

**Colorado Water Resources  
and  
Power Development Authority**

**BOARD MEETING MINUTES**

**January 25, 2023**

**Call to Order**

Chair Bob Wolff called the meeting to order at 2:00 p.m. in the VI Conference Room of the Hyatt Regency Aurora-Denver Hotel, located at 13200 E. 14<sup>th</sup> Place, Aurora, Colorado, 80011, and via video and audio tele-conferencing.

**Board Member Identification and Declaration of a Quorum**

Board members present: Bob Wolff (Chair), Steve Vandiver (Vice-Chair), George Corkle, Mike Fabbre, Lucas Hale, Patti Wells, Eric Wilkinson and Karen Wogsland. A quorum was declared with eight Board members present. Secretary/Treasurer Chris Treese joined the meeting shortly after the roll call.

**Approval of Minutes – December 2, 2022**

The December 2, 2022, Minutes were presented for approval. After hearing no comments, a motion was made to approve the Minutes of December 2, 2022, as presented.

Motion: Mike Fabbre  
2<sup>nd</sup>: George Corkle  
Vote: Motion carried

**Introduction of Guests**

Chair Bob Wolff introduced Bruce Whitehead, newly appointed representative of the San Miguel-Dolores-San Juan drainage basin, and soon-to-be replacement on the Authority Board of Directors. Mr. Whitehead has served as a former Division State Engineer, former Colorado State Senator, former Executive Director of the Southwestern Water Conservation District and the Animas-La Plata Water Conservancy District, and is currently consulting for the Animas-La Plata Water Conservancy District. Mr. Whitehead will formally join the Authority's Board of Directors following Senate confirmation. Chair Wolff asked all guests in attendance to introduce themselves for the record and asked all to state their prediction to win the Super Bowl.

**Other Agency Reports**

*Report of Colorado Water Conservation Board ("CWCB")*

Kirk Russell, Finance Section Chief of the CWCB, referred to the provided written report and stated the CWCB's Board of Directors met January 23<sup>rd</sup> and 24<sup>th</sup> and approved five new loans and two loan increases, as illustrated in the report. The CWCB has approved fourteen new loans totaling approximately \$40.5 million in the current fiscal year. In an average year, the CWCB Board will approve approximately 20 loans totaling \$40-50 million. The CWCB provides a project loan report to the Colorado legislature and this year, the report detailed twelve loans made in calendar year 2022 for a total of approximately \$26 million. These loans are all under \$10 million and therefore are approved by the CWCB without legislative approval. In March, the CWCB Board will consider approval of Water Plan Grants from the December 1<sup>st</sup> application deadline, as well as Water Supply Reserve Fund (WSRF) grant requests, at the March 2023 Board meeting. Mr. Russell also provided a brief update on severance tax revenues and stated that CWCB's portion of the December 2022 Severance Tax revenue projection of approximately \$76.6 million is a slight drop from earlier projections. However, the December 2022 actual Severance Tax revenue was the 2<sup>nd</sup> highest on record and well above the 10-year average. If the projections are correct, the CWCB will need to decide how to distribute the additional funds. This year's Projects Bill contains approximately \$82 million of identified projects which has an impact of approximately \$70 million on the Construction Fund

and severance tax. The CWCB Board will meet again on March 15<sup>th</sup> and 16<sup>th</sup> in the Yampa/White basin area. Following the report, Director Treese inquired about the amount of online gambling revenues the CWCB expects to receive from Prop DD and Mr. Russell noted that the amount received last fiscal year was approximately \$12 million and that amount is expected to grow for the next fiscal year. *[Mr. Russell later confirmed in an email to the Board that sports betting revenue not subject to TABOR is expected to grow by 76.1% in the current fiscal year, to approximately \$20 million. Exempt sports betting revenue is forecasted to reach approximately \$26.2 million in FY 2023-24 and approximately \$28.9 million in FY 2024-25.]*

