Colorado Water Resources and Power Development Authority

BOARD MEETING MINUTES

August 21, 2024

Call to Order

Chair Steve Vandiver called the meeting to order at 3:12 p.m. in the Remington I Conference Room of the Cheyenne Mountain Resort, located at 3225 Broadmoor Valley Road, Colorado Springs, CO 80906, and via video and audio teleconferencing.

Board Member Identification and Declaration of a Quorum

Board members present: Steve Vandiver (Chair), Chris Treese (Vice-Chair), Mike Fabbre (Secretary/Treasurer), Lucas Hale, Matthew Shuler, Patti Wells, Bruce Whitehead, Eric Wilkinson, and Karen Wogsland. Matthew Shuler joined virtually. A quorum was declared with nine Board members present.

Approval of Consent Agenda

Chair Vandiver announced that the following items were placed on the Consent Agenda for Board consideration at the Project Finance Committee meeting: Agenda items 7(a) Drinking Water Revolving Fund loan applications for Project 7 Water Authority, Resolution No. 24-20, Buffalo Mountain Metropolitan District, Resolution No. 24-22, Town of Estes Park, Resolution No. 24-23, and Town of La Veta, Resolution No. 24-24, and Water Pollution Control Revolving Fund loan applications for the Town of Sedgwick, Resolution No. 24-27 and Town of Manzanola, Resolution No. 24-28. After hearing no comments, a motion was made to approve the Consent Agenda, as presented.

Motion: Chris Treese
2nd: Lucas Hale
Vote: Motion carried

Approval of Minutes – June 7, 2024

The June 7, 2024, Minutes were presented for approval. After hearing no comments, a motion was made to approve the Minutes of June 7, 2024, as presented.

Motion: Eric Wilkinson
2nd: Bruce Whitehead
Vote: Motion carried

Introduction of Guests

In the interest of time, Chair Vandiver suggested forgoing the formal introduction of all guests. Chair Vandiver then invited any representatives from the entities approved on the Consent Agenda to address the Board, if desired. Adam Turner, Manager of the Project 7 Water Authority, thanked the Board for its approval of its project on the Consent Agenda. Jessica Johnson, Project 7 Water Authority Project Engineer, also thanked the Board and specifically Austin Reichel for his assistance throughout the loan process. Greg Swartz, Project 7 Municipal Advisor, thanked the Board for devoting its time and attention to the Project 7 Water Authority. Mr. McLaughlin noted that Mr. Swartz is SRF alumni and former Executive Director of the Water Infrastructure Finance and Innovation Act ("WIFIA") Program. Jacqueline Wesley, Utilities Project Manager for the Town of Estes Park, thanked the Board on behalf of the Town for approval of its project. This project consolidates a 12 home community with the Town and allows the Town to better serve and operate its system. Ms. Wesley thanked the SRF staff for their support through the process as the Town is relatively new to the SRF and specifically thanked Aly Ulibarri and Jeff Zajdel.

This project will allow the Town to reduce water loss and to improve operations in addition to the consolidation of the small, rural utility.

Chair Vandiver announced that some items on the agenda would be rearranged to accommodate audience guests.

Report of the Chair – Chair Vandiver opined that this cycle between Board meetings had been relatively quiet compared to others. Chair Vandiver also thanked Authority Financial Analyst Austin Reichel for the knowledge and patience that he provided while working with the electronic signatures process. Important SRF support letters were sent to Senators Bennet and Hickenlooper and Mr. Reichel's assistance was critical in getting the letters sent. Chair Vandiver concluded his report by thanking the Board for its participation in the joint meeting with the Water Quality Control Commission ("WQCC") and concluded that he's already received positive feedback about the joint meeting.

