

**Colorado Water Resources
and
Power Development Authority**

BOARD MEETING MINUTES

December 1, 2023

Call to Order

Chair Steve Vandiver called the meeting to order at 9:00 a.m. in the Authority Conference Room, located at 1580 N. Logan Street, Suite #810, Denver, Colorado, 80203, and via video and audio tele-conferencing.

Following the call to order, Chair Vandiver asked those present to participate 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), George Corkle, Lucas Hale, Patti Wells, Bruce Whitehead, Eric Wilkinson, and Karen Wogsland. A quorum was declared with nine Board members present. Lucas Hale joined the meeting virtually.

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 [and Board Program Work Session](#): Agenda item 7(a) Drinking Water Revolving Fund loan applications for Blue River Valley Ranch Lakes Association, Resolution No. 23-43, City of Gunnison, Resolution No. 23-44; Agenda items 7(c) and 8(c) Additions/Modifications/Deletions to the Project Eligibility Lists for Joint Resolution; Agenda item 7(d) DWRF Per Entity Loan Limit; Agenda item 7(f) DWRF BIL Lead Service Line – 2023 Capitalization Grant Award and Requirements; Agenda item 7(g) DWRF BIL Emerging Contaminants – 2023 Capitalization Grants Award and Requirements; Agenda item 8(a) Water Pollution Control Revolving Fund loan applications for Town of Yampa, Resolution No. 23-45, Routt County – Phippsburg, Resolution No. 23-46, Routt County – Milner, Resolution No. 23-47; Agenda item 8(d) – WPCRF BIL Supplemental – Principal Forgiveness Limit; Agenda item 8(e) WPCRF BIL Emerging Contaminants – 2023 Capitalization Grant Award and Requirements. After hearing no comments, a motion was made to approve the Consent Agenda, as presented.

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

Approval of Minutes – October 6, 2023

The October 6, 2023, Minutes were presented for approval. After hearing no comments, a motion was made to approve the Minutes of October 6, 2023, as presented.

Motion: Eric Wilkinson
2nd: George Corkle
Vote: Motion carried

Introduction of Guests

Chair Steve Vandiver asked all guests in attendance to introduce themselves and state their affiliation for the record.

Other Agency Reports

Report of Colorado Water Conservation Board (“CWCB”)

Kirk Russell, Finance Section Chief, referred to the written report and noted that the CWCB Board held its last meeting in Westminster, Colorado on November 15th and 16th. At that meeting, the Board approved four new loans, and two loan increases. Mr. Russell noted one of the loan increases was approved for Northern Colorado Water Conservancy District, Municipal Subdistrict for the Windy Gap Firming project due to cost overruns totaling approximately \$65 million. This loan increase request will be included in CWCB's 2024 Projects Bill. Mr. Russell reported that the CWCB Finance Committee met in November to discuss recommendations for the annual Projects Bill. The Finance Committee identified a total of \$14 million in Non-Reimbursable Investments (NRI) that will be included in the 2024 Projects Bill. In addition, the Board is considering a \$20 million request from the Colorado River Water Conservation District to assist with the acquisition of the Shoshone hydropower plant's water right. Mr. Russell highlighted a few of the projects identified in the written report. Mr. Russell announced that December 1st is the deadline for the Water Plan Grants to be considered at the CWCB's March 2024 Board meeting. The 2023 Projects Bill appropriated approximately \$25.2 million for FY23/24 Water Plan Grants. Approximately \$24 million in Prop DD revenue was generated in FY22/23 to be appropriated in the 2024 Projects Bill and available for grant distribution in FY24/25. The CWCB Board will decide the monies available for each grant category in May 2024. Mr. Russell announced that Anna Mauss was hired as the new CWCB Deputy Director and Cole Bedford was hired as the new Chief Operating Officer, replacing Ms. Mauss' vacant position. The CWCB will seek a replacement for the engineering position that Cole Bedford vacated within the next week. The report concluded with an announcement that the current projection for CWCB's allocation into Severance Tax Perpetual Base Fund for FY 23/24 is approximately \$54 million. Next year's projection remains similar at approximately \$57 million. Following the report, Director Treese asked Mr. Russell to pass along congratulations on the Board's behalf to Ms. Mauss and Mr. Bedford and inquired if the \$4 million drought resiliency appropriation could be utilized for water banking or interruptible supplies. Mr. Russell responded that those funds were very limited and would supply Director Treese with information regarding allowable uses. Director Wells also inquired about the CWCB Board's discussion/action on the Shoshone hydropower plant's water right acquisition and Mr. Russell offered to send a copy of the Board's full discussion to Director Wells. Directors Whitehead and Wilkinson also opined on their thoughts on the Shoshone hydropower plant's water right acquisition. Mr. Russell committed to sharing the Board's concerns and comments with CWCB leadership.