*Report of Water Quality Control Division (“WQCD”)*

Mike Beck, Section Manager of the Water Quality Control Division, referred to the agency report and noted that the Water Quality Control Division held a rule-making hearing on Regulation 55: State Funded Water and Wastewater Infrastructure Grant Programs in December. The General Assembly previously increased the Division’s spending authority for popular training programs. Mr. Beck also reported he and his staff are working diligently with the Governor’s office on securing the required state match for the Bipartisan Infrastructure Law (“BIL”) second year funding cycle. An application for the state match funds has been completed and submitted, and the Division is now awaiting a decision from the Governor’s office. The staff is also looking for alternative state match funding opportunities for years three, four and five. Mr. Beck also provided a brief update on HB22-1358, concerning clean water in schools and childcare centers, and confirmed that the program has received high participation rates. The deadline to complete the required lead testing for all schools and childcare centers is May 31, 2023, and Mr. Beck confirmed that WQCD has collected approximately 1,300 samples and, currently, 118 entities require further action following the initial testing. The bill provides funding for sampling, testing and remediation guidance, as well as resources for necessary remediation action. Mr. Beck also reported on SB20-218, the WQCD PFAS program, and noted that revenue generated from fees collected on fuel trucks entering the state contribute to a fund of up to \$8 million annually that can be used for sampling, grants and other PFAS-related studies. The Division recently issued an RFA for funding received the second year. The WQCD is also working to determine how to support public water systems with the revised lead and copper rule, specifically the process for lead service line inventory. This is critical as it will likely drive projects into the SRF Program(s). Mr. Beck continued the agency report by confirming that Cadmus is under contract to conduct the Clean Watershed Needs Survey and they have been continuing to document Colorado’s clean water needs and submitting the surveys to the EPA. The project is nearing completion and is approximately 85% complete. Mr. Beck concluded the agency report by noting how the reductions in the base program cap grants have negatively impacted the SRF Programs.

*Report of Department of Local Affairs (“DOLA”)*

Cynthia Thayer, Department of Local Affairs Local Government Services Director, referred to the provided agency report and stated that a list of the Energy and Mineral Impact Assistance Fund (“EIAF”) Grant Program Tier II (up to \$750,000) awards were provided in the written report. The next two application cycles are April 1<sup>st</sup> and August 1<sup>st</sup> with available funding of approximately \$25 million. Although, as mentioned by CWCB, those amounts could increase or decrease based on volatile severance tax revenues. Additionally, the Energy and Mineral Impact Assistance Fund Advisory Committee will be meeting in the coming week to consider program guideline updates and determine if changes are necessary for the EIAF grant program. Any program changes will be reported at the March Board meeting, if applicable. Ms. Thayer noted a correction to the written report and stated that two communities, not three, are currently working with the Small and Rural Communities Technical Services Program. A full update will be shared at the March Board meeting. For 2022, DOLA spent a combined total of approximately \$55,600 on technical services projects, including expenditures of approximately \$24,441 on drinking water projects and approximately \$31,160 on wastewater projects. Ms. Thayer thanked the Board for the continued budget for the program in 2023. DOLA staff is currently in the process of hiring the two new term-limited FTEs for BIL support. Two additional Regional Assistant positions were also added as part of the staffing update.

## **Authority Reports**

### *Report of the Chair*

Chair Bob Wolff noted that this would be his last Board meeting and that Bruce Whitehead has been appointed by the Governor as his replacement and will be formally seated after Senate confirmation. Chair Wolff also announced that the Authority's Executive Director, Keith McLaughlin, celebrated his 25-year work anniversary with Authority on January 16<sup>th</sup> and presented Mr. McLaughlin a 25-year anniversary plaque and thanked him for his exemplary service to the Authority. Chair Wolff added it's been an honor and a great privilege to serve on the Authority Board and he will miss it greatly.