Report of the Treasurer - Treasurer Fabbre echoed Chair Vandiver's comments about the joint meeting with the WQCC and noted that he found it helpful and appreciated everyone's time and effort to put it together. Treasurer Fabbre also noted that neither the Budget & Audit nor the Investment Committees met since the last Board meeting. Authority Controller Justin Noll continued the Treasurer's Report and noted that financials through June were contained in the Board materials, which is generally where staff is at this time of year. COLOTRUST, where the Authority holds most of its short-term investments, reduced its rates recently to 5.4% in anticipation of a Federal Reserve rate cut. Mr. Noll also noted receipt of the pension and OPEB (Other Post Employment Benefits) liability numbers from PERA and noted it was a reduction from last year. From information obtained in PERA's 2023 Popular Annual Financial Report, Mr. Noll noted a 13.4% rate of return on its investments and announced that PERA's funded status is at 69.6%. Although the PERA overall liability decreased slightly, Mr. Noll noted the Authority's liability increased. Mr. Noll theorized that the state suspended contributions during the COVID pandemic and caught it up in 2022, and then based the Authority's allocation on these higher contribution levels. Following Mr. Noll's report, Director Treese noticed on the Board slides that the DWRF Planning Grant budget allocation is exhausted for the year and asked if there was an opportunity to transfer funds from the WPCRF program or make a budget adjustment, if necessary. Mr. Noll confirmed that a budget adjustment is possible, if necessary, or the Authority could request an increase in next year's budget. Wesley Williams, Assistant Finance Director, added that there was no need for an immediate transfer at this time, but staff will continue to evaluate, as necessary. A motion was made to approve the Treasurer's Report.

Motion: Mike Fabbre 2nd: Karen Wogsland Vote: Motion carried

Report of Executive Director – Keith McLaughlin referred to the written report contained in the Board's materials and confirmed that the required good-faith requirements were met for the one-year grace period for noncompliance of digital accessibility, as outlined in HB24-1454, prior to the July 1st requirement. Mr. McLaughlin added that although the good faith requirements were met, the PDF issue for website documents remains. Staff will continue to investigate viable and affordable solutions to this issue. Mr. McLaughlin also noted that he spoke at two national conferences recently, the Government Finance Office Association ("GFOA") national conference in Orlando, Florida and the Water Finance Conference in Buford, Georgia. An opportunity to discuss water issues was presented at both events, including the dramatic cuts to the SRF Programs. Mr. McLaughlin highlighted one of the projects he's currently working on, a formal salary and benefits survey. The Authority last conducted a formal survey in 2021, and since then, the consultant that Mr. McLaughlin previously worked with has left Employer's Council ("EC") and his experience with the new EC consultants was not positive. After reviewing several potential HR consultants, Mr. McLaughlin selected Chris Moffet, with Culture Solutions Group, to conduct the 2024 salary and benefits survey. A final report is expected to be complete by the October or December Board

meeting, and Mr. McLaughlin will meet with the Personnel Committee to review when finalized. Additionally, Mr. McLaughlin has been meeting regularly to discuss the Arkansas Valley Conduit ("AVC") funding concept with representatives from Southeastern Colorado Water Conservancy District ("SECWCD"), Otero County and the Colorado Water Conservation Board ("CWCB"). This topic will be discussed later during the meeting. Mr. McLaughlin will meet with Colorado State Treasurer, Dave Young, to discuss the Treasurer's Building Urgent Infrastructure and Leveraging Dollars ("BUILD") concept. This proposed project will be an additional opportunity for the state to leverage existing funds to assist more water projects across the state. The report concluded with an announcement of staff anniversaries, including Senior Financial Analyst Ian Loffert's seventh anniversary as of July 17th and Financial Analyst Austin Reichel's five-year anniversary as of August 1st. Mr. Reichel was presented with a celebratory five-year plaque to recognize his milestone anniversary.

