

**Colorado Water Resources
and
Power Development Authority**

BOARD MEETING MINUTES

April 25, 2025

Call to Order

Chair Chris Treese called the meeting to order at 9:01 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, Bruce Whitehead, Patti Wells and Eric Wilkinson. A quorum was declared with nine Board members present.

Introduction of Guests

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

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 loan application for Teller County Water Sanitation District No. 1 – Supplemental, Resolution No. 25-15. After hearing no comments, a motion was made to approve the Consent Agenda, as presented.

Motion: Steve Vandiver

2nd: Bruce Whitehead

Vote: Motion Carried unanimously

Approval of Minutes – March 7th, 2025

The March 7, 2025, Minutes were presented for approval. Director Wilkinson noted that under the DNR report, there was an error on page 2. The report noted that the 10-year cycle Mr. Pearson discussed was regarding groundwater permitting, but it should have been referring to abandonment proceedings. Director Whitehead noted a typo under the approval of the January 29, 2025, Minutes that read Erik Wilkinson, instead of Eric Wilkinson. Lastly, Chair Treese noted a typo on page 10 where the report referred to a “master meter grievance” and it should read “master meter agreement”. A motion was made to approve the Minutes of March 7, 2025, as amended.

Motion: Eric Wilkinson

2nd: Lucas Hale

Vote: Motion Carried unanimously

Other Agency Reports

Report of the Lobbyist

Christine Arbogast reported that there will be robust discussion in Washington D.C. about the extension of the tax cuts from President Trump's first term and how they are going to be paid for if extended. Ms. Arbogast noted that she has not heard the topic of the Revolving Funds come up at all in discussions, and it doesn't appear to be on the target list. Ms. Arbogast moved on to state that the FY26 Appropriations process is delayed due to the reconciliation process and not having a President's budget. Ms. Arbogast believes there is a strong possibility that there will be another continuing resolution for FY26. If there is another full year continuing resolution, it is very unlikely there will be earmarks applied to the SRFs. Ms. Arbogast stated that she and Mr. McLaughlin will be in Washington D.C. next week to meet with the newer members of the Delegations to educate them on the SRF issues. She also noted that there are a number of coalitions of water organizations that are pressing for full funding for the Revolving Fund. Lastly, Ms. Arbogast indicated that there is not much coming from DOGE activity at the EPA about the Revolving Funds, or from Administrator Zeldin. Chair Treese asked Ms. Arbogast if funding for AVC was safe and secure, Ms. Arbogast replied yes, stating that the bucket of money from the Infrastructure Bill that the AVC qualified for was not touched by DOGE and there has been no attempt to draw it back. Chair Treese asked about the E2E bucket and Ms. Arbogast indicated that she connected with staff from the Secretary's Office, and they stated that they are holding onto funds. Ms. Arbogast stated that Assistant Secretary for Water and Science nominee Andrea Travnicek has her confirmation hearing on April 30, 2025, and with that, hopefully, some decisions will be made including a decision regarding the E2E funds.

Report of Colorado Water Conservation Board ("CWCB")

Kirk Russell, CWCB Finance Section Chief, recommends Nate Pearson continue to attend our March Board meetings since CWCB does not have a Board meeting between the Authority's January and March Board meetings. Mr. Russell noted that the CWCB Board met on March 19 and 20 in Greeley, where they approved two new loans. The first loan was for Fort Bent Ditch Company in the amount of \$869,610 for the Willow Creek siphon repair. The second was for Rio Grande Conservation District – Special Improvement District No. 2 – in the amount of \$723,160 for Williams Creek water rights purchase. Mr. Russell highlighted that CWCB has up to thirteen total new loans for the current fiscal year totaling \$36.2M, which is close to an average year for CWCB. Mr. Russell mentioned that in July, CWCB anticipates working with the Northern Water Conservancy District now that they have settled their lawsuit on the NISP project and that he will likely have more information following the July Board meeting. The CWCB Board approved \$6.4M in Water Plan Grants, noting that this is lower than previous years. Mr. Russell highlighted a few specific projects on the approved Water Plan Grants list that may be of interest to the Authority 1. City of Aspen- Pilot Commercial Water Efficiency Challenge; 2. The Town of Crested Butte- feasibility study for the development of alternate drinking water supply; and 3. City of Pueblo- Lake Minnequa restoration feasibility study. Next, Mr. Russell noted that the CWCB Board approved approximately \$4.1M in Water Supply Reserve Fund Grants. Mr. Russell highlighted that the March 2025 forecast for CWCB's allocation into the Severance Tax Perpetual Base Fund for FY24/25 is now zero and noted that this was a \$45M projection in the December 2024 forecast. Mr. Russell then mentioned that the revenue from the Water Plan Grant Fund (Prop DD) continues to be strong allowing for additional water plan grants. Finally, Mr. Russell concluded his report with stating that he is working with the Attorney General's Office on the final review of the MOU/IGA for AVC and does not anticipate any complications. Karl Ohlsen asked Mr. Russell which Attorney General is reviewing the AVC Intergovernmental Agreement and Mr. Russell replied that it is Jen Mele. Director Wells questioned how revenue from the Severance Tax Perpetual Base Fund went from \$45M to zero. Mr. Russell stated that he did not have an answer or explanation. Cynthia Thayer of DOLA noted that the main reason has been because there have been refunds on the tax credits that severance taxpayers can claim on local property taxes they pay, and the refunds have been way higher than originally anticipated. Mr. McLaughlin asked Ms. Thayer if that zero number is still a FY25 forecast, or is there a possibility the number could swing wildly one way or another. Ms. Thayer responded that it is unlikely to change and will likely be closer to zero. Director Wilkinson asked Mr. Russell if available

