

**Colorado Water Resources  
and  
Power Development Authority**

**BOARD MEETING MINUTES**

**December 6, 2024**

**Call to Order**

Chair Chris Treese 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 teleconferencing.

**Pledge of Allegiance**

Chair Treese invited all attendees to join him in the Pledge of Allegiance.

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

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

**Approval of Consent Agenda**

Chair Treese announced that the following items were placed on the Consent Agenda for Board consideration at the Board Program Work Session and Project Finance Committee meeting: Agenda items 8(e) Leveraged/Direct/Interim/DAC Program Interest Rates for 2025; 9(a) Water Pollution Control Revolving Fund loan application for Town of Limon, Resolution No. 24-40; 9(b) Leveraged/Direct/Interim/DAC Program Interest Rates for 2025 – *same as 8(e)*; 10(a) Leveraged/Direct/Interim/DAC Program Interest Rates for 2025 – *same as 8(e)*; and 11(a) Leveraged/Direct/Interim/DAC Program Interest Rates for 2025 – *same as 8(e)*. After hearing no comments, a motion was made to approve the Consent Agenda, as presented.

Motion: Steve Vandiver

2<sup>nd</sup>: Karen Wogsland

Vote: Motion Carried

**Approval of Minutes – October 4, 2024**

The October 4, 2024, Minutes were presented for approval. After hearing no comments, a motion was made to approve the Minutes of October 4, 2024, as presented.

Motion: Eric Wilkinson

2<sup>nd</sup>: Mike Fabbre

Vote: Motion Carried

**Introduction of Guests**

Chair Chris Treese 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, CWCB Finance Section Chief, referred to his written report and announced that the CWCB met on November 20<sup>th</sup> and 21<sup>st</sup> at Denver Water’s Three Stones Building. At that meeting, the CWCB

Board approved three new loans: Sterling Irrigation Company (Sterling #1 Ditch Bypass Structure Replacement), Bergen Ditch and Reservoir Company (Rehabilitation of Polly Deane Reservoir), and Town of Ridgway (Beaver Creek Diversion Restoration – Disaster Impact Loan). Mr. Russell noted that the Town of Ridgway's loan request was approved since it was an emergency loan request to rehabilitate the diversion structure due to damage caused by a large flood. The CWCB Board also made changes to two existing loans: Lone Cabin Ditch and Reservoir Company (Lone Cabin Dam Rehabilitation- Payment Deferral), and City of Victor (Victor Reservoir No. 2 Dam Rehabilitation- 2<sup>nd</sup> Increase). The Board approved approximately \$1.3 million in Water Supply Reserve Fund Grants ("WSRF"). The Board received \$9 million in grant applications for the Water Plan Grants on December 1, 2024, which will be up for Board consideration in March 2025. The 2024 Projects Bill appropriated \$23.3 million for these FY24/25 Water Plan Grants. Approximately \$29 million in Prop DD revenue was generated in FY23/24 to be appropriated in the 2025 Projects Bill and available for grant distribution in FY 25/26.

Mr. Russell noted the current projection for CWCB's Severance Tax allocation for FY24/25 is about \$49 million and the next year's projection should be approximately \$50 million. A staffing update was provided. Mr. Russell shared that the CWCB has created a new position in its Grants Program for a Section Chief. This section combined the staff resources from the Water Supply Reserve Fund (WSRF) and the Water Plan Grants Programs. Additionally, Russ Sands has moved on to a new position at the Colorado Energy Office as the Director of Local Climate Action and Kathryn Weismiller is the acting Water Supply Planning Section Chief. Mr. Russell moved onto the CWCB's 2025 Projects Bill and stated that the Board approved a total of \$26.8 million in funding for Non-Reimbursable Investment projects and Projects Bill Grants.

Mr. Russell highlighted that previously he had mentioned two loans that they would be including in the Projects Bill: North Poudre Irrigation Company (Park Creek Reservoir Expansion Project) which is now over \$10 million and the Lower Arkansas Valley Water Conservancy District, for the purchase of the Xcel Energy water rights down in the Valley. However, the District has now withdrawn their application. Mr. Russell purposefully did not include the discussion on the budget due to the difficulty that the state is having with the TABOR restrictions. Mr. Russell assured that they will be fine since they receive revenue from the Severance Tax. Mr. Russell concluded with an announcement that the CWCB Board will meet in Aurora on January 27<sup>th</sup> and 28<sup>th</sup>, 2025. Eric Wilkinson asked Mr. Russell if the CWCB could lose as much as \$55 million over the next three years due to the state budgetary situation. Mr. Russell answered that his number is plus or minus \$20 million and it is too early to determine the true size of the impact. Mr. Wilkinson asked the follow-up question if we (CWRPDA) are going to be affected by this to which Executive Director Keith McLaughlin responded that he does not believe so.