*Report of the Treasurer* – Treasurer Chris Treese referred to the provided written report and deferred to Controller Justin Noll to provide the Treasurer's report. Mr. Noll noted that financials were provided through October as staff continues to play catch up after falling behind due to staff shortages. Mr. Noll also noted that money market rates continue to rise and the COLOTRUST yield was 4.5%, compared to .08% at this time last year. It was noted that this is the same time of year when the Feds started to increase rates last year, and rates have increased 400 basis points in a one-year time period. Mr. Noll also stated that the Authority has been recruiting for an open Accounting Clerk/Technician position for the past couple of weeks. After several interviews, staff has extended an offer to a candidate, and the offer has been accepted. This new hire will fully staff the Accounting department. A motion was made to accept the Treasurer's Report.

Motion: Chris Treese  
2<sup>nd</sup>: Mike Fabbre  
Vote: Motion carried

*Report of Executive Director* – Keith McLaughlin referred to the written report contained in the Board materials and stated that Jim Griffiths, Wesley Williams and Mr. McLaughlin were in the Funding Section at the Colorado Water Congress' Annual Convention, alongside Mr. Russell and the CWCB. The intent of this newly added feature was to have representatives available to answer water project funding questions for CWC conference attendees, but Mr. McLaughlin was unable to gauge its success as it was competing with other valuable conference sessions and only garnered a handful of attendees. Mr. McLaughlin added that if this feature were to continue at future conferences, they would need to find a way to drive more traffic to this section. Mr. McLaughlin also noted that work continues on the Authority's Memorandum of Understanding ("MOU") with the WQCD and DOLA to incorporate the BIL funding and the additional approved FTEs for each agency. A recent meeting was held with Authority staff to address additional internal controls for accounts payable to reduce the potential for fraud and to tighten up the A/P processes. Additionally, the Authority is going to discuss purchasing cyber insurance with its IT consultants, Mytech, to see if it is an avenue worth pursuing and gaining a better understanding of its potential limitations. Director Wells added that one thing to consider when purchasing cyber insurance would be the Colorado Governmental Immunity Act ("CGIA") as it limits claim costs for governmental entities. The Authority's auditors were on-site the second week of January to begin preliminary work on the 2022 audit and work will continue over the coming months. Mr. McLaughlin met with Colorado Forest & Water Alliance ("COFWA") on January 5<sup>th</sup> and that group has decided to take a pause on its activities and may resume activities in the future. Work on the revised Employee Handbook has been stalled and Mr. McLaughlin may seek guidance from the Board to move forward and work toward its completion as there have been numerous delays and issues with this project. The Authority reached a major milestone last year as it has issued over \$3 billion in loans since inception. To date, the Authority has issued 807 loans totaling approximately \$3.1 billion. Mr. McLaughlin concluded his report with an announcement of staff anniversaries and promotions, noting that Kevin Carpenter celebrated his 2 year anniversary and Valerie Lovato celebrated her 24 year anniversary on January 1<sup>st</sup>; Justin Noll celebrated his 22 year anniversary on January 15<sup>th</sup>; and Wesley Williams celebrated his 10 year anniversary on January 7<sup>th</sup>. Mr. McLaughlin presented Mr. Williams with his 10 year anniversary plaque and thanked him for his dedication and devotion to the Authority. Additionally, Kevin Carpenter was promoted to Financial Analyst II and Ian

Loffert was promoted to Senior Financial Analyst II, effective January 1<sup>st</sup>. Mr. McLaughlin commended Mr. Carpenter and Mr. Loffert for their hard work.

*Resolution of Appreciation to Bob Wolff, Resolution No. 23-01*

Keith McLaughlin thanked Chair Wolff for his patience and guidance since he's been in his current role as Executive Director and stated he was fortunate to have Webb Jones, Roy Heald and Bob Wolff serving as Chair since he's taken over the Executive Director's role in 2020. Vice-Chair Steve Vandiver read Resolution No. 23-01, a resolution of appreciation to Bob Wolff, in its entirety for the record. Chair Wolff stated it has been a great experience and a pleasure to serve on the Authority's Board. A motion was made to adopt Resolution No. 23-01.