CWCB funds were being considered in order to help manage the statewide budget. Mr. Russell responded that it appears CWCB has been unscathed, and they are back to operating as assumed one year ago.

Report of Water Quality Control Division (“WQCD”)

Ron Falco, Clean Water Program Manager, began his report by summarizing some highlights from the written report. First, Mr. Falco noted the Request for Applications (“RFA”) for the Emerging Contaminant-Small Disadvantaged Communities grant program closed on March 21st, 2025. They received five applications for emerging contaminant infrastructure projects and eleven applications for emerging contaminant design and planning projects. Next, Mr. Falco reported that HB25-1077, Backflow Prevention Devices Requirements passed and was signed into law on March 28th, 2025. Mr. Falco additionally stated that Local Assistance Unit (“LAU”) staff presented the first Mobile Home Park (“MHP”) public water system training. The training provided an introduction to running MHP water systems and provided tools and resources for operators and managers. Additionally, LAU staff participated in the Colorado Rural Water Associations 2025 conference and provided training sessions on Mandatory Regulatory Training, Operator Ethics, and Asset Management. Mr. McLaughlin asked for an update regarding Mark Henderson’s vacant position. Mr. Falco replied that the position description has been updated, announced and the posting is now closed. They will start a multi-phase interview process next week with the first phase taking place with partner organizations to include Jim Griffiths from the Authority. The second-round interviews will be the following week and will include Mr. Falco and the section staff. The final round of interviews will be with Mr. Falco and Nicole Rowan. Mr. Falco is hoping to make the final selection before or just after Memorial Day.

Report of Department of Local Affairs (“DOLA”)

Desiree (Desi) Santerre, Water and Wastewater Program Manager, began by referring to the written report noting that DOLA did receive the Tier II EIAF grant awards from the December 1st application deadline and the next application was April 1, 2025. Ms. Santerre stated that there is only \$15M in grants available in that cycle and they received a lot of applications, so it will be a very competitive round. DOLA expects to receive Tier I award information sometime in May or early June with the hearings taking place in mid-June. DOLA is still waiting for a formal announcement from the EIAF program regarding available funding and deadlines for the next state fiscal year, but they are expecting the announcement to come relatively soon. Next, Ms. Santerre mentioned that the Community Development Block Grant received three applications (Town of Creede, Costilla County, and Town of Oak Creek) by the February 24, 2025 deadline, and the awards are typically made in June. Ms. Santerre indicated that DOLA has two upcoming outreach and educational activities: one in Montrose and another in Castle Pines. Ms. Santerre noted that DOLA updated their DAC and BIL 2025 benchmarks and the new benchmarks will be used for all credit reports beginning in June 2025. Additionally, Ms. Santerre stated that their contractors are in discussion with three communities (Norwood Sanitation District, Town of Cedaredge, and Town of Parachute) in the Technical Services Program, and a fourth community is also now in discussion with the contractors since drafting the report. Further, Ms. Santerre reported that SB25-256 Funds for Support of Digital Trunked Radio System passed the House and went to the Governor last week for signature. It will transfer \$15M from the local government severance tax fund through 2034. Finally, Ms. Santerre provided an update on Tara Marshall’s field position in southern Colorado, noting that her last day is this upcoming Monday, and the position has been posted. They are hoping to have hiring news by June. Chair Treese asked Ms. Santerre if the Energy Impact Advisory Committee sees the same numbers and format for the Priority Points as the Board sees, and Ms. Santerre answered no, the Committee has a different evaluation criteria for the projects, also noting that the Committee does act in an advisory role, while the final decision for the awards lies with the DOLA Executive Director.

Authority Reports

Public and/or Board Member Comment

None

Report of the Chair

Chair Chris Treese did not have anything to report. He thanked both the Board and staff for their commitments, efforts and production during the Board Retreat and the Board Program Work Session the day before.