#### *Report of Water Quality Control Division ("WQCD")*

Nathan Moore, Clean Water Program Manager at the WQCD, referred to the provided written report and highlighted a few items, including an announcement that the Water Quality Control Commission ("WQCC") met on October 15, 2024 and held rulemaking hearings for updates to the following regulations: Regulation #82: 401 Certification Regulations, Regulation #61: Colorado Discharge Permit System Regulations, and Regulation #101: Water Quality Civil Inflation Adjustment Regulation. The WQCC also held its annual public comment informational hearing and town hall. In addition, the WQCC held an administrative action hearing for the FY 2025 Intended Use Plans at the October meeting. On November 12, 2024, the WQCC held an administrative action hearing for Policy 98-1: Guidance for Implementation of Colorado's Narrative Sediment Standard, Regulation #31, Section 31.11(1)(a)(i). At this time, there are no meetings scheduled for the WQCC for the months of December 2024 and January 2025.

Mr. Moore highlighted that the drinking water system initial Lead Service Line Inventories were due October 16<sup>th</sup> and that 96% of the systems required to submit the inventory met the deadline. This compliance

rate met or exceeded many other states. WQCD utilized funding from the BIL lead service line set-aside to provide technical assistance to help meet this inventory requirement and the WQCD program had assisted 295 drinking water systems to meet this requirement.

For the Clean Water Program, Mr. Moore indicated that the current priorities are progress on areas where their standards have lagged behind, including nutrients and addressing their permitting backlog. Mr. Moore stated that 75% of the permits and certifications have been backlogged over the last several years; however, they have made substantial progress over the past year, getting the backlog down to approximately 45% by focusing on General Permits. They were able to hire 22 FTE to help with the backlog, and they are looking at roughly 14% fee increases to retain the FTEs. Mr. Moore then discussed statewide nutrient regulations and assistance for facilities to enact long-term planning. The WQCD is hoping to have the updated nutrient regulations adopted in 2030. Mr. Moore addressed a question regarding the scaling back of dredge and fill regulations, to which he answered that the WQCD will increase their protections to fill the gap as necessary which will likely increase their resource demands.

Following the agency report, Patti Wells commented that the WQCD's approach to nutrient regulations is refreshing and potentially revolutionary. Chair Treese asked Mr. Moore what percentage of positive or detection levels are we going to deal with as a result of the lead survey, and Ron Falco responded remotely that he will have more exact numbers when the review is complete, but it is about 150-200 that have lead or are unknown. Mr. Falco reported that hundreds of entities reported no lead, which is what they were expecting.

#### *Report of Authority Lobbyist*

Christine Arbogast, lobbyist with Kogovsec & Associates, reported that everything is in a state of flux as the new administration takes office. Ms. Arbogast began with the uncertainty around Congressionally Directed Spending ("CDS") for this fiscal year FY25 and mentioned that Congress is having a lively discussion about whether or not to do a short-term Continuing Resolution ("CR") before Christmas or move the effort into next year. Ms. Arbogast stated that a year-long CR would mean that appropriators could not include Congressionally Directed Spending ("CDS"). This federal budget outcome is hard to predict, and the appropriators have not agreed on top spending numbers for FY25. Ms. Arbogast conveyed that she and Mr. McLaughlin have been having discussions about what to do differently given the urgency and the completion of BIL in the next two years. There is a push in the Senate to use a broad approach to authorize the claw back of all remaining, unobligated BIL money. This could mean we may be going back to regular appropriations without the support of the additional infrastructure money. Ms. Arbogast and Mr. McLaughlin are working on new documents to demonstrate the serious impact of earmarking these accounts to every state. Ms. Arbogast concluded her report and indicated she would know more by the January 2025 meeting.

