

**Colorado Water Resources
and
Power Development Authority**

BOARD MEETING MINUTES

June 6, 2025

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 (virtual), Matthew Shuler, Steve Vandiver, Patti Wells, Bruce Whitehead, and Eric Wilkinson. A quorum was declared with nine Board members present.

Introduction of Guests

Due to the lengthy Board agenda, Chair Chris Treese skipped the introduction of guests.

Approval of Consent Agenda

Chair Treese announced that the following items were placed on the Consent Agenda for Board consideration at the Project Finance Committee meeting: Agenda items 8(b) Drinking Water Revolving Fund DAC Business Case for Mesa Water and Sanitation District and 8(c) Drinking Water Revolving Fund loan application for Town of Swink, Resolution No. 25-23. After hearing no comments, a motion was made to approve the Consent Agenda, as presented.

Motion: Patti Wells

2nd: Bruce Whitehead

Vote: Motion carried unanimously

Approval of Minutes – April 25th, 2025

The April 25, 2025, Minutes were presented for approval. There was discussion about referencing staff memos using links in the minutes and it was agreed that the minutes should be shortened. A motion was made to approve the Minutes of April 25, 2025, with the suggestions discussed.

Motion: Bruce Whitehead

2nd: Matthew Shuler

Vote: Motion carried unanimously

Other Agency Reports

8(a) Arkansas Valley Conduit (AVC)

Jim Griffiths, Deputy Director, reported that the Authority has received comments on the MOU from Colorado Water Conservation Board's ("CWCB") Attorney General and the MOU is now back with Karl Ohlsen, General Counsel, for review. Leann Noga, Executive Director of Southeastern Colorado Water Conservancy District ("the District"), reported that the Bureau of Reclamation's construction on the conduit is generally going well, but there is a delay with an injection site. Ms. Noga mentioned that the City of La

Junta wants a lower percentage of the conduit water and the District is willing to work with La Junta and another participant on this issue. Director Patti Wells asked Ms. Noga how many of the thirty-nine participants are government entities and how many are Private Nonprofit (“PNP”) public water systems. Ms. Noga responded that she will get the numbers of each and provide an update at the next Board meeting.

6(a) Report of the Lobbyist

Christine Arbogast virtually attended the Board Program Work Session on June 5, 2025, and provided her report.

6(b) Report of Water Quality Control Division (“WQCD”)

Ron Falco, Safe Drinking Water Program Manager, summarized some highlights from his written report. Mr. Falco noted that the Request For Applications (“RFA”) for the Division’s Emerging Contaminant (“EC”)-Small Disadvantaged Communities grant program received five applications and eleven applications for design and planning projects. The Division recently issued six design and planning awards and one EC infrastructure project award. Mr. Falco noted that Senate Bill 25-305 passed which maintains the Division’s funding that was received last year to support both the clean water and safe drinking water programs. Finally, Mr. Falco provided an update regarding the vacant Section Manager position, stating that the interviews are finalized and the selection should be determined within the next week or two.

6(c) Report of Department of Local Affairs (“DOLA”)

Cynthia Thayer, Local Government Services Director, began by referring to the written report noting that the April 1st round of applications for the Energy and Mineral Impact Assistance Program will be competitive. Ms. Thayer highlighted that six of the Tier I requests and eight of the Tier II requests will be co-funded with SRFs, also noting there will not be another round of applications for the 2025 calendar year due to revenue shortfall. Ms. Thayer reported that as of April 30, 2025, a total of \$5,898 has been spent on technical services projects; \$2,656 on drinking water projects and \$3,242 on wastewater projects. DOLA plans to request continued funding for this program in their August budget request. Finally, Ms. Thayer updated that while there is a general concern about funding cuts to the census bureau and the potential for a decline in data quality, no imminent threat to the American Communities Survey is anticipated as a census bureau product.