Report of the Budget & Audit Committee and 2024 Audited Financial Statements

Treasurer Karen Wogsland noted that Budget and Audit Committee met on April 16, 2025, to review the Auditor's report noting that the Minutes are in the April Board packet. Director Wogsland indicated the Minutes were accurate with the exception of Director Wilkinson's name being misspelled. Director Wogsland went on to say that the news from the Audit is positive and thanked Controller Justin Noll, his team, and the auditors for the heavy lift. Chair Treese stated that the auditor's report was included in the packet. Karmyn Jeffries and Grant Schumm from Forvis Mazars approached the podium and introduced themselves. Ms. Jeffries noted that they are going to go over their required disclosure communications and information specifically related to the single audit. Mr. Schumm began by highlighting their responsibilities, noting that they are responsible for forming and expressing opinions on the financial statements and their opinion this year was un-modified which means it was a clean audit and no qualifications. Mr. Schumm also highlighted the audit scope and inherent limitations and stated that the audit team is independent from the Authority. Mr. Schumm indicated that they were not engaged in auditing all the information contained in the Annual report, the Popular Annual Financial Report, and the EPA Annual Reports for the WPCRF and DWRF, which were provided and as a result, their opinions do not provide assurance as to the completeness and accuracy of the information contained therein. However, they did read the entire report to determine if the information was materially consistent with the Audited Financial Statements and no discrepancies were discovered. Mr. Schumm touched on a new standard that was implemented this year, GASB 101, *Compensated Absences*, which states that management has to estimate the number of staff absences that will be used throughout the year and include it as a liability on the balance sheet. Mr. Schumm next indicated that no matters were reportable for the Authority under Unusual Policies or Alternative Accounting Treatments. The estimates for the net pension liability and collectability of loans receivable were audited, and no issues were found. Next, Mr. Schumm stated that there were no auditor identified adjustments to the financials in the Proposed & Recorded Adjustments and advised that Authority staff should be very proud of this considering the implementation of a new ERP system and staff turnover over the past year. Mr. Schumm pointed out that under the current period uncorrected misstatements, there was a misstatement found that was not large enough to be posted. The misstatement was in relation to the implementation of the new GASB 101 standard. Mr. Schumm noted that the total liability did not change, it was simply a reclassification of the current portion of accrued compensated absences. Mr. Schumm concluded by mentioning that there were no significant deficiencies or material weaknesses in the audit, but there was one orally communicated control deficiency that was made to management. Director Wogsland indicated that there was a good discussion at the Budget & Audit Committee meeting where there were some questions. Director Whitehead asked for clarification on the new GASB 101, and Mr. Schumm said that estimates need to be added as a current liability rather than sitting in long term overall liability. Ms. Jeffries further clarified that it is how both sick and vacation accruals are handled, and it previously used to apply only to vacation. Ms. Jeffries then moved on to discuss information and results from the single audit portion noting that the Authority had \$110,596,152 worth of expenditures and \$100,388,508 passed through to subrecipients which is all related to the Authority's equivalency projects. The EPA now requires only the expenditures related to equivalency projects to be reported. Ms. Jeffries concluded that there were no material weaknesses, no significant deficiencies, and no areas of noncompliance regarding the single audit. Ms. Jeffries also stated that this year they audited the DWRF again due to the amount of expenditures, also noting that the Authority did not qualify as a low risk auditee. However, next year the Authority will likely qualify as low risk which means the auditors will test fewer expenditures.

Following the FORVIS presentation, Assistant Controller, Valerie Lovato, reviewed the Management Discussion and Analysis (“MD&A”) which is a required component of the Authority’s financial statements. Ms. Lovato began with noting the three major account line items that change within the loan programs each year which are 1. Loans Receivable; 2. Bonds Payable; and 3. Project Costs Payable. Ms. Lovato moved on to highlight that the amount of DWRF loans executed in 2024 was double the amount executed in 2023, indicating that Drinking Water was the most active program for new loans in 2024. In 2024, the total project costs payable increased by \$24.8M, which does not include the principal forgiveness portion of project funds available, and the Authority awarded \$72.8M in new principal forgiveness to borrowers. The Authority paid \$132.5M to borrowers for requisitioned project costs and \$1.5M in reductions and rescissions to loans. In 2024, three SRF bond issues were completed for a total of \$57.2M, with one of the issues being a taxable bond issue. The Authority made bond principal payments of \$29.9M. Ms. Lovato noted that the SRF programs pay debt service twice per year, in March and September, with the majority of the SRF bond issues paying principal only in September. At the Board Program Work Session Director Wells had some questions about the deallocation process. Ms. Lovato noted that deallocation is the process of releasing funds that are no longer needed for security on the bonds, occurs in September and only applies to the DWRF and WPCRF enterprise funds. Typically, the Authority knows the amounts that will be deallocated based on the direct loan amortization schedule and the individual bond issue schedule. The only activities that would typically change the deallocation amount are prepayments or refundings.