Motion: Steve Vandiver  
2<sup>nd</sup>: Chris Treese  
Vote: Motion carried

*Accounting Manager's Report*

Controller Justin Noll provided a brief update on previously reported IT projects that are now being implemented, including the installation of a new firewall which replaced the old unit that was at the end of its useful life, as well as a new battery back-up on the server. The server still needs to be replaced, but the new firewall will help to secure the network. As Mr. McLaughlin previously mentioned, the Authority's auditors were on-site for interim work in early January and will return for three weeks in March to complete field work.

*Finance Manager's Report*

Finance Director Jim Griffiths noted that Wesley Williams distributed a "cheat sheet" of policies and rules associated with the BIL funding and asked that any questions or suggestions for improvements be directed to him. Mr. Griffiths also noted that work continues with the Authority's partners, the WQCD and DOLA, on the best ways to deploy principal forgiveness (PF). This is especially true for the PF funds associated with BIL, because there has been unprecedented interest in securing those available funds. This will be addressed later in today's meeting, but staff wanted to provide context for the discussion. Mr. Griffiths also formally introduced and welcomed the Authority's newest Financial Analyst, Giorgi ("Gio") Gazashvili. Mr. Griffiths shared that Gio was born in the country of Georgia and moved to the state of Georgia and comes to the Authority with non-profit work experience. Staff is thrilled to have Gio in the office and part of the team.

*Internet Technology Acceptable Use Policy Review*

Wesley Williams announced that the Authority's Internet Technology Acceptable Use Policy, originally adopted by the Board in 2019, governs IT uses, resources and related activities. The policy requires an annual review and, as part of the review process, is examined by the Authority's IT consultant, MyTech Partners, general counsel Karl Ohlsen and Authority staff. Red-lined suggested changes by MyTech and Mr. Ohlsen were provided for the Board's consideration. Director Wells also reached out to staff and suggested the Board consider changing the title from "Internet Technology Acceptable Use Policy" to "Information Systems Policy" to better reflect actual content. As part of the review process, Authority staff asked MyTech if the policy was in line with other agencies and learned that most companies do not have a formal IT policy. Mr. Williams briefly reviewed the suggested redlined changes, none of which were considered substantive. Discussion continued on various portions of the policy that included the use of an email domain for Board members, use of a password manager for Authority staff and Board members, how the policy is disseminated to Authority staff, grouping of similar topics within the policy instead of alphabetical order, the use of the words "on CWRPDA time" and acceptable use, social media use and other wordsmith changes to the existing policy. After further review and discussion, Authority staff will revise the policy incorporating the suggested changes and bring this item back to the Board at the March meeting for approval.

*Office Manager's Report*

Office Manager Sabrina Speed provided a brief Family and Medical Leave Insurance (“FAMLI”) program update, stating that the Authority met all requisite FAMLI end of year deadlines including written notice to staff of the Board’s decision to opt out of the program and support for those employees who wish to participate, including registering and providing pay information to FAMLI, and posting the required informational posters both physically in the office and electronically. To date, no employee has informed management that they would like to opt-in to the FAMLI program. On January 24<sup>th</sup>, we received a notice from the FAMLI program stating that the Authority did not qualify as a governmental entity and therefore was ineligible to opt out of participation. Mr. Ohlsen assisted staff in drafting a response with statutory citations that supported the Authority’s contention that it is a governmental agency and it was forwarded to FAMLI for consideration. Ms. Speed also included in the Board materials a notice that the IRS has increased the mileage reimbursement rate to \$0.65.5 from \$0.62.5. The Authority’s website has been updated with the 2023 rate, but if Board members have any outstanding 2022 expenses, hard copies of the 2022 expense report are available. Ms. Speed announced that a sign-up sheet for the June Board meeting was circulated for lodging arrangements. The Board will hold the June 2, 2023, Board meeting in Mt. Crested Butte and will include a tour of the drinking water facility at Mt. Crested Butte Water & Sanitation District, hosted by Director Fabbre on Thursday, June 1<sup>st</sup>. The Board may also hold a Board Program Work Session on Thursday evening. Additional details will be forthcoming as they are available.

