

RECORD OF PROCEEDING

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**SOUTHEASTERN COLORADO WATER  
ACTIVITY ENTERPRISE**

**MINUTES**

**October 9, 2019**

A special meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Wednesday, October 9, 2019 at 9:38 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado. The Enterprise meeting was held in conjunction with the District meeting.

President Long announced a quorum was present.

**DIRECTORS PRESENT:**

Bill Long	Ann Nichols	Seth Clayton
Kevin Karney	Alan Hamel	Howard "Bub" Miller
Mark Pifher	Carl McClure	Andy Colosimo
Patrick Garcia	Dallas May	Pat Edelman

**DIRECTOR(S) ABSENT AND EXCUSED:**

Greg Felt, Curtis Mitchell, and Tom Goodwin

**ENTERPRISE OFFICIALS PRESENT:**

Executive Director James Broderick; General Counsel Lee Miller; Administrative Manager Toni Gonzales; Senior Policy and Issues Manager Chris Woodka; Principal Engineer Kevin Meador; Water Resource Engineer Garrett Markus; Finance Manager Leann Noga; Accountant Stephanie Shipley; and Federal Lobbyist Christine Arbogast

**VISITORS PRESENT:**

Jenny Bishop, Colorado Springs Utilities; and Dennis Jackson, JACOBS

**APPROVAL OF MINUTES:**

None

**FINANCE COMMITTEE REPORT:**

None

**CONSENT ITEMS:**

None

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**PRESENTATIONS:**

**DISCUSSION ON POLICIES**

Chris Woodka reported these policies will form the basis for future rates and financial decisions for the District, and have been requested for review by Board members prior to setting water sales and storage rates for 2020.

The Strategic Plan, Business Plan, and Budget since 2017 have recommended long-term financial policies for the District. The policies were also discussed by the Executive Committee in the “Framing the Future” discussion.

JACOBS was hired in 2019 to perform a Financial Strategy and Sustainability Study for the District. One task in the study was to provide recommendations for Policies and Guidelines to the District. Many of the recommendations were incorporated into the four workshops with the Executive Committee that were held in April, June, and July of 2019.

JACOBS has recommended four policies to the Board:

- Capital Planning Policy
- Debt Management Policy
- Rate Setting Policy
- Unrestricted Reserves Policy

The policies were presented to the Board in draft form at the September 19, 2019 meeting for Board consideration. Staff has made edits to the policies based on comments received from members of the Board. Approval of these are anticipated at the October 17, 2019 Board meeting.

The Board had a lengthy discussion regarding the Target