Report of Water Quality Control Division ("WQCD")

Ron Falco, Safe Drinking Water Program Manager, referred to the written agency report and noted that the Water Quality Control Commission ("WQCC") future 2024 activities include the continuation of a stakeholder process regarding the removal of fees from statute and establishing a regulation under the WQCC. This change was brought forth due to legislation passed last year and the stakeholder process began in July of 2023. The first rulemaking hearing for this is expected in May of 2024. The increase in fees is expected to be approximately 13%, if approved. Mr. Falco reported that this presumed increase will not be sufficient to cover the inflationary costs for the Division, but it is a good first step. Future rulemaking hearings in May 2025 will address other proposed fee increases and resource needs in the Clean Water Program. Mr. Falco also confirmed that the Division addressed final comments on the scope of work and application for approximately \$86 million in EPA WIIN PFAS grant funds. The award of these funds was recently announced, and the Division should be receiving the funds soon. This funding will help several communities in Colorado address its PFAs and other emerging contaminant issues. The Division intends to coordinate funding with the SRF Programs. Mr. Falco also noted that there was a notice of reallocation of BIL funds from states that did not accept allotted funding for both lead service line and emerging contaminants funding. Coaching and training activities were also briefly highlighted. Following the report, Mr. McLaughlin noted the discussion at the retreat about the Arkansas Valley Conduit ("AVC") and asked Mr. Falco to briefly report on the Division's activities and support of the project. Mr. Falco detailed the Division's past work on the AVC project over the past 18 years addressing the various water quality issues.

Report of Department of Local Affairs ("DOLA")

Desi Santerre, Department of Local Affairs Program Manager, referred to the provided agency report and noted that the list of water and sewer Energy/Mineral Impact Assistance Fund (“EIAF”) Grant awardees for Tier I (up to \$200,000) and Tier II (up to \$1 million) from the August 1st application cycle were provided in the report. Ms. Santerre also noted that many of the communities are currently participating in the SRF process. The next application deadline is December 1st, and the next Board meeting will include a list of water and sewer applicants. The next cycle will have approximately \$25 million in available grant funds. DOLA staff expects to hold three funding cycles for the next fiscal year. The report continued with an update of upcoming outreach and education activities, including in-person Resilience Training with the Local Assistance Unit in Colorado Springs on December 7th and a virtual Water and Wastewater Funders Roundtable on December 13th. Mr. Santerre provided an update on the Small and Rural Communities Technical Services Program and reported that the Town of Holly held an initial scoping meeting with DOLA’s contractor and work will begin once the scope has been approved. In preparation of the pending 2024 budget request, DOLA staff is also working on a request for proposal (“RFP”) to continue the work in this program as the current contractor’s contract expires at the end of March. Ms. Santerre announced that DOLA’s new Executive Director is Maria De Cambra, and she will start in her new role on December 4, 2023. Ms. De Cambra boasts nearly two decades of experience in local government and community development. The agency report concluded with an announcement that Kelly Shen, former DOLA analyst, left her position to join the Joint Budget Committee, and Ms. Santerre is currently in the process of hiring a replacement analyst.