Arkansas Valley Conduit Update - Leann Noga & SECWCD Staff

Mr. McLaughlin introduced Southeastern Colorado Water Conservancy District ("SECWCD") Executive Director, Leann Noga, who was present to update the Board on the Arkansas Valley Conduit ("AVC") project and answer any outstanding questions. Ms. Noga introduced members of the SECWCD in attendance, including General Counsel Lee Miller, Esq., Senior Policy and Issues Manager Chris Woodka, Board Member Dallas May and Board President Bill Long. Msr. Noga announced that over the past two months, Chris Woodka created an AVC newsletter to open communication with the public and interested parties on the AVC project. The newsletter contains valuable updates on both the trunkline and the enterprise subproject, which includes the spurs and deliveries. The newsletter has been forwarded to Mr. McLaughlin and may be shared with anyone interested or can be delivered directly by contacting Mr. Woodka to add your email to the distribution list. The newsletter is created monthly following the SECWCD Board meeting, so it is timely and relevant. Ms. Noga stated that in June, a presentation was provided by SECWCD and Jeff Rieker of the Bureau of Reclamation ("BOR"), which was a collaborative effort to communicate a new, updated estimate of the AVC project cost. The updated cost estimate was approximately \$1.3 billion. Ms. Noga acknowledged that the cost estimate was a large amount, but the District has faced many challenges with this project since inception and she is confident they will find a way to overcome this obstacle. The District is committed to securing the right funding for project participants and noted that participants are subject to a 35% total repayment requirement including treatment, trunk, spur and delivery lines. When the updated cost estimate was communicated to the SECWCD Board, project participants and supporting agencies, the District announced that it would be seeking an administrative and/or legislative fix to the funding issue and repayment process. Last week, the SECWCD Board signed a letter of support for its delegation to start walking through a legislative process. Ms. Noga will update the Authority Board as the legislative progress continues. Ms. Noga also provided a construction update and noted that on the enterprise side of the project, the design and construction phase for two delivery lines have been completed for the Towns of Boone and Avondale. The final design phase on the section through Crowley County is ready to begin and will include all of Crowley County and the Town of Fowler. Overall, total spur lines are at a 30% preliminary design. On the trunklines, Ms. Noga confirmed that the BOR has three contracts currently and briefly described details of each contract. Additionally, there are multiple other contracts ready to be released through a request for proposal ("RFP") process. Ms. Noga concluded her presentation with a summary of funding secured to date, including the BOR appropriation of \$321 million since 2011, the District and project participants contribution of approximately \$5 million (including approximately \$3 million in American Rescue Plan Act ("ARPA") funding from the project participants) and a \$30 million grant from the CWCB. Following the presentation, Director Whitehead asked what the previous cost estimate was for the project, and Ms. Noga confirmed that the previous cost estimate was approximately \$600 million. Ms. Noga acknowledged that the cost estimate was doubled but also noted that there is a large amount of contingency on the estimate, as with most federal projects. The final cost will be known upon completion. Chair Vandiver thanked Ms. Noga

and her staff for the helpful update and Ms. Noga extended a sincere thanks to the Authority and CDPHE staff for its cooperation. Chair Vandiver extended an invitation to the SECWCD to return with AVC updates, as necessary. Following Ms. Noga's update, Mr. McLaughlin added that Karl Ohlsen drafted the aforementioned memorandum of understanding ("MOU"), now known as the intergovernmental agreement ("IGA"), and it has been distributed to the AVC participants: CWCB, Otero County and SECWCD, for review. As discussed at the Authority Board's retreat, the IGA outlines each entity's role and responsibilities in a clear format. First round comments on the draft IGA are expected by the first week in September and Mr. McLaughlin hopes to have a quick turnaround to prepare an agreement that can be executed by the Authority Board in a timely manner. Mr. McLaughlin mentioned a few funding concepts for Board consideration, including not splitting out any differences in the spur lines between governmental entities and private, non-profit organizations and allowing the ACV project to exceed the \$3 million cap on principal forgiveness. Mr. McLaughlin briefly noted the rationale that led to the two proposed funding concepts and answered outstanding questions from the Board about the two concepts. The two funding concepts will be placed on a future Board Program Work Session Agenda with visuals as requested. Staff only wanted to introduce them at this time to foster future conversations and provide the Board adequate time for consideration. Mr. McLaughlin thanked the Board for its feedback and confirmed that he received the information needed for the next Board Program Work Session.

