,990	16,659,298	524,619,485	541,278,783	36,963,207	411,653,848
Fixed Asset Replacement Fund								
Treatment Facilities	1,453,500	163,552,877	165,006,377	3,439,244	134,194,329	137,633,573	27,372,804	127,052,460
Transmission Facilities	53,620,000	121,561,892	175,181,892	18,682,094	51,766,391	70,448,485	104,733,407	22,311,455
Other	3,377,000	38,450,400	41,827,400	3,309,327	23,251,159	26,560,486	15,266,914	19,039,564
Equipment	1,060,050	-	1,060,050	821,632	-	821,632	238,418	821,632
Small Projects	1,000,000	14,966,361	15,966,361	441,669	10,751,997	11,193,666	4,772,695	9,239,993
	60,510,550	338,531,530	399,042,080	26,693,966	219,963,876	246,657,842	152,384,238	178,465,104
General Fund								
Treatment Facilities	21,311,500	73,850,601	95,162,101	2,763,003	62,450,124	65,213,127	29,948,974	54,596,942
Transmission Facilities	22,750,000	37,257,375	60,007,375	2,032,018	17,488,082	19,520,100	40,487,275	1,926,768
Other	1,500,000	72,464,089	73,964,089	1,989,730	45,189,767	47,179,497	26,784,592	45,614,254
Small Projects	1,500,000	21,212,852	22,712,852	671,522	17,001,134	17,672,656	5,040,196	14,554,386
Reserve	-	-	-	-	-	-	-	-
	47,061,500	204,784,917	251,846,417	7,456,273	142,129,107	149,585,380	102,261,037	116,692,350
Total All Funds	\$ 107,572,050	\$ 1,121,558,437	\$ 1,229,130,487	\$ 50,809,537	\$ 886,712,468	\$ 937,522,005	\$ 291,608,482	\$ 706,811,302

NOTES TO THE FINANCIAL REPORTS

Basis of Accounting: All interim reports are unaudited and are prepared on the accrual basis with the exception of the Cash Flow report which is prepared on the cash basis.

O&M Fund Summary: This report is prepared on the accrual basis and details only the activity in the O&M Revenue Fund. The budgeted figures for the current month are calculated using 1/12 of the annual budget.

Annual Charges for Service are accrued each month at the year-to-date budgeted amount. They are collected in March, June, September, and December.

Other Operating Income consists of septic hauler charges and miscellaneous income.

Non-Operating Revenues-Other consists of miscellaneous non-recurring items.

Balance Sheet: The balance sheet is prepared on the accrual basis.

Utility Plant changes are made when substantially completed projects are transferred from Construction in Progress to Plant in Service. Depreciation and amortization are recorded monthly.

Other Accrued Liabilities represents utilities incurred but not billed, as well as other miscellaneous unbilled expenditures.

Retained Earnings-Reserved represents unspent appropriations as detailed in the Capital Project Expenditures report. Unexpended appropriations for reimbursable projects are included in Retained Earnings-Unreserved.

Cash Flow – Trust Funds: This report is prepared on the cash basis. Several line-item amounts will be different in this report (as compared to the other reports) because of the different accounting assumptions.

Capital Project Expenditures: This report is prepared on the accrual basis. It details the activity on capital projects and equipment for which there have been appropriations in the Acquisition and Construction, General, and Fixed Asset Replacement funds. As projects reach a 90 percent completion stage, they are transferred from a Construction in Progress account to a Fixed Asset account. The amount transferred to fixed assets is shown in the Transferred to Expense/Fixed Assets column. The General Fund and Fixed Asset Replacement Fund sections include summary information about small projects.

Attachments

Submitted by:

