

**Colorado Water Resources
and
Power Development Authority**

BOARD MEETING MINUTES

April 26, 2024

Call to Order

Chair Steve Vandiver called the meeting to order at 9:00 a.m. in the Authority Conference Room, located at 1580 North Logan Street, Suite #820, Denver, CO 80203, and via video and audio tele-conferencing. Following the call to order, Chair Vandiver led the group in the Pledge of Allegiance.

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. 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) and 8(a) Drinking Water Revolving Fund and Water Pollution Control Revolving Fund loan applications for the City of Manitou Springs, Resolution No. 24-13 and Resolution No. 24-15, respectively. After hearing no comments, a motion was made to approve the Consent Agenda, as presented.

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

Approval of Minutes – March 8, 2024

The March 8, 2024, Minutes were presented for approval. Director Treese noted that on page 11 of the Board materials, under the Project Finance Committee section, the word “Thompson” was inadvertently omitted in the second sentence and should read “Upper Thompson Sanitation District”. A motion was made to approve the Minutes of March 8, 2024, as corrected.

Motion: Chris Treese
2nd: Karen Wogsland
Vote: Motion carried

Introduction of Guests

Chair Steve Vandiver asked all guests in attendance to introduce themselves and state their affiliation for the record. Following the in-person introductions, Chair Vandiver welcomed representatives from the City of Manitou Springs and invited them to speak. Mr. Howell, City Administrator, thanked the Board for the two loan approvals on behalf of the City. Also, in virtual attendance from the City of Manitou Springs was Rebecca Davis, Finance Director and John Elwell, Operator in Responsible Charge (“ORC”) for the water treatment plant. Chair Vandiver thanked the representatives for virtually attending the meeting. Former Authority Executive Director, Mike Brod, also addressed the Board and noted that he would be moving out of state soon and wished the Board members a fond farewell.

Other Agency Reports

Report of Colorado Water Conservation Board (“CWCB”)

Chair Vandiver introduced the Director of the Colorado Water Conservation Board, Lauren Ris, and invited her to provide the CWCB’s report. Ms. Ris thanked the Board and reported that she was appointed as the CWCB Director in August 2023. The former Director, Becky Mitchell, was named as the newly created

full-time Colorado River Commissioner, housed within the Division of Natural Resources. Ms. Ris served as Deputy Director for six years prior to her promotion to the Director position and the CWCB backfilled her former Deputy Director position with Anna Mauss. Ms. Mauss' former position of Chief Operating Officer was backfilled by Cole Bedford. Ms. Ris provided a brief staffing update regarding 6 new FTE approved through the CWCB's budget package last year to support the Colorado River efforts. Ms. Ris also reported that the CWCB has a couple of new Board members: John McCLOW of Gunnison and Brad Wind of Berthoud. The CWCB Projects Bill, the annual water appropriations bill, is moving through the legislative process and Mr. Ris testified at the Senate Ag Committee hearing on April 25th. This year's projects bill is relatively large at approximately \$220 million and Ms. Ris announced several proposed projects included in the bill. The report continued with an update on HB24-1436, a bill that would eliminate the \$29 million cap on sports betting tax revenue and allow the state to keep and spend all sports betting tax revenues rather than refunding such excess revenue to casinos. Ms. Ris noted that this is a referred measure would go back to the voters in November and the early polling indicates voters will be in support of the measure. CWCB staff recently completed an operational planning exercise and as a result, staff is compiling a CWCB guidebook that details the functions, activities, roles and responsibilities of the CWCB Board, the basin roundtables, the Interbasin Compact Committee ("IBCC") and other components of the CWCB. The guidebook will also provide information about various funding opportunities through the CWCB. Once the draft is complete, the CWCB staff plans to present it to the different round tables for feedback and the final guidebook should be available to the public in the coming months. The CWCB Board will meet in the Colorado Basin on May 15/16 at the YMCA of the Rockies Snow Mountain Ranch in Granby. Ms. Ris concluded that at the last CWCB Board meeting, approximately \$16.5 million in Water Plan Grants were approved, bringing the total for the last fiscal year to over \$25 million, and the Board turned away approximately \$10 million in planning grant application requests. Ms. Ris opined that this is representative of the water funding needs in Colorado. Following the report, Mr. McLaughlin thanked Ms. Ris for attending the Board meeting and noted that she's been very visible and accessible in her new role and it is appreciated.