Congressionally Directing Spending and SRF Funding Update - Christine Arbogast

Mr. McLaughlin introduced Christine Arbogast, the Authority's lobbyist, to provide the scheduled Congressionally directed spending ("CDS") and SRF funding update. Ms. Arbogast announced that in the current appropriations bill process, the House has passed its Interior and Environmental Appropriations bill (where the Environmental Protection Agency is funded) and the SRF programs were cut 29%. Although this amount represents a reduction from the 50% cut last year, it is still a concern and limiting the amount of available SRF program funding for communities. Ms. Arbogast explained that the Senate's process passed the subcommittee and was sent to the full committee for mark up so they could start engaging with the House reconciling differences, and the Senate voted to fund the SRF Programs at FY24 levels. Now the Senate will work with the House to determine final funding. Ms. Arbogast noted that when the House proposed a 50% cut last year, the Senate prevailed. History has shown that the Senate will likely prevail again. There is speculation that the committee staff have been talking over the August recess to reconcile their differences. There likely won't be a final outcome before the election and another continuing resolution is expected sometime between Thanksgiving and Christmas. There is also a possibility that the entire budget will be kicked into next year, particularly if there is a change in leadership in the Senate, House or White House. Ms. Arbogast also noted that in her discussions with the interior appropriations staff on the Senate side, the two Senate offices have been constantly bringing up the CDS issue, and while acknowledging the problem, there hasn't been a resolution yet, as there is no perceived threat because the agencies have yet to run out of available funding, when including BIL funds. Ms. Arbogast also heard that some state agency programs do not allow for certain types of projects, and, in those states, they have no other mechanism than CDS to fund certain projects. Ms. Arbogast asked for Mr. McLaughlin's assistance to vet these claims. Mr. McLaughlin confirmed that he hasn't heard those claims either and added that Colorado tends to be more restrictive in its programs but is still able to fund almost every project encountered. And while he wasn't familiar with each state agency and its requirements, this is not something about which he has heard. Ms. Arbogast added that she is receiving more support from House representatives on the CDS issue but noted that the SRF programs are the only eligible earmark account in the Interior and Environmental Appropriations bill that is eligible for CDS funding. Due to the current political environment, nothing is certain and likely won't be resolved until after the election but to maintain current year funding is important.

Finance Director Jim Griffiths referred to the two EPA Annual Reports for both SRF programs and noted that EPA audits both programs every year and reports the findings. Mr. Griffiths reported that the Authority and its partners received a clean audit this year, as they have for several years past. This year's audit was more in-depth than in years past and was conducted by EPA Region 8 staff and an independent contractor, over several months' time to audit additional information and materials. Mr. Griffiths asked the Board to reach out to him with any questions about the Annual Report. Mr. Griffiths also reported that the Government Finance Officers Association ("GFOA") has asked the Authority to provide examples of past tax-exempt financing for water projects to illustrate where tax-exempt financing made a difference to include in a future GFOA presentation.

Report of Legal Counsel

General counsel Karl Ohlsen didn't have a formal report but noted the preparation of the aforementioned IGA for the Arkansas Valley Conduit project participants and thanked Mr. McLaughlin for his persistence in working to complete it. Additionally, Mr. Ohlsen noted the work he's been focused on with the Karval Water Authority, which will be discussed later in the meeting agenda. Following Mr. Ohlsen's report, Director Treese asked if the Authority has received a response from the formal letter sent to the La Plata Water Conservancy District regarding the Future Projects Escrow Funding Agreement and Mr. Ohlsen responded that there has not yet been a response or any additional invoices received since the last Board meeting.

Drinking Water Revolving Fund

Town of Kremmling, Resolution 24-21

Giorgi Gazashvili presented the Town of Kremmling's ("Town") request for a DWRF Disadvantaged Communities ("DAC") loan in the amount of \$15,922,960 (comprised of a *\$11,246,806 leveraged loan plus cost of issuance, a *\$1,676,154 BIL DAC loan, and a *\$3,000,000 BIL PF loan). The leveraged loan will be for a term of up to 30 years, at an interest rate of 85% of the market rate on the Authority's 2024 Series C State Revolving Fund Revenue Bonds. The BIL DAC direct loan will be for a term of up to 30 years, at an interest rate of 1.75%, all loans are subject to increasing user rates sufficiently to meet the Authority's rate covenant prior to loan execution. The project consists of replacing the Town's existing water treatment facility with ultrafiltration ("UF") treatment skids to aid in raw water quality and finished water quality goals. The new water treatment facility project includes three UF treatment skids and eight UF membrane modules housed in a new treatment plant building. Other additions include a clearwell, booster pump, and a potable water storage tank. Addressing a question raised at the Project Finance Committee meeting, Mr. Gazashvili confirmed that he spoke with Ashley Macdonald, the Town Manager, regarding the outstanding rate study question and was prepared to address the question now. Additionally, Ms. Macdonald was in attendance to address any follow-up questions and/or provide additional details, if necessary. As to the issue of a possible rate study, Mr. Gazashvili confirmed that the Town held discussions with the community, Board members and Town representatives and decided to proceed with the tiered rate increases. Mr. Gazashvili confirmed that the Town's engineer and rate study consultant were in attendance virtually if additional questions remain. This application received a favorable recommendation from both the SRF and Project Finance Committees. Director Wilkinson noted that the biggest question from the Project Finance Committee was the ability of the Town to withstand the proposed rate increase. Ms. Macdonald addressed the Committee's concerns and confirmed that the rate study results that they received from the consultants indicated the Town needed to reevaluate the way their tiers were assessed and suggested instead of looking at a resident and commercial tier base, they needed to adjust to a tier based on tap size. Ms. Macdonald added that based on their analysis, the residential users would not realize a large rate increase, but rather the increases would be mostly on the commercial users and that the communities are aware of the potential rate increases. Although the residents preferred that they not be responsible for any rate increases, they understand that their rates haven't increased significantly for more than ten years. Like many communities across Colorado, the Town of Kremmling is a little lagging in rate increases but is