Molly Kostelecky
Chief Financial Officer

Paul Parodi
Senior Accounting Manager

**METRO WATER RECOVERY
O&M FUND SUMMARY REPORT
PRELIMINARY
FOR THE SEVEN MONTHS ENDED JULY 31, 2023**

	JULY ACTUAL	JULY BUDGET	JULY BUDGET VARIANCE FAVORABLE / (UNFAVORABLE)	YEAR-TO-DATE ACTUAL	YEAR-TO-DATE BUDGET	YEAR-TO-DATE BUDGET VARIANCE FAVORABLE / (UNFAVORABLE)	REVISED 2023 BUDGET*
OPERATING REVENUES							
Annual Charges for Service	\$ 12,088,094	\$ 12,088,094	\$ 0	\$ 84,616,655	\$ 84,616,655	\$ (1)	\$ 145,057,122
Land Application Income	10,181	19,333	(9,152)	99,902	135,333	(35,431)	232,000
Farming Income	432,070	176,250	255,820	433,343	1,233,750	(800,407)	2,115,000
Other Income	179,033	37,500	141,533	1,295,643	262,500	1,033,143	450,000
TOTAL OPERATING REVENUES	12,709,378	12,321,177	388,201	86,445,542	86,248,238	197,304	147,854,122
OPERATING EXPENSES							
Administrative Services	342,981	537,937	194,956	3,429,319	3,817,374	388,055	6,558,975
Comprehensive Planning	82,056	91,108	9,052	611,817	653,758	41,941	1,125,200
Engineering	702,093	712,338	10,245	5,101,220	5,114,765	13,545	8,804,850
Environmental Services	1,041,537	1,035,326	(6,211)	7,037,628	7,396,898	359,270	12,723,339
Human Resources	220,315	235,794	15,479	1,654,936	1,679,945	25,009	2,888,800
Information Technology	619,253	738,581	119,328	4,754,643	5,248,071	493,428	9,018,880
Maintenance	1,231,107	1,294,585	63,478	8,997,381	9,202,686	205,305	15,820,300
Northern Treatment Plant	671,147	594,350	(76,797)	4,275,861	4,212,250	(63,611)	7,234,800
Office of the CEO	194,617	206,605	11,988	1,366,219	1,471,643	105,424	2,530,275
Office of the General Counsel	75,842	148,300	72,458	521,615	1,051,700	530,085	1,806,400
Operations	2,084,713	2,034,092	(50,621)	14,905,996	14,320,440	(585,556)	24,573,100
Resource Recovery & Reuse	1,319,267	1,289,163	(30,104)	8,261,286	9,146,717	885,431	15,718,200
Strategy and Communication	146,003	188,968	42,965	1,066,679	1,352,567	285,888	2,327,900
Technology and Innovation	258,320	349,257	90,937	2,123,485	2,496,996	373,511	4,296,080
TOTAL OPERATING EXPENSES	8,989,251	9,456,404	467,153	64,108,085	67,165,810	3,057,725	115,427,099
NET OPERATING INCOME	3,720,127	2,864,773	855,354	22,337,457	19,082,428	3,255,029	32,427,023
NON-OPERATING REVENUES							
Interest	744,524	212,364	532,160	4,513,666	1,486,549	3,027,117	2,548,369
Other	1,728	0	1,728	933,049	0	933,049	0
TOTAL NON-OPERATING REVENUES	746,252	212,364	533,888	5,446,715	1,486,549	3,960,166	2,548,369
NON-OPERATING EXPENSES							
Capital O&M	53,229	56,834	3,605	290,535	341,000	50,465	582,000
NET REVENUES OVER EXPENSES	\$ 4,413,150	\$ 3,020,303	\$ 1,392,847	\$ 27,493,637	\$ 20,227,977	\$ 7,265,660	\$ 34,393,392

*Metro approved and implemented organizational structure changes, effective January 1, 2023. Based on this change, use of the 2023 Revised Budget allows for comparable analysis of operational results.

**METRO WATER RECOVERY
BALANCE SHEET
(UNAUDITED)
PRELIMINARY
AS OF JULY 31, 2023**

	July 2023	July 2022
ASSETS		
CURRENT ASSETS		
Revenue Fund Operating Accounts		
Cash and securities	\$ 28,374,463	\$ 25,786,056
Accounts Receivable	14,007,388	12,435,231
Accrued interest receivable	819,626	645,405
Materials and supplies inventories	8,213,307	7,129,943
Prepaid expenses	7,380,871	6,446,421
	58,795,655	52,443,055
Other Funds		
Cash and securities		
Sewer Connection Fees Account	25,000,000	25,000,000
Debt Service Fund	24,643,247	24,915,266
General Fund	262,430,677	212,539,199
TOTAL CURRENT ASSETS	370,869,579	314,897,520
ACQUISITION AND CONSTRUCTION FUND		
Cash and securities	36,866,498	92,546,475
Accrued interest receivable	688,781	199,801
TOTAL ACQUISITION AND CONSTRUCTION FUND	37,555,278	92,746,277
UTILITY PLANT		
Plant in service	1,033,690,793	974,349,922
Equipment	749,261,677	702,683,407
Right-to-use leased equipment	342,173	0
	1,783,294,642	1,677,033,329
Less accumulated depreciation	709,703,686	653,141,059
	1,073,590,956	1,023,892,270
Construction in progress	233,641,217	232,439,992
Land	46,878,469	46,843,769
TOTAL UTILITY PLANT	1,354,110,642	1,303,176,031
DEFERRED OUTFLOWS	15,953,224	10,854,526
TOTAL ASSETS	\$ 1,778,488,723	\$ 1,721,674,353