6(d) Report of Colorado Water Conservation Board (“CWCB”)

Kirk Russell, Finance Section Chief, reported that the CWCB Board met in May and approved three new loans for Central Colorado Water Conservancy District – Chatfield Reservoir Reallocation Unit Purchase, Lower Latham Reservoir Company – Jurgens Reservoir Construction Project, and Circle C Ranches, LLC – Little King Ranch Dam Rehabilitation Project. Mr. Russell reported that their fiscal year has ended with CWCB approving sixteen new loans totaling \$75M. CWCB has been in communication with some potential large projects for City of Fort Collins, Project 7 Water Authority, and Town of Milliken. Mr. Russell noted that CWCB will end the fiscal year with zero direct revenue from Severance Taxes, and the CWCB’s forecast portion for the next two fiscal years is estimated at around \$50M. Mr. Russell provided updates on the Water Plan Grants, the Litigation Fund Budget and the annual appropriation for the Water Education Colorado scope of work. Mr. Russell then discussed that there was a great deal of discussion and public comment at the CWCB Board meeting regarding the Colorado River Water Conservation District’s acquisition of the Shoshone Water Right. Chair Treese requested an update on the Legislative initiative to examine long term alternatives for funding water plans, water projects generally in place of Severance Tax and requested a regular update during CWCB’s report. Mr. Russell stated there is an initiative to ensure there are alternative options and there is not sole dependence on severance tax. There was additional information and discussion provided by Directors Wells and Wilkinson regarding the Shoshone Water Right acquisition. Mr. Russell concluded his report with an offer to have Authority Board members speak with CWCB staff members regarding the Shoshone Water Right acquisition details, as needed.

Authority Reports

7(a) Public and/or Board Member Comment

There were no comments from Directors. Dannah Koeniger with GMS Consulting Engineers thanked the Board on behalf of the Town of Swink for the approval of their loan.

7(b) Report of the Chair

Chair Chris Treese mentioned that he represented the Authority during the Town of Granby's water treatment plant groundbreaking and reported it went very well.

7(c) Report of the Treasurer

Director Karen Wogsland, Board Secretary/Treasurer, invited Justin Noll, Controller, to provide the report and thanked the accounting team for all their work on the audit material. Mr. Noll referred to page 62 of the packet mentioning that these reports (bond status, loan status and project status) are not included in every meeting, and he further stated that there is a historical report on page 70 highlighting that as of March 2025 the Authority has done just below \$3.5 billion in loans and closed just over 900 loans since the inception of the program. Next, Mr. Noll advised that the COLOTrust interest rate went down slightly since the last meeting. A motion was made to approve the Treasurer's Report.

Motion: Karen Wogsland

2nd: Steve Vandiver

Vote: Motion carried unanimously

7(d) Report of the Executive Director

Keith McLaughlin, Executive Director, began his report mentioning the office expansion, which would add approximately 225-250 square feet obtained from the Colorado Water Congress' adjacent office. Mr. McLaughlin stated that the Authority received one budget estimate based on preliminary design, which came back between \$110,000 - \$125,000 for this project, but the Authority will go out for bid once all approvals and permits have been achieved. Mr. McLaughlin suggested that between the office expansion and the two additional staff, there will likely be an impact on the budget, which would likely require an amended budget or shifting items around in the existing budget. The job description for the newly created position will be written and brought to the Board for approval at the August Board meeting. Mr. McLaughlin reported that he intends to set up committee meetings for the Personnel Committee and Governmental Affairs Committee prior to the August Board meeting. Additionally, Mr. McLaughlin informed the Board that this summer Authority staff will be working on applying for seven FY 2025 cap grants. Next, Mr. McLaughlin noted that the Environmental Protection Agency is conducting a formal annual review of the Authority's books, audits, and projects and he is hoping to have a draft audit report by July. Mr. McLaughlin moved on to report that WQCD has offered to do a presentation for the Board regarding the prioritization process to potentially include specific project examples. Mr. McLaughlin concluded his report by highlighting the SRF's South Adams Water and Sanitation District's site tour and mentioning other possible tour sites with the October Board meeting. After the Executive Director report, there was discussion about the Congressionally Directed Spending evaluations, scale, and scope for FY/26.