Controller Justin Noll continued the audit presentation by briefly reviewing the financials contained in the audit. Mr. Noll first noted that under the Total Enterprise Funds section of the MD&A, there is a good overview of what occurred during the year. To begin his report, Mr. Noll reviewed the statement of net position, or balance sheet, and confirmed the \$1.7 billion in total assets, comprised mostly of loans receivable. The statement of revenues, expenses and changes in net position were also mentioned. Mr. Noll moved on to discuss the Authority's cash flows noting that the Authority paid approximately \$180M in requisitions, but overall the Authority had a net positive cash flow indicating that the programs are healthy in terms of cash. Following the financials are the notes to the financials as required by GASB, that give support and provide additional details. Mr. Noll highlighted the Loans Receivable section of the notes since that is the Authority’s biggest asset. He reported that there was \$158M in new loans in 2024, adding to the total of almost \$1.2B in Loans Receivable that are still owed to the Authority. Mr. Noll then stated that the Principal Forgiveness (PF) schedule indicates what the Authority still has to recognize in PF and noted that the Authority had \$63M last year but added almost \$73M to the 2024 total. Mr. Noll pointed out that the Byers WSD loan was listed under the DWRF base program but it should be listed under DWRF BIL/IIJA. Mr. Noll also noted the required disclosures on other post-employment benefits (“OPEB”) and pensions in the Required Supplementary section. The Supplementary section has information that is not required by GASB, but may be required by the EPA, the State, or the rating agencies. Mr. Noll thanked the auditors, staff, WQCD, and DOLA for helping with and completing the audit. Director Wogsland asked for confirmation that the PAFR was reviewed by auditors between the B&A Committee meeting and the Board meeting, and Mr. Noll confirmed that it had been reviewed by auditors. He also confirmed that it is sent to the Legislature as well as many other required parties by the end of April as required.

A motion was made to accept the results of the 2024 Audited Financial Statements and associated reports, and to authorize staff to distribute the audited financial statements, as necessary, as amended.

Motion: Karen Wogsland

2nd: Patti Wells

Vote: Motion carried unanimously

Report of the Treasurer

Controller Justin Noll noted that in this Board packet, he included December financials to provide a budget base and January financials were also included. Mr. Noll stated that Accounting is trying to get caught up with the transactions and they are hoping to provide more financials at the next Board meeting. Lastly, Mr.

Noll noted the COLOTRUST interest rate ticked down slightly from 4.5% to approximately 4.4% since the last meeting.

A motion was made to approve the Treasurer's Report.

Motion: Karen Wogsland

2nd: Lucas Hale

Vote: Motion carried unanimously

Report of the Executive Director

Keith McLaughlin thanked the auditors and staff for the hard work to complete the audit and the PAFR. Mr. McLaughlin also thanked the Board and staff for the informative presentations and excellent discussions at both the Board Retreat and Board Program Work Session. Mr. McLaughlin reported that he attended the Council of Infrastructure Financing Authorities ("CIFA") conference earlier in the week and there was a timely presentation from the acting Deputy Administrator of EPA, Jessica Kramer. Ms. Kramer is highly knowledgeable about the State Revolving Funds and has a deep understanding of their history over the last 12 years. Ms. Kramer is very supportive of the states getting their funding out in a timely manner and appears to be taking a back to basics approach with the SRF program. Mr. McLaughlin mentioned that he believes the Congressionally Directed Spending ("CDS") is still on the table for 2026, but it may be eliminated through a continuing resolution process like it did this year. He also believes that cuts are still on the table for 2026, including Infrastructure Investment and Jobs Act ("IIJA") funds, but there may not be any cuts for 2025. Next, there was an official announcement of the new CIFA Executive Director, Barb Dimauro of Audience Development Strategies ("ADS"). ADS has a deep bench, including Nick Perconti, a lobbyist headquartered in Washington D.C. Ms. Dimauro's Executive Director contract starts on May 1, 2025. Mr. McLaughlin reported that he and Ms. Arbogast will be in Washington, D.C. next week to speak at the National Water Resources Association (NWRA) conference and meet with Colorado representatives to advocate for the SRF programs. Next, Mr. McLaughlin noted that Deputy Director Jim Griffiths is working on the office expansion, and that the Authority has signed a contract with Waring and Associates to draft construction plans to add three new offices. The Colorado Water Congress has agreed in principle to reduce approximately 250 square feet of office space from its sublease. The project is anticipated to be completed within the next three to four months. The Authority intends to add two additional staff in 2025, a Financial Analyst I and an Administrative Rover. Mr. McLaughlin then reported an update on the website accessibility project noting the compliance deadline is July 1st, 2025. The Authority signed a contract with Streamline to build a fully accessible website through their hosting platform. The new website build is well underway and is looking and functioning well. Director Shuler mentioned that he has heard talk of postponing the July 1st deadline due to smaller counties not having the resources to obtain compliance. Mr. McLaughlin replied that he has not heard that and he clarified that our website is compliant, but it is the PDF documents that are not in compliance. Director Hale noted that it is his understanding that if an organization is working towards compliance, there shouldn't be punishment. He further noting that for his organization they are finding other items, such as their bill pay function to be difficult to comply with the new accessibility standards. Mr. McLaughlin reported that the Authority Bylaws, with updated changes from the December 2024 meeting and the BPWS from April 24th were circulated for Board review. Mr. McLaughlin provided background for the reason for the changes. A unanimous recommendation was made at the BPWS to recommend the changes to the Bylaws. A motion was made to adopt the Bylaws presented at the April 25th Board meeting.