**BALANCE SHEET
(UNAUDITED)
PRELIMINARY
AS OF JULY 31, 2023**

	July 2023	July 2022
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,968,067	2,784,573
Short term escrows - septic haulers	4,000	4,000
Accrued payroll & related benefits	5,086,431	4,493,841
Other accrued liabilities	450,000	476,928
	7,508,497	7,759,343
Restricted Special Funds		
Unearned revenue	4,083,358	4,492,535
Accrued interest payable	6,862,833	6,862,833
Current portion of long-term debt	29,440,000	28,585,000
	47,894,688	47,699,710
ACQUISITION & CONSTRUCTION, FIXED ASSET REPLACEMENT AND GENERAL FUND	(29,440,000)	(28,585,000)
Amount retained on contractor's estimates	12,249,421	12,270,702
NET OPEB LIABILITY	12,766,507	12,273,631
NET PENSION LIABILITY	56,656,364	33,793,004
LEAST LIABILITY	208,580	0
LONG-TERM DEBT		
Series 2009B Bonds	94,195,000	94,195,000
Series 2019A Bonds	15,995,000	31,235,000
Series 2019B Bonds	310,000,000	323,345,000
Series 2020A Bonds	146,545,000	146,545,000
Bond Premiums/Discounts	13,839,308	15,781,064
	580,574,308	611,101,064
Less current portion	29,440,000	28,585,000
	551,134,308	582,516,064
TOTAL LIABILITIES	680,909,867	688,553,111
DEFERRED INFLOWS	5,444,032	19,290,601
EQUITY		
Contributions in aid of construction	230,165,639	230,165,639
Less depreciation	230,047,617	230,033,868
	118,022	131,772
Retained earnings		
Reserved	\$291,608,482	271,969,960
Unreserved	\$800,408,319	741,728,909
	1,092,016,801	1,013,698,869
TOTAL EQUITY	1,092,134,823	1,013,830,641
TOTAL LIABILITIES AND EQUITY	\$ 1,778,488,723	\$ 1,721,674,353

**METRO WATER RECOVERY
CASH FLOW - TRUST FUNDS
PRELIMINARY
FOR THE SEVEN MONTHS ENDED JULY 31, 2023**

	OPERATION & MAINTENANCE REVENUE	RESTRICTED SPECIAL FUNDS		FIXED ASSET REPLACEMENT	SEWER CONNECTION CHARGES	ACQUISITION & CONSTRUCTION	COMBINED 7/31/2023
		BOND	GENERAL*				
SOURCES OF FUNDS							
Investment Income **	4,741,593	546,541	0	0	0	792,018	6,080,152
Other, Net †	0	0	0	0	0	0	0
	<u>4,741,593</u>	<u>546,541</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>792,018</u>	<u>6,080,152</u>
APPLICATION OF FUNDS							
Operating Expenses	28,314,495	0	0	0	0	0	28,314,495
Capital Expenditures	0	0	0	0	0	84,067	84,067
Bond Interest & Principal Payments	0	38,879,249	0	0	0	0	38,879,249
	<u>28,314,495</u>	<u>38,879,249</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>84,067</u>	<u>67,277,811</u>
INTERFUND TRANSFERS							
Required Transfers	23,572,902	23,974,000	25,415,345	0	0	(16,715,995)	56,246,252
	<u>23,572,902</u>	<u>23,974,000</u>	<u>25,415,345</u>	<u>0</u>	<u>0</u>	<u>(16,715,995)</u>	<u>56,246,252</u>
NET CHANGE IN CASH & SECURITIES	0	(14,358,708)	25,415,345	0	0	(16,008,044)	(4,951,407)
BEGINNING CASH & SECURITIES, 1/1/23	28,374,463	39,001,954	237,015,332	0	25,000,000	52,874,542	382,266,292
ENDING CASH & SECURITIES, 7/31/23	<u>\$ 28,374,463</u>	<u>\$ 24,643,247</u>	<u>\$ 262,430,677</u>	<u>\$ -</u>	<u>\$ 25,000,000</u>	<u>\$ 36,866,498</u>	<u>\$ 377,314,884</u>

* A minimum fund balance of 90 days operating expenses has been established for this fund.

**Investment income includes unrealized gains and losses as Metro adjusts investments to market value each month. Unrealized losses is rarely, if ever, realized as Metro typically hold the investments to maturity.

† Other, Net consists of amortization of premiums/discounts on bond purchases. The O&M Fund also includes Build America Bonds interest, Lab Services and farming.