Public Comments – Chair Vandiver welcomed representatives from the City of Englewood Utilities and invited them to address the Board. Pieter Van Ry (City of Englewood Utilities Director) thanked the Board and also introduced Sarah Stone (City of Englewood Deputy Director of Engineering & Business Solutions) and Steve Price (Hazen & Sawyer). Mr. Price is the consulting engineer assisting the City of Englewood with its lead removal program. Mr. Van Ry stated the City’s intention to submit a \$40 million loan application to fund its lead removal program. This is a program that has been in development for approximately the last three or four years as the City completed its comprehensive master planning process to address issues of deferred maintenance and under investment. Lead service lines were identified as a major issue during that process and the City intends to begin its lead service line replacement process. The City’s initial estimation of lead service lines was approximately 8,000 of the total 11,000 lines but after the inventory was completed, the total number of lines requiring replacement is less than 3,000. The City initially believed the project would take 10 years to complete, but has now been reduced to approximately 3 years and the City will request financial assistance from the BIL funding due to the remaining three-year window for principal forgiveness. Mr. Van Ry confirmed the City intends to submit its application by the end of the month and have the work commence in March of 2024. Following Mr. Van Ry’s comments, Director Wells expressed her appreciation to the City for the daunting task of dealing with infrastructure improvements and costs. Chair Vandiver thanked the City and its representatives for the update.

Report of the Chair – Chair Vandiver noted it has been a busy cycle since the last Board meeting including several Committee meetings and yesterday’s Board retreat and Board Program Work Session and thanked both the Board and staff for its participation in the various events. Chair Vandiver also noted that a decision about the January Board meeting needed to be discussed as the Colorado Water Congress changed its Annual Convention meeting dates. Originally, the Authority’s Board meeting was scheduled to be held on Wednesday afternoon, January 31st, but that timeframe conflicts with the start of the Annual Convention, and Board members would likely miss the opening sessions of the conference. The Board discussed several meeting alternatives, and the consensus of the Board was to hold the Authority’s Board meeting at 2:00 p.m. on Thursday, February 1, 2024.

Report of the Treasurer – Treasurer Fabbre referred to the various financial statements included in the Board materials and noted that since the last Board meeting, neither the Budget & Audit or Investment Committee met and then deferred to the Controller, Justin Noll, to complete the treasurer’s report. Mr. Noll

reported that financials were provided through August in the Board's materials and added that staff is a little behind their normal position for this time of year. Mr. Noll highlighted a few additional reports that were included in the Board materials including the Bond, Loan and Project Status Reports, which provide additional financial information on the Authority's outstanding loans and bond issues. Mr. Noll also conveyed that COLOTRUST rates remain steady and confirmed that in August the rate was approximately 5.4% and as of today, the rate is approximately 5.6%. 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 stated that many of his highlights were covered in the previous day's Retreat and referred to the written report for additional details. Mr. McLaughlin referred to some of the various items that staff is working on for year-end completion, including the "stay survey" that was discussed at the Personnel Committee meeting. Mr. McLaughlin confirmed this is the second year in a row that a survey was conducted among Authority staff and that management would be meeting in the coming weeks to discuss the results. Mr. McLaughlin is also committed to working with Director Wogsland on finalizing the Employee Handbook and noted the considerable progress that has already been made. Mr. McLaughlin encouraged the Board to bring any additional comments or suggestions to him for incorporation into the final version. Mr. McLaughlin also reported that staff has been evaluating two different human resource software demos and is close to making a final decision on the purchase of one of the solutions. There is a rather large price discrepancy between the two software entities and staff is seeking the best fit. Staff will be incorporating the new Accounting software by the end of the year, including the new payroll component. Mr. McLaughlin congratulated Austin Reichel for successfully completing the Water Education Colorado ("WEco") Water Fluency Program. The Executive Director's report concluded with an announcement that Office Manager Sabrina Speed celebrated her 21st anniversary with the Authority on November 15th and was congratulated.

Chair Vandiver rearranged the Agenda to accommodate audience guests.

Water Revenue Bonds 2023 Series A Bond Sale Results

Ian Loffert confirmed that the successful WRBP 2023 bond sale occurred on October 24th and was completed via a negotiated sale with Stifel Public Finance as the underwriter. The total par amount of bonds was \$26 million. The City of Sterling was the only participant in this bond sale and had an underlying rating of "A" and utilized its cost of issuance subsidy to purchase bond insurance and subsequently received a rating of "AA". The sale resulted in a true interest cost of 5.12%, which was more favorable due to the purchase of the insurance. The offering included many bidders and Mr. Loffert illustrated the platform the Authority utilized to watch the bidding in real time. Mr. Loffert congratulated and thanked Bryan Stelmack, Managing Director at Stifel, for the successful bond issue. Mr. Stelmack thanked the Board and Authority staff for their assistance with this closing for the City of Sterling.

