

**Colorado Water Resources
and
Power Development Authority**

BOARD MEETING MINUTES

December 3, 2021

Call to Order

Chair Bob Wolff called the meeting to order at 9:01 a.m. via video and audio tele-conferencing due to COVID-19 and related restrictions.

Board Member Identification and Declaration of a Quorum

Board members present: Bob Wolff (Chair), Steve Vandiver (Vice-Chair), Chris Treese (Secretary/Treasurer), George Corkle, Mike Fabbre, Roy Heald, Patti Wells and Eric Wilkinson. Webb Jones was absent. A quorum was declared with eight Board members present.

No items were included for consideration on the Consent Agenda.

Approval of Minutes – October 8, 2021

The October 8, 2021, Minutes were presented for approval. After hearing no comments, a motion was made to approve the Minutes for October 8, 2021, as presented.

Motion: Mike Fabbre
2nd: George Corkle
Vote: Motion carried

Introduction of Guests

Chair Wolff welcomed two special guests in virtual attendance, newly appointed Authority Board members, Lucas Hale and Karen Wogsland. Mr. Hale and Ms. Wogsland will both be seated pending Senate confirmation early next year.

Other Agency Reports

Report of Colorado Water Conservation Board (“CWCB”)

Kirk Russell, Finance Section Chief of the CWCB, referred to his provided written agency report and stated that the CWCB met virtually on November 17th and 18th and approved three new loans and authorized one loan increase. Two new municipal loans of notable interest were highlighted: the Town of Breckenridge’s \$13 million loan request for the Goose Pasture Tarn Dam rehabilitation and the Town of Dove Creek’s funding request for its new water supply reservoir. The Town of Dove Creek’s loan request was delayed until the January 2022 Board meeting. The CWCB Board approved approximately \$13 million in non-reimbursable investment projects to be included in the 2022 CWCB’s Project Bill. Many of the projects contained in the bill are continuation projects from last year but also included new projects. The CWCB decreased its spending last year due to concerns of available funding. Mr. Russell noted the CWCB Board also approved staff’s recommendation to provide consistent funding for the Water Supply Reserve Fund (WSRF) at \$300,000, per basin, per year. This change was necessary due to passage of Senate Bill 21-281, that changed the funding source from the Operating Fund to the Severance Tax Perpetual Base Fund. Mr. Russell confirmed receipt of 60 Water Plan Grant applications, utilizing a new portal system for submission. The CWCB Board will consider approval of the grants in March of 2022. The next CWCB Board meeting will be held on January 24th and 25th and the meeting format and location is still under consideration.

Report of Water Quality Control Division (“WQCD”)

Ron Falco, Safe Drinking Water Program Manager, referred to the provided agency report and confirmed that the Water Quality Control Commission (WQCC) held an Administrative Action Hearing in October to

consider approval of the proposed FY 2022 Intended Use Plans for both the Drinking Water Revolving Fund and the Water Pollution Control Revolving Fund. Both SRF Intended Use Plans were approved. Mr. Falco also briefly reported on the bi-partisan infrastructure bill and stated that ongoing coordination meetings will be held with partner agencies to determine plans for implementation. The bill includes funding to address lead service line inventory and removal efforts. Emphasis on emerging contaminants will also be addressed through the infrastructure bill and this funding will be in addition to the PFAS Grant program authorized under Senate Bill 20-218. Mr. Falco referenced the four pre-qualification meetings contained in the written report held between October 6th and November 17th. Mr. Falco concluded his agency report by stating that stakeholder efforts around developing a specific rule to cover direct potable re-use in the Colorado primary drinking water regulations are on-going and a draft of the proposed new rule has been out for public comment for a few weeks and will close on December 5th. The next stakeholder meeting will be held on December 15th and a rulemaking hearing with the Commission is expected at the end of the summer 2022. Addressing a question from Chair Wolff, Mr. Falco briefly described an example of the mitigation process for water systems that have discovered PFAS in its system. Mr. McLaughlin asked if the Division had made an announcement regarding the replacement for Nicole Rowan's former position and Mr. Falco confirmed that Ms. Rowan was named the new Division Director and the Division just named Nathan Moore as the new Clean Water Program Manager. Director Heald inquired if the EPA has developed a different strategy for unveiling new health advisories for water systems and Mr. Falco confirmed that the Division has been working closely with EPA to improve the current process.