7(e) Accounting Manager's Report

Justin Noll, Controller, mentioned that the Authority has two upcoming IT projects. First, the Authority will be updating the WiFi; and second, a network refresh with the replacement of network switches. Both projects were presented and approved at last year's budget meeting.

7(e) Finance Manager's Report

Wesley Williams, Finance Director, reported that over the last several months, Finance has been shorthanded, but a new staff person will be starting in July. Mr. Williams reported that Swiss Village Homes Association has decided to withdraw their application from the State Revolving Fund program after the last Board meeting. They determined the SRF program would not be a good fit, and they had concerns about getting a timely audit completed. Next, Mr. Williams updated that staff were concerned because two borrowers were close to being late on their direct loan payments, but Authority staff worked diligently to connect with both borrowers to get the payments before going into default. Mr. Williams then presented the Deputy Director approval authorizations memo. A motion was made to approve the Deputy Director Approval Authorizations.

Motion: Patti Wells

2nd: Eric Wilkinson

Vote: Motion carried unanimously

Finally, Mr. Williams noted that the Authority issued bonds, and the bond closing is scheduled for next week. Mr. Williams then invited Austin Reichel to the podium to report on outreach opportunities from the Outreach and Education Committee. Mr. Reichel provided information on the two SRF Regional Workshops with corresponding QR codes for information and signup. This year the workshops will be in Montrose, on July 9th, and Castle Pines, on July 29th.

7(e) Office Manager's Report

Heather Newton, Office Manager, reported that the 2024 Popular Annual Financial Report has been sent electronically and via mail to all required parties, also noting that each Board member received a hard copy at today's Board meeting. Ms. Newton provided an update on the OnBoard board meeting management software stating that Authority staff felt a demo of the software for the June meeting would be rushed and more complex than initially thought. Staff will demo the software internally prior to the August Board meeting and then, if successful, the software will be demonstrated at the August Board meeting with the Board and partners. There was discussion around whether or not the software and AI minutes are necessary or required. Ms. Newton moved on and asked the Board for their thoughts and comments on how the June posting went in terms of the highlights on the agenda for the BPWS material and new or updated material. There were a couple of suggested changes including using an asterisk or italics rather than a red highlight and including a legend as to what the colors or asterisks indicate. Finally, Ms. Newton concluded her report with an update on the Colorado Water Congress ("CWC") summer conference registrations and hotel reservations.

7(f) Report of Legal Counsel

Karl Ohlsen, General Counsel, reported that the Blue River Valley Ranch Lakes Association PNP loan has been completed and closed. Mr. Ohlsen reported that he had worked on the CWC sublease amendment and is waiting for comments from them. Finally, Mr. Ohlsen stated that he has been reviewing the revisions for the CWCB and Attorney General for the AVC's MOU.

Drinking Water Revolving Fund

8(a) Arkansas Valley Conduit ("AVC")

Moved up

8(c) Town of Hugo – Resolution No. 25-20

Kevin Carpenter referred to the PFC meeting and the credit report noting that the Town of Hugo (“the Town”) is seeking a Drinking Water Revolving Fund (“DWRF”) loan in the amount of \$5,395,767 at 1.75% interest for 30 years (comprised of a \$740,376 DAC base loan, a \$1,655,391 BIL loan, and \$3,000,000 BIL principal forgiveness) with an estimated \$8.90 rate increase. The project consists of distribution line replacement on multiple streets, replacement of manual water meters with automatic read meters, new fire hydrants, a new storage tank, redrilling of wells, upgrading the SCADA system, and replacing gas chlorination with sodium hypochlorite chlorination at both pump houses. This application received a favorable recommendation from both the SRF and Project Finance Committees on the condition that the rates are increased to meet the loan requirements. Mr. Carpenter noted this loan was left off the consent agenda due to last-minute changes to the credit report. The Town’s sewer debt was updated in the current indicators, noting that this does not change the recommendation, or the rate increase calculations. The second update was in the debt section, which removed a USDA loan that was never executed. Dannah Koeniger, GMS Consulting Engineer noted that the Town is also applying for a Water Smart grant. A motion was made to approve Resolution No. 25-20.