committed to finding a balance between a rate that is palatable versus what is necessary to afford the new water treatment plant. The Town Board is also exploring other funding mechanisms such as impact fees and different system development fees. Following additional discussion, a motion was made to move PFC and staff's recommendation for approval of Resolution 24-21, approving a drinking water direct loan to the Town of Kremmling and execution of a loan agreement and other documents necessary therefor.

Motion: Chris Treese
2nd: Patti Wells
Vote: Motion carried

Karval Water Authority, Resolution 24-25

Prior to the presentation, Wesley Williams announced that Karval Water Authority representatives Patrick Leonard and general counsel, Stan Kimble, were in attendance virtually and Dannah Koeniger was present in person to answer any questions that may arise from the discussion. Mr. Williams then presented the Karval Water Authority's loan request for a DWRF DAC direct loan in the amount of \$1,074,740 (comprised of a *\$385,237 BIL loan and a *\$689,503 BIL PF loan). The loan will be for a term of up to 30 years, at an interest rate of 1.75%, subject to increasing user rates sufficiently to meet the Authority's rate covenant prior to loan execution and additional covenants and requirements as outlined in Resolution 24-25. The project consists of drilling a second well, replacing distribution piping, looping the distribution system, installing new gate valves, replacing meters, installing a new backup generator, replacing a fire hydrant, performing rehabilitation on the nitrate treatment control valves and replacing the hydropneumatic tanks in the existing treatment plant. Mr. Williams confirmed that Karval Water Authority was eligible to access BIL and PF funds because it converted from a private, not for profit entity to a Water Authority. By converting to a governmental entity, it allowed Karval Water Authority to access grant funds, as well as reduced interest rates. Addressing a question that arose from the PFC meeting about organizational structure, Mr. Williams confirmed that when the Karval Water Users Association converted to a governmental agency, it conveyed all its assets besides the Water Rights to the governmental agency. Mr. Williams elaborated on some of the PFC Committee's concerns about the Water Rights not being transferred to the governmental agency along with the other assets. Mr. Williams stated that staff sent Mr. Ohlsen the transfer documents along with other items from the Karval Water Authority creation and Mr. Ohlsen is able to help answer the questions brought up during the PFC Committee. Mr. Ohlsen stated he has reviewed the water supply and service agreement and recommends changes to tighten up the agreement, to ensure that it has some longevity. Mr. Ohlsen expressed concern about what will happen when the debt is repaid because the owner of the water rights cannot convey the water rights to a third-party until the debt is paid but there is still some question what happens upon repayment. Other questions remain in the augmentation plan and are also outlined in the Resolution's conditions that must be resolved prior to loan execution. A motion was made to approve Resolution No. 24-25, approving a DWRF direct loan to the Karval Water Authority and execution of a loan agreement and other documents necessary therefor with the condition that Exhibit A be amended to include the "review and approval" of counsel as outlined in conditions 3, 5 and 6.