*Report of Legal Counsel – Karl Ohlsen*

Mr. Ohlsen reported he did not have a formal written report but announced that he’s been working closely with staff on a number of items including minor revisions to the Authority’s Internet Technology Acceptable Use Policy, FAMLI response and the MOA addendum encompassing temporary BIL FTE positions for the WQCD and DOLA.

**Drinking Water Revolving Fund**

*U.S. Bank Trustee Agreement, Resolution No. 23-02*

Jim Griffiths referred to Resolution No 23-02, approving a renewal of the DWRF Trustee and Custody Agreements with U.S. Bank, N.A. contained in the Board materials. Mr. Griffiths noted that Resolution No. 23-05, approving a renewal of the WPCRFR Trustee and Custody Agreements with U.S. Bank, N.A. and Resolution No. 23-06, approving the renewal of Trustee and Custody Agreements with U.S. Bank, N.A. for programs operated in the Authority’s Water Operation Fund, would all be encompassed in this discussion and would require separate approval, but the fee structure is basically the same for all. Banking services provided by U.S. Bank include services for paying agent, escrow agent, registrar, trustee, loan servicer and others. The Authority’s current contract with U.S. Bank, N.A. for trustee and custody services will expire on February 8, 2023, and this proposed renewal will continue services with U.S. Bank through February 8, 2026. Authority started negotiations with U.S. Bank representatives in November on the contract renewal. Authority staff is pleased with U.S. Bank’s services and would like the contract to continue. U.S. Bank submitted its proposal with a 6.9% increase in fees, which the Authority believes is reasonable, and staff recommends approval of the contract extension. After a few follow-up questions, Mr. Griffiths announced that staff originally expected an increase of approximately 15-20% and was pleased with the modest increase of less than 7% over three years. A motion was made to adopt Resolution No. 23-02, approving a renewal of the DWRF Trustee and Custody Agreements with U.S. Bank, N.A.

Motion: Karen Wogsland  
2<sup>nd</sup>: Lucas Hale  
Vote: Motion carried

Following the vote, Director Fabbre noted that Resolution No. 23-02 correctly stated the meeting was held in Aurora and Resolutions No. 23-05 and 23-06 stated the meeting was held in Westminster, and suggested that 23-05 and 23-06 be corrected to reflect the meeting was held in Aurora. A subsequent motion was made to adopt Resolution No. 23-05, approving a renewal of the WPCRFR Trustee and Custody Agreements with U.S. Bank, N.A., as corrected.

Motion: Patti Wells  
2<sup>nd</sup>: Eric Wilkinson  
Vote: Motion carried

A subsequent motion was made to adopt Resolution No. 23-06, approving the renewal of Trustee and Custody Agreements with U.S. Bank, N.A. for programs operated in the Authority's Water Operations Fund, as corrected.

Motion: George Corkle  
2<sup>nd</sup>: Chris Treese  
Vote: Motion carried

#### *BIL State Match, Resolution No. 23-03*

Keith McLaughlin referred to Resolution No. 23-03, providing for approval of state match funds for Water Pollution Control Revolving Fund and Drinking Water Revolving Fund BIL Supplemental capitalization grants and terms for use and indicated it was almost identical to Resolution No. 22-32, approved in 2022. As previously mentioned, the Authority and the WQCD have been working closely with the Governor's office to secure the second-year state match funding associated with the BIL funds and have submitted the required application. Since the decision could be rendered any day, the Authority is asking for approval of the Resolution to accept the funds. The updated number for this Resolution is approximately \$135,254,600, under the IJA Funding Program, which requires a commitment of 10% state matching funds on certain funds, in an amount not to exceed \$6,500,000. Director Wilkinson asked Mr. McLaughlin to explain the amounts as they don't equal 10% of the total amount, and Mr. McLaughlin clarified that not all the tranches of funds require a state match so the State Match total does not equal 10% of the total BIL funding. A motion was made to adopt Resolution No. 23-03.