Motion: Karen Wogsland

2nd: Bruce Whitehead

Vote: Motion carried unanimously

8(c) Mesa Water and Sanitation District – Resolution No. 25-21

In response to a PFC question, Austin Reichel reported that Mesa Water and Sanitation District (“the District”) has an existing capital improvement plan for the sewer fund that would be complete if they can secure funding for the proposed project. In response to another PFC question, the District indicated the fund expenditures in question were for an ARPA grant they received for a different project. Mr. Reichel then referred to the PFC meeting and the credit report noting that the District is seeking a Drinking Water Revolving Fund (“DWRF”) loan in the amount of \$1,004,570 at 1.75% interest for 30 years (comprised of a \$357,211 BIL loan, and \$647,359 BIL principal forgiveness) with an estimated rate increase of \$29.71. Mr. Reichel noted that in March 2025, the District submitted an Energy and Mineral Impact Assistance (“EIAF”) grant application for \$482,285. Grant awards will be announced in July 2025, and any grant award will reduce the SRF request by the EIAF amount. In 2023, the District also received an SRF design and engineering Grant in the amount of \$156,800. The project consists of replacing and upsizing existing distribution lines. This application received a favorable recommendation from both the SRF and Project Finance Committees on the condition that the rates are increased to meet coverage ratio requirements. John Groo, Board President, approached the podium and further expressed the need for this project. A motion was made to approve Resolution No. 25-21.

Motion: Mike Fabbre

2nd: Eric Wilkinson

Vote: Motion carried unanimously

8(d) Town of Pritchett, Expedited DAC Category 2 Business Case

At the request of the PFC, Giorgi Gazashvili reported that the State Revolving Fund (“SRF”) staff has prepared a DAC Category 2 business case for the Town of Pritchett (“the Town”). The Town did not initially meet the DAC Category 2 criteria due to unreliable Median Household Income (“MHI”) place data. SRF staff utilized block group data, which was confirmed to be statistically similar via a T-test per program methodology. The block group MHI and the Town’s low existing debt meant it did not meet the 80th percentile benchmark for Category 2 DAC status. Another consideration is that the Town’s Median Household Value (“MHV”) is \$38,200, which is significantly less than the State of Colorado’s MHV of \$502,200 and indicates a potential severely economically distressed area. SRF staff support the DAC Category 2 business case and recommend that the Board approve the business case for the Town of Pritchett. A motion was made to approve the business case.

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

8(c) Town of Pritchett – Resolution No. 25-22

Giorgi Gazashvili referred to the PFC meeting and the credit report noting that the Town of Pritchett (“The Town”) is seeking a Drinking Water Revolving Fund (“DWRF”) loan in the amount of \$319,810 at 1.75% interest for 30 years (comprised of a \$113,720 direct loan, and \$206,090 BIL principal forgiveness). This project addresses the Town’s high radium levels through blending water from two wells while also adding water meters, a below-grade vault, and associated piping. Mr. Gazashvili reported the Town has applied for an additional \$159,905 EIAF grant that could be awarded in June 2025. Should this be awarded, it will reduce the project cost by \$159,905. In the event of a full award, with principal forgiveness, the estimated loan amount is reduced to approximately \$56,860 with an annual debt service of \$2,796 over 30 years. Additionally, the Town was awarded a 2024 SRF Design and Engineering grant for \$62,000. Mr. Gazashvili reviewed the questions that arose from the PFC meeting and provided the Town’s responses. This application received a favorable recommendation from both the SRF and Project Finance Committees. A motion was made to approve Resolution No. 25-22 as presented and to approve the DAC interest rate of 1.75%.

