

**FINANCE COMMITTEE
MINUTES
January 17, 2019**

A meeting of the Finance Committee was held on Thursday, January 17, 2019 at 9:00 a.m. at the District Office, 31717 United Avenue, Pueblo, Colorado.

Chairwoman Nichols announced a quorum was present.

COMMITTEE MEMBERS PRESENT:

Ann Nichols-Chairwoman and Kevin Karney-Vice-Chairman
Bill Long, Seth Clayton, Greg Felt, and James Broderick

COMMITTEE MEMBERS ABSENT AND EXCUSED:

None

OTHERS PRESENT:

Tom Goodwin, SECWCD Board Member; and Leann Noga, Finance Manager SECWCD.

APPROVAL OF MINUTES:

Chairwoman Nichols confirmed that members of the Committee received their copy of the November 15, 2018 minutes and asked if there were any corrections or additions. Hearing none, Mr. Felt moved, seconded by Mr. Clayton, to approve the November 15, 2018 minutes. Motion unanimously carried.

ACTION ITEMS:

Financial Reports

Mrs. Noga summarized the financial statements for November and Draft December 2018 revenues and expenditures. Chairwoman Nichols then asked for a motion to accept the financial statements as presented. Mr. Clayton moved, seconded by Mr. Karney, to accept the financial statements for November and Draft December 2018. Motion unanimously carried.

Check Review

Mrs. Noga reviewed checks written and paid in November and Draft December 2018. Chairwoman Nichols asked for a motion to accept the check registers. Mr. Clayton moved to accept the check registers for November and Draft December 2018, seconded by Mr. Karney. Motion unanimously carried.

PRESENTATIONS:

None

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INFORMATION ITEMS:

Invested Funds Report

Mrs. Noga summarized the invested funds report providing November and December 2018 month end information for COLOTrust and Wells Fargo liquid and long-term investments. She explained as of December 31, 2018 the goal for percentage distribution between COLOTrust and Wells Fargo have been met. The Committee determined that future investments would be left to the discretion of the Finance Manager at the point of maturity. Month-end December 30, 2018 provided the following percentage totals:

- **District**
 - Wells Fargo: 76.26%
 - COLOTrust: 23.74%
- **Enterprise**
 - Wells Fargo: 78.24%
 - COLOTrust: 21.76%

Financial Strategy and Sustainability Study (formally known as Cost of Service)

In November 2018, a staff team made up of Jim Broderick, Leann Noga, Chris Woodka, and Garrett Markus was created to conduct a Request for Qualifications (RFQ) for a Cost of Service Study. The District received five RFQ responses, in which only the top three consultants were interviewed. Through this RFQ process, staff recognized that the District and Enterprise were seeking more than a Cost of Service Study. With that conclusion, staff has re-named the study to the Financial Strategy and Sustainability Study.

The Financial Strategy and Sustainability Study will provide a full analysis of the District and Enterprise finances as well as provide any suggested adjustments for future sustainability. The study includes the following main elements:

1. Capital Improvement and Capital Project Plan
2. Revenue Requirement Analysis
3. Cost of Service Analysis
4. Rate Design Analysis
5. Policies Analysis
6. Financial Plan
7. Communication and Workshops

In December, the team determined that JACOBS Engineering Group would be the best fit to conduct the study. Staff is currently working on a final contract and scope for the study that will be presented on January 24, 2019 at the Executive Committee meeting.

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OTHER BUSINESS:

The 2018 audit is underway, management has signed engagement letters and are processing year-end closing entries.

NEXT MEETING:

The next Finance Committee meeting will be February 21, 2019.

ADJOURN:

Chairwoman Nichols adjourned the meeting at 9:30 a.m.

Respectfully submitted,

Leann Noga
Finance Manager