Motion: Patti Wells

2nd: Matthew Shuler

Vote: Motion carried unanimously

Mr. McLaughlin then noted the BPWS discussed the benefit recommendations drafted by Culture Solutions Group and included in the BPWS packet. Mr. McLaughlin provided background regarding the reason for reviewing the Authority's benefits as well as the work done to obtain the recommendations. After much discussion at the BPWS, a recommendation was made to table the conversation and bring revised benefit recommendations to the Personnel Committee. A motion was made to table the conversation and send it to the Personnel Committee.

Motion: Mike Fabbre

2nd: Matthew Shuler

Vote: Motion carried unanimously

Drinking Water Revolving Fund

Swiss Village Homes Association– Resolution No. 25-14

Chair Treese made a change in the agenda order and moved this topic up. Austin Reichel referred to the credit report indicating that Swiss Village Homes Association (“The Association”) is seeking a Drinking Water Revolving Fund (“DWRF”) loan in the amount of \$750,000 at 3.5% interest, for 30 years with an estimated \$90.72 rate increase. The project consists of replacing and expanding the existing water storage tank and replacing the waterline, valves, and meters located near the storage tank. This application received no recommendation from the SRF staff and a recommendation to table the application from the Project Finance Committee (“PFC”). Chair Treese asked the guests to introduce themselves and before getting to the list of questions that came from the PFC meeting, he asked if they had any comments. Jon Amdur, HOA President, described their request and project in a little more detail indicating there is an urgent need to replace the tank that supplies water to 38 taps as well as Avalanche Ranch Cabins and Hot Springs. The Board and Executive Director Keith McLaughlin outlined their concerns regarding the Association's PNP status and makeup; water rights, supply and augmentation; relationship and customer concentration with Avalanche Ranch; financial makeup and details; organization; system useful life; and other broad technical, managerial and financial issues. Director Whitehead stated that the recommendation from the PFC meeting to the full Board was to table the application and direct staff to develop a list of questions and concerns needing to be addressed, and to include any additional questions during the discussion prior to the application being considered by the Board. A motion was made to table the application until further information and clarification is obtained.

Motion: Bruce Whitehead

2nd: Karen Wogsland

Vote: Motion carried unanimously

Authority Reports

Accounting Manager's Report

Justin Noll, Controller, did not have anything department wise to share, but reported that the Information Systems (“IS”) policy was discussed the previous night at the BPWS noting that he made the suggested changes and provided the Board with updated hard copies. A motion was made to approve the updated IS policy.

Motion: Matthew Shuler

2nd: Steve Vandiver

Vote: Motion carried unanimously

Finance Manager's Report

Wesley Williams, Finance Director, reported that the Authority is in the process of selling bonds with a Resolution to be introduced for the Board later in the meeting. Mr. Williams noted that Finance has made a verbal offer to a candidate for the Financial Analyst I position. Lastly, Mr. Williams informed the Board that since the last Board meeting, Ian Loffert was promoted to Assistant Finance Director and he has really hit the ground running in his new role.

Appointment of Assistant Secretaries – Resolution No. 25-13

Wes Williams presented Resolution No. 25-13 and stated that this resolution adds Ian Loffert as Assistant Secretary, while not impacting the roles of the other Assistant Secretaries and re-appoints Jim Griffiths and Wesley Williams to include their updated titles. The Authority would like to appoint Assistant Director of Finance Ian Loffert as Assistant Secretary to a term of two years to perform the duties and functions of the Secretary at such times as may be necessary. A motion was made to approve Resolution 25-13.

Motion: Karen Wogsland

2nd: Eric Wilkinson

Vote: Motion carried unanimously

Office Manager's Report

Heather Newton, Office Manager, reported that Authority staff are looking into a couple of options for Board meeting management software to create efficiencies across the whole Board meeting process, especially the meeting minutes. The two software programs under consideration are OnBoard and eScribe. OnBoard uses AI to create the minutes, while eScribe utilizes templates. Staff is hoping to demo OnBoard at the June PFC and Board meetings. Both software options should be able to assist with the accessibility project in terms of acting as a repository for documents. Director Shuler expressed concern about AI creating minutes, indicating that AI could include items out of context or items that should not be included at all. Ms. Newton and Mr. McLaughlin stated that the AI minute creation is intended to be the first draft that would get reviewed and updated by staff for accuracy. Chair Treese asked what is needed from the Board ahead of time to prepare for the June meeting and Ms. Newton indicated that she would update the Board after the meeting in May, but it is likely the Board will need to get signed into the software prior to the June demo. Director Wells noted that once the AI minutes are drafted, they should be clearly marked in some way that AI generated the minutes, or whatever Karl Ohlsen advises, and Mr. Ohlsen agreed. Lastly, Ms. Newton asked the Board for their thoughts on how the last Board packet posting went and if they found the BPWS highlighted items on the agenda helpful. The Board indicated that they appreciated the extra days to review the packet, but, if possible, they would like it sooner. The Board requested for staff to note what items have been added to the final posting that are new or different from the first posting.