Motion: Eric Wilkinson  
2<sup>nd</sup>: George Corkle  
Vote: Motion carried

#### *Status of Projects*

Ian Loffert reported that staff attended eleven pre-qualification meetings since the December Board meeting. Mr. Loffert also shared a year-end recap of the pre-qualification meetings held throughout 2022 and noted that during the past year, staff attended thirty-seven meetings with potential borrowers. For comparison purposes, a graph detailing the past four year pre-qualification meetings held for each SRF program. The graph showed the drastic increase for calendar year 2022, as demand for funding has increased. Additionally, staff has held numerous project development meetings with potential borrowers. Mr. Loffert also shared a year-end recap of DWRF loan applications received for calendar year 2022, and confirmed there were twelve DWRF loan applications submitted in 2022. Notable activities in the DWRF Program included issuance of seven Design & Engineering Loans totaling approximately \$1.5 million, twelve direct loans totaling approximately \$104 million, three BIL loans (comprised of \$47.3 million in BIL principal forgiveness and \$42.3 million in BIL repayable loans). Additionally, staff processed 171 draws or pay requests, in 2022 for the DWRF Program totaling \$33.4 million. One loan application was submitted for consideration at the March Board meeting from St. Mary's Glacier Water & Sanitation District for a supplemental loan totaling approximately \$500,000, for a new well and distribution system improvements. There were two new \$10,000, Planning Grants issued since that last Board meeting to the City of La Junta (meter replacement and lead service line and supporting infrastructure replacements and replacement of distribution pipelines) and Cucharas Sanitation & Water District (water treatment plant improvements). There is \$130,000 available in 2023 Planning Grants. There was also one Design & Engineering Grant issued since the last Board meeting to Highland Lakes Water District for \$141,550 for improvements to the water treatment plant including a new membrane treatment system and associated appurtenances. There is \$1,358,450 of budgeted Design & Engineering Grants available for 2023. As previously reported by DOLA, Authority staff has noted an increase in late submittal of audits from current borrowers. The Authority requires audit submittal from its borrowers annually to check compliance and

ensure the entities are maintaining proper coverage ratios, and of the 175 borrowers currently in the DWRP Program, 21 audits are missing. Authority staff are trying to obtain the missing audits before the audit reviews are submitted to the Authority's auditors. There is currently one DWRP BIL loan outstanding for Pagosa Area Water & Sanitation District and its closing is expected in the first week in February.

### **Water Pollution Control Revolving Fund**

#### *Loan Application – Town of Lake City, Resolution No. 23-04*

Austin Reichel presented the Town of Lake City's request for a Disadvantaged Communities direct loan through the WPCRF loan program in the amount of \$3,016,500, with \*\$1,500,000, in BIL principal forgiveness (PF), \*\$1,377,551 in BIL Supplemental Loan and \*\$138,949 in base loan funding. The loan will be for a term of 20 years, at an interest rate of 2%, and the Town is pledging water and sewer system revenue to secure the loan. The project consists of improving the existing wastewater treatment facility, including capacity expansion and various upgrades and treatment process improvements. The Town has met the requirements of a DAC as it met the benchmarks for MHI, MHV and county job loss. The Town also met three of the five secondary factors. This request comes to the Board with a favorable recommendation from the SRF Committee. A motion was made to approve Resolution No. 23-04, approving a WPCRF direct loan to the Town and execution of a loan agreement and other documents necessary therefor, subject to the Town increasing user rates, if necessary, sufficiently to meet the Authority's rate covenant prior to loan execution. \* *Actual BIL and Base loan and PF amounts may be adjusted by a de minimis amount during the loan agreement negotiation process.*