Motion: Karen Wogsland
2nd: Bruce Whitehead
Vote: Motion carried unanimously

8(e) Principal Forgiveness Limits and Recommendations

Ian Loffert, Assistant Finance Director, reported that the BPWS provided a favorable recommendation to the full Board to approve staff’s recommendations to reduce the Drinking Water IJA Supplemental PF limit to \$2 million for DACs and \$1 million for IJA-eligible non-DACs; and increase the Wastewater Base PF limit to \$500,000 for DACs and increase the Wastewater IJA Supplemental PF limit to \$1.5M for DACs and remain at \$0 for non-DACs. A motion was made to approve staff’s proposal for principal forgiveness limits.

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

8(f) Disadvantaged Communities/Business Case Updates and Recommendations

Wes Williams, Finance Director, reported this item comes with a favorable recommendation from the BPWS to approve the following three changes; reducing the Median Home Value (“MHV”) benchmark from 100% to 80% of the state MHV; shortening the eligibility window from 18 months to 12 months for Disadvantaged Communities (“DAC”) and Infrastructure Investment and Jobs Act (“IIJA”) benefits, and moving the IJA eligibility determination from the pre-qualification to the preliminary needs assessment stage to align with DAC eligibility timing. A motion was made to approve staff recommendations.

Motion: Eric Wilkinson
2nd: Matthew Shuler
Vote: Motion carried unanimously

8(g) Private Nonprofit Public Water Systems – Lending Program Long Term Recommendations

Ian Loffert reported this agenda item which included staff recommendations of establishing a maximum annual lending limit of \$5 million combined for non-AVC PNPs (PNPs that will be connected into the AVC will be exempt from the maximum annual lending dollar amount limit of PNP loans per year. This exception applies only to those projects that enhance or benefit the AVC); setting higher interest rates for all tiers of PNP loans which includes PNP DAC category 1 and category 2 interest rates for eligible DAC PNP borrowers; and implementing a PNP upfront administration fee of 1% of the total loan request to help offset

the administration costs related to the execution of PNP loans. The Board requested an additional requirement of a \$1.5 million maximum loan limit for individual non-AVC PNPs and that the PNP program be reviewed annually. These amended recommendations came with a favorable recommendation from the BPWS. A motion was made to approve staff recommendations as revised and presented.

Motion: Eric Wilkinson

2nd: Matthew Shuler

Vote: Motion carried unanimously

8(h) Interest Rates and Economic Update

Kevin Carpenter highlighted staff's recommendation to hold interest rates steady while setting new loan rates for all tiers of PNP borrowers. The staff recommendations of no changes to interest rates for Base DWRP and WPCRF, BIL DWRP and WPCRF, interim loans, SHLP, and the leveraged loan subsidy; change to 3.75% (20 year) and 4.00% (30 year) for standard PNPs; change to 3.25% (20 year) and 3.50% (30 year) for DAC 1 PNPs; and change to 2.50% (20 year) and 2.75% (30 year) for DAC 2 PNPs come with a favorable recommendation from the BPWS. A motion was made to approve staff recommendations as outlined above and in the memo.

Motion: Bruce Whitehead

2nd: Karen Wogsland

Vote: Motion carried unanimously

8(i) State Revolving Fund 2025 Series A Bond Sale Results

Kevin Carpenter referred to the slide on page 244 of the board packet and reported that the sale date was May 21st, with eleven bidders. The winning bidder is selected by the lowest true interest cost, and this bid was awarded to Hilltop Securities, Inc. The series sold at premium and the Authority was able to sell shortly after the market volatility. All three borrowers in this sale received favorable interest rates. The closing and execution of the loans will be June 12th.

8(j) DWRP 2025 Capitalization Grant – State Match Approval – Resolution No. 25-24

Ian Loffert presented 8(j) and 9(e) and stated that both resolutions approved the receipt of the base Capitalization Grant (“Cap Grant”) and the Authority's contribution of the 20% state match for each cap grant. Mr. Loffert noted that the resolutions contain some cushion in the dollar amount in case the cap grants are later increased. Director Wilkinson noted the resolutions should state “of 20%” in the last WHEREAS rather than “up to 20%”. A motion was made to approve Resolution 25-24 as amended.