The meeting returned to its regular Agenda order.

Accounting Manager's Report

Controller Justin Noll introduced Stephanie Hines, the Authority's new Accounting Clerk/Technician. The Accounting department appreciates the added assistance, and she has been doing a great job so far. Additionally, Mr. Noll announced that Claudia Walters, the recently retired former Deputy Controller, is working on a part-time basis to help the Authority complete the 2023 audit and assist with the training of new Accounting personnel. As previously reported, staff are in the process of implementing the new Enterprise Resource Planning (ERP) software (formerly known as Accounting software) and the new Inova payroll system. Since we are approaching year-end, staff expects to launch the new payroll system in

February of 2024. Board members can expect to see changes in the appearance of the March per diem payments.

Finance Manager's Report

Finance Director Jim Griffiths reported that the Authority's current Investment Policy was included in the Board's materials for review. Mr. Griffiths stated that the Board of Directors reviews and approves the Investment Policy no less than annually. Authority staff recommended that no changes be made to the current policy while reserving the right to recommend changes in the future. Mr. Griffiths will conduct a full review of the policy with revisions likely in 2024. The Investment Policy's three primary goals, in order of importance, are safety, liquidity and yield. The policy provides guidance for future investment opportunities with bond funds. Following the presentation, Director Fabbre inquired about the November 9, 2023, last review date printed at the header of the document and Mr. Griffiths confirmed that was the date that staff internally reviewed the policy. Director Wilkinson noted that on page 152 of the Board materials, there seemed to be missing introductory text under Section C. Custodial Credit Risk. Mr. Griffiths confirmed that it was an oversight, and the policy will be corrected. A motion was made to approve the Investment Policy, with the correction suggested by Director Wilkinson.

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

Office Manager's Report

Office Manager Sabrina Speed announced that at the last Board meeting, Director Wilkinson suggested an edit to the August 23, 2023, Board meeting minutes and Ms. Speed confirmed the changes were made and they were approved by Director Wilkinson and the updated, executed version has been posted to the Authority's website. Additionally, Ms. Speed expounded on Mr. McLaughlin's executive Director's report and confirmed that an internal, employee benefits meeting was held on October 26, 2023, to discuss in detail the health and dental benefit changes for 2024. This meeting served as a detailed introduction to the Authority's benefits for new employees, as well as an informative refresher for longer-term employees. Ms. Speed also reviewed with staff the Board's previous action in December of 2022, to opt out of the Family and Medical Leave Insurance ("FAMLI") Program, while supporting those employees who wish to participate individually. To date, no employees have informed the Authority that they wish to opt into the program. A meeting was held on November 28, 2023, with new employees (who started at the Authority prior to December of 2022) to fully inform them of the FAMLI program and their rights to participate, if they choose. Ms. Speed concluded her report with an affirmation of the change to the January Board meeting to Thursday, February 1, 2024, at 2pm.

Report of Legal Counsel – Karl Ohlsen

Mr. Ohlsen expressed his appreciation and congratulated Mr. McLaughlin for working with Sherman & Howard to complete the draft of the Employee Handbook. Mr. Ohlsen also relayed that he has spent a significant amount of time working with the Authority's bond counsel on the BIL state match and TABOR implications and more work will be necessary to fully address the issue. Mr. Ohlsen thanked the Board for its input regarding TABOR and stated that he hopes to have additional information by the January Board meeting. Additionally, Mr. Ohlsen responded to a previous question from the Board regarding key personnel as it relates to the Carlson, Hammond and Paddock ("CHP") legal services contract and confirmed that there were not individuals identified in previous contracts. Instead, CHP uses an engagement letter to make changes to the initial contract, as needed. The engagement letters serve as an amendment to the original contract. The key personnel listed in the current engagement letter are Karl Ohlsen, Mason Brown and Matthew Navarrette. Mr. Navarrette is a new associate at CHP and will be slowly introduced to the Authority's program and legal needs to cover if Mr. Ohlsen or Mr. Brown are not available. Following the report, Chair Vandiver inquired if Mr. Brown was capable of covering the legal needs of the Authority in Mr. Ohlsen's absence, and Mr. Ohlsen confirmed that he was and has covered on

many occasions over the past 10 years. Mr. Ohlsen ensures that Mr. Brown is kept informed of the Authority’s legal challenges, such as the BIL matters.