Report of Department of Local Affairs ("DOLA")

Desi Santerre, Water and Wastewater Program Manager of Local Government Services, referred to the provided written report and announced that since the report was written, awards from the Energy and Mineral Impact Assistance Program ("EIAF") Department were issued for Tier I (up to \$200,000) projects. She further stated that the Nederland Water Treatment Facility received \$120,000, for its grit removal project and that the Black Hawk-Central City Sanitation District did not receive a Tier I award for its sewer line design project due to limited available funding. Ms. Santerre confirmed that the program received approximately \$3.3 million in funding requests and the total amount of available funds was only approximately \$1.3 million. As a result, several entities did not receive an award this cycle. A number of Tier II (\$200,000 - \$600,000) applications will be considered on December 8th at the EIAF Advisory Committee meeting and awards will likely be announced before the end of 2021. The next EIAF application cycle is expected to be on March 4, 2022, with anticipated funding of approximately \$10 million. Tier I and Tier II applications will be accepted, and awards are anticipated in May 2022. Ms. Santerre also reported that the Drought Task Force met on November 8, 2021, and due to an anticipated second year of La Niña conditions, the task force will remain active and meet again in January 2022. The Municipal Task Force also met on November 3, 2021, to finalize a summary of activities and strategize how to optimize the group if winter conditions necessitate continued activation of the task force. Meetings are currently suspended but will respond to needs of local government water providers as they arise, if necessary. Ms. Santerre also noted that typically DOLA will update the Disadvantaged Communities ("DAC") benchmarks annually in late December and/or early January after new American Community Survey ("ACS") data is released by the U.S. Census Bureau, but the Bureau announced the targeted release of ACS data has been delayed until at least March 2022. As a result of this delay, DOLA's update of DAC benchmarks will be similarly delayed. Ms. Santerre continued the agency report with an update of the Small and Rural Communities Technical Services Program as contained within the written report. Of note was the announcement that DOLA's contractor, JDS Hydro, was acquired by an engineering firm called RESPEC, effective October 1, 2021. As a result of this acquisition, DOLA has transferred the remainder of the contract to RESPEC through an assignment agreement but will utilize the same team of engineers. Due to this change, active recruitment of new communities was paused until the assignment agreement was finalized. Ms. Santerre concluded the agency report with an announcement that the new Local Government Services Director will be introduced at the January Board meeting. An offer has been made for the position and accepted but hasn't been publicly announced yet.

Authority Reports

Report of the Chair

Chair Bob Wolff announced that his first order of business as Chair was deciding to hold this meeting virtually and it was a difficult decision to make and hopes to be able to meet in person soon.

Report of the Treasurer – Treasurer Chris Treese didn't have a separate report and deferred the Treasurer's Report to Controller Justin Noll. Mr. Noll stated that financials through September were included in the Board materials, and that is typical for this time of year. Accounting staff continues to process transactions. The Authority's auditors will be on-site in early January to complete interim work and single audit testing. There was one loan payoff in the Water Revenue Bond Program; the City of Fountain paid off its 2013 loan for approximately \$9.6 million. A motion was made to accept the Treasurer's report.

Motion: Roy Heald
2nd: Chris Treese
Vote: Motion carried

Following the vote, Chair Wolff asked the Board members to let him know if they have an interest in serving on any of the existing Board Committees as assignments will be finalized by the end of the year.