#### *Report of Department of Local Affairs ("DOLA")*

Cynthia Thayer, Director of Local Government Services, only provided a written agency report. The written report included a listing of the awarded Tier I and Tier II applicants for the August 1, 2024, EIAF application cycle. The recent application deadline for the Energy and Mineral Impact Assistance Fund ("EIAF") Program was December 2<sup>nd</sup> with \$25,000,000 available. The report included a brief update regarding the Department's Small and Rural Communities Technical Services Program, noting that work was recently started with a new community, Town of Romeo (Wastewater). The report also indicated that through the end of October, a total of \$43,076 has been spent on technical services projects, including \$35,965 on drinking water projects and \$7,111 on wastewater projects.

*Public and/or Board Member Comment – None.*

*Report of the Chair* – Chair Treese stated that he appreciates his selection as the new Chair. It is much easier to accept the position and its challenges because of the expertise of the Board. He also thanked Patti Wells and Eric Wilkinson for applying for another term and continuing their services.

*Resolution of Appreciation to Steve Vandiver, Resolution No. 24-36*

Chair Treese presented and read Resolution No. 24-36. Chair Treese thanked Director Vandiver again and is appreciative of his continued support and guidance going forward. A motion was made to adopt Resolution 24-36. After the motion was approved, Mr. McLaughlin expressed his thanks to Director Vandiver for his services and his willingness to serve an additional term.

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

*Resolution of Appreciation to Sabrina Speed, Resolution No. 24-37*

Chair Treese presented Resolution No. 24-37 and read the document. A motion was made to adopt Resolution 24-37. After the motion, Wesley Williams stated that Ms. Speed has been an instrumental part of the Authority, and her good work has not gone unnoticed. Jim Griffiths added that Ms. Speed has provided a lot of good advice over the years, and she will be missed. Mr. McLaughlin followed up with his sincere heartfelt thanks to Ms. Speed and that the Authority will not be the same without her. Steve Vandiver echoed the thanks to Ms. Speed and that she was always willing to help no matter the request or situation.

Motion: Patti Wells  
2<sup>nd</sup>: Karen Wogsland  
Vote: Motion carried

Lastly, Chair Treese mentioned that he will be making committee appointments/assignments and asked the Directors to let him know their committee preferences. Chair Treese and Mr. McLaughlin will work together and get the committee assignments completed before the beginning of the year.

*Report of the Treasurer* – Treasurer Karen Wogsland echoed Chair Treese’s comment about doing her best to fill the larger shoes of her predecessor, former Treasurer Mike Fabbre. Treasurer Wogsland asked Justin Noll to provide the report which he began by stating that the Authority is still in transition with the new accounting software, Sage Intacct. Mr. Noll indicated that we are currently entering transactions into the new software, but the reporting side of the software is not finalized and therefore we do not have financials available. Mr. Noll discussed the yields stating that the Federal Reserve reduced rates by ¼ point in November and that COLOTRUST decreased its daily yield rate from 4.9750 to 4.7947 on December 5th. Director Bruce Whitehead noted that he believes there was an error in the report asking Mr. Noll if the State Treasurers Cash Pool and COLOTRUST numbers were reversed, to which Mr. Noll indicated they were, and he would make the correction. A motion was made to approve the Treasurer’s Report with the correction as suggested.

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

*Report of Executive Director* – Mr. McLaughlin began by thanking staff for making it through a challenging year, and he also thanked the Board for the meaningful conversation and feedback from the December 5<sup>th</sup> BPWS meeting and the Personnel Committee meeting. Mr. McLaughlin expressed his appreciation on the Board Program Work Session (“BPWS”) Arkansas Valley Conduit (“AVC”) conversation. Mr. McLaughlin said that they should have the final Intergovernmental Agreement (“IGA”) for review by

March. Mr. McLaughlin spoke about the immediate focus to shore up staffing needs and working hard to close out the year's financials. The Authority will also be completing staff performance reviews.

Mr. McLaughlin indicated there was some good discussion regarding the bylaws at the BPWS. He appreciated the Board's approach of approving what they could and then circling back on other items that needed to be addressed at a later date. Mr. McLaughlin referred to the finalized version in the packet which incorporated the amendments from the December 5<sup>th</sup> meeting. A motion was made to adopt the amendments to the Bylaws as submitted. Director Patti Wells concurred that the amendments reflected their discussion.