Drinking Water Revolving Fund

Leveraged/Direct/Interim/DAC Program Interest Rates for 2024

Kevin Carpenter thanked the Board for the useful interest rate discussion at the previous evenings’ Board Program Work Session and stated that a favorable recommendation to adopt staff’s recommended Option 2 changes outlined in the December 1, 2023, memorandum was forwarded to the full Board for consideration. The recommended changes are as follows: For DWRF and WPCRF base programs, non-DAC direct loans increase from 3% for a 20-year term to 3.25% and from 3.25% for a 30-year term to 3.50%. For DAC Category 1 direct loans, an increase from 2% for a 20-year term to 2.50% and from 2.25% for a 30-year term to 2.75%. For DAC Category 2 direct loans, an increase from 1% for a 20-year term to 1.50% and from 1.25% for a 30-year term to 1.75%. For WPCRF and DWRF BIL loans, the rates change from 3% for a 20-year term and 3.25% for a 30-year term to match the approved DAC Category. The interim loan program rate remains unchanged at 4% (up to 1 year) and 1% on the undrawn portion per annum. Small Hydropower Loan Program rates remain unchanged at 2% for 20-year term and 2.25% on 30-year term. The leveraged loan subsidy changes from 70-80% of the Authority’s AAA rated bonds to 70-85% of the Authority’s AAA rated bonds. The Green Project Reserve rates change from 0.5% (if 20% of the project costs are certified green) and 1.5% (if 15% of project costs are certified green) to the current approved DAC Category rates of 1.5% and 1.75% respectively. A motion was made to approve the staff’s recommended changes, more specifically the 2024 rates Option 2 for the base and BIL programs, as well as the recommended Interim Loan, SHLP, leveraged loan subsidy, and GPR rates as outlined in the December 1, 2023, program interest rates for 2024 memorandum.

Motion: George Corkle
 2nd: Lucas Hale
 Vote: Motion carried

DWRF BIL and Base Principal Forgiveness Limits

Ian Loffert thanked the Board for its thorough discussion about this agenda item at the Board Program Work Session and noted the discussion helped to provide staff with the guidance it was seeking. Mr. Loffert noted the decreased DWRF Base and Lead Service Line Capitalization Grant funding, in addition to the increased demand for funding, coupled with an increased DWRF project pipeline. The Board also discussed the associated decrease in principal forgiveness (“PF”) due to the decreased Capitalization Grant funding. To address this pressing issue, staff has reviewed the current policies and limits and is recommending the following PF changes, as outlined in the Board materials and in the table shown below:

Tranche of Funds (Approximate Amount of Remaining PF Available)	Current PF Limits	Staff Recommended PF Limits*
DWRF Base (\$0)	\$2 million (DACs only)	\$1 million (DACs only)
DWRF BIL Supplemental (\$16.3 million)	\$5 million (BIL eligible)	\$2 million (DACs) \$1 million (BIL-eligible non-DACs)
DWRF Lead Service Lines (\$2 million)	No limit, subject to overall \$40 million PF limit	\$10 million
DWRF Emerging Contaminants (\$24.5 million)	No limit, subject to overall \$40 million PF limit	\$30 million

**These limits are subject to prevailing per-entity restrictions, with DACs being excluded.*

Following the recommendations, Director Treese inquired if the proposed new PF limits were shared with the City of Englewood and Mr. Loffert confirmed that the City was notified of staff's recommendation. A motion to approve the staff recommended changes to the DWRF Base and BIL Program Principal Forgiveness limits as outlined.