Report of Executive Director – Keith McLaughlin congratulated the new Authority Board Officers: Chair Bob Wolff, Vice-Chair Steve Vandiver and Secretary/Treasurer Chris Treese, and stated he looks forward to working with the new slate of officers. Mr. McLaughlin also thanked Webb Jones for his support, insight, and direction he provided while serving his term as Chair. Reference to the written report included in the Board materials was made and Mr. McLaughlin highlighted a few items from that report, namely, the planned, all-day retreats with program partner agencies on December 7th and 21st to discuss the recently approved infrastructure bill. There is also a meeting planned on December 8th with the EPA and the Authority intends to provide some beneficial insight and questions to assist the drafting of guidance material for the infrastructure funding. Mr. McLaughlin also thanked Mike Beck for his assistance with the non-point source meetings that were held to also discuss the Infrastructure Investment and Jobs Act and associated funding. Mr. McLaughlin also noted that work continues on the Employee Handbook revisions and although progress has been made, the final revisions will likely continue into the new year. Mr. McLaughlin referred to agenda item 12(c) Adjustments to the 2021 Budget and explained that Mr. Noll would be covering that item in greater detail later in the meeting but want to mention that a one-time adjustment for \$2,000 was made for Water Education Colorado (“WEco”). This adjustment was within the purview of the Executive Director, but Mr. McLaughlin wanted to inform the Board that sponsorships and/or contribution requests aren't always granted and similar requests for funding have been turned down to the Colorado Water Congress POND (“Professional, Outreach, Networking and Development”), American Water Works Association (“AWWA”) and Colorado Water Trust. These decisions were based on alignment with the Authority's goals and mission. Mr. McLaughlin also noted a couple of work anniversaries, including Authority Office Manager Sabrina Speed (19 years) and Authority General Counsel Karl Ohlsen (20 years).

Accounting Manager's Report

Controller Justin Noll confirmed that efforts are underway to fill the Accounting Technician position vacated by Jennifer Flores' departure in October. Mr. Noll confirmed that the job vacancy announcement has been posted for two weeks and has only garnered 10 resumes for consideration. Four candidates were contacted for interviews and only two applicants responded. Of the two applicants contacted, one candidate cancelled the interview on the scheduled date and the other candidate didn't do as well during the interview process as they had hoped. The Accounting staff is preparing to expand its search and hopes to interview more candidates in the coming weeks.

Finance Manager's Report

Finance Director Jim Griffiths acknowledged that the previous evening's Board Program Work Session included a good discussion about the Infrastructure Investment and Jobs Act ("IIJA") funding and confirmed that staff would be emailing pertinent updates as needed and as they become available to keep the Board apprised of developments as they happen. Next, Mr. Griffiths confirmed that most direct loans include May 1st and November 1st loan repayment dates and detailed the process of distributing invoices one month prior to the due date. He noted that payments are due no later than 10 days after the due date. The Town of Olney Springs is currently late on the November 1st due date for its WPCRF direct loan and also had a late payment in May 2021. Authority staff is working closely with the Town to resolve this issue. It was noted that Authority general counsel Karl Ohlsen has been advised of the late payment issues as well.

Office Manager's Report

Office Manager Sabrina Speed provided an update on the Authority's building construction and also shared a couple of recent pictures of the building. It was noted that on the previous day there was an issue in the ladies' room and water flooded from the ceiling in one of the vacant stalls. The staff has appreciated not working in the noisy construction zone full-time while allowed the opportunity to work from home on a hybrid schedule. The building's maintenance engineer has indicated they expect the major construction to be completed by year end; however, the Authority staff is less optimistic. Ms. Speed also mentioned that Mr. McLaughlin commissioned an Annual Report Committee, comprised of members from the Authority's three separate departments: Accounting, Administration and Finance. The purpose for the Committee was to fully review the Authority's current Annual Report format and contents and to make recommendations and improvements to each. Members of this Committee were: Claudia Walters, Sabrina Speed, Austin Reichel and Keith McLaughlin. The Committee met several times throughout the year and dissected every portion of the report and made revisions, as needed. All Authority staff was involved in the redesign, through the three department representatives. The Committee members also scheduled three vendor presentations and were thoroughly vetted. Ultimately, the Committee selected Travis Claussen, with sivART Graphic Design. Mr. Claussen has previously worked with Northern Water and others on Annual Report design and format. Ms. Speed continued her report with an update on the Governor's guidance on COVID-19 vaccination and training requirements for appointed Boards and Commissions that are housed under Colorado's Executive Branch. This designation includes the Authority's Board of Directors, and as such, we are required to take additional measures to hold an in-person meeting. These measures include having all attendees attest to their vaccination status to the Board administrator prior to meeting entry (or have proof of a negative COVID-19 test within 48 hours of the meeting), following all local restrictions (including mask mandates and room capacity limits) and providing personal information for post-meeting contact tracing for two weeks after the meeting, if required. As of now, the Authority is not prohibited from meeting in-person, but rather is strongly encouraged to only meet virtually. At this time, Ms. Speed is holding off on registrations for the Colorado Water Congress Annual Convention until a final determination has been made. The report concluded with an update on the Board room enhancements, including US and Colorado state flag displays as well as upgrades to the sound system.