Report of Water Quality Control Division ("WQCD")

Mark Henderson, Section Manager, stated he would provide the agency report in Ron Falco's absence and referred to the written agency report contained in the Board materials. Notable items from the report included an upcoming Water Quality Control Commission rulemaking hearing on May 13th for Regulation #102 regarding cash fees. The Commission is seeking a 13% fee increase to cover inflation impacts. Mr. Henderson also noted that on April 10th, the EPA released finalized primary drinking water standards for maximum contaminant levels (MCLs) for six PFAS compounds. The EPA rule requires public water systems to complete initial monitoring by 2027, and implement solutions by 2029, if monitoring shows that drinking water levels exceed MCLs. Mr. Henderson noted the new standard also requires the states to adopt the rules by 2026. Two main funding programs to address PFAS issues, available through the WQCD, were also highlighted: the Colorado PFAS Grant Program (funded as a result of SB20-218) and the WIIN Emerging Contaminant-Small Disadvantaged Communities Grant Program (funded through EPA and congress). Mr. Henderson announced that Aly Ulibarri was promoted to the Grants and Loans Unit Work Group Lead EPS III, her start date will be April 15th. Ms. Ulibarri has been with the Division since 2009 and will be bringing her SRF experience from previous positions into her new role. The Division's capacity coach and training team presented at the Colorado Rural Water Association's ("CRWA") annual conference in March 2024, in Loveland and was well attended. The Division also signed a contract with CRWA for the continuation of source water protection activities and Wildland Fire Decision Support System (WFDSS) projects. The agency report concluded with a brief update of the coaching and training activities contained in the written report.

Report of Department of Local Affairs ("DOLA")

Cynthia Thayer, Department of Local Affairs Local Government Services Director, referred to the provided agency report and noted that the April application round for the Energy and Mineral Impact Assistance

Fund (“EIAF”) grants saw a near record high number of applicants of approximately 90. Almost one-third of the applications are for water and wastewater projects and those applicants are listed in the written report and awards are expected in July. Ms. Thayer also noted that the Outreach and Education Subcommittee is gearing up for summer regional workshops, three are currently scheduled in July. An update on the Small and Rural Communities Technical Services Program was provided, with Ms. Thayer noting that the program has fully utilized the drinking water technical assistance appropriation budgeted for 2024. Through the state request for proposal process, DOLA staff has selected RESPEC to continue as the contractor for this program and contracting is currently underway. The agency report concluded with an announcement that Eric Bergman, the new Director of the Division of Local Government, starts in his new role on May 20, 2024. Ms. Thayer is hopeful she can persuade Mr. Bergman to attend the June Board meeting to make an introduction. Following the report, Mr. McLaughlin expressed his frustration about the ongoing issue of late audit submissions and asked if DOLA has found a solution to address this problem. Ms. Thayer responded that she just met with representatives from the Office of the State Auditor Local Government Audit Division and, unfortunately, the growing trend of late audits extends nationally and may grow worse due to the shortage of qualified CPA’s.

The Agenda was rearranged to accommodate certain guests in attendance.