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

Status of Projects

Austin Reichel reported that staff attended two DWRF pre-qualification meetings since the last Board meeting. One with the City of Cortez for its storage tank funding and one with the Eureka Water Company, a private, not for profit entity located near Rocky Ford, seeking funding for conversion to a governmental entity. Two DWRF loan applications are expected at the January Board meeting: Town of Limon (estimated \$3,200,000 million for upgrades to the distribution system) and Town of Rockvale (estimated \$1,430,400 for construction improvements to its distribution system, improvements to its finished water storage tank and improvements to its raw water reservoir). Mr. Reichel announced that all 15 budgeted Planning Grants for 2023 were previously awarded and the Board approved the transfer of up to \$80,000 from the WPCRF Program at the October Board meeting. Since the transfer, staff has executed six new Planning Grants and \$20,000 remains available for the remainder of the year. No new Design & Engineering Grants have been awarded since the last Board meeting. Staff has reached full allocation of DWRF additional subsidy/principal forgiveness funds, so the Authority will not award any more D&Es until next year. The two DWRF loans that are expected to close before year-end are the Teller County Water & Sanitation District #1 and St. Mary's Glacier Water & Sanitation District. The report concluded with confirmation of 199 outstanding DWRF loans with an approximate loan balance of \$385 million.

Water Pollution Control Revolving Fund

Status of Projects

Kevin Carpenter reported that staff attended two WPCRF pre-qualification meetings since the last Board meeting with the Town of La Veta and the Town of Deer Trail. Loan applications were due by November 15th for consideration at the January Board meeting and staff expects one loan application from the Town of Hugo for approximately \$1,093,000. This proposed loan is for the Town to replace its failing sewer main. Mr. Carpenter also reported that two Planning Grants have been awarded since the last Board meeting, to the Town of Silverton and the City of Idaho Springs. One WPCRF Planning Grant remains available for 2023, after the \$80,000 transfer to the DWRF Planning Grant Program. Additionally, no new Design & Engineering Grants have been issued since the last Board meeting. Unlike the DWRF D&E Program, approximately \$1.4 million in available funding remains in the WPCRF D&E Program. Accumulated Design & Engineering additional subsidy funds from the 2021 and 2022 Capitalization Grants are being used to fund current 2023 awarded and executed Design & Engineering Grants. Mr. Carpenter noted that loan capacity continues to be an issue and SRF staff is closely monitoring the situation. A successful competitive SRF bond sale was highlighted, and the bid was awarded to Fidelity Capital Markets. The two participants in this bond issue are the Town of Silt and the City of Boulder. The sale resulted in just under a two times leverage factor for a total amount of project funds of just over \$25 million. With the Authority's subsidy, the borrowers secured a favorable interest rate of approximately 3.05%.

Small Hydropower Loan Program

Giorgi Gazashvili reported that there was little activity in the Small Hydropower Loan Program, but confirmed receipt of all the November 1st payments and the approximate loan balance in the Program is approximately \$6.5 million. There have been no SHLP matching grants awarded, or loan applications submitted yet this year. There are currently six outstanding loans in the Small Hydropower Loan Program.

Water Revenue Bonds

Ian Loffert also noted there was not much of an update for the Water Revenue Bonds Program, other than the previously reported successful bond closing for the City of Sterling. Staff continues to monitor interest in the WRPB program and as previously discussed at the Board Program Work Session, staff will continue to evaluate the effectiveness of this underutilized program.

Long Hollow Dam & Bobby K. Taylor Reservoir

Jim Griffiths noted that there is currently approximately 1,100 AF of water in Bobby K. Taylor Reservoir, which is good as we are near the end of the compact year. This means we will begin 2024 with an existing water level, a positive change from years past. The Authority still needs to reach first fill of approximately 5,100 AF before the Authority is released of its financial obligations. Following Mr. Griffith's report, Director Whitehead added that a plaque dedication was held at the Reservoir in November to honor some of the instrumental leaders who saw the Reservoir come to fruition, including Bobby K. Taylor, Jim Isgar and Brice Lee. The event was well attended and supported by the local community. Mr. Whitehead reported that the Authority was recognized during the ceremony for its support.

