

**FINANCE COMMITTEE
MINUTES
March 21, 2024**

A meeting of the Finance Committee was held on Thursday, March 21, 2024, at 8:30 a.m. The Finance Committee offered both in-person and virtual connection.

Chairwoman Ann Nichols announced a quorum was present.

COMMITTEE MEMBERS PRESENT:

In-Person: Ann Nichols-Chairwoman, Kevin Karney -Vice Chairman, Pat Edelman, Seth Clayton, Bill Long and Greg Felt.

COMMITTEE MEMBERS ABSENT AND EXCUSED:

None

OTHERS PRESENT:

Leann Noga, Stephanie Shipley, Chris Woodka, Kevin Meador, Garrett Markus with the SECWCD.

Virtual: Patty Rivas, SECWCD, and Bill McDonald with McDonald Water Policy Consulting.

APPROVAL OF MINUTES:

Chairwoman Nichols confirmed that members of the Committee received their copy of the January 18, 2024, minutes and asked if there were any corrections or additions. Hearing none, Mr. Edelman moved, seconded by Mr. Karney, to approve the January 18, 2024, minutes. Motion unanimously carried.

PRESENTATIONS:

None

ACTION ITEMS:

Financial Reports, Check Review, and Investment Report

Mrs. Noga summarized the financial statements, check registers, and investment reports for the January and February 2024 accounting periods. Chairwoman Nichols then asked for a motion to accept the financial reports. Mr. Clayton moved, seconded by Mr. Karney, to accept the financial statements, check registers, and summary investment report for January and February 2024. Motion unanimously carried.

Amended 2023 Budget Resolution Adoption – Hydroelectric Power

Budget Resolution No. 2024-01EF is for the 2023 Hydroelectric Power Budget and is directly related to the first debt payment to the Colorado Water Conservation Board loan. The total Hydro loan payment is \$776,560 annually. The original 2023 Adopted Budget included the interest payment, but the debt portion of the payment was not included. The loan payment is due on January 1, 2024, to ensure that the payment was made on time, it was made on December 30, 2023.

Page 2
Finance Committee Meeting
March 21, 2024

The Board of Directors adopted Resolution No. 2022-04EF for the 2023 Budget of the Southeastern Colorado Water Activity Enterprise – Hydroelectric Power on December 8, 2022, for total expenditures in the amount of \$991,456. This action is to amend the 2023 Adopted Budget to add an additional \$250,000 in expenditure. The amended Hydroelectric Power 2023 Budget Resolution would total \$1,241,456. Chairwoman Nichols then asked for a motion to accept the financial reports. Mr. Clayton moved, seconded by Mr. Karney, to adopt budget resolution No. 2024-01EF.

Finance Rate Forecasting Model

In 2019, the District conducted a Financial Strategy and Sustainability Study completed by Jacobs Engineering. One of the deliverables of the study was a Finance model that would provide rate requirements for a 10-year forecast period. The model also included a 20-year capital improvement schedule, but surcharges revenues were not included in the model calculations. The second phase of the project was to analyze surcharge revenues, but the second phase was not completed. District staff have been updating and using this model annually for planning purposes.

In 2023, the Board of Directors took action to restructure the Water and Storage Rates. There are many edits that need to be accomplished to reflect the rate restructuring. Staff reached out to Wilson Water Group, in which it was suggested to simplify the model and start new.

Based on the quote from Wilson Water Group, the Committee requested that Mrs. Noga reach out to at least two other firms to get additional quotes to revamp the current financial model. And bring the additional quotes to the April 2024 Finance Committee meeting. This should satisfy the time to complete this project to communicate rates to customers for budgeting purposes by August.

INFORMATION ITEMS:

2023 Audit Update

Mrs. Noga informed the Committee that the auditors from Erickson, Brown & Kloster, LLC were in the office March 12-14, 2024, conducting the annual 2023 audit. She explained that the audit was running smoothly and on track to be presented as an action item for approval at the April 2024 Finance Committee and Board meetings.

Mrs. Noga reminded the committee that the District is going through its first ever single audit process for the 2023 financial period. She noted that there would most likely be a list of policy related items that would need to be updated to comply with the single audit requirements. Staff had not received that list as of the date of this meeting but will keep the committee in the know as things come forward.

OTHER BUSINESS:

None

NEXT MEETING:

The next Finance Committee meeting is scheduled for April 18, 2024, at 8:30 am.

Page 3
Finance Committee Meeting
March 21, 2024

ADJOURN:

Chairwoman Nichols adjourned the meeting at 9:05 a.m.

Respectfully submitted,

Stephanie Shipley
Finance Manager