**METRO WATER RECOVERY
CAPITAL PROJECT EXPENDITURES
July 31, 2023
ACQUISITION & CONSTRUCTION FUND**

PAR NUMBER	DESCRIPTION	APPROPRIATIONS			EXPENDITURES			7/31/23 UNEXPENDED APPROPRIATION	TRANSFERRED TO EXPENSE & FIXED ASSETS
		2023	PRIOR YEARS	TOTAL	2023	PRIOR YEARS	TOTAL		
	<u>ACQUISITION & CONSTRUCTION FUND</u>								
	OTHER								
1088	Northern Treatment Plant	\$0	\$411,038,573	\$411,038,573	\$69,620	\$410,283,012	\$410,352,632	\$685,941	\$410,283,012
	WASTEWATER TREATMENT								
1232	Sand Creek & Second Creek Basins Regional Plan		167,203,417	167,203,417	16,589,678	114,336,473	130,926,151	36,277,266	1,370,836
	A&C Fund Total	\$0	\$578,241,990	\$578,241,990	\$16,659,298	\$524,619,485	\$541,278,783	\$36,963,207	\$411,653,848

FIXED ASSET REPLACEMENT FUND

PAR NUMBER	DESCRIPTION	APPROPRIATIONS			EXPENDITURES			7/31/23 UNEXPENDED APPROPRIATION	TRANSFERRED TO EXPENSE & FIXED ASSETS
		2023	PRIOR YEARS	TOTAL	2023	PRIOR YEARS	TOTAL		
	FIXED ASSET REPLACEMENT FUND								
	OTHER								
1235	RWHTF Support Facilities Upgrade-2014		16,445,400	16,445,400	52,786	16,070,197	16,122,983	322,417	16,070,197
1362	Security Gates Replacement at Hite		410,000	410,000	4,938	397,445	402,383	7,617	183,704
1379	Annual Fixed Asset Replacement Priorities		12,928,000	12,928,000	2,948,965	6,013,769	8,962,734	3,965,266	2,742,593
1409	IT Customer Experience Grouped Project 2021		500,000	500,000	13,746	139,874	153,620	346,380	43,070
1364	District Wireless Infrastructure		1,062,000	1,062,000	0	220,697	220,697	841,303	0
1396	NTP Primary Clarifier Cover Damage Repair		6,000,000	6,000,000	19,084	409,177	428,261	5,571,739	0
1419	IT Infrastructure 2022		605,000	605,000	164,121	0	164,121	440,879	0
1424	IT Customer Experience Grouped Project 2022		500,000	500,000	105,687	0	105,687	394,313	0
1434	NTP Post Digestion Sidestream Improvements	1,232,000		1,232,000	0	0	0	1,232,000	0
1392	HVAC High Priority Improvements	2,145,000		2,145,000	0	0	0	2,145,000	0
	WASTEWATER TREATMENT								
1225	South Headworks & Grease Processing Improvements		50,048,600	50,048,600	10,463	49,533,724	49,544,187	504,413	48,972,761
1244	Solids Processing Improvements		58,052,000	58,052,000	1,631,989	51,301,527	52,933,516	5,118,484	44,976,078
1259	Digester Complex Rehabilitation Project		33,467,277	33,467,277	26,278	33,103,621	33,129,899	337,378	33,103,621
1408	Potable Waterline Replacement		1,825,000	1,825,000	0	65,104	65,104	1,759,896	0
1411	North Secondary Upgrades and Intensification	1,453,500	20,160,000	21,613,500	1,770,514	190,353	1,960,867	19,652,633	0
	Subtotal - ROBERT W. HITE Treatment Facility	\$4,830,500	\$202,003,277	\$206,833,777	\$6,748,571	\$157,445,488	\$164,194,059	\$42,639,718	\$146,092,024
	TRANSMISSION FACILITIES								
1340	Force Main and Siphon Condition Assessment & Cleaning		6,859,000	6,859,000	755,765	3,896,391	4,652,156	2,206,844	0
1312	Lift Station (TNW and DM) Fixed Asset Rehabilitation		41,726,000	41,726,000	6,066,538	10,066,920	16,133,458	25,592,542	128,047
1343	National Western Center Delgany Interceptor Relocation		9,196,451	9,196,451	3,445	9,053,746	9,057,191	139,260	9,053,746
1325	Transmission System Structure Rehabilitation 2020		4,008,316	4,008,316	18,448	2,041,451	2,059,899	1,948,417	0
1363	Interceptor Rehabilitation 2020-2022		35,812,000	35,812,000	7,570,466	23,471,864	31,042,330	4,769,670	12,142,311
1369	TSB FARs and Improvements		1,350,000	1,350,000	298,207	987,351	1,285,558	64,442	987,351
1265	Electrical Transmission Service Substation	42,250,000	21,467,125	63,717,125	3,773,748	2,248,563	6,022,311	57,694,814	0
1382	North Complex Natural Gas System Replacement		1,143,000	1,143,000	183,687	105	183,792	959,208	0
1425	Aurora Westside Interceptor Rehabilitation	11,370,000	0	11,370,000	11,790	0	11,790	11,358,210	0
	EQUIPMENT								
	FARF Equipment ≥ \$10,000 & ≤ \$250,000 *	1,060,050	0	1,060,050	821,632	0	821,632	238,418	821,632
	FARF Equipment ≥ \$250,000 *	0	0	0	0	0	0	0	0
	SMALL PROJECTS								
	Small FARF Projects/Studies (see Attachment for detail)	1,000,000	14,966,361	15,966,361	441,669	10,751,997	11,193,666	4,772,695	9,239,993
	Fixed Asset Replacement Fund Total	\$60,510,550	\$338,531,530	\$399,042,080	\$26,693,966	\$219,963,876	\$246,657,842	\$152,384,238	\$178,465,104

NOTE:

* The FARF Equipment Appropriations & Expenditures reflect current year information only.