Report of Legal Counsel – Karl Ohlsen

Karl Ohlsen, representing Carlson, Hammond & Paddock, had no formal legal report and noted his recent work with Michelle Magruder on copyright issues for Ms. Magruder's training materials as well as the Authority's Employee Handbook. Mr. Ohlsen noted that this time of year generally tends to bring requests from outside general and bond counsel to change the language in its opinion letters, and he is working closely with Authority staff on modifying the opinions, as applicable. Mr. Ohlsen also expressed his support of the Authority holding a virtual format meeting in January as his office recently experienced an outbreak of COVID-19 cases.

Drinking Water Revolving Fund

Additions/Modifications/Deletions to the Project Eligibility List for Joint Resolution

Ian Loffert briefly reviewed the background and process, of the annual preparation of the Eligibility Lists for the Joint Resolution, for the benefit of the two new Board members. Mr. Loffert reported that compiling the Eligibility Lists is a requirement of the Environmental Protection Agency (“EPA”) for all State Revolving Programs in the country. The purpose of this list is to show a need for current and future drinking water and wastewater/clean water infrastructure projects. It is also a requirement of the Authority’s statute. The process begins at the Water Quality Control Division, specifically Erick Worker, distributing a needs survey every year in June to every known community in Colorado, and concludes in mid-to-late July. The surveys are submitted electronically through the Colorado Environmental Online Services (“CEOS”) system, making it easier and more convenient to complete the survey and manage the data. If an entity is seeking funding through either SRF program, they must be on the current year’s eligibility list and the proper project components, or descriptions, must also be identified on the list. Once the updated eligibility list is compiled, the WQCD attaches the list to the respective programs’ Intended Use Plan and is submitted to the Water Quality Control Commission for review and approval in October. Once approved, the eligibility lists are forwarded to the Authority staff for review and structuring to provide terminology consistent with the Authority’s statute and edited for easier readability. That modified list is then presented to the Authority Board for approval. Following Board approval, the eligibility list is then reformatted as a joint resolution for submittal to the general assembly, no later than January 15th of each year, and approved and signed by the Governor no later than April 1st annually. Once signed, all projects on the list are eligible for funding through the SRF programs for that year. The project list in the Board materials includes additions, modifications, and deletions for each SRF program. Mr. Loffert briefly reviewed the additions, modifications and deletions included on each list. The eligibility lists are even more important this year due to the IJA funding, and any associated grant funding, that will be available in 2022. Mr. Loffert reported that there were 450 DWRF projects totaling approximately \$21 billion, and 351 WPCRF projects totaling approximately \$13 billion. Mark Henderson then thanked Erick Worker for all the hard work that he does to compile the list through the annual needs survey. A motion was made to approve the 2022 Water Pollution Control Revolving Fund and Drinking Water Revolving Fund eligibility lists and to incorporate the additions, modifications, and deletions into a joint resolution with the provision that staff can modify the lists following further review and discussion with the Water Quality Control Division.

Motion: Roy Heald
2nd: Steve Vandiver
Vote: Motion carried

Leveraged/Direct/Interim/Disadvantaged Communities Program Interest Rates for 2022

Wesley Williams noted the previous evening’s discussion regarding interest rates at the Board Program Work Session that included comparative rates, average rates, and market conditions relative to the Board approving program interest rates for 2022. It was also mentioned that historic rates are still low and with the new COVID variant negatively impacting stocks, rates have ticked down even further. Given the encompassing factors, staff recommends no changes to most of its current interest rates to keep competitive, below market rates. Staff identified one suggested change to the Small Hydropower Loan Program (“SHLP”), decreasing the interest rate 0.5% to 2.0% to remain in-line with the Colorado Water Conservation Board. Authority staff may return to the Board in June, or earlier, if there is a need to update rates. The suggested changes received a favorable recommendation from the Board Program Work Session. A motion was made to accept staff’s recommendation to decrease the SHLP interest rate to 2% and keep all other program interest rates static.