Report of the Budget & Audit Committee and 2023 Audited Financial Statements

Controller Justin Noll announced that the 2023 audit was completed and contained in the Board materials and announced that Karmyn Jeffries (Director) and Marcie Ardan (Managing Director) of FORVIS, LLP would provide the FORVIS report and required communications, and Assistant Controller, Valerie Lovato, would review the Management’s Discussion and Analysis (“MD&A”). Ms. Jeffries noted that FORVIS met with the Budget & Audit Committee earlier in the week to review the draft Audited Financial Statements. The scope of the audit was covered, noting the report covers audit results related to the Authority’s financial statements and supplementary information, as of and for the year ended December 31, 2023. Ms. Jeffries confirmed that the Authority received an unmodified (clean) opinion on the audit and that designation was the highest level attainable. Ms. Jeffries reported that FORVIS is responsible for forming and expressing opinions about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The audit scope is designed to obtain a reasonable, rather than an absolute, assurance about the financial statements. Items are reviewed on a scope basis and therefore, some items may not be in the scope and therefore the auditors didn’t review. The auditors feel what they have reviewed ensures that the financial statements are materially stated correctly. Ms. Jeffries announced that the audit does not relieve Authority management or those charged with governance of its responsibilities. FORVIS also provided a report as of December 31, 2023, over the internal controls over financial reporting, compliance and other matters based on an audit of the financial statements performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States (“GAGAS”). FORVIS also provided reports as of December 31, 2023, on the following as required by the U.S. Office of Management and Budget (“OMB”) Uniform Guidance: opinion on compliance for each major Federal Award Program, report on internal control over compliance and schedule of expenditures of Federal Awards. Ms. Jeffries also noted that the Authority’s 2023 Popular Annual Financial Report (“PAFR”) and the EPA Annual Reports for the Drinking Water Revolving Fund and Water Pollution Control Revolving Fund are reviewed, but not audited, by FORVIS. The EPA annual reports for both SRF Programs have not been reviewed but will be when completed and the PAFR was reviewed for consistency with the audit. Significant accounting policies were reviewed and can be found in Note 2 of the audited financial statements. No reportable matters were found during the review. There were also no matters reportable for unusual policies or methods or alternative accounting treatments. There were no issues reported after review of management judgements and accounting estimates. Ms. Jeffries noted that during 2023, there was a proposed and recorded adjustment related to

the reclassification of project costs payable from short-term to long term. Additionally, similar to the previous year's audit, there was an adjustment related to the recording of principal forgiveness. During the audit process, the following issue was discussed or was the subject of correspondence with management: the EPA required a change in the Authority's Schedule of Expenditure of Federal Awards (SEFA) reporting. Ms. Jeffries announced that the Authority received an unmodified (clean) opinion on the single audit report and there were no material weaknesses or significant deficiencies found. FORVIS audited the Drinking Water Revolving Fund Program for the single audit report. A final review of the audit is underway and will be released when completed.