Motion: Bruce Whitehead  
2<sup>nd</sup>: Lucas Hale  
Vote: Motion carried

#### *Accounting Manager's Report*

Controller Justin Noll noted that in November the Authority began using a new time tracking software, called Inova, that will help with allocating time to the grants, as well as vacation and sick time-tracking and other HR functions. With the use of the new accounting software, Sage Intact, the Authority, in conjunction with US Bank, will transition to eliminate the need and use of check stock. Mr. Noll concluded his report by informing the Board that the auditors will be out the first or second week in January for their initial 2024 audit work.

#### *Finance Manager's Report*

Finance Director Jim Griffiths announced that the Office of Inspector General ("OIG") opened up an inquiry into the Town of Silt's project. As of December 6, we have not heard anything additional from the OIG's office. Mr. Griffiths stated that the Inspector General tends to look for fraud, fairness, appropriate use of funds, and procedure-following. In response to a question by Director Whitehead regarding the amount of time that will be required from the Town of Silt - Mr. Griffiths indicated that the time requirement is unknown, and that he will continue to report to the board until the audit is complete.

#### *Office Manager's Report*

Office Manager Sabrina Speed began her report with the Authority's website accessibility progress. Ms. Speed indicated that the Authority has been working with Streamline and the biggest issue that remains is the PDFs. Streamline does a monthly scan of our website and we are scoring 98-99%. The required date to be compliant is July 1, 2025. Secondly, Ms. Speed reported that the annual Colorado Water Congress convention will be January 29-31 at the Hyatt Regency in Aurora and confirmed that everyone who signed up has been registered and hotel rooms are secured. Chair Treese asked if the AI companion with Zoom has improved and ED McLaughlin indicated that it still has a ways to go, but it will get there at some point.

#### *Report of Legal Counsel*

General counsel Karl Ohlsen reported that he, Keith McLaughlin and Jim Griffiths spent some time discussing the AVC, as well as working through the Bylaws. Mr. Ohlsen went on to state that every year their firm does a cost and expenses review, however they try to keep the increase for the Authority at a minimum. CH&P's rate will increase by \$5.00 per hour and this rate is about \$65.00 per hour less than his typical rate in recognition of the long relationship with the Authority.

### **Drinking Water Revolving Fund**

#### *Cucharas Sanitation and Water District – Resolution No. 24-38*

Kevin Carpenter referred to the credit report in the board packet. Mr. Carpenter noted that the District has significant reserves to be used for future capital projects within the District. The District is in a strong

financial position to take on the proposed debt with no rate increase needed, and a coverage ratio of 183% with the proposed loan. The project is necessary to bring their Baker Creek Resort Treatment Plant back online and to increase system reliability and resiliency. Mr. Carpenter stated that 14.4% of the project cost is included as a contingency. This comes with a favorable recommendation from the PFC, and recommends the Board approve a \$447,789 disadvantaged community direct loan and \$811,511 in BIL PF to the Cucharas Sanitation and Water District. Mr. Carpenter stated that Dannah Koeniger, of GMS, is representing the Town of Cucharas as their engineer, and is attending virtually. Ms. Koeniger thanked Authority staff and the Board for their consideration of this loan. Next, Ms. Koeniger explained why the District maintains high reserves. Director Wilkinson asked: what is the Board's philosophy/policy in regard to prepayment of these loans with a significant percentage of loan forgiveness. It was determined that this policy question will be saved for a future retreat or BPWS meeting. A motion was made to adopt Resolution 24-38.