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

Status of Projects

Wesley Williams confirmed that one DWRF loan application is expected for the January Board meeting from the Town of Nucla for approximately \$964,562, to replace an asbestos cement water main and the installation of new pipes. Since the last Board meeting, there have been no Planning Grants or Design and

Engineering Grants issued. Approximately \$130,000, remains available for 2021 DWRP Planning Grants. Similarly, there is approximately \$754,959, remaining for Design and Engineering (D&E's) for the remainder of the year. One additional D&E Grant is expected to be issued before year-end. Mr. Williams noted that the IJA includes a specific requirement to fund replacement of lead service lines. Denver Water is currently in the midst of a large lead service line replacement project and has reached out to Authority staff to inquire about available funding. A meeting with Denver Water has been set for December 14th to discuss its project in greater detail. Mr. Williams also notified the Board that two private, not-for-profit loan applications (Park Water Company and Trail West Homeowners Association) are expected to be submitted by the January 15th deadline for consideration in March. To date, only one private nonprofit loan has been approved and executed, but additional entities are expected to apply as there has been an uptick in interest. The Trail West HOA request may include a one-time direct loan limit waiver due to rising inflation. Mr. Williams concluded the status report with notice that there may be a significant increase in the number of loan applications submitted by the January 15th deadline due to a new Buy American, Build American ("BABAA") requirement associated with IJA funding. Any loans executed by May 13th will not need to comply with the new BABAA requirement. Following the report, Director Treese asked if the BABAA requirement was more restrictive than the American Iron and Steel ("AIS") requirement and Mr. Williams confirmed that the BABAA requirement was much more restrictive as it requires most construction materials to be both produced domestically. Mr. Williams added that Mark Henderson and his team at the WQCD are already discussing the new requirements with potential borrowers. Mr. Henderson further clarified that the AIS requirement applied to components that are made primarily of iron and steel products and the new BABAA requirement applies to iron and steel as well as all manufactured products and all construction materials. All products are not only required to be made in America but sourced domestically as well. There has already been significant concern within the industry about meeting these new stringent requirements and several industry leaders have already been in contact with EPA to advocate for exceptions and/or waivers pending further EPA guidance.

Water Pollution Control Revolving Fund

Loan Application – Palmer Lake Sanitation District, Resolution No. 21-30

Kevin Carpenter presented the Palmer Lake Sanitation District's request for a direct loan through the WPCRF loan program in the amount of \$3,000,000. The proposed loan will be for a term of up to 30 years, at an interest rate of 2.25%. The District is pledging sewer system revenue to secure the loan and the current rate is \$45.00 and a rate increase will not be necessary. This project consists of replacing existing sewer pipe with new pipe in addition to replacing or rehabilitating existing manholes. Mr. Carpenter confirmed that the project delivery method is design/bid/build, and the contingency is 11% of the total project cost. He also noted that the District has reserves available in both cash and investments, if needed. The District has healthy finances and is prepared to take on the proposed debt. This project received a favorable recommendation from both Authority staff and members of the SRF Committee. A motion was made to adopt Resolution No. 21-30, approving a direct loan to the Palmer Lake Sanitation District and execution of a loan agreement and other documents necessary therefor, subject to meeting the Authority's 110% rate covenant, 3-month operations and maintenance reserve fund covenant and the 110% additional bonds test, if applicable, on an annual basis.

Motion: Steve Vandiver
2nd: Chris Treese
Vote: Motion carried

Non-Point Source Budget Request

Keith McLaughlin noted the previous evening's full discussion about the non-point source project and associated budget with the WQCD. As a follow-up item, Mr. McLaughlin forwarded copies of the regional map and additional information, as provided by the WQCD, to the Board prior to the meeting.

Status of Projects

Austin Reichel reported that since the last Board meeting, there has been one WPCRF pre-qual meeting with the Town of Crested Butte for its estimated \$10 million project for wastewater treatment plant improvements. Additionally, the Town of Bethune submitted its loan application for consideration at the January Board meeting for approximately \$1.1 million for the replacement of its existing lagoon with an evaporated pond system. The City of Ouray also submitted an early application for the January 15th deadline for consideration in March 2022. This application will be for a leveraged loan for approximately \$13 million for a new wastewater treatment facility. Since the last Board meeting, no Planning Grants have been issued and approximately \$140,000, remains available for 2021. Additionally, one Design & Engineering Grant was issued to the Town of La Jara for approximately \$100,000, for upgrades and improvements to its existing lagoon wastewater treatment facility. Of the \$1.5 million budgeted for 2021, there is approximately \$902,791, remaining for WPCRF Design and Engineering Grants for the remainder of the year. Mr. Reichel confirmed that he and Kevin Carpenter visited the Boxelder Sanitation District and shared pictures from the visit and tour of the District's project. Staff anticipates having five borrowers participate in a WPCRF spring bond issue: Morrison Creek Metropolitan Water and Sanitation District (\$8.5 million), Town of Wellington (\$40 million), City of Englewood (\$15-\$17.5 million), City of Ouray (\$13 million), and Purgatory Metropolitan District (\$14 million).