Following the FORVIS presentation, Assistant Controller, Valerie Lovato, reviewed the MD&A and reviewed its format and structure, noting that the presentation will be a condensed version of the one presented at the Budget & Audit Committee meeting. The MD&A is a required component of the Authority's financial statements. Ms. Lovato stated that the Authority's financial statements are segmented into three enterprise funds: Water Operations Fund ("WOF"), Water Pollution Control Revolving Fund ("WPCRF") and Drinking Water Revolving Fund ("DWRF"). In 2023, the Authority made loans, issued bonds and reimbursed project costs. Much of the increase in operating revenue can be attributed to increases in interest rates on money market funds, and much of the increase in operating expenses can be attributed to principal forgiveness, which is a required condition of the State Revolving Fund program grant agreements. Ms. Lovato briefly reviewed the three enterprise funds, noting the similarities and differences of each. Ms. Lovato noted that the total loans receivable for the Authority is \$1.1 billion in 2023. Executed loans in 2023 were as follows: two loans executed under the WOF, 18 direct loans and one leveraged loan in the WPCRF and 17 direct loans and one leveraged loan in the DWRF. The Authority executed the first leveraged Bipartisan Infrastructure Loans ("BIL") under both the DWRF and WPCRF programs in 2023. The majority of loans in the Authority's portfolio are direct loans. Other notable activities in 2023 included a decrease of \$2.8 million in total project costs payable, one new Water Revenue Bond Program bond issue, and one State Revolving Fund ("SRF") bond issue totaling \$37.9 million (par), and bond principal payments of approximately \$29 million. As mentioned in the Budget and Audit Committee meeting, the Authority tends to issue Water Revenue Bonds on a less frequent basis than SRF bonds. Combined investment income for the Authority increased \$10.7 million in 2023, mostly due to increases in money market rates. Most of the Authority's investments are held in money market funds, and the only State and Local Government Securities investments remaining are in the DWRF program. The \$53.9 million increase in net position was primarily the result of EPA capitalization grant revenue and grant revenue from the State of Colorado, in addition to operating income of \$6.4 million. \$5.4 million in grant funds from the State of Colorado were used for the required state match on the BIL Supplemental grants. In accordance with Note 16 of the audited financial statements, a total of \$63.9 million in unrecognized principal forgiveness has been committed to WPCRF and DWRF Disadvantaged Communities and other loans, but has not yet been drawn for project costs or recorded as principal forgiveness expense in the Authority's financials. Those amounts will be recorded over time as principal forgiveness expense when project draws occur. In 2023, the Authority committed approximately \$27.6 million in new principal forgiveness and borrowers drew approximately \$16.9 million of principal forgiveness through project draws, resulting in a net increase of approximately \$10.6 million in unrecognized principal forgiveness. Ms. Lovato concluded the report by thanking Claudia Walters, Justin Noll and FORVIS for their assistance in compiling the MD&A.

Controller Justin Noll continued the audit presentation by briefly reviewing the financials contained in the audit. The statement of net position, or balance sheet, was reviewed and Mr. Noll confirmed the \$1.5 billion in total assets, comprised mostly of loans receivable. The statement of revenues, expenses and changes in net position was also mentioned, where principal forgiveness is recorded in the Authority's financial statements. The change in net position of approximately \$53.8 million was higher this year due to the

increase in grant revenue. Following the financials in the audit, the notes to the financials are included, as required by GASB, and give support to the financials and provide additional details. As previously reported, the DWRP still has approximately \$9.5 million in State and Local Government Securities investments remaining in the program and will mature in 2034. Mr. Noll detailed how principal forgiveness is recorded and accounted for in the audited financial statements and for future years, as determined by the borrower's draws of project funds. Mr. Noll also noted the required supplementary information, which is the required disclosures on other post-employment employment benefits ("OPEB") and pensions. The supplementary information is not required by GASB, but may be required by the EPA, the state, or the rating agencies. Mr. Noll detailed the Schedule of Expenditures of Federal Awards ("SEFA") issue that necessitated a change to the Authority's current processes, as reported during the single audit discussion by FORVIS. Previously, the Authority was reporting all Federal fund project draws in the SEFA report, and now the Authority was instructed by EPA that they are only required to report on equivalency project draws; this change will be adhered to going forward. This change will likely be favorable to smaller communities, saving them the additional expense of conducting a single audit. The Board briefly discussed equivalency projects and how the projects are designated. Staff agreed to provide a review of the equivalency process and requirements at a future Board Program Work Session. Following the discussion, Mr. Noll noted the request to approve the audited financial statements received a favorable recommendation from the Budget & Audit Committee. A motion was made to accept the results of the 2023 Audited Financial Statements and associated reports and to authorize staff to distribute the audited financial statements, as necessary.

Motion: Lucas Hale
2nd: Mike Fabbre
Vote: Motion carried

Following the vote, Mr. Noll thanked the auditors for their patience in completing the audit and everyone else who participated in the audit preparation. Mr. McLaughlin also thanked the staff, especially the Accounting staff, who completed the audit despite being understaffed. Treasurer Fabbre also weighed in thanking staff for their hard work and also thanked the full Board for participating in the Budget & Audit Committee conference call.

Report of the Chair – Chair Vandiver reported that it's been a busy cycle since the last Board meeting and appreciates the Board's work in participating in the various Committee meetings and thanked the staff for its preparation for those meetings.