Personnel Committee

Committee Chair Karen Wogsland reported that the Personnel Committee met on November 21st and a copy of the minutes from that meeting were contained in the Board materials. The Committee is recommending approval of four different action items from the full Board: adoption of the Employee Handbook, approval of the 2024 salary range increases, 2024 salary budget increase and the Executive Director's 2024 pay raise. Director Wogsland noted that none of these items were recommended to the Consent Agenda because all Board members were not in attendance at the Committee meeting.

Approval of the Employee Handbook

Mr. McLaughlin was congratulated for working with Sherman & Howard on the final draft of the Employee Handbook. The Employee Handbook was reviewed at the Committee meeting and Mr. McLaughlin led the discussion of the suggested, red-lined changes and the need for such changes. The highlighted red-line changes were added as a result of the suggestions at the Committee meeting and the clean version contained in the Board materials incorporated all changes suggested to date. The changes consisted of legal updates, changes to match current Authority practices, to correct typos, clarifications, simplifications and carryover recommendations from prior employment counsel. The consensus of the Committee was that the document was a bit awkward and difficult to read but that was to be expected given the number of suggested changes to the original document. Additionally, there were comments that some of the sections could be a little more robust, such as the ethics and conflict of interest sections. Director Whitehead suggested changes to Section C-5 Professional Time Off to allow the Executive Director more flexibility, if needed. After some discussion, the consensus of the Board was to change the language to indicate that Professional Time Off was limited to exempt employees working under extraordinary circumstances. Director Wilkinson also opined that there may be a need for additional policies, citing documentation and procedures of possible fraud as one example. Mr. McLaughlin noted that the Employee Handbook contained several new additions, highlighted in yellow, to address Director Wilkinson's documentation suggestions. The Board decided that the Employee Handbook, as written, should be adopted in form and to reserve the right to make additional changes as deemed necessary. A motion was made to adopt the Employee Handbook, as revised, with additional changes likely to come.

Motion: Patti Wells
2nd: Bruce Whitehead
Vote: Motion carried

Following the vote, Committee Chair Wogsland suggested a follow-up Committee meeting in January to finalize the Employee Handbook and Mr. McLaughlin confirmed that would be his preference as well.

Approval of the 2024 Salary Range Increases

Committee Chair Wogsland indicated that Mr. McLaughlin provided staff salary range recommendations for 2024 with an increase of 3% across all positions. The information provided to the Board included substantive documentation to support the suggested increase. The Personnel Committee forwarded a favorable recommendation to the full Board to approve the proposed 2024 salary range increases. A motion was made to approve the 2024 salary range increase of 3%.

Motion: George Corkle
2nd: Chris Treese
Vote: Motion carried

2024 Salary Budget Increase

Committee Chair Wogsland noted that Board action was necessary to approve the wages and salary budget at 5%. It was noted that the Budget & Audit Committee previously recommended the 5% increase, for budget purposes. Individual salaries will be determined by the annual employee review process. A motion was made to approve the wages and salary budget increase at 5%.

Motion: George Corkle
2nd: Patti Wells
Vote: Motion carried

Executive Director's 2024 Salary

Committee Chair Wogsland reported that the Personnel Committee discussed the Executive Director's performance for 2023 and potential pay raise. During the Personnel Committee meeting, the Committee members and other Board members present provided Mr. McLaughlin with feedback on his performance, which was summarized as very positive. Director Whitehead noted his appreciation for Mr. McLaughlin's work and assistance, especially from the perspective of a new, incoming Board member. Chair Vandiver echoed Director Whitehead's sentiments. Director Wilkinson noted that on many occasions, the Board has praised the Authority's exceptional staff and opined that staff reflects leadership and praised Mr. McLaughlin's availability to the Board. A motion was made to approve a 5% salary increase for the Executive Director.

Motion: Eric Wilkinson
2nd: George Corkle
Vote: Motion carried

Following the vote, Committee Chair Wogsland noted that the Committee also discussed several other items, such as the Authority's 2023 activities, 2024 goals and the employee "Stay Survey." Mr. McLaughlin thanked the Board for its consideration and time, and encouraged members to reach out with any suggestions or items that need prioritization.

