

**FINANCE COMMITTEE  
MINUTES  
October 18, 2018**

A meeting of the Finance Committee was held on Thursday, October 18, 2018 at 9:01 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:**

Leann Noga, Finance Manager SECWCD.

**APPROVAL OF MINUTES:**

Chairwoman Nichols confirmed that members of the Committee received their copy of the September 20, 2018 minutes and asked if there were any corrections or additions. Hearing none, Mr. Clayton moved, seconded by Mr. Felt, to approve the September 20, 2018 minutes. Motion unanimously carried.

**ACTION ITEMS:**

*Financial Reports*

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

*Check Review*

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

**PRESENTATIONS:**

None

**INFORMATION ITEMS:**

*Invested Funds Report*

Mrs. Noga summarized the invested funds report providing September 2018 month end information for COLOTrust and Wells Fargo liquid and long-term investments. The goal is to maintain the lateral

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approach in long term investments as well as reach a target if 20 percent to 30 percent in the COLOTrust accounts by December 2018. Invested fund will be redistributed at maturity. Month-end September 2018 provided the following percentage totals:

- **District**
  - Wells Fargo: 84.56%
  - COLOTrust: 15.44%
- **Enterprise**
  - Wells Fargo: 97.74%
  - COLOTrust: 2.26%

*2019 Proposed Budget*

Mrs. Noga informed the Committee that the 2019 Proposed Budget was email to each member of the Board on October 12, 2018 in accordance with CRS 29-1-105. She explained to the Committee that there would most likely be changes to the 2019 Proposed Budget as staff gets updated information. She reminded the Committee that the Public Hearing for the 2019 Proposed Budget will be held during the regular schedule Board meeting on November 15, 2018 at 9:45 a.m.

*Cost of Service: Request of Qualification (preparation for 2019)*

Mrs. Noga explained that one of the items in the 2019 Proposed Budget was a cost of service study. The cost of service study would provide a full analysis of the District and Enterprise finances as well as provide any suggested adjustments for future water rate structure. The study will attempt to align water rate assessment with the future financial health of the District and Enterprise. Although the cost of service study has been mentioned in various committee and board meetings, this will be the first study of this type performed for the District and Enterprise.

The cost of service study is located in the District's capital outlay section of the 2019 Proposed Budget. This item is budgeted at \$300,000 with the ability to be adjusted prior to the 2019 Budget approval on December 6, 2018.

Mrs. Noga provided a proposed timeline for the study. The study is estimated to take five months, she explained that a request for qualification (RFQ) would be sent out at the end of October 2018. This would allow adequate time to choose a consultant and award a contract by December 31, 2018. The goal is to have the study completed by May 2019, so that the Board of Directors will have time to take possible action prior to the 2020 budget process.

Chairwomen Nichols suggested that the consultant's scope include the design and completion of a capital improvement plan (CIP). Mr. Clayton then suggested that the CIP include a model tool for future forecasting. Both suggestions will be incorporated in the RFQ as a task delivery expectation.

**OTHER BUSINESS:**

None

**NEXT MEETING:**

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The next Finance Committee meeting will be November 15, 2018.

**ADJOURN:**

Chairwoman Nichols adjourned the meeting at 9:33 a.m.

Respectfully submitted,

Leann Noga  
Finance Manager