Report of the Treasurer – Treasurer Fabbre stated that the audit discussion covered most of the report and added that the Investment Committee did not meet since the last Board meeting. Treasurer Fabbre deferred to Controller Justin Noll. Mr. Noll reported that no financials were provided in the Board materials so that members could focus on the audit. Staff is in the process of starting the new year processing 2024 transactions and is getting caught up following the successful audit completion. For the benefit of Director Shuler, Mr. Noll highlighted a few of the items contained in the Board materials, including Authority cash expenditures and credit card detail for February, March and April 2024. A motion was made to approve the Treasurer's Report.

Motion: Patti Wells
2nd: Karen Wogsland
Vote: Motion carried

Report of Executive Director – Keith McLaughlin thanked former Deputy Controller, Claudia Walters, for her assistance with completing the audit. Mr. McLaughlin noted that Ms. Walters agreed to assist the Authority, even though she officially retired from the Authority. Without Ms. Walters, completion of the audit on time may not have happened, as she was a critical part of the audit team. Mr. McLaughlin highlighted several staff's activities since the last Board meeting that were contained in the Board materials, including Mr. McLaughlin and Mr. Griffiths attending the CIFA Summit in Washington, D.C. in April to meet with the national representatives of EPA, among others, to discuss the SRF programs in greater detail. Topics of those meetings included the timely and expeditious use of funds and the request by EPA for states

to administer the Congressionally directed spending (“CDS”) earmarks. Additionally, Christine Arbogast set up meetings with staff from Representatives Pettersen, Caraveo and Neguse’s office to discuss fully funding the SRF programs and finding another funding source for the CDS. There is momentum building among national water associations and some members of congress to support the efforts to fully fund the SRF programs. The EPA audit of the two SRF programs will occur May 6-10, originating at the Authority’s office and continuing at each of the partner agencies. The report concluded with an announcement that there were no staff anniversaries in March or April to report. Following the report, Director Hale asked if there was a possibility of negotiating with the EPA to administer the CDS projects and Mr. McLaughlin confirmed that there may be room for negotiations.

Accounting Manager’s Report

Controller Justin Noll announced that the Accounting staff lost an accountant in March and that Stephanie Hines was promoted to an Accountant I position. The staff will be hiring an Accounting Clerk/Technician to fill the position vacated due to Ms. Hines’ promotion.

Finance Manager’s Report

Finance Director Jim Griffiths reported that South Adams County Water & Sanitation District had its groundbreaking ceremony yesterday during the Board Program Work Session and will begin construction on the project shortly. Mr. Griffiths also confirmed receipt of the third AAA rating from the rating agencies on the SRF 2024 A/B bond issue. The ratings will be featured on the cover of the Preliminary Official Statement when released, to market those bonds for sale. Mr. Griffiths also announced that the Capitalization Grant amounts for 2024 and additional subsidy amounts have been provided by EPA and therefore the SRF program can begin issuing Design & Engineering Grants for both SRF programs. Staff are also in the process of starting the application process for the 2024 Capitalization Grants for both the Base and BIL programs. Mr. Griffiths also noted that Upper Thompson Sanitation District, a participant in the SRF 2024 Series A bond issue has secured an approved \$71 million loan from the Water Infrastructure Finance and Innovation Act (“WIFIA”) program, in addition to the \$18 million loan from the Authority, and have instituted the necessary rate increases to secure the Authority’s loan. The WIFIA loan principal and interest doesn’t begin to accrue for five years. Upper Thompson Sanitation District will still be required to perform an additional bonds test on a projection basis because the rate increases will be staggered over time. Following the report, Mr. McLaughlin called attention to the thank you notes from Upper Thompson Sanitation District contained in the Board materials that was complimentary to the Authority and WQCD staff and noted that, even in time of heavy workloads, the SRF staff continues to provide excellent service to its borrowers. At Mr. McLaughlin’s request, Mr. Griffiths provided a brief explanation of the additional bonds test for the benefit of Director Shuler and as a reminder for the rest of the Board.