Project Finance Committee

Committee Chair Treese referred to the provided Project Finance Committee ("PFC") minutes contained in the Board materials and thanked staff for the quick turnaround. Committee Chair Treese opined that in his tenure as PFC Committee Chair for the past year he has learned that there are no simple loans, each borrower comes with its own challenges and issues and thanked the staff for navigating the Board through the complex loan process. The five credits approved at this meeting proved to be no exception, with each having its own individual challenges and Committee Chair Treese thanked the Board and staff for their assistance during the meeting. All five credits were recommended for approval by the Committee and ultimately approved on the Consent Agenda.

Governmental Affairs Committee

Committee Chair Wells confirmed that the Governmental Affairs Committee met on Monday, November 27th with Sherman & Howard, the Authority's employment counsel. Sherman and Howard advised the Committee regarding various employment laws and court cases that have occurred over the last few years that impact the rights and obligations of employees and employers. These changes have been incorporated

into the newly revised and adopted Employee Handbook, as applicable. All Board members were thanked for participating in the Committee meeting.

Board Program Work Session

Committee Chair Wilkinson announced that the Board Program Work Session was held the previous afternoon to navigate the ever shifting and changing landscape in the State Revolving Funds (both drinking water and wastewater) as well as the complicated BIL funding. Committee Chair Wilkinson noted the challenges of growing demand, decreased funding and the Board's strategy to manage those issues through interest rates, loan limits and other measures. Committee Chair Wilkinson opined that the only constant is change and thanked the Board and staff for its candid insight and useful discussion.

Budget & Audit Committee

Committee Chair Fabbre noted, as previously mentioned, that the Budget & Audit Committee has not met since October 6th but focused attention to the memorandum addressing the adjustments to the 2023 budget and two budget resolutions contained in the Board materials, and called on Controller Justin Noll to present the items. Controller Justin Noll addressed the Board and reported that a budget reclassification is necessary due to employees not using as much accrued leave as anticipated in 2023. Therefore, a reclassification of \$15,000 was made to reduce the temporary services line item and move it to vacation and sick leave accrual. This item is reported to the Board for transparency purposes since it is within a budgetary spending group and within the Executive Director's authorization. Mr. Noll continued the budget report by stating that there were few changes to the budget presented in October, but the few changes that were made were redlined for easy identification. The Notice of Proposed Budget for 2024 was published in the October 20, 2023, edition of *The Denver Post* and, as expected, there were no interested electors who requested inspection. Mr. Noll briefly highlighted the changes from the initial budget, including line-item description change from Third Party Payroll Services to Third Party Payroll and HR Services, an increase in Employment Vacation and Sick Leave Accrual due to a new GASB rule for 2024, and an increase in the DWRF bond proceeds due to expected increase in leveraged loans. A motion was made to adopt Resolution No. 23-48, summarizing expenditures and resources for each fund, and adopting a budget for the Colorado Water Resources & Power Development Authority for the calendar year beginning on the first day of January 2024, and ending on the last day of December 2024; and Resolution No. 23-49, appropriating sums of money to the various funds and spending agencies in the amounts and for the purposes set forth for the Colorado Water Resources & Power Development Authority for the 2024 budget year.

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

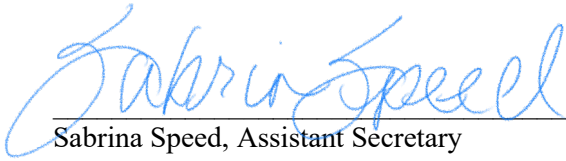
Legislative Issues and other Business of Interest to the Authority

Mr. McLaughlin noted that staff will soon be preparing the 2024 Eligibility List Joint Resolution for submittal to Legislative Services in mid-December for introduction in January. Mr. McLaughlin will seek sponsorship for the Joint Resolution once Senate and House leadership roles have been determined. Mr. McLaughlin also mentioned that he has been in steady contact with the Boards & Commissions office for word on possible extensions or replacements for Directors Vandiver, Corkle and Fabbre but has not received a definitive answer as of yet. On the Federal legislative side, Mr. McLaughlin confirmed that the letter from Senators Bennet and Hickenlooper supporting the restoration of SRF funding was sent to Congressional leadership on October 24, 2023. Mr. McLaughlin also referred to the various newspaper articles contained in the Board materials.

Adjournment

Chair Vandiver adjourned the meeting at 12:04 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.