**METRO WATER RECOVERY
FIXED ASSET REPLACEMENT FUND
SMALL CONSTRUCTION PROJECTS AND STUDIES
Project Inception through July 31, 2023**

<i>DESCRIPTION</i>	<i>DATE APPROVED</i>	<i>APPROPRIATION</i>
BOARD RESOLUTIONS - APPROPRIATIONS	VARIOUS	\$15,966,361
LESS: EXPENDITURES TO DATE	See Below	(11,193,666)
UNEXPENDED APPROPRIATIONS		<u>4,772,695</u>
LESS: COMMITTED EXPENDITURES ON ONGOING PROJECTS		(2,321,327)
UNCOMMITTED APPROPRIATIONS*		<u><u>\$2,451,368</u></u>
NOTE: BOARD APPROPRIATIONS ARE IN LUMP SUMS, THEY DO NOT APPROPRIATE AMOUNTS FOR INDIVIDUAL SMALL PROJECTS.		

<i>SMALL PROJECTS AUTHORIZED BY CHIEF EXECUTIVE OFFICER:</i>	<i>PROJECT NUMBER</i>	<i>DATE APPROVED</i>	<i>CEO'S AUTHORIZED COST</i>	<i>EXPENDITURES TO DATE</i>	<i>FUTURE COMMITTED COSTS</i>
Completed Small Projects			\$13,518,904	\$9,239,993	\$0
Less: Unexpended Appropriations on Completed Small Projects *			(\$4,278,911)		
Open Small Projects					
RWHTF Hazmat Shelter-In-Place Rehabilitation	1347	8/13/18	250,000	246,310	3,690
RWHTF Radio System Upgrade Project	1350	11/20/18	250,000	179,672	70,328
Process Building Centrifuge VFD Replacement	1354	01/02/19	75,000	59,071	15,929
Digital Presence	1367	09/03/19	100,000	95,526	4,474
Pretreatment Database (PIMs) Replacement & CROMERR Portal	1372	11/20/19	250,000	222,884	27,116
Facilities Maintenance Satellite Facility Improvements	1374	02/27/20	150,000	137,534	12,466
Office 365 Evolution	1377	07/07/20	100,000	55,450	44,550
Vital Records Update 2020	1384	09/16/20	50,000	27,600	22,400
Records Management System (RMS) Upgrade 2020	1389	11/12/20	75,000	25,050	49,950
Boardroom Refresh	1391	11/12/20	250,000	135,598	114,402
Asset Management Program Implementation	1405	06/14/21	250,000	89,106	160,894
HVAC High Priority Improvements	1392	07/13/21	250,000	184,250	65,750
Admin Office Remodel 2021-2022	1412	12/7/2021	250,000	74,893	175,107
RWHTF Conduit Study	1413	02/15/22	250,000	229,227	20,773
EAM Business Process Study and Mobile	1415	03/01/22	250,000	71,189	178,811
Maintenance Equipment Optimization	1423	08/02/22	250,000	77,019	172,981
Labworks Upgrade	1429	12/13/22	250,000	43,294	206,706
Security Services Evaluation	1435	4/5/23	250,000	0	250,000
Admin and TSB Door Hardware and Re-Core	1436	4/5/23	250,000	0	250,000
Data Lake House	1439	5/4/23	475,000	0	475,000
PROJECT SUBTOTALS			<u>\$13,514,993</u>	<u>\$11,193,666</u>	<u>\$2,321,327</u>
Plus: Uncommitted Appropriations*			<u>\$2,451,368</u>		
TOTAL APPROPRIATED			<u><u>\$15,966,361</u></u>		

* As small projects are completed, the unused appropriations are reauthorized by the Chief Executive Officer for use on new small projects. This eliminates the need for Board approved rescissions and also reduces the need for Board approved replenishment of this account.