Motion: Patti Wells

2nd: Bruce Whitehead

Vote: Motion carried unanimously

8(k) Status of Projects

Gio Gazashvili reported that there have been five prequalification meetings since the last meeting. The deadline for applications was June 5th, 2025, noting that two applications and one business case were received. The first application was for Baca Grande Water and Sanitation District; and the second application was for Eureka Water Company. Also as of the April Board meeting, one Planning Grant was awarded to the City of Delta for their Project Needs Assessment. Mr. Gazashvili noted there are no funds currently remaining for D&E until the 2025 cap grants are received. Finally, the loan capacity is approximately \$20M in the base program and approximately \$1M in the IJA program.

Water Pollution Control Revolving Fund

Principal Forgiveness Limits and Recommendations (same as 8(e))

Disadvantaged Communities/Business Case Updates and Recommendations (same as 8(f))

Interest Rates and Economic Update (same as 8(h))

State Revolving Fund 2025 Series A Bond Sale Results (same as 8(i))

9(e) WPCRF 2025 Capitalization Grant – State Match Approval – Resolution No. 25-25

Ian Loffert provided this report at the same time as 8(j). Director Wilkinson noted the resolutions should state “of 20%” in the last WHEREAS rather than “up to 20%”. A motion was made to approve Resolution 25-25 as amended.

Motion: Karen Wogsland

2nd: Patti Wells

Vote: Motion carried unanimously

9(f) Status of Projects

Austin Reichel reported there have been two prequalification meetings since the April Board meeting and no new loan applications have been received for the June 5th deadline, but there has been one business case received. There were no Planning Grants awarded, and there is \$140,000 remaining. The loan capacity is approximately \$59M in the base program and \$11M in the IJA program.

Small Hydropower Loan Program

10(a) Status of Projects

Wes Williams noted there are no new updates to report at this time. Staff are monitoring ways to utilize this program.

Water Revenue Bonds Program

11(a) Status of Projects

Wes Williams noted there are no new updates to report at this time. Staff are monitoring ways to utilize this program.

Board Program Work Session

Committee Chair Mike Fabbre reported that the minutes from the April 24, 2025, meeting are in the packet and no changes are needed.

Project Finance Committee

Committee Chair Bruce Whitehead noted that the Project Finance Committee (“PFC”) met on Friday, May 30, 2025, and there were four applications presented (Town of Hugo, Mesa Water and Sanitation District, Town of Pritchett, and Town of Swink). Chair Whitehead stated that the Minutes accurately reflect the content of the meeting. Finally, Chair Whitehead noted that the next PFC will be on Wednesday, August 13, 2025, at 9:00 am.

Legislative Issues and Other Business

Keith McLaughlin, Executive Director, noted that the Federal issues were covered the previous night during the BPWS. In terms of State issues, Mr. McLaughlin reported that he is putting together a state legislative summary report that will be run through the Governmental Affairs Committee this summer. Mr. McLaughlin mentioned there were several articles included in the packet for review. Chair Treese added that Cynthia Thayer reported to him that Senate Bill 40 for this year has passed. Ms. Thayer also conveyed to Chair Treese that the deadline for that work group is January 1, 2026.

Arrangement for Future Meetings

Chair Treese requested an update from Mr. McLaughlin who noted the next Board meeting will be August 20th at the Steamboat Grand followed by the October 3rd meeting that is likely to include a project tour on October 2nd. Mr. McLaughlin requested feedback regarding which sites the Board would like to tour for the October meeting and indicated he could send a list of possible sites.

Adjournment

Chair Treese adjourned the meeting at 12:49 p.m.

Respectfully submitted,

Heather Newton, 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 HEATHER NEWTON AT (303) 830-1550, EXT. 1010, FOR INFORMATION.