MINUTES OF THE REGULAR MEETING AND BUDGET HEARING OF THE BOARD OF DIRECTORS OF THE PROJECT 7 WATER AUTHORITY

December 11, 2025

The Regular Meeting and the Budget Hearing of the Board of Directors of the Project 7 Water Authority was held December 11, 2025 in the conference room of the Project 7 Treatment Plant site, Montrose, Colorado.

Directors Present:
Vicki Ripp
Randy Meaker
David Bries
Matt Miles

Others Present:
Jerry Young
Adam Turner
Tessa Scharf
Jay Thoe
Rick Huggins
Gail Marvel
Eric Replogle
Greg Stander
Kathy Calkins
Wayne Schieldt
Gail Marvel
Rick Hill
Patti Hill
Adam Suppes
Rick Weaver
(James Silvestro, Greg Swartz
(Mavis Fitzgerald, Jessica Johnson,
Miles Graham, Aimee Housh- remote)

Vice Chairman Vicki Ripp called the regular meeting to order at 3 p.m. Following roll call, a quorum was declared present.

October Minutes
Following review of the minutes, Mr. Randy Meaker moved to accept the Revised minutes of the Board of Directors Regular Meeting October 23, 2025 as presented. Motion was seconded by Mr. David Bries and carried unanimously.

Changes to the Agenda
Mr. Randy Meaker asked to add Christmas bonus for P7 Staff to New Business. Manager Turner asked to add Insurance payment from wind event and letter from City of Montrose as New Business Items B. and C.

Public Comment
Vice Chairman Vicki Ripp asked if there was any Public Comment. Patti Hill asked the Board to please speak up.

Consumption Report
Consumption Reports for October 2025 showed usage was up 80 million above the previous year.

Cash Flow Report
The Manager reported on the cash flow for October 2025 tracking well under budget.

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

Updates
There were no Manager Updates
Vice Chairman Ripp directed that the minutes reflect acceptance of the Manager's Reports.

Legal Update
Mr. James Silvestro (via zoom) gave the Board updates on the HDR Contract Amendment-Risk Assessment, and that the DA Davidson Contract was being transitioned to a standard Project 7 Professional Services Agreement.

Continued 2026 Budget Hearing
At this time Vice Chairman Ripp opened the 2026 Budget Hearing. There was no Public comments and Vice Chairman Ripp closed the Budget Hearing.

The Board reviewed the proposed 2026 Budget, Mr. Matt Miles had questions and concerns about the $6,000,000.00 listed under Capital Improvements Construction. After discussion the Board agreed to modify the Capital construction into $3 million for existing facilities and $3 million subject to future Board action. Mr. Gregg Swartz said the suggested split would not change the 2026 Budget resolutions. Manager Turner also noted that the budget includes $3.2 million for loans and grants that have already been authorized, with any new funds requiring additional board approval. Vice Chairman Ripp said to correct the Budget proposal handout and asked for a motion for the budget resolutions.

Mr. Randy Meaker moved to adopt Budget Resolution 2025-5 as amended. Mr. David Bries seconded, the motion passed unanimously.

Mr. David Bries moved to adopt Appropriation Resolution 2025-6. Mr. Randy Meaker seconded, the motion passed unanimously.

Resiliency Update
Mr. Rick Huggins said that his goal was to have an open dialog with the board and that he wanted to move the Risk Study Update to January 22, 2026 so that all Directors and alternates could be in attendance. Mr. Huggins said the handout that he presented to the board was to prepare them and is going to be the same one he will use in January. The study's findings were presented, which identified critical risks including the Gunnison Tunnel, Fairview Reservoir, pipelines, and South Canal, scoring them based on severity and likelihood of failure.

Discussions included the differences between the resiliency project and emergency planning, of water drawn out of the river vs raw water pipe, and quality of the river water vs water out of the reservoir, and emergency water supply options. Vice Chairman Ripp added that the idea of building a plant at the dam site was not feasible because there wasn't enough land.

Mr. Huggins said HDR will facilitate the meeting in January and introduced Ms. Aimee Housh who would be presenting the Risk Study Update. It was decided to have all 6 Directors, their alternates and an operations representative from each entity attend. It was agreed to start the meeting at 3 PM on January 22, 2026.

Old Business
Mr. Greg Swartz said that the CFO position was not filled yet that he and Manager Turner would be working on that in January 2026.

Mr. Matt Miles stated that P7 needed to keep better financial records for the Resiliency Program. Vice Chairman Vicki Ripp replied that all the Directors were e-mailed the same documents that Mr. Miles requested.

New Business
Mr. Randy Meaker suggested the board give cash bonus of $150 to each of the Project 7 employees as a Christmas gift.
Mr. Randy Meaker moved to give $150 Christmas tip to each Project 7 employee. Mr. David Bries seconded. Motion passed.

Manager Turner said he would like to give P7s neighbor, Mr. Brown, $5000 of the insurance reimbursement for wind damage to help pay for Mr. Brown's out-of-pocket costs. Mr. David Bries suggested Manager Turner and Mr. James Silvestro also draft a letter for release.
Mr. David Bries moved to reimburse Mr. Brown $5000 contingent on him signing a release of liability. Mr. Randy Meaker seconded. The motion passed unanimously.

The Board also briefly discussed a letter from the City of Montrose but took no further action.

There being no further business Vice Chairman Ripp adjourned the meeting at 4:50 pm.

Chairman

Secretary