GENERAL FUND

PAR NUMBER	DESCRIPTION	APPROPRIATIONS			EXPENDITURES			7/31/23 UNEXPENDED APPROPRIATION	TRANSFERRED TO EXPENSE & FIXED ASSETS
		2023	PRIOR YEARS	TOTAL	2023	PRIOR YEARS	TOTAL		
GENERAL FUND									
WASTEWATER TREATMENT									
1225	South Headworks & Grease Processing Improvements	\$0	21,449,400	21,449,400	4,722	21,218,146	21,222,868	226,532	20,977,733
1244	Solids Processing Improvements		38,705,000	38,705,000	1,088,255	34,128,846	35,217,101	3,487,899	29,984,052
1314	RWHTF Peracetic Acid Full Scale Pilot		1,885,225	1,885,225	31,427	1,853,725	1,885,152	73	1,852,725
1357	Blower No. 8 Replacement		1,920,000	1,920,000	516	1,782,432	1,782,948	137,052	1,782,432
1400	Peracetic Acid Disinfection System Improvements	21,150,000	4,080,000	25,230,000	821,697	2,070,196	2,891,893	22,338,107	0
1395	RWHTF Biogas Utilization		3,570,976	3,570,976	619,662	1,375,629	1,995,291	1,575,685	0
1411	North Secondary Upgrades and Intensification	161,500	2,240,000	2,401,500	196,724	21,150	217,874	2,183,626	0
	Subtotal - ROBERT W. HITE Treatment Facility	\$21,311,500	\$73,850,601	\$95,162,101	\$2,763,003	\$62,450,124	\$65,213,127	\$29,948,974	\$54,596,942
TRANSMISSION FACILITIES									
1232	Sand Creek & Second Creek Basins Regional Plan		25,698,000	25,698,000	0	16,277,317	16,277,317	9,420,683	1,926,768
1265	Electrical Transmission Service Substation	22,750,000	11,559,375	34,309,375	2,032,018	1,210,765	3,242,783	31,066,592	0
ADVANCED TREATMENT									
OTHER									
1088	Northern Treatment Plant		82,036	82,036	0	82,036	82,036	0	82,036
1182	Suncor-Management of Air Quality/Soil Contamination		2,430,000	2,430,000	14,845	2,245,638	2,260,483	169,517	2,257,875
1235	RWHTF Support Facilities Upgrade-2014		38,054,600	38,054,600	123,169	37,219,149	37,342,318	712,282	37,219,149
1348	6690 York St - Land Acquisition		410,000	410,000	0	404,713	404,713	5,287	404,713
1353	TSB Annex & Lab Storage Building Repurpose		1,783,963	1,783,963	(608)	1,777,027	1,776,419	7,544	1,777,027
1356	General Property Acquisition 2019-2026		3,800,000	3,800,000	30,122	807,417	837,539	2,962,461	764,790
1394	Partnership with Denver Water Concerning the Lead & Copper Rule Variance		22,500,000	22,500,000	750,000	1,500,000	2,250,000	20,250,000	2,250,000
1359	Evaluate and Enhance Metro District's Brand Identity		617,490	617,490	3,331	554,888	558,219	59,271	237,928
1402	Ditch Companies Litigation	750,000	750,000	1,500,000	371,943	249,793	621,736	878,264	620,736
1416	NTP Effluent Temperature		2,036,000	2,036,000	680,887	349,106	1,029,993	1,006,007	0
1431	NTP Wastewater Utility Plan	750,000		750,000	16,041	0	16,041	733,959	0
SMALL PROJECTS									
	Small Projects, Studies, and Expend. (see Attachments for detail)	1,500,000	21,212,852	22,712,852	671,522	17,001,134	17,672,656	5,040,196	14,554,386
RESERVE									
	Operating Reserve		0	0	0	0	0	0	0
	General Fund Total	\$47,061,500	\$204,784,917	\$251,846,417	\$7,456,273	\$142,129,107	\$149,585,380	\$102,261,037	\$116,692,350
	TOTAL ALL FUNDS*	\$107,572,050	\$1,121,558,438	\$1,229,130,488	\$50,809,537	\$886,712,468	\$937,522,005	\$291,608,482	\$706,811,302

NOTES:

* Of the \$706,811,302 transferred to expense or capitalized as fixed assets, only \$2,257,875 for the Suncor-Management of Air Quality/Soil Contamination, \$620,736 for the Ditch Companies Litigation \$2,221,001 for North Treatment Plant - BGLS, \$2,250,000 for the Partnership with Denver Water Concerning the Lead & Copper Rule Variance, \$10,470,406 Small Construction Projects and Studies and \$2,300,391 in Fixed Asset Replacement Fund Small have been expensed. All other amounts have been capitalized.

**METRO WATER RECOVERY
GENERAL FUND
SMALL PROJECTS, STUDIES, AND EXPENDITURES
Project Inception through July 31, 2023**

DESCRIPTION		DATE APPROVED	APPROPRIATION
BOARD RESOLUTIONS - APPROPRIATIONS		VARIOUS	\$22,712,852
LESS: EXPENDITURES TO DATE		See Below	(17,672,656)
UNEXPENDED APPROPRIATIONS			5,040,196
LESS: COMMITTED EXPENDITURES ON ONGOING PROJECTS			(3,941,730)
UNCOMMITTED APPROPRIATIONS*			\$1,098,466
NOTE: BOARD APPROPRIATIONS ARE IN LUMP SUMS, THEY DO NOT APPROPRIATE AMOUNTS FOR INDIVIDUAL SMALL PROJECTS.			