Motion: Patti Wells  
2<sup>nd</sup>: Steve Vandiver  
Vote: Motion carried

#### *City of Trinidad– Resolution No. 24-39*

Giorgi Gazashvili referred to the PFC meeting and the credit report noting that the City of Trinidad is seeking a Drinking Water Revolving Fund (DWRf) loan in the amount of \$3.5M that consists of \$2.2M in BIL supplemental forgiveness funds with the remaining loan funds at 2.5% interest for 20 years. The project includes replacing 4 water storage tanks. No additional rate increases are needed to support this loan request. Mr. Gazashvili indicated that there were questions from the PFC regarding the use of the City's reserves, the IGAs, and the timing of the EIAF grant and the 2023 ARPA funding to which he deferred to the representative from the City. Representatives from the City Mike Valentine, Interim City Manager, and Cheryl Nacarette, Finance Director, first thanked the Authority and the Board for the consideration of the SRF loan and providing financial support to the City, stating that the project is of great need. Director Wilkinson asked : 1. does the City intend to prepay the repayable loan and 2. will the City renew several IGAs for water service that have expired. Marc Vigil, Water Utility Director at the City of Trinidad, responded that the City is the only provider of water for that area and they are committed to continue to serve these outside areas with water and the IGA's are in the process of renewal. Chair Treese asked if it would cause the City any difficulty if they put a condition on the loan to assure the IGA's will be renewed therefore assuring the revenue, to which Mr. Vigil confirmed it would not be an issue. Chair Treese asked if there was a plan for any prepayment of the loan. The City responded there was no plan for early prepayment and deferred to Cheryl Navarette, Finance Director. Ms. Navarette indicated that \$2.4M of their \$5M in reserves are restricted so that they can acquire additional water rights. \$1M of the unrestricted remaining \$2.9M is the ARPA funds slated for this project and therefore also restricted. 25% of the remaining \$1.9M of unrestricted reserves is for required operating expenses and reserves. A motion was made to approve Resolution No 24-39.

Motion: Patti Wells  
2<sup>nd</sup>: Bruce Whitehead  
Vote: Motion carried

#### *City of Fort Lupton DAC Business Case*

Austin Reichel began by introducing the guest representatives for the City of Fort Lupton that were in attendance that included: Chris Cross, City Administrator; Tia Cavender (consultant); as well as several online guests from the City. The City of Fort Lupton (the "City"), located in Weld County, is seeking approval of a DAC Business Case to allow for potential access to additional DWRf Bipartisan Infrastructure Law ("BIL") Supplemental Principal Forgiveness ("PF"), and a reduced interest rate for the first \$3 million of repayable loan. The City intends to pursue a loan to construct an elevated storage tank,

pump station, and distribution and transmission piping. The City narrowly missed qualifying for DAC status due to an MHI that was only slightly above the benchmark. Historically, the City's MHI data has consistently been above the DAC threshold of 80% of state MHI; however, it is growing at a rate slower than that of the state and has been getting closer to the 80% benchmark over time. Furthermore, the impact of the proposed debt will pose a burden to this community that reports a recent record number of utility bill delinquencies and job loss. Mr. Cross confirmed that the DOLA grant has been approved. This comes to the board with a favorable recommendation from the PFC and no (neutral) recommendation from the SRF committee due to the City's MHI. A motion was made to approve the City of Fort Lupton for a DAC business case.

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

#### *Town of Ridgway- Additional Bonds Test Waiver and Consent*

Austin Reichel reported that on November 1, 2024, the Town of Ridgway executed a DWRP direct loan in the amount of \$650,000, at an interest rate of 3.25% for a term of 20 years ("2024 Loan Agreement"). Pursuant to the 2024 Loan Agreement, the Town covenanted to not issue parity debt unless the Town could certify that Net Revenue (as defined in Paragraph (3) of Exhibit A to the 2024 Loan Agreement) for any 12 consecutive months out of the 18 months preceding, the net revenue was at least equal to the sum of (a) 110% of the maximum annual debt service due in any one year on both the 2024 Loan Agreement and all other outstanding parity obligations, as well as the proposed obligations to be issued, and (b) the maximum annual debt service due in any one year on all parity or subordinate obligations (the Additional Bonds Test, or "ABT").

The Town has applied for an emergency loan from the Colorado Water Conservation Board ("CWCB") to finance design, repairs, and improvements to the Town's damaged intake structure and transmission system, in addition to development of an interim water supply. The Town anticipates paying off a portion of the CWCB loan with proceeds grants (both state and federal), in addition to long-term funding opportunities. The Town expects to enter into an interim construction loan with the CWCB, in an approximate amount of \$8,000,000 (the "Interim Loan"), which will be payable from Pledged Revenues on parity with the 2024 Loan Agreement. The Interim Loan will be structured such that it bears no interest for the 3-year period and principal loan repayment for any unpaid balances will be extended for a longer period (30-year term). The CWCB can extend the Interim Loan to a 30-year loan if the Town has not secured long-term funding after 3 years.

This ABT waiver request only applies to the CWCB Interim Loan. Austin concluded his report and opened it up for questions. Chair Treese asked if they are waiving the ABT or an element of the ABT to which Mr. Reichel responded we are just waiving it for the interim financing. Director Whitehead wanted to confirm that once the CWCB loan becomes amortized, the waiver expires, and Mr. Griffiths and Mr. McLaughlin confirmed. A motion was made to waive the Additional Bonds Test for the Town of Ridgway as outlined in the memo.