Office Manager’s Report

Office Manager Sabrina Speed provided an update on the Website Accessibility project and stated that HB24-1454, a measure that extends a one-year extension of the July 1, 2024, deadline for public agencies to comply with digital accessibility standards, if the public agency demonstrates a good faith effort towards compliance, is making its way through the legislative process and is expected to pass before the legislature session ends. The Authority is working towards compliance and is still facing issues with making Adobe PDFs ADA compliant. Ms. Speed and Wesley Williams attended an SDA Workshop designed to assist with compliance and learned that many other state agencies are having similar issues with Adobe and there isn’t an easy solution. Ms. Speed also noted that the Authority is making progress with the scanning project previously reported on and that we have secured a temporary worker from the Robert Half agency. Our temp’s name is Julie and she’s been making considerable progress on the scanning of old documents from Iron Mountain. Julie is expected to assist the Authority through August when she will return to her home state to pursue a master’s degree in nutrition. Finally, Ms. Speed announced that the Colorado Water Congress will hold its Summer Conference on August 20-22 at the Cheyenne Mountain Resort in Colorado Springs. Typically, a sign-up sheet for the conference and lodging are circulated at the June Board meeting, however, since the CWC events have been selling out, a sign-up sheet will be started now. Ms. Speed asked

Board members to add their tentative plans, if they are unsure about attendance, to ensure lodging is secured as the venue is smaller than in previous years. The Authority Board meeting is tentatively scheduled for Wednesday, August 21st and will likely be a joint meeting with the Water Quality Control Commission.

Report of Legal Counsel

General counsel Karl Ohlsen didn't have a formal report but noted that he would be available to answer any questions that arose from the Conflict of Interest Policy discussion held at the Board Program Work Session.

Drinking Water Revolving Fund

State Revolving Fund 2024 A/B Bond Resolution No. 24-14

Ian Loffert thanked the Board for the bond resolution discussion at the previous evening's Board Program Work Session and stated that he would briefly review the parameters for the record. It was noted that the 2024 Series A was the tax-exempt series of bonds and the 2024 Series B was the taxable series of bonds. The Authority has outlined parameters for the principal amount, interest rate and term for this Bond Resolution and were set as follows: the bond principal amount for the Series A bonds is not to exceed \$45 million and the Series B not to exceed \$25 million; the net interest rate for the Series A bonds is not to exceed 5%, and the Series B not to exceed 7%; the final maturity date not to exceed September 1, 2057, for both issues; and the Authority program funds not to exceed \$45 million for both issues. This request received a favorable recommendation from both staff and the Board Program Work Session. A motion was made to approve State Revolving Fund 2024 Series A/B Bond Resolution No. 24-14.

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

Arkansas Valley Conduit Project – DWRF Loan Payoff with CWCB Grant

Keith McLaughlin thanked the Board for the helpful discussion at the Board Program Work Session about the funding concept and noted that staff received the direction it sought to continue. There will be a follow-up discussion in June.