Small Hydropower Loan Program

Jim Griffiths provided an update on the City of Cortez' renegotiated power purchase agreement with Empire Electric Association and confirmed that the Empire Electric Association was not agreeable to terms favorable to the City and as a result, the agreement was executed with a 10-year term at half the electric rate paid to the City. For this reason, beginning in 2022, the City will ~~un~~likely be unable to cover its operating expenses plus debt service with Electric revenues. Authority staff has been in contact with the City to discuss its options to meet its financial obligations. One viable option for the City is to add water revenue to its existing loan pledge that currently includes only revenues generated through the power purchase agreement. Discussions will continue until a viable resolution is found.

Water Revenue Bond Program

Water Revenue Bond Program Improvements – Staff Recommendations

Ian Loffert noted the robust discussion the Board held at the Board Program Work Session about staff recommended improvements to the existing Water Revenue Bond Program (WRBP). The changes were recommended for full Board approval by a narrow 5-4 vote at the BPWS. The recommended changes were: all Board approved borrowers must cover 15% of the cost of issuance ("COI") and are eligible for up to a \$300,000, subsidy to cover the remaining COI (previously was up to \$250,000) and approved applicants with a MHI at or below 90% of the prevailing average state MHI will also only have to cover 15% of the COI and will be eligible for up to a \$500,000, subsidy to cover the remaining COI (previously no parameter split based on MHI), and limiting WRBP issues per year based on available funds (previously no limits). Other possible solutions not included in the motion included keeping the COI subsidy to \$250,000, per borrower and increasing the borrower's percentage of COI up to 20% or 25%. A motion was made to adopt the Board Program Work Session's recommendations.

Motion: Roy Heald

2nd: Chris Treese

Vote: Motion carried 5-3, Directors Wilkinson, Vandiver, and Fabbre opposed

Status Report

Kevin Carpenter confirmed that there are five loans outstanding in the Water Revenue Bonds Program with an approximate balance of \$29.37 million. The City of Fountain recently completed a successful refunding with a net present-value savings of approximately \$814,303. There have been no new applications submitted since the last Board meeting and staff continues to seek future funding opportunities.

Long Hollow Dam and Bobby K. Taylor Reservoir

Status Report

Keith McLaughlin reported that as of October 8, 2021, Long Hollow Reservoir had only .6 acre-feet with a gage height of only .3 feet. At the October 8, 2021, Board meeting, the reservoir level was at approximately 1.45 acre-feet. The Animas-La Plata Water Conservancy District continues to work with Colorado Parks and Wildlife on an invasive species issue at the dam and the two entities are working towards a mitigation plan. The Authority will continue to reimburse the Animas La Plata Water Conservancy District for monthly expenses until the reservoir reaches first fill and Mr. McLaughlin noted those expenses have been declining fairly significantly since last year.

Unfinished Business – Committee Reports

Board Program Work Session

Committee Chair Chris Treese appreciated the Board’s attendance at last evenings BPWS and also thanked staff for its efforts in preparing the material.

Personnel Committee

Committee Chair Roy Heald confirmed that the Personnel Committee met on November 29, 2021, to discuss various personnel issues as indicated on the meeting agenda contained within the Board materials. The meeting included an Executive Session to receive legal advice from the Authority’s general counsel and Employers Council. The Committee forwarded the following motion for consideration of approval: to add six new positions and corresponding salary ranges as follows: Accountant II (\$57,120 to \$85,578), Senior Accountant II (\$70,176 to \$105,264), Deputy Controller (\$100,368 to \$150,552), Financial Analyst II (\$61,506 to \$92,310), Senior Financial Analyst II (\$77,928 to \$116,892) and Deputy Finance Director (\$110,160 to \$165,240); to adopt the recommended salary ranges for 2022; and award the Executive Director a 5% pay increase for 2022. The Committee also recognized the great work the Executive Director and staff did throughout the year under difficult circumstances. A motion was made to adopt the Personnel Committee’s recommendations.