Motion: Patti Wells  
2<sup>nd</sup>: Chris Treese  
Vote: Motion carried

#### *BIL Principal Forgiveness – Change Recommendations*

Jim Griffiths noted that the BIL Principal Forgiveness (PF) change recommendations is one of those policy items that is brought forward to the Board because staff recognized the need for a change to the current policy based on high demand. Mr. Griffiths stated that the BIL provides an annual WPCRF Supplemental capitalization grant in each of the federal fiscal years 2022 through 2026, and Colorado's 2022 WPCRF Supplemental capitalization grant totaled \$14,246,000, a relatively small amount that will gradually increase in subsequent years. A minimum of forty-nine percent (49%) of this WPCRF Supplemental grant needs to be provided as PF (grants). The Supplemental grant is currently provided to any eligible wastewater project, and the Authority Board and the Water Quality Control Commission ("WQCC") previously approved the BIL eligibility criteria in 2022. The approved criteria included nine metrics, each worth one point. To be eligible, an entity needs to score no less than three points. In addition, an entity that meets the long-established Disadvantaged Communities ("DAC") criteria receives three points and is automatically BIL eligible. Additionally, the Board previously approved the following per project WPCRF Supplemental PF limit: \$1,500,000, per project. Colorado provides PF with a proportional loan amount (approximately 50% PF and 50% loan). To date, staff has noticed that a lot of larger entities, particularly in the metro area, with projects totaling \$20 million or more are requesting funding through the BIL program to gain access to the available PF. The WPCRF program does not have as large of a DAC PF allotment like the DWRP program does, so the larger projects are receiving the bulk of the available PF funds. Staff recommends limiting the WPCRF BIL Supplemental funding only to DACs (currently provided to DACs and BIL eligible non-DACs). BIL eligible non-DACs are often larger communities that are able to act more quickly than DACs. Additionally, the WPCRF base DAC program does not provide up-front PF for construction (only for Design and Engineering). A motion was made to accept staff recommendation and limit WPCRF BIL Supplemental funding to DACs only, effective only after the requisite change to the Intended Use Plan, expected in May 2023.

Motion: Steve Vandiver  
2<sup>nd</sup>: George Corkle  
Vote: Motion carried

### *Status of Projects*

Kevin Carpenter reported that staff attended nine WPCRF pre-qualification meetings since the last Board meeting. Mr. Carpenter revisited the graph previously shared and confirmed that staff attended thirty-two WPCRF pre-qualification meetings in 2022, a significant increase from the past three years. Eleven loan applications were submitted in 2022, an increase from 2021, but not as significant as the increase in pre-qualification meetings. Two Design and Engineering Loans closed in 2022, totaling approximately \$224,000. Fourteen direct or leveraged loans closed in 2022 totaling approximately \$156 million. Of that total amount, three were BIL loans (comprised of \$3.44 million in BIL principal forgiveness and \$3.16 million in BIL repayable loans). Additionally, staff processed 134 draws, or pay requests, in 2022 for the WPCRF Program totaling approximately \$73 million. There are currently 15 missing WPCRF audits missing from 2021 that have not been submitted, representing less than 10% of the total WPCRF loan portfolio. One WPCRF loan application is expected for the March Board meeting from the Left Hand Water & Sanitation District for \$480,000, for lift station improvements. One \$10,000 Planning Grant was issued since the last Board meeting to the Mountain View Villages Water & Sanitation District for improvements to the wastewater treatment plant. There is \$140,000, remaining for 2023 Planning Grants. There were no Design & Engineering Grants issued since the last Board meeting, and the full \$1,500,000, of budgeted Design & Engineering Grants remains available for 2023. Capacity remains a concern in the WPCRF program and staff reached out to current projects in the pipeline to inform the entities of the new request limit of \$18 million that was approved by the Authority Board in December 2022. There is currently one WPCRF BIL loan outstanding for the Meeker Sanitation District and closing is expected in March, following completion of the District's audit.