Status of Projects

Austin Reichel briefly reviewed the SRF loan process for the benefit of Director Shuler. Mr. Reichel then reported that staff attended one DWRF pre-qualification meeting since the March Board meeting with the Strasburg Sanitation & Water District. Additionally, staff received two loan applications for consideration at the June Board meeting from the Project 7 Water Authority (\$3,000,000 for funding design work) and the Town of Ridgway (\$650,000 for replacement of ductile iron pipe). No Planning Grants have been issued in 2024, and \$125,000 of budgeted funds remains available. Mr. Reichel announced that the Authority has received an estimated 2024 Capitalization Grant allotment. Of the budgeted \$1.5 million allocated for 2024 Design & Engineering ("D&E") Grants, there is approximately \$685,000 remaining. There has been three D&E Grants awarded since the March Board meeting to the Town of Kremmling (\$300,000 for improvements and expansion of its water treatment facility), Town of La Veta (\$300,000 for construction of a new conventional water treatment plant) and Bailey Water and Sanitation District (\$215,000 for construction of a new water treatment facility). Mr. Reichel alerted the Board to expect a heavy application cycle for the June 5th application deadline as staff is estimating as many as 13 projects with a total funding request of approximately \$108 million. There is approximately \$82 million in DWRF loan capacity. Mr. Reichel confirmed that there are currently 8 BIL Drinking Water loans and 4 base Drinking Water loans that have been approved but not yet executed. The Town of Starkville is near execution of its \$100,000, supplemental loan, as of April 30th. Mr. Reichel concluded the DWRF status report with a confirmation of 205 outstanding loans in the program with an approximate balance of \$398 million. Following the report, Chair Vandiver thanked Mr. Reichel for his patience and guidance with assisting him with electronic signatures.

Water Pollution Control Revolving Fund

Status of Projects

Kevin Carpenter reported that staff attended one WPCRF pre-qualification meeting with the Wood Creek Metropolitan District (\$3,000,000 for rehabbing and expanding its old system) since the last Board meeting. One loan application was received for consideration at the June Board meeting from the Clifton Sanitation District (\$3,000,000 for a green project that consists of 4 acres of solar panels, a battery storage system and other system components). No WPCRF Planning Grants have been issued in 2024, and \$150,000 of budgeted funds remains available for the year. There have been no Design & Engineering Grants awarded since the March Board meeting. Accumulated D&E additional subsidy funds from previous year Capitalization Grants are being used to fund the current 2024 D&E's, and approximately \$1 million in available funding remains. Mr. Carpenter noted that capacity issues continue to be a concern in the WPCRF program and approximately \$25 million in loan capacity remains in the program and that will likely be utilized by the August Board meeting. This may require the Authority to prioritize the upcoming WPCRF program applicants. The WPCRF program currently has 204 loans outstanding with an approximate balance of \$621 million.

Small Hydropower Loan Program

Giorgi Gazashvili provided a brief review of the terms of the Small Hydropower Loan Program: projects up to 10-megawatts of power, 30-year maximum loan term, a \$5 million maximum loan amount. The current program interest rates are 2% for a 20-year term and 2.25% for a 30-year term. The program also offers \$15,000, matching grants for feasibility studies or permitting and design activities available. There have been no SHLP matching grants awarded, or loan applications submitted yet this year. There are currently six outstanding loans in the SHLP totaling approximately \$6.5 million. Mr. Gazashvili noted there is an International Hydro Vision Conference coming up and staff is contemplating attendance for more program exposure. Following the report, Director Treese inquired if the 10-megawatts term is a limitation of interest in the program and staff noted that anything above 10-megawatts requires a Federal Energy Regulatory Commission ("FERC") exemption so it likely isn't a program limitation. Anything higher than 10-megawatts requires a significantly larger regulatory review cycle that doesn't fit well within the SHLP.

Water Revenue Bond Program

Giorgi Gazashvili provided a brief review of the terms of the Water Revenue Bond Program and noted there has been no interest or applications received since the last Board meeting. There are 5 loans outstanding in the program with an approximate balance of \$52 million. Mr. Gazashvili provided a brief update on the latest loan within the program, the City of Sterling, and confirmed that the City has completed the initial parts of its project on the wastewater treatment plant, has bids outstanding and is expected to begin construction in June.

Long Hollow Dam & Bobby K. Taylor Reservoir

Keith McLaughlin noted the previous Future Projects Escrow Funding Agreement discussion held at the Board Program Work Session and noted staff is still analyzing the agreement and associated Committee meeting minutes and subsequent updates will be provided both to the Animas-La Plata/Long Hollow Committee and the Board. Director Whitehead added that the current water level was 1,869 acre-feet of storage and the peak level was 2,100 acre-feet, prior to the compact compliance and exchange release. Director Whitehead also thanked staff and Mr. Ohlsen for the document research.