SMALL PROJECTS AUTHORIZED BY CHIEF EXECUTIVE OFFICER:					
	PROJECT NUMBER	DATE APPROVED	CEO'S AUTHORIZED COST	EXPENDITURES TO DATE	FUTURE COMMITTED COSTS
Completed Small Projects		VARIOUS	\$19,907,014	\$14,554,386	\$0
Less: Unexpended Appropriations on Completed Small Projects *			(\$5,352,628)		
Open Small Projects					
North & South Entry Gate Emergency Notification Improvement	1307	01/03/17	250,000	191,489	58,511
2018 North Secondary Pilot Program	1336	04/25/18	250,000	211,028	38,972
Dynamic Safety System	1355	01/31/19	200,000	185,530	14,470
Intellectual Property Program	1360	03/25/19	100,000	35,055	64,945
Fall Protection Infrastructure Improvements	1365	09/04/19	210,000	203,233	6,767
Innovation and Research Initiatives	1373	03/02/20	250,000	163,033	86,967
Facilities Maintenance Satellite Facility Improvements	1374	02/27/20	100,000	91,689	8,311
NTP Effluent Pond Herbicide Treatment for Aquatic Nuisance Species	1381	06/10/20	75,000	73,111	1,889
NTP Post Startup Evaluation	1385	08/19/20	250,000	158,029	91,971
Legal Assistance Fund 1	1386	08/13/20	250,000	229,944	20,056
Legal Assistance Fund 2	1387	08/13/20	250,000	101,392	148,608
Education and Outreach Asset Update	1388	12/17/20	100,000	47,327	52,673
Aeration Control Strategy Review and Implementation	1390	12/22/20	500,000	161,642	338,358
Electric Fleet Vehicle Charging Infrastructure	1397	04/05/21	250,000	0	250,000
Effluent Temperature Compliance Study	1398	04/21/21	250,000	249,836	164
Alternative Energy Evaluation	1401	05/05/21	75,000	200	74,800
Continuous Improvement Framework	1403	05/12/21	250,000	93,771	156,229
Biosolids Master Plan	1404	06/14/21	250,000	160,993	89,007
2021 Process Optimization	1410	10/07/21	250,000	130,764	119,236
Digital Screens	1414	02/15/22	50,000	36,735	13,265
Strategic Plan Update 2022	1417	03/15/22	250,000	192,959	57,041
Technical Support to Legal Work	1420	05/10/22	250,000	62,174	187,826
Dissolved Organic Nutrients Evaluation	1422	06/16/22	250,000	113,784	136,216
Phosphorous Recovery Facility Reliability Improvements	1426	09/15/22	500,000	95,248	404,752
Payment Optimization	1427	10/04/22	150,000	0	150,000
Community Relations Program	1428	12/07/22	250,000	0	250,000
2022 Process Optimization	1430	12/19/22	250,000	0	250,000
NTP Loading Evaluation	1432	02/21/23	250,000	0	250,000
Asbestos Containing Material Surveys	1433	02/21/23	250,000	129,304	120,696
Delgany and South Thornton Odor Control	1438	05/02/23	250,000	0	250,000
South Platte River Aquatic Life Habitat Improvements	1437	06/13/23	250,000	0	250,000
PROJECT SUBTOTALS			\$21,614,386	\$17,672,656	\$3,941,730
Plus: Uncommitted Appropriations*			\$1,098,466		
TOTAL APPROPRIATED			\$22,712,852		

* As small projects are completed, the unused appropriations are reauthorized by the Chief Executive Officer for use on new small projects. This eliminates the need for Board approved rescissions and also reduces the need for Board approved replenishment of this account.

METRO WATER RECOVERY

Board of Directors Upcoming Events

Directors are provided information on upcoming events in the monthly committee meeting packets and the Chief Executive Officer's Report in the Board packet. Any new information is shown in ***bold italics***. Please add applicable meeting dates to your calendars.