Motion: Mike Fabbre  
2<sup>nd</sup>: Bruce Whitehead  
Vote: Motion carried

#### *Arkansas Valley Conduit Intergovernmental Agreement*

Jim Griffiths stated that there was no further update and they had a nice discussion at the BPWS on December 5, 2024.

Mr. Griffiths moved on to discuss the funding of private-non-profit ("PNP") water systems. To date, the Authority has closed four loans to PNP's and the Authority recognizes that while these systems deserve

good infrastructure the projects are very complicated, take an inordinate amount of time and Authority resources. Patti Wells commented that maybe we should reconsider not doing these PNP loans going forward. Mr. McLaughlin noted that he has made addressing the PNP issues a priority. Chair Treese indicated that this topic should be added to a future BPWS agenda.

#### *Drinking Water and Wastewater Eligibility List*

Wesley Williams asked if he could combine the Drinking Water and Wastewater lists presentation. Mr. Williams began by explaining the annual lists are required by the Environmental Protection Agency (“EPA”) as well as the General Assembly and shows the total needs of water and wastewater projects in the state of Colorado. The process starts in June with the WQCD sending out an eligibility survey through the CEOS portal. A list is then generated that is added to the Intended Use Plan and approved by WQCC in October. There are 560 drinking water projects on the eligibility list with a total estimated need of approximately \$31B, as compared to last year’s list of 545 projects for a total of approximately \$28B. The Drinking Water list had 16 additions, 59 modifications, and 1 deletion. Mr. Williams added that the Wastewater list included 11 additions, 34 modifications, and 3 deletions. There were 390 projects on this year’s wastewater list with a need of approximately \$23B, up from \$18B last year. A motion was made to approve the 2025 DWRF and WPCRF eligibility lists and to incorporate the additions, modifications and deletions into a joint resolution with the provision that staff can modify the list following further review and discussion with the WQCD.

Motion: Karen Wogsland  
2<sup>nd</sup>: Eric Wilkinson  
Vote: Motion carried

#### *State Revolving Fund 2024 Series C Bond Sale Results*

Ian Loffert referred to the info-graphic provided in the Board materials. The sale date was November 13, it was competitive bid and 10 bidders were received. The Bid was awarded to the lowest bidder UBS Financial Services Inc. The series sold at a premium. Chair Treese asked Mr. Loffert how the premium is allocated, to which Mr. Loffert answered that it gets split out between the borrowers.

#### *Principal Forgiveness Caps and Maxes Recommendations for Drinking Water and Wastewater*

Wesley Williams indicated that he would be discussing Principal Forgiveness Caps and Maxes recommendations for both Drinking Water and Wastewater but will need separate motions. Based on the analysis performed by SRF staff, it is recommended that no changes to the DWRF PF limits are made. A motion was made to approve no changes to the DWRF PF limits.

Motion: Matt Shuler  
2<sup>nd</sup>: Steve Vandiver  
Vote: Motion carried

Staff is also recommending no changes to the WPCRF PF limits. A motion was made to approve no changes to the WPCRF PF limits.

Motion: Matt Shuler  
2<sup>nd</sup>: Patti Wells  
Vote: Motion carried

#### *Status of Projects*

Giorgi Gazashvili reported that staff has had 3 pre-qualifications since the October Board meeting including Swiss Village Homeowners Association; Town of Orchard City; and City and County of Broomfield. We have received 2 drinking water loan applications for the November 5 deadline which included the Town of Crawford for \$525,000 and Pinewood Springs Water District for \$2,837,592. Mr. Gazashvili stated that 1



grant was awarded to the Town of Saguache for the DWRF Planning Grants since the October Board meeting and there is \$20,000 remaining in the budget for the 2024 Planning Grants. There were no grants awarded for the DWRF Design and Engineering (“D&E”) Grants since the October Board meeting. There is \$174,732.75 remaining in the 2024 D&E funds. Mr. Gazashvili noted that staff anticipates a significant number of loan applications at the January 5<sup>th</sup> loan application deadline

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

#### *Status of Projects*

Giorgi Gazashvili reported that there have not been any pre-qualifications; we have also received no loan applications for the November 5<sup>th</sup> deadline; and there have been no WPCRF planning grants awarded since the October Board meeting. Mr. Gazashvili stated that there has been 1 WPCRF D&E Grant to the Town of La Jara since the October Board meeting, and there is \$1,666,841 remaining in the D&E funds. Finally, for the January 5<sup>th</sup> loan application deadline, we are expecting 1 application for an estimated amount of \$20M. We have 204 outstanding loans with an approximate balance of \$632M.