Motion: Chris Treese
2nd: Patti Wells
Vote: Motion carried

DWRF Intended Use Plan Changes for 2025

Jim Griffiths announced that each summer, all states that administer SRF programs work to update the Intended Use Plans (IUP) for the following year, as required by the U.S. Environmental Protection Agency. The IUPs detail DWRF and WPCRF program operations and administration. Staff are preparing the 2025 IUPs for approval by the Water Quality Control Commission ("WQCC") in October 2024. Staff recommends the following financial changes to the 2025 IUPs: to include language allowing the Authority Board of Directors, at their discretion, to allocate Bipartisan Infrastructure Law ("BIL") principal

forgiveness ("PF") to be used for the Design and Engineering ("D&E") Grants, to give priority to Disadvantaged Communities ("DAC") with populations of 5,000 or less when providing D&E Grants; DACs with populations of 5,001 to 10,000 will remain eligible, but will be lower in priority, and to include improvements to the priority point system, as previously approved by the Authority Board. Mr. Griffiths provided rational behind the recommendations, as outlined in the August 21, 2024, memorandum contained in the Board materials. After discussion, a motion was made to approve the proposed IUP changes for the 2025 IUPs for the DWRF and WPCRF programs and to incorporate the changes for approval by the WQCC.

Motion: Eric Wilkinson 2nd: Chris Treese Vote: Motion carried

DWRF 2024 Bipartisan Infrastructure Law ("BIL") State Match, Resolution 24-01

For informational purposes only, Ian Loffert noted that in February, the Board approved Resolution 24-01, approving the receipt terms for use of the state match for BIL program DWRF and WPCRF. The funds received from the Water Quality Control Division, a.k.a. the state, provides the required BIL supplemental state match. Mr. Loffert confirmed that the first two years of BIL required a 10% state match and for 2024 through 2026, a 20% state match is required. The Authority received the estimated allotments for 2024 DWRF and WPCRF BIL supplemental capitalization grants. The DWRF BIL supplemental amount is an estimated \$40.265 million and requires an estimated \$8.05 million state match and the WPCRF BIL supplemental amount is an estimated \$18.19 million and requires an estimated \$3.64 million state match. Resolution 24-01 allowed the Authority to allocate no more than \$20 million from the state to the BIL supplemental state match funds, and the required amount between the two SRF programs is approximately \$11.68 million, which is well under the approved \$20 million. Staff wanted to update the Board since it received the estimated allotments.

DWRF 2024 Base Capitalization Grant State Match Approval, Resolution 24-26

Kevin Carpenter referred to Resolution 24-26 contained in the Board materials and confirmed that on an annual basis, the Authority Board must approve two resolutions to provide the required state match for both SRF base programs. Resolution 24-26 is for the DWRF 2024 base capitalization grant state match approval. Mr. Carpenter reviewed the parameters of Resolution 24-26, including: an amount not to exceed \$10 million for FY 2024 for capitalization of the DWRF, on the condition that the Authority deposits state match funds comprising up to 20% of the federal capitalization amount, as required. Director Wilkinson suggested changing item #2 in the Resolution from "State Match of up to 20%" to "State Match of 20%" since the requirement is 20%. A motion was made to approve Resolution 24-26, approving and ratifying the DWRF base capitalization grant award for fiscal year 2024 between the Colorado Water Resource and Power Development Authority and the Environmental Protection Agency and providing for the commitment and deposit of funds to comprise the state match, as amended.

Motion: Eric Wilkinson 2nd: Patti Wells Vote: Motion carried

Water Pollution Control Revolving Fund

WPCRF Base Capitalization Grant State Match Approval, Resolution 24-29

Austin Reichel presented Resolution 24-29, and stated it was similar to Resolution 24-26, but intended for the WPCRF Program. This Resolution is for the WPCRF 2024 base capitalization grant state match approval. Mr. Reichel reviewed the parameters of Resolution 24-29, including: an amount not to exceed \$8 million for FY 2024 for capitalization of the WPCRF, on the condition that the Authority deposits state match funds comprising 20% of the federal capitalization amount, as required. A motion was made to approve Resolution 24-29, approving and ratifying the WPCRF base capitalization grant award for fiscal year 2024 between the Colorado Water Resource and Power Development Authority and the Environmental Protection Agency and providing for the commitment and deposit of funds to comprise the state match, as amended, noting the requirement to change the language as with Resolution 24-26.

