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

June 25, 2026

The Regular meeting of the Board of Directors of the Project 7 Water Authority was held June 25, 2026 in the conference room of the Project 7 Treatment Plant site, Montrose, Colorado.

Directors Present:
Vicki Ripp, Chair
David Bries (Zoom)
Matt Miles
Adam Suppes - Alt
Leroy Foreman - Alt
Randy Meaker

Others Present:
Adam Turner
Aaron Hancey
Fred Waldman
Tessa Scharf
Jay Thoe
John McMillan
David White
Gail Marvel
Jerry Young
Kathy Calkins
Patti Hill
Rick Hill
Doug Glaspell
(Remote-James Silvestro, Michael Miller, Greta Stetson, Rick Huggins, Andy Mitchell)

Chairperson Ripp called the Regular June 25, 2026 meeting to order at 4:30 p.m.

Following roll call, a quorum was declared present.

May Minutes
Following review of the minutes, Chairperson Ripp asked if there were any additions or corrections, there were none. Director Foreman moved to accept the minutes, Director Meaker seconded. Motion passed unanimously.

Changes to the Agenda
Chairperson Ripp asked if there were any changes to the agenda. Director Miles said he would like to put an item on new business for making sure that the board packets are complete in a reasonable amount of time before the meeting so that they could review them.

Chairperson Vicki Ripp asked if there was any Public Comment.
Mrs. Hill asked if everyone could speak up so that they could be heard.

Consumption Report
Consumption Reports for May 2026 were reviewed. Manager Turner said people were being conservative on water use, consumption was down from May 2025.

Process Control Report
The Process Control Reports for May 2026 were reviewed.

Updates
Manager Reports/Update handout: Manager Turner reported water levels at Blue Mesa, Taylor, Silver Jack, and Ridgway reservoirs.

Manager Turner said the RFP for Project 7 Masterplan and Emergency Operations went live on June 8th, they had good response and had lined up four tours from perspective firms. The proposals will be opened July 16, from there Manager Turner with the TAG representatives will start vetting the proposals and conduct interviews, aiming to have a recommendation for the August 27th Board Meeting.

Manager Turner said he had a meeting with USDA's new director hosted by Region 10 and Montrose County Commissioners. And that work was continuing on finishing up the financial audit and should be completed by the July 31 deadline.

Manager Turner said that he would hand over the financial and cash flow reports to Mr. Aaron Hancey as the new CFO.
Chairperson Ripp asked if there were any comments on the Manager's reports. There were none.

Cash Flow
Mr. Hancey said that he had been in contact with the auditors and that they would be getting Project 7 draft audit done within the coming week and that the final audit by the next board meeting in July.
Mr. Hancey discussed the financials that were handed out in the board packet. He said that there would be updates to some historical numbers, such as depreciation, that he was waiting for the auditors to complete the audit. Mr. Hancey explained the balance sheet, assets, inventory, accounts payable, operating revenues and operating revenues. Alternate Director Suppes asked about debt service payments. Mr. Hancy explained how the accrued interest and principal were paid and how it was reported on the financial statements. He informed the board that currently Project 7 had 13.8 million in cash in four different financial institutions, which there were two investment accounts. Questions were raised if Project 7 had a reserve policy for cash on hand. Attorney Silvestro said he had pulled up the fiscal operations policy and it provides that the cash on hand should be dictated by the board as part of the annual budget process of as other wise directed throughout the year. Chairperson Ripp asked Mr. Hancey if he could add a percent of budget that was already spent in his future financial reports.

Chairperson Vicki Ripp directed the minutes reflect acceptance of the Manager's Reports.

Legal Update
Attorney Silvestro said he had two legal updates for the Board. The privileged memo giving an overview of the Establishing Contract and the three amendments to the Board and all the alternates, making it more reader friendly than the original one. Attorney Silvestro said if anyone had questions about it that they had the option to go into executive session after the regular board meeting.
His second update was the notice received from D.A. Davidson that they were not going to renew the professional services contract with Project 7. It was formal notice to terminate without cause. Manager Turner has been working with Mr. Swartz to make this a smooth transition. Mr. Swartz indicated in his letter that when the time came that the board felt the need for a municipal advisor that he would not be interested.

Technical Advisory Group
RFP update was included in Manager Turners updates.

Old Business
Mr. Hancey gave a review of D.A.Davidson Resiliency Program Financials. He said that he looked through the details provided by Mr. Swartz and that he felt very comfortable with the numbers that were summarized. Mr. Hancy said he was able to look at invoices that cover nearly 60% of the costs. He said the Board through the budget process had approved the expenditures of 33 million of which 7 million was de-obligated that resulted in 26.6 million in expenditures. Director Miles asked Mr. Hancey if those were just the last four years. Mr. Hancey said they were from the last 13 years and that there was still more reconciling to be done. Director Miles also asked if the resiliency funds were kept separately from operations and if there was any co-mingling of other expense accounts. Mr. Hancey said no co-mingling occurred that Mr. Swartz had provided invoices and documentation to support his report. The 50%-60% recoupment calculation was discussed, with some virulent disagreement. Land that was purchased, easements, the environmental and site reviews, and electrical transformer held value for a future project. There were no further questions. Chairperson Ripp thanked Mr. Hancey.

New Business
2027 rate structure was discussed, continuing the 2-pronged rate structure or going back to the old flat fee rate. Chairperson Ripp said it was important that rate stayed the same for each entity for fairness. Director Bries said he was fine with the way it was being done, Alternate Director Suppes agreed. Mr. Hancey said everyone needed to consider rising inflation and cost of expenses at the current treatment operations. Manager Turner suggested a five-year average amount. Chairperson Ripp asked Mr. Hancey and Manager Turner for a spreadsheet of different scenarios on rates for the next board meeting.

Future Agenda Items
July meeting to discuss rate increases. Chairperson Ripp asked Director Miles if Manager Updates handouts were emailed 24 hours before the meeting would be acceptable, as these updates contained information gathered on a daily basis. Director Miles said he was agreeable to that.

Executive Session
There was no need for an executive session.

Chairperson Ripp asked for a motion to adjourn. Director Foreman moved to adjourn. Director Meaker seconded. Motion passed unanimously

____
Chairman

____
Secretary