### **Small Hydropower Loan Program**

#### *Status of Projects*

Wesley Williams stated they had a really good discussion on December 5 at the Board Program Work Session discussing the history of the Small Hydropower Loan Program, current parameters and a few projects that have expressed interest in the program but don’t fit into current requirements. Mr. Williams received direction on how to direct the City of Aspen if they are still interested in coming through for a loan application. Staff will revisit the SHLP parameters and requirements at a future retreat or BPWS.

### **Water Revenue Bonds Program**

#### *Status of Projects*

Giorgi Gazashvili noted there has been no activity in the Water Revenue Bonds Program since the last Board meeting. There are five loans outstanding with an approximate balance of \$51 million.

### **Personnel Committee**

Committee Chair Karen Wogsland noted that the Personnel Committee met on Tuesday, November 26<sup>th</sup> and stated that the meeting was lengthy and productive. The agenda included the salary and benefit survey and employee retention options. The Committee reviewed the information and recommendations from the surveys, and it was identified that there were some areas where the Authority’s benefits have fallen behind. The Committee directed Executive Director Keith McLaughlin to review the benefits and provide recommendations to the Committee in the first quarter of 2025. There was a unanimous motion to recommend to the full Board to approve the cost of engaging a benefits/insurance consultant. The Committee recommends the cost of the benefits consultant is included in the 2025 budget. Mr. McLaughlin clarified that it has been included in the budget, but he would still prefer a formal motion that included it. A motion was made to approve the benefits consultant and to include the resources necessary therefore in the 2025 budget.

Motion: Eric Wilkinson  
2<sup>nd</sup>: Lucas Hale  
Vote: Motion carried

Director Wogsland stated that the salary survey recommended salary range market adjustments for certain positions. There was a unanimous motion from the PFC to recommend to the full Board for approval of the recommended salary range adjustments as included in the salary survey in the amount of \$22,000 and that amount is to be added to the budget. A motion was made to approve the salary ranges as outlined in the salary survey, including market adjustments as outlined in the salary survey in the amount of \$22,000 and to make those adjustment in addition to any year-end raises and to add that amount to the 2025 budget.

Motion: Karen Wogsland  
2<sup>nd</sup>: Steve Vandiver  
Vote: Motion carried

Next, Director Wogsland stated the Committee discussed employee retention/appreciation options as brought to the committee by Mr. McLaughlin. The staff's additional time and effort has not gone unnoticed by the Board. Mr. McLaughlin presented various potential options to demonstrate the Board's appreciation. Following much discussion, a motion was made to Authorize a BIL bonus pool of \$20,000 with prepaid taxes and fees that are distributed to staff at the Executive Director's discretion and allocated to all employees. The BIL bonus is in recognition of the extra work and accomplishments of staff during BIL.

Motion: Karen Wogsland  
2<sup>nd</sup>: Patti Wells  
Vote: Motion carried

Director Wogsland stated the PFC heard retention options as presented by Mr. McLaughlin that included various contributions from the Authority to the employees 401(k) accounts, to which there was unanimous support. After further discussion including ways to encourage employee retention, the following motion was made. To authorize a 401k matching program of up to 3% annual match, with a five-year vesting schedule, as allowable under PERA, and to increase the 2025 budget as needed.

Motion: Karen Wogsland  
2<sup>nd</sup>: Bruce Whitehead  
Vote: Motion carried

Director Wogsland concluded her report with mentioning that the remaining 2 agenda items not covered during the PFC were covered at the BPWS including the 2024 Executive Director Accomplishments, the 2025 Executive Director goals, the Executive Director performance and the 2025 Executive Director compensation.

### **Project Finance Committee**

Committee Chair Chris Treese noted that the Project Finance Committee met on December 2nd and the minutes from that meeting were provided in the Board materials. Director Vandiver had a question regarding the Cucharas Sanitation and Water District credit report asking to make sure that the transposition of annual payments from the table were corrected in the final record. Kevin Carpenter confirmed that it did get corrected.