Motion: Eric Wilkinson 2nd: Lucas Hale Vote: Motion carried

In the interest of time, the Status Reports for the various funding programs were eliminated.

Long Hollow Dam & Bobby K. Taylor Reservoir

Keith McLaughlin confirmed that a letter was sent to the La Plata Water Conservancy District, as discussed during the June Board meeting, notifying the District that the Authority would cease further reimbursement payments under the existing agreement unless or until the District is able to provide documentation outlining the Authority's obligation to do so. To date, no response has been received, nor have any additional requisitions been received from the District. Mr. McLaughlin also confirmed that he reached out to the District prior to sending the letter to advise them that the letter was forthcoming. Director Whitehead confirmed that the Reservoir level is currently at 140 acre feet of storage. Mr. McLaughlin advised the Board that staff would like to eliminate future Long Hollow Dam and Bobby K. Taylor Reservoir updates from future Board meeting agendas since the Authority's financial obligation has ended. The Board was amenable to this request.

Project Finance Committee

Committee Chair Treese noted that the Project Finance Committee minutes were provided in the Board materials and thanked the Committee and other Board members for their attendance and participation. Several items were moved to the Consent Agenda after full and robust discussions.

Board Program Work Session

Minutes from the June 6, 2024, Board Program Work Session were included in the Board materials. There were no other updates.

Legislative Issues and Other Business

Mr. McLaughlin referenced the Board Chair's letters addressing the concerns with SRF funding for the Authority's two lending programs, as previously discussed, and highlighted the various news articles also contained in the Board materials.

Other Agency Reports

Report of Water Quality Control Division ("WOCD")

Mark Henderson, Section Manager for the WQCD, provided the agency report for Ron Falco. Mr. Henderson referred to the provided written report and highlighted a few items from the report, including a link to the Water Quality Control Commission's upcoming schedule in the report for the most up-to-date virtual meetings and events. Additionally, Mr. Henderson reported that the Division's Test and Fix Water for Kids program is continuing to implement HB22-1358. Remediation is underway for grade school and childcare facilities. Also, the program is now in the middle school testing phase. All middle school testing must be completed by November 30th. The program's lead results dashboard (available on the Division's website) provides the latest up-to-date information. Mr. Henderson highlighted two important budget items that are forthcoming, one is the non-point source post-wildfire mitigation project and the other is replacement of the SRF program's existing online applicant portal and project management program. A budget request is included to begin planning for replacing the existing system and address data management needs. Following the report, Mr. McLaughlin expressed his support for the new online portal and added that replacement software will be more specific to the two SRF program's needs.

Report of Colorado Water Conservation Board ("CWCB")

Kirk Russell, CWCB Finance Section Chief, referred to his written report and announced that the CWCB met on July 17th and 18th at the Jerlin Wattenberg Event Center in Walden and approved two new loans and

one loan increase: Montezuma Valley Irrigation Company (lower Arikaree and Garret Ridge Canal Piping), High Line Canal Company (Rocky Ford High Line Canal diversion rehabilitation) and North Poudre Irrigation Company (Park Creek expansion project – loan increase). The Board also approved approximately \$1 million in Water Supply Reserve Fund Grants ("WSRF"). A full listing of the awarded grants is available on the CWCB's website. The current tax revenue projects for CWCB's allocation into the Severance Tax Perpetual Base Fund for FY23/24 was about \$43 million. Next year's projection remains around \$50 million. Additionally, FY23/24 Prop DD revenue projections appear to be approximately 10% higher than FY22/23. Estimated to be approximately \$26 million that will be appropriated in the 2025 CWCB Projects Bill and available for grant distribution in the fall/winter of 2025/26. The report concluded with an announcement that the next CWCB Board meeting will be held on September 18th and 19th in Monte Vista and will include a Finance Committee meeting held prior to that date. The Committee will consider approximately \$38 million in Non-reimbursable Investment ("NRI") requests, along with other large project funding discussions. Final decisions on the NRIs will be made at the November 2024 Board meeting. This will be followed by submission of the requests to the Project Bill sponsors.