Report of Legal Counsel

Karl Ohlsen, General Counsel, indicated that he did not have a legal report for this meeting, but noted that at the BPWS, he reviewed the Conflict of Interest memo and policy, and the Board and staff could reach out to him for any questions.

Drinking Water Revolving Fund

Arkansas Valley Conduit (“AVC”)

Jim Griffiths, Deputy Director, referred to Kirk Russell’s mention that CWCB has the near final draft of the Intergovernmental Agreement (“IGA”) in front of the Attorney General. Mr. Griffiths noted that due to the discussion with the board regarding recovering staff cost at the BPWS, staff would be incorporating that language into the agreement. Mr. Griffiths then invited Leann Noga, Executive Director, to provide an update on the actual project. Ms. Noga reported that they had a Principals, or Reclamation meeting in March where they make sure they are all on the same page in regards to the funding, design plans, etc. Ms. Noga noted that of the \$500 million they received in funding to date, most has not yet been obligated. She also stated that they do not feel like those funds are threatened so they are planning to move forward. Ms. Noga reported that Boone Reach 1 is still on track and should be completed by the end of 2025. Boone Reach 2 is also on schedule to be completed by the end of 2025. Ms. Noga reported that the injection site is delayed due to a contractor, and it is about twelve months behind. Ms. Noga mentioned that there have been some staffing changes at the Bureau and only two of the five regional managers of Reclamation for the West remain. Ms. Noga pointed out that the big take away is that their Regional Manager Brent Esplin still remains and he is very supportive of the Conduit. Next, Ms. Noga noted that there are four entities within the conduit that have traces of emerging contaminants and they will be using some of the funds to help with design. Once the full design is complete, SECWCD will submit a loan application. Additionally, Ms. Noga noted that they have pending federal legislation for a decrease in the interest rate, more years on the loan term, and the possibility to use miscellaneous revenues for payment. Ms. Noga stated that they, along with the Bureau of Reclamation, attempt to meet with participants every six months to give them an opportunity to ask questions and have discussions. They also offer the option to meet individually with participants. SECWCD has an upcoming work session meeting in May with La Junta and are working with Otero County to organize an Arkansas Valley Commissioners meeting with all six county Commissioners and the Bureau of Reclamation to provide an AVC update and to let them know specifically what is going on within their counties. Ms. Noga thanked the entire Board for moving the IGA forward and for the efforts involved. Chair Treese informed Ms. Noga that their encouragement of PNPs to consider conversion to a public entity in the Arkansas Valley has been very helpful

Swiss Village Homes Association– Resolution No. 25-14

Moved up

City of Cañon City – Large Base Direct Loan Request – Resolution No. 25-16

Wes Williams presented an update for the City of Cañon City (“City”) noting that the Board had approved a leveraged loan for the City and to incorporate them into the leveraged loan, but during negotiations with the City for the leveraged loan portion, it was discovered that they have a 90 day referendum period on their ordinance which would have pushed the bond sale out a couple months. In order to get the funds to the other borrowers and still fund the City, staff presented a Resolution to approve a large direct loan with a one-time waiver of the direct loan limit since it is above \$3M. The Resolution, if approved, will include the updated language regarding prepayments that came from the BPWS. Director Wogsland asked if it would be possible for the City to wait until the next bond issue, and Mr. Williams noted that staff did discuss that option, but the 90-day referendum makes it difficult in terms of timing. Another consideration staff examined was that the City did not qualify for DAC status solely due to its population size, but it has all other indicators of DAC status outside of the population. Director Wilkinson requested to add a “WHEREAS” to explain the reasoning behind why the City is moving from leveraged loan to direct loan.

A motion was made to approve Resolution No. 25-16 with an amendment to the terms per the April 24, 2025 BPWS and to include a statement about the switch from leveraged loan to base loan.