<u>Date</u>	<u>Event/Location</u>
Tuesday, September 19, 2023 4 p.m.	Heat Recovery Tour National Western Center <i>(Vans to leave Admin Bldg. parking lot at 3:45 p.m.)</i>
Thursday, October 26, 2023 8 a.m. (breakfast served at 7 a.m.)	Fall Board Workshop <i>Northern Treatment Plant Visitors Center</i>
Thursday, November 2, 2023 8:30 a.m. – 2:30 p.m.	Tour of Denver International Airport
Thursday, November 9, 2023 9 a.m. or directly following Finance	Audit Committee Boardroom
Wednesday, November 15, 2023 TBD	Fall Metro 6.0 Town Hall TBD
Thursday, November 30, 2023 7:30 a.m. (breakfast served at 7 a.m.)	Defined Benefit Plan Retirement Board Boardroom
Thursday, November 30, 2023 12:30 p.m. (lunch served at noon)	Defined Contribution Plan Retirement Board Boardroom
Tuesday, December 19, 2023 4:45 p.m.	Annual Employee Recognition Reception Prior to Board of Directors Meeting

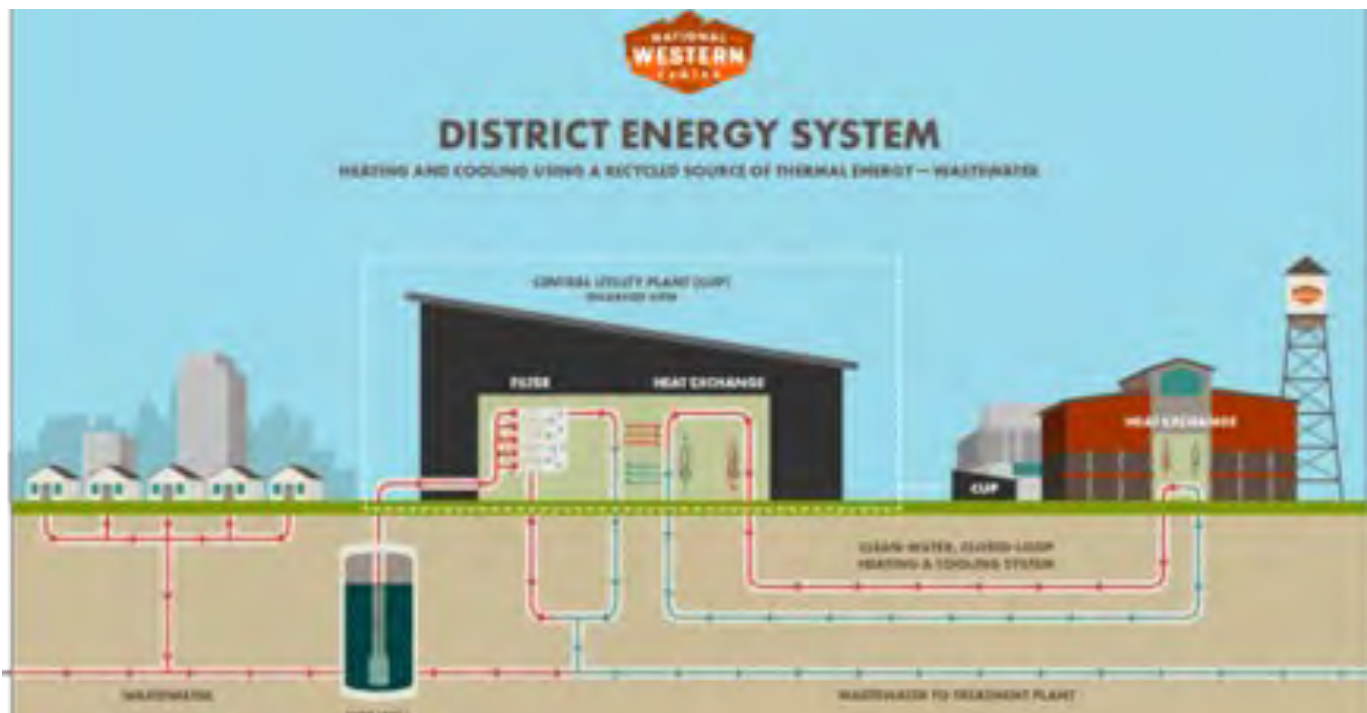


METRO WATER RECOVERY

National Western Center Tour Tuesday, September 19, 2023

3:45 p.m. Leave from Metro
5 p.m. Return to Metro for Board Meeting
Long pants and close-toed shoes required

This will be an excellent opportunity to see where thermal energy is recovered for sustainable heating.
Please RSVP in the BoardEffect event by early September.



[RSVP on BoardEffect here](#)



METRO WATER RECOVERY



Denver International Airport Tour Thursday, November 2, 2023

8:30 p.m. Leave from Metro
2:30 p.m. Return to Metro
Lunch in main terminal at 1:30 p.m.

This will be an excellent opportunity to see a different side of Denver International Airport, including the airfield.
Please RSVP in the BoardEffect event by early October.



[RSVP on BoardEffect here](#)

Director/CEO One-on-Ones

- Feedback on how Metro Water Recovery is doing
- Suggestions for staff
- Share what is important for you and your appointing entity in the coming years



WHAT

Director One-on-Ones
with Mickey

WHEN

Multiple time slots
available

WHERE

Via phone calls

[Sign up Here](#)