### **Board Program Work Session**

Committee Chair Eric Wilkinson noted that the previous evening's Board Program Work Session included discussions of the following: Detailed discussion of the Arkansas Valley Conduit. Chair Wilkinson encouraged staff to continue to include AVC in the BPWS meetings as needed. DAC metrics. Bylaws were discussed and changes were adopted. Interest rates for 2025 with no changes from current rates. Small hydro loan program changes. Executive Director goals and objectives for 2025. The BPWS entered Executive Session to discuss the Executive Director's 2024 performance.

### **Budget & Audit Committee**

#### *Adjustments*

Controller Justin Noll who started off with adjustments to the 2024 budget and referred to the memo in the Board packet. Mr. Noll indicated that Mr. McLaughlin can approve the adjustments, and they do not need Board approval, but the information is being provided for transparency. Mr. Noll stated that he has to implement a new GASB this year for compensated absences which means our liability will likely increase. Mr. Noll added \$50,000 to the vacation and sick accrual to account for the new rule. Mr. Noll stated that

he had to make the following adjustments 1. for the office rent and deposits, he had to increase our common area maintenance by about \$15,000 which was higher than we expected; 2. He is also increasing technical support activities for our IT projects; and 3. To add \$10M in principal forgiveness to account for the unanticipated principal forgiveness draws. No motion is needed.

*Budget and Resolution No. 24-41- A Resolution appropriating sums of money to the various funds and spending agencies, in the amounts and for the purposes set forth below, for the Colorado Water Resources and Power Development Authority for the 2025 Budget Year*

Mr. Noll stated that since the budget was discussed in great detail at the October meeting, he will just discuss the changes that he has made since October. Mr. Noll mentioned that in October a notice was posted in the Denver Post stating that our budget is available. Mr. Noll noted the changes to salaries and that he increased the budget by \$40,000 for the employee retention bonus. Mr. Noll also stated that because of salary increases, he increased the pension expenses, healthcare and Medicare match. Additionally, Mr. Noll made a budget adjustment in the benefits section for the 401(k) match that assumes the full 3% matching funds for all employees, noting that we will likely not need this full amount. Next, Mr. Noll added \$20,000 to the budget for an insurance and benefits consultant. The final changes that were suggested were to increase both SRF Planning Grants in the amount of \$50,000 each. This change will build a little more cushion in case the Board wants to increase the planning and design grant maximums per applicant. A motion was made to approve Resolution No. 24-41 with the changes as noted.

Motion: Patti Wells  
2<sup>nd</sup>: Matt Shuler  
Vote: Motion carried

*Resolution No. 24-42 A Resolution 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 2025 and ending on the last day of December 2025*

Mr. McLaughlin asked that there be an amendment to the Resolution to approve the conditions from the Personnel Committee, the Board Program Work Session and to increase the budget to cover those expenses including the 2025 Executive Director's salary. A motion was made to approve the amendment to Resolution No. 24-42 as outlined by the Executive Director.

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

### **Legislative Issues and Other Business**

Mr. McLaughlin reported that the Authority is watching the continuing resolution at the Federal level closely, as mentioned by Christine Arbogast, which expires December 20<sup>th</sup> and could lead to a government shut down. The shutdown should not impact the Authority, and we should still be able to access cap grant funds. Mr. McLaughlin stated that he and Ms. Arbogast are working up some information that they will be presenting to certain members of Congress, and they will likely both be going to Washington D.C. to meet with administration and Congressional staff to discuss SRF issues. Mr. McLaughlin noted that the EPA is under several Inspector General audits, including lead service line funds allocation. Mr. McLaughlin advised that he needs to line up sponsors for our eligibility list legislation. Mr. McLaughlin extended his appreciation to Directors Wells and Wilkinson for their willingness to serve an additional term. Under other issues, Mr. McLaughlin mentioned there are several articles and newsletters for the Board and then concluded his report.

**Arrangements for Future Meetings**

Chair Treese noted the next Board meeting is as follows: January 29<sup>th</sup> at the Hyatt Regency Aurora/Denver Conference Center. Chair Treese mentioned that there is a link in the ED report that includes all the Board meeting dates for 2025.

**Adjournment**

Chair Treese adjourned the meeting at 12:01 p.m.

Respectfully submitted,

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Heather Newton

*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.