### **Small Hydropower Loan Program**

Wesley Williams noted two brief SHLP updates after some period of inactivity due to COVID-19 impacting many entities' budgets. The Town of Carbondale reached out to staff to discuss moving forward with its planned small hydropower project and inquire about potential funding. The project includes running pipelines through private properties and one of the landowners isn't in support of the project, making it difficult to proceed. The Town may also request a second SHLP grant if they are able to secure certain permits and/or easements. Staff are currently reviewing the feasibility study to determine if this is a separate project to determine funding eligibility. Additionally, the Town of Cortez has paid off its loan on January 13, 2013, with available funds on hand to resolve the on-going power purchase agreement revenue issue.

### **Water Revenue Bond Program**

#### *Status Report*

Wesley Williams reported one update within the WRBP and stated that staff reached out to the City of Sterling to discuss the \$18 million request limit and to explore alternative funding options. In those discussions, staff learned that the City's treatment plant budget experienced a significant increase, rising from approximately \$30 million to \$60 million and needs additional funding to complete its project. The City held a vote to increase its debt in November and was successful in obtaining authorization for the additional \$29 million. Authority staff are working with the City to determine if they are BIL eligible and if so, the City may request a \$3 million BIL loan with a half grant, half loan combination and the remaining \$26 million could be issued under the WRBP. The City will benefit from receiving the cost of issuance subsidy through this program in addition to the BIL grant funds. If the City wishes to pursue a loan through the WRBP, then it would need to secure a rating from a rating agency as well as potentially purchasing insurance, but both costs would be covered by the WRBP's cost of issuance subsidy. The WRBP program may be utilized more frequently due to the \$18 million loan limit in the WPCRF program.

### **Long Hollow Dam and Bobby K. Taylor Reservoir**

#### *Status Report*

Mr. Griffiths reported the water level in the reservoir needs to reach 5,161 acre-feet before the Authority is released from its financial obligation to cover certain ongoing expenses, and the current water level is 403 acre-feet.



### **New Business**

#### *Legislative Issues and Other Business of Interest to the Authority*

Keith McLaughlin reported that he testified on the Authority's Joint Resolution, HJR23-1007, which was unanimously moved to the full House for approval. The hearing was held on the first day of the House Ag Committee's calendar in part due to last year's late hearings. The Authority will follow the Joint Resolution through the process to ensure that it is signed before the statutory deadline. Additionally, Mr. McLaughlin received a request to meet with Representative Velasco, and has invited representatives from the WQCD as well as Director Treese, to discuss a water quality bill and possible collaboration. Mr. McLaughlin announced that the Colorado Water Congress State Affairs has resumed its meetings and he is tracking all water bills and will report any significant activity to the Board as deemed necessary and will provide a year-end summary when the legislative session ends. Director Chris Treese and Appointee Bruce Whitehead are scheduled in Senate Ag on Thursday, January 26<sup>th</sup> at 1:30 pm for their confirmation hearing. Mr. McLaughlin and staff are currently working with CIFA to address additional funding cuts to the SRF programs due to earmarks that appear to continue during BIL. Director Wilkinson was congratulated on his induction to the Colorado Agriculture Hall of Fame.

#### Arrangements for Future Meetings

Future Board meetings will be held on March 3, 2023, April 21, 2023, and June 2, 2023. The March and April meeting will be held in Denver and the June meeting is scheduled to be held in Mt. Crested Butte.

### **Adjournment**

Chair Wolff adjourned the meeting at 4:40 p.m.

Respectfully submitted,



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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.