Motion: Bruce Whitehead
2nd: Matthew Shuler
Vote: Motion carried unanimously

Town of Paonia – Additional Pledge and Security – Resolution No. 25-17

Ian Loffert stated that this resolution also relates to the bond sale and bond resolution. Mr. Loffert referenced the memo and credit report for the Town of Paonia's ("Town") request in the packet. As part of the previously approved DWRP SRF funding package, the Town is seeking to add sewer revenue in addition to the water revenue as the pledge. During the process of working through the loan agreement and existing debt, it was discovered that there is both water revenue and sewer revenue pledged. In order to be aligned with existing debt and proposed debt, sewer revenue needs to be added to the SRF funding package. Authority staff used the Town's 2023 audited financials and added sewer revenue to the pledge and analyses and created one-page credit report update. The updated credit report showed three worsened indicators since more debt was added to previously reported debt. However, two indicators improved since the additional revenue was added. The indicators that improved were indicators that analyze current and proposed coverage ratios. With the update, the Town's financial strength improved which means the Town will no longer have to do a rate increase. Staff is recommending that the Board approve the Town's request to add sewer revenue to its existing SRF funding package.

A motion was made to approve Resolution No. 25-17 with an amendment noting that it deletes Resolution 25-11.

Motion: Mike Fabbre
2nd: Lucas Hale
Vote: Motion carried unanimously

State Revolving Fund 2025 Series A Bond – Resolution No. 25-18

Wes Williams began his report by noting that the start of the bond issue has been rocky due to the new tariffs causing the market to dramatically shift. Mr. Williams reported that staff have been having difficult conversations with borrowers discussing the higher rates. In this bond issue there were originally four borrowers, but now there are three borrowers (City of Fort Lupton, Town of Granby, and Town of Paonia). Plum Creek Water Reclamation District postponed their project and withdrew from this round of bond issue due to the uncertainty of the market and will enter into the fall bond sale. Resolution 25-18 is a parameter resolution that sets the guardrails for the bond sale, and with the turbulent market and withdrawal of Plum Creek, the guardrails have to be wider than normal. Mr. Williams informed the Board that there is a video from the bond council on our website discussing what items in the resolution that the Board should focus on. The first parameter, section 2.03, notes the \$35M in the par amount of funds. The Authority's most recent number run had about \$21M as a par amount. In section 2.03, paragraph 2, it outlines the interest rate not to exceed (6.5%) and the term is not to exceed 2058 Mr. Williams indicated it appears the interest rate will be around 5%. Referring to section 2.03, paragraph 6, Mr. Williams noted that it authorizes a switch from a competitive sale to a negotiated sale, which does not occur often but could for this bond sale due to the turbulent market conditions. Mr. Williams reported that the Authority is looking to sell on May 21st and the Board will receive an electronic copy of the POS around May 13th as well as the notice of inviting bids. Mr. Williams concluded by noting that sections 5.05 and 5.07 cover deallocation.

A motion was made to approve the State Revolving Fund 2025 Series Bond Resolution No. 25-18. Director Wogsland asked Mr. Williams what the Board needs to be aware of if there is a switch to a negotiated sale. Mr. Williams answered that it changes the bond sale format and could potentially affect the interest rate and increase the cost of issuance. Mr. McLaughlin further explained that the Authority would only make the switch if it was to the benefit of the borrowers.

Motion: Patti Wells
2nd: Matthew Shuler
Vote: Motion carried unanimously

Private Nonprofit Public Water Systems – Lending Process Improvements

Ian Loffert stated there was a helpful discussion at the BPWS and that two separate recommendations were made during the meeting. One was a favorable recommendation for approval and adoption of the four short-term recommendations that can be implemented immediately, and the second recommendation was to look at all of the long-term recommendations with AVC and DAC interest rates in mind and bring back revised long-term recommendations at the June Board meeting. Chair Treese asked if the four short term recommendations would be incorporated into the Swiss Village loan, and Mr. Loffert responded that the requirement to submit a full audit would be incorporated, but Swiss Village has already gone through the process far enough making the other three recommendations not applicable. A motion was made to approve the two recommendations from the BPWS.

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

Direct Loan Prepayment When Principal Forgiveness is Provided

Kevin Carpenter reported that there was good discussion at the BPWS and there appeared to be consensus from the meeting to recommend option 4, which was developed during the meeting and was not an option in the memo. The recommendation for the full Board was for approval of \$15,000 prepayment charge for any full prepayment of a loan that includes principal forgiveness, with any interest already paid credited against that amount, with the exception of those that may fall under the umbrella of an applicable IGA adopted by this Board; as well as amending Resolutions 25-06 and 25-12 to replace their prepayment condition with this adopted policy. Director Wilkinson noted that at the BPWS it was his intent to mention that the \$15,000 be revisited by the Board to reflect the current cost of inflation. A motion was made to approve the recommendation.

Motion: Karen Wogsland
2nd: Bruce Whitehead

Director Wilkinson requested the language be changed slightly to read “prepayment of the remaining balance of the loan” or “prepayment of the payoff amount” and the amendment was acceptable to the Motion and the 2nd.