Project Finance Committee

Committee Chair Treese referred to the provided Project Finance Committee ("PFC") minutes contained in the Board materials and thanked the Committee for its work sending the 2 loan applications for the City of

Manitou Springs to the Consent Agenda. As staff mentioned during the SRF status reports, the Committee can likely expect a lengthy PFC Committee meeting in August.

Animas-La Plata/Long Hollow Committee

Committee Chair Bruce Whitehead noted the Animas-La Plata/Long Hollow Committee met on April 12th and the minutes from that meeting were contained in the Board materials. During the course of that meeting, the Committee entered into Executive Session to further discuss legal matters related to the funding agreements. The Committee will have a follow-up meeting in June, or later, and will report back to the full Board at that time.

Board Program Work Session

Committee Chair Wilkinson thanked the Board and staff for participating in the Board Program Work Session and for the in-depth discussions. Director Wilkinson thanked staff for their patience and the wealth of information provided at the meeting. Director Wilkinson opined that it is rewarding to see the interaction and engagement between the Board and the staff at the work sessions.

2023 Annual Report, Resolution No. 24-16

Sabrina Speed presented the Authority's 2023 Popular Annual Financial Report ("PAFR") to the Board and confirmed this was the third year of the newly formatted report. Ms. Speed noted that unlike the 165 page comprehensive Audited Financial Statements, the PAFR was designed to be a summary of the Authority's financial activities in 2023 in a condensed format. The document was intended to provide readers a summary of who the Authority is, what the Authority does, and what the Authority did during the 2023 calendar year. Ms. Speed noted a couple of changes from last year's format, including a new cover photo provided by Senior Financial Analyst, Ian Loffert, an expansion of the Bipartisan Infrastructure Law ("BIL") contents, replacement of the Authority staff picture with individual pictures of the Board members and the map of 2023 executed loans. A motion was made to adopt Resolution No. 24-16, adopting the Authority's 2023 Popular Annual Financial Report, substantially similar in the form submitted, with changes as approved by the Executive Director, if needed, and to authorize its transmittal to the appropriate entities.

Motion: Bruce Whitehead
2nd: Lucas Hale
Vote: Motion carried

Legislative Issues and Other Business

Mr. McLaughlin noted that the state legislature will be in session for only 8 more days and is expected to end on May 8th. Mr. McLaughlin will prepare a summary of water-related legislative bills that may impact the Authority to present to the Governmental/Public Affairs Committee prior to the June Board meeting. Of particular note is SB24-081, concerning measures to increase protections from perfluoroalkyl and polyfluoroalkyl chemicals ("PFAS"). Mr. McLaughlin noted that the bill passed and was recently sent to the Governor for signature. At the Federal level, Mr. McLaughlin confirmed the new standards for PFAS limits, 4 parts per trillion, and referred to the article contained in the Board materials that reflects the high new standard. Mr. McLaughlin also noted the available funds in the SRF program and elsewhere that will be available to address PFAS issues for communities, and noted the projects will be expensive. The Board further discussed the PFAS issues and Director Hale provided additional insight and information, based on his experience at Widefield Water & Sanitation District.

Arrangements for Future Meetings

The next three Board meetings, and associated Board Program Work Sessions, were listed on the Agenda. Mr. McLaughlin noted the August Board meeting will likely include a joint meeting with the Water Quality Control Commission prior to the regular Authority Board meeting on Wednesday, August 21st. Chair Vandiver also asked the staff to consider an out-of-Denver Board meeting in October, as has been the practice in years past. Mr. McLaughlin responded that staff is considering alternative locations, including

the Town of Silt, among others, and a final determination will be forthcoming. Mr. McLaughlin also referenced several letters in support of the SRF Programs that were included in Board materials.

Adjournment

Chair Vandiver adjourned the meeting at 11:53 a.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.