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

August 28, 2025

The regular meeting of the Board of Directors of the Project 7 Water Authority was held August 28, 2025 in the conference room of the Project 7 Treatment Plant site, Montrose, Colorado.

Directors Present:
Randy Meaker
David Bries
Wayne Schieldt-Alt
Kathy Calkins-Alt
Leroy Foreman-Alt

Others Present:
Jerry Young Chad Oeltjenbruns
Adam Turner Dave Hood
Tessa Scharf Gail Marvel
Miles Graham Rick Huggins
Doug Glaspell John Nelson
Patti Hill Rick Hill
Janet Fennern Michael Badagliacco
Greg Swartz Fernando Aranda
(Jessica Johnson, James Silvestro,
Adam Suppes, Dennis Jackson,
Justin Parker, Katharhynn Heidelberg-remote)

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

August Minutes
Following review of the minutes, Mr. Wayne Schieldt moved to accept the minutes of the Board of Directors Regular Meeting July 24, 2025 as presented. Motion was seconded by Mr. Leroy Foreman and carried unanimously.

Changes to the Agenda
No changes

Public Comment

Acting Chairman Randy Meaker asked if there was any Public Comment. Mr. Richard Hill voiced his concerns about the necessity and cost of the resiliency project.
Mrs. Patti Hill said she was worried about the cost of the new WTP and the effect on rate payers.
Mr. Michael Badagliacco asked if there was a way to avoid using treated water for irrigation. Mr. Wayne Schieldt asked Mr. Badagliacco to contact him at Tri-County Water to discuss this.

Consumption Report
Consumption Reports for July 2025 were reviewed.

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

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

Updates
Manager report handout; see attached.
Acting Chairman Randy Meaker directed that the minutes reflect acceptance of the Manager's Reports.

Legal Update
Mr. James Silvestro (via zoom) said the Fiscal Operation Policies draft was circulated confidentially to the Board and would be discussed during the Executive Session. Mr. Silvestro said the direction he receives from the Board during the Executive Session would enable him to put together a final draft for review and public dissemination. The policy could be set for final action in September.

Mr. Silvestro said he and Manager Turner worked together on a template contract for non - construction services that the Authority will use going forward. Mr. Silvestro said the contract with HDR was being finalized with consistent with the Boards direction at the last meeting.

Resiliency Update
Mr. Rick Huggins said the south WTP design target was selected from a big picture planning process, looking at water use and emergency water demands across the region, and population projections for the service area. And through that process around a 6 MGD facility was agreed on as the right design target for a resiliency program.

Mr. Huggins said planning capacity as it specifically relates to potential ways to allocate costs on the project and specifically potential ways to allocate costs on the project. Each Entity's contribution to the project and what they will get out of it. Water allocations can and will vary but will be fair.

Mr. Greg Swartz in his update on the cost allocation study said the objectives included allocating P7 existing and future costs to the member agencies, benchmark rates to similar wholesale peer utilities, and support rate design recommendation. Mr. Swartz said his goals were to have fair and equitable cost allocations and to provide clarity to the costs of service for the new facility for each member.

Mr. Fernando Aranda from Hazen and Sawyer explained how cost allocation was determined. He said the process takes in to account and calculates how much each one of the customers to uses the system and how much should be charge them.

Mr. Aranda gave scenarios for cost allocation, average usage, base usage, and winter minimum. Impacts of cost allocation methods on rates would be: average cost allocation method results in the same volume rate for every member. Base extra capacity allocation method results in different rates for each member, and minimum allocation method results in different rates for each member.

Mr. Aranda said Average cost conforms to Section 31 of the Establishing Contract which requires allocation of limited water based on prior year use.

Mr. Miles Graham and Mr. Rick Huggins gave updates on developing IGAs and which entities that would need to participate to move the resiliency plan forward. In July the USBR announced that funding from the WaterSmart program and Title XVI would be awarded. Mr. Graham said that the resiliency project, from previous attempts was well positioned for possible opportunities for future funding.

Old Business

2026 Rate Structure and Schedule. The Board discussed rate structure and schedule covering 2026 target P7WA rate, minimum purchase obligation, uniform volume rate, base charge, and flow of funds. Action to be taken at September 25, 2025 board meeting.

New Business

Manager Turner presented the Board with the preliminary 2026 Budget. He asked the Board to look it over and bring any comments or questions back to the September 25, 2025 board meeting. It would be an action-item at the October 23, 2025 meeting.

Executive session

Mr. David Bries moved to adjourn to Executive Session at 6:43pm, for the purpose of receiving legal advice regarding fiscal policies as allowed by C.R.S.24-6-402(4)(b). Mr. Leroy Foreman seconded. Motion passed.

At 7:20 pm, Mr. David Bries moved to go out of Executive Session and back to regular session, Mr. Leroy Foreman seconded. Motion passed. Acting Chairman Randy Meaker reconvened the Regular Meeting and directed the minutes to show that the Board did not stray from the announced topic for the executive session. He also directed the minutes reflect those present were Randy Meaker, David Bries, Kathy Calkins, Doug Glaspell, Wayne Schieldt, Rick Huggins, Greg Swartz, Miles Graham, Adam Turner, Tessa Scharf, Leroy Foreman, and James Silvestro (remotely).

There being no further business Mr. Wayne Schieldt moved to adjourn, Mr. Leroy Foreman seconded. Meeting adjourned at 7:25 pm

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Chairman

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Secretary