Vote: Motion carried unanimously

Status of Projects

Skipped in the interest of time

Water Pollution Control Revolving Fund

City of Rocky Ford – Additional Bonds Test Waiver and Consent

Gio Gazashvili reported that the City of Rocky Ford (“City”) is entering into a loan agreement with the United States Department of Agriculture, Rural Utility Service (“USDA, RUS”) to finance the acquisition, construction, and completion of improvements to the City’s sewer facilities, including design, engineering, legal, and associated financing and administrative costs. The USDA, RUS does not provide financing for the project during construction, but it requires the City to obtain interim financing to complete the

construction. This interim financing is then repaid from the proceeds of a USDA, RUS loan after construction is complete. The City expects to enter into an interim construction loan with CoBank ACB (“CoBank”), in an amount not to exceed \$20,351,000 (the “Interim Loan”), which will be payable from Pledged Revenues on a subordinate basis to the 2012 and 2014 Loans. The Interim Loan would be structured as an interest-only loan for two years with the total principal amount of the loan coming due at maturity. Under this structure, the City would have a payment in excess of \$20,351,000 coming due in one year (often called a “balloon” payment) and would not be able to meet the ABT at this balloon maturity. The City projects, and will be required to meet our ABT when the USDA, RUS loan with a standard amortization schedule is in place. This ABT waiver request only applies to the Interim Loan. A motion was made to approve the one-time Additional Bonds Test Waiver and Consent.

Motion: Lucas Hale

2nd: Eric Wilkinson

Vote: Motion carried unanimously

State Revolving Fund 2025 Series A Bond – Resolution No. 25-18 (same as 8(e))

Direct Loan Prepayment When Principal Forgiveness is Provided (same as 8(g))

Status of Projects

Skipped in the interest of time

Small Hydropower Loan Program

Status of Projects

Skipped in the interest of time

Water Revenue Bonds Program

Status of Projects

Skipped in the interest of time

Board Program Work Session

Committee Chair Mike Fabbre reported that the staff provided great presentations, and there was good discussion at the BPWS, noting that every topic was discussed. Chair Fabbre recapped that the following agenda items were passed: PNP Recommendations, Direct Loan Prepayment with Principal Forgiveness, Authority Bylaws, and Information Systems Policy; and the Authority Benefits and Insurance recommendation was tabled to be brought to the Personnel Committee. Chair Fabbre concluded with stating the March meeting minutes were reviewed and they looked good.

Project Finance Committee

Committee Chair Bruce Whitehead noted that the Project Finance Committee (“PFC”) met on April 18th, 2025, and there were two applications presented (Swiss Valley HOA and Teller County Water and Sanitation District). Both were discussed at today’s Board meeting, and Mr. Whitehead recapped that Swiss Valley HOA came with a recommendation to the full Board to be tabled, and it was also recommended to be tabled at the Board meeting. Chair Whitehead noted that the next PFC meeting should be on May 30th. Finally, Chair Whitehead stated that the Minutes accurately reflect what occurred.

Legislative Issues and Other Business

Jim Griffiths referred to the Popular Annual Financial Report (“PAFR”) in the packet noting that it is a summarized version of the audited financial statements highlighting key information. Mr. Griffiths reported that several staff members helped with the report and mentioned the cover photo was a photo taken by Ian Loffert. A motion was made to approve Resolution 25-19 which allows the Board to accept the PAFR and allows the Authority to distribute it. Mr. McLaughlin informed the Board that the Authority will be printing hard copies and Chair Treese requested that staff send a hard copy to all Board members.

Motion: Karen Wogsland

2nd: Mike Fabbre

Vote: Motion carried unanimously

Keith McLaughlin indicated that the Legislative issues were covered by himself and Ms. Arbogast earlier in the Board meeting. Mr. McLaughlin moved on to report on State issues noting that the General Assembly ends on May 7th and that he will be working on a summary of the Bills that impact, or potentially impact, the Authority to be discussed with the Governmental Affairs Committee. The Committee meeting will occur in either June or August depending on when the information becomes available. Mr. McLaughlin provided an update on three potential Bills that were previously discussed with the Governmental Affairs Committee. First, he updated that HB25-1120 Septic System Replacement Enterprise has stalled and does not look like it will be approved. Next, HB25-081 Treasurer’s Office does look like it will pass and we will have to see how it impacts the Authority, if at all. Last, Mr. McLaughlin stated that the 2025 Energy Parks for Colorado Legislative Framework Bill has not been introduced as far as he could determine. Finally, Mr. McLaughlin mentioned that there are articles included in the Board packet regarding “other business” for review. Director Shuler commented that he has also been following the Energy Parks and that he has only been able to find it on the Governor’s page on the state of Colorado’s website noting it is not called “Energy Parks”, but it appears to be part of the energy plan. Director Whitehead referred to the nice letter included from Warren Swanson that complimented Ian Loffert, and congratulated Mr. Loffert.

Arrangement for Future Meetings

Chair Treese noted that the future meetings are listed in the packet. Chair Treese reiterated that going forward, the PFC meetings will take place on the Friday before the Board meetings with the next one occurring on May 30th.

Adjournment

Chair Treese adjourned the meeting at 1:30 p.m.

Respectfully submitted,

Heather Newton, Assistant Secretary

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