Motion: Roy Heald
2nd: Mike Fabbre
Vote: Motion carried

New Business

Adjustments to the 2021 Budget

Controller Justin Noll reported that it is necessary to make a couple of changes to the 2021 budget as outlined in the December 3, 2021, memorandum contained in the Board materials. The adjustments are for informational purposes only as the amounts are within the Executive Director’s authority to make since they are within the same spending group. The first adjustment is necessary due to the increase in dues to Water Education Colorado (“WEco”) in the amount of \$2,000. That amount was moved from the “Contributions and Sponsorships” budget line item to “Dues, Subscriptions and Publications” budget line item to meet the budget requirement. Additionally, an adjustment was necessary in the DWRP program due to a refunding bond issue and associated arbitrage expenses from liquidated SLGS investments. As a result, \$100,000, was moved from the “Project Costs Paid – Direct Loans” budget line item to the “Arbitrage Rebate Payments” budget line item to meet the budget requirement.

Budget & Audit Committee – Resolutions 21-31 and 21-32

Controller Justin Noll presented the proposed 2022 Budget and confirmed that following the October 8, 2021, Board meeting, the publication requirement was met, and the “Notice of Proposed Budget” appeared in the October 21, 2021, edition of *The Denver Post* and no inquiries were made for public inspection. Mr. Noll made changes to the 2022 budget since the October Board meeting and the changes were reviewed briefly. The first change was to the “Medical and Dental Insurance & HRA” line item due to receipt of 2022 premium rates from PERACare. This line item was reduced by \$107,000, as premiums were less than the budgeted expectation. Additionally, a change was made to the Water Pollution Control Revolving Fund program as the Authority has been strongly encouraged by the EPA that a Clean Water Needs Survey should be conducted for potential allocation of future clean water grant funds. A \$230,000, adjustment was made

to the budget for this purpose. Mr. McLaughlin further detailed the need for an updated, more thorough Clean Water Needs Survey and the potential larger allocation for the state of Colorado. Chair Wolff and Director Treese expressed their support for the additional funding. A motion was made to adopt Resolution No. 21-31, summarizing expenditures and resources for each fund, and adopting a budget for the Colorado Water Resources and Power Development Authority for the calendar year beginning on the first day of January 2022, and ending on the last day of December 2022.

Motion: Steve Vandiver
2nd: Patti Wells
Vote: Motion carried

A subsequent motion was made to adopt Resolution No. 21-32, 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 and Power Development Authority for the 2022 budget year.

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

Legislative Issues and Other Business of Interest to the Authority

Keith McLaughlin noted that Lucas Hale and Karen Wogsland, the Authority's two new Board appointees, are currently awaiting Senate confirmation. Mr. McLaughlin noted that he is working with Boards and Commissions staff, and that hearings would likely be held in March, and if so both nominees would likely start their official service to the Board at the April Board meeting. On the legislative Federal level, Mr. McLaughlin mentioned the debt ceiling issue that Congress is scheduled to vote on today. If Congress doesn't vote to extend the debt ceiling, a partial government shutdown is possible, and staff will continue to closely monitor the situation as it could potentially impact interest rates. Mr. McLaughlin also stated that he was invited to serve on the Board of the Council of Infrastructure Financing Authorities ("CIFA") and that he would be likely appointed at the next CIFA Board meeting on December 14th. Mr. McLaughlin has been working with, and advocating for, at a national level, a resolution to the State Match issue, especially as it relates to the IJA funding. Some of those efforts have been successful as State Match requirements aren't associated with all funding aspects of the IJA, but that work continues and there is bipartisan support for further relief. Mr. McLaughlin concluded his report with reference to the articles contained in the Board materials, particularly the article from the Colorado Sun on PFAS and WECO's article on the Authority.

Arrangements for Future Meetings

Future Board meetings will be held on January 26, 2022, March 4, 2022, and April 22, 2022. The January 26, 2022, Board meeting may be held at the Hyatt Regency Aurora-Denver Conference Center in conjunction with the Colorado Water Congress Annual Convention. Further details will be provided once a final decision has been made.

Adjournment

Chair Wolff adjourned the meeting at 11:31 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.