Report of Department of Local Affairs ("DOLA")

Cynthia Thayer, Local Government Services Director, confirmed that DOLA submitted its 2025 proposed budget request to the Authority on August 20th. The budget request will include a funding request to continue the Small and Rural Communities Technical Services Program as well as reflecting a reduction in the term-limited BIL FTE from two to one. The proposed budget will be discussed at the October Board meeting.

Arrangements for Future Meetings

The August Board meeting will be held in Silt and will include a tour of the water treatment facility followed by a Board Program Work Session on Thursday, October 3rd. The Board meeting will be held on Friday, October 4th at 9:00 am. Details for these events will be forthcoming in the coming weeks.

Adjournment

Chair Vandiver adjourned the meeting at 5:30 p.m.

Respectfully submitted,

Sabrina Speed, Assistant Secretary

NOTE-FOR INFORMATION ONLY - COPIES OF THE DOCUMENTS REFERRED TO IN THE TEXT OF THESE MINUTES ARE ON FILE IN THE AUTHORITY OFFICE AND MAY BE OBTAINED BY SUBMITTING A "REQUEST FOR PUBLIC RECORDS." PLEASE CALL SABRINA SPEED AT (303) 830-1550, EXT. 1010, FOR INFORMATION.

^{*-}Estimated PF and direct loan amounts through BIL and/or Base Programs. The exact amount may be different at the time of loan execution. While no significant differences are anticipated, any significant differences needed to comply with the proportional allocation requirements of the BIL will be discussed with the Finance Director and Executive Director to determine if additional Authority Board approval is needed.

one loan increase: Montezuma Valley Irrigation Company (lower Arikaree and Garret Ridge Canal Piping), High Line Canal Company (Rocky Ford High Line Canal diversion rehabilitation) and North Poudre Irrigation Company (Park Creek expansion project – loan increase). The Board also approved approximately \$1 million in Water Supply Reserve Fund Grants ("WSRF"). A full listing of the awarded grants is available on the CWCB's website. The current tax revenue projects for CWCB's allocation into the Severance Tax Perpetual Base Fund for FY23/24 was about \$43 million. Next year's projection remains around \$50 million. Additionally, FY23/24 Prop DD revenue projections appear to be approximately 10% higher than FY22/23. Estimated to be approximately \$26 million that will be appropriated in the 2025 CWCB Projects Bill and available for grant distribution in the fall/winter of 2025/26. The report concluded with an announcement that the next CWCB Board meeting will be held on September 18th and 19th in Monte Vista and will include a Finance Committee meeting held prior to that date. The Committee will consider approximately \$38 million in Non-reimbursable Investment ("NRI") requests, along with other large project funding discussions. Final decisions on the NRIs will be made at the November 2024 Board meeting. This will be followed by submission of the requests to the Project Bill sponsors.

Report of Department of Local Affairs ("DOLA")

Cynthia Thayer, Local Government Services Director, confirmed that DOLA submitted its 2025 proposed budget request to the Authority on August 20th. The budget request will include a funding request to continue the Small and Rural Communities Technical Services Program as well as reflecting a reduction in the term-limited BIL FTE from two to one. The proposed budget will be discussed at the October Board meeting.

Arrangements for Future Meetings

The August Board meeting will be held in Silt and will include a tour of the water treatment facility followed by a Board Program Work Session on Thursday, October 3rd. The Board meeting will be held on Friday, October 4th at 9:00 am. Details for these events will be forthcoming in the coming weeks.

Adjournment

Chair Vandiver adjourned the meeting at 5:30 p.m.

Respectfully submitted,

Sabrina Speed, Assistant Secretary

NOTE-FOR INFORMATION ONLY - COPIES OF THE DOCUMENTS REFERRED TO IN THE TEXT OF THESE MINUTES ARE ON FILE IN THE AUTHORITY OFFICE AND MAY BE OBTAINED BY SUBMITTING A "REQUEST FOR PUBLIC RECORDS." PLEASE CALL SABRINA SPEED AT (303) 830-1550, EXT. 1010, FOR INFORMATION.

^{*-}Estimated PF and direct loan amounts through BIL and/or Base Programs. The exact amount may be different at the time of loan execution. While no significant differences are anticipated, any significant differences needed to comply with the proportional allocation requirements of the BIL will be discussed with the Finance Director and Executive Director to determine if additional Authority Board approval is needed.