Draft MINUTES OF THE REGULAR MEETING OF THE BOARD
OF DIRECTORS OF THE PROJECT 7 WATER AUTHORITY

July 24, 2025

The regular meeting of the Board of Directors of the Project 7 Water Authority was held July 24, 2025 in the conference room of the Project 7 Treatment Plant site, Montrose, Colorado.

Directors Present:
Jake Foreman
Vicki Ripp
David Bries
John McCollum
Randy Meaker
Kevin Carlson (remote)

Others Present:
Leroy Foreman Sandy Flowers
Adam Turner Wayne Schieldt
Tessa Scharf Gail Marvel
Miles Graham Rick Huggins
John McMillan Doug Glaspell
Patti Hill Rick Hill
(Jessica Johnson, James Silvestro, Greg Swartz,
Dennis Jackson, Fernando Aranda-remote)

Chairman Jake Foreman called the regular meeting to order at 4:30 p.m. Following roll call, a quorum was declared present.

June Minutes
Following review of the minutes, Mr. Randy Meaker moved to accept the minutes of the Board of Directors Regular Meeting June 26, 2025 as presented. Motion was seconded by Mr. David Bries and carried unanimously.

Changes to the Agenda
No changes

Chairman Jake Foreman asked if there was any Public Comment. There was none.

Consumption Report
Consumption Reports for June 2025 were reviewed.

Cash Flow Report
The Manager reported on the cash flow report for June 2025.

Process Control Report
The Process Control Report for June 2025 was reviewed.

Updates
Manager report handout; see attached.
Chairman Jake Foreman directed that the minutes reflect acceptance of the Manager’s Reports.

Legal Update
Mr. James Silvestro (via zoom) provided updates on several governance and operational initiatives. He discussed the development of a new fiscal operations policy that would cover areas such as budgeting, audits, financial controls, and fraud protection. After the draft of this policy has been finalized Mr. Silvestro plans to bring the final version to the Board for consideration in an executive session meeting in August or September.

Mr. Silvestro previewed the creation of a standard form contract for professional services, which will be used as a template for future consultant agreements.

At this time Mr. Silvestro mention that Mr. Rick Huggin's contract with HDR will be finalized in the coming weeks, and he noted that the scope of work for HDR's services appears to be similar to his previous role with Garver. The Board discussed continuing services with HDR as the owner's representative, with Mr. Rick Huggins requesting formal Board approval for Manager Turner and Legal council James Silvestro to negotiate and execute the contract.

Mrs. Vicki Ripp moved to have Manager Turner and Mr. James Silvestro continue to negotiate a contract with HDR. Mr. Randy Meaker seconded the motion. After discussing various points of Mr. Huggins role as project engineer, owner's advisor, and scope of work, the Board asked for an amendment to the motion to add a not to exceed amount verification.

Mrs. Vicki Ripp amended her motion to have Manager Turner and Mr. James Silvestro continue negotiating Mr. Rick Huggin's contract with HDR not to exceed $150,000.00. Mr. Randy Meaker seconded the amended motion. The motion passed unanimously.

Resiliency Update
Mr. Rick Huggins presented updates on the resiliency program, focusing on cost allocation studies and intergovernmental agreements (IGAs). He outlined the roles and responsibilities of various entities involved, emphasizing the need for collaboration in the operational protocols and emergency scenarios. Mr. Graham also discussed the importance of updating cost estimates to reflect smaller projects and the impact of market conditions on future planning.

Cost allocation study update given by Mr. Greg Swartz aims to develop a fair and equitable cost allocation methodology, which will be discussed further in August and September board meetings. His presentation covered the background and justification for the study. Mr. Swartz said the study is not a onetime solution but rather a framework for periodic review and adjustment of cost allocations.

Mr. Fernando Aranda from Hazen and Sawyer presented the study's objectives, which include determining a fair and equitable cost allocation method, evaluating rate structures, and comparing rates with similar utilities. Mr. Aranda gave a detailed analysis of cost allocation methodologies for a new water facility, explaining how different usage scenarios affect cost distribution among member agencies.

Old Business
2026 Rate Structure and Schedule. The Board discussed upcoming milestones, including board action on the allocation methodology in August and rate structure in September.

There being no further business, Mr. John McCollum moved to adjourn the meeting. Mr. David Bries seconded, the meeting adjourned at 6:25 p.m.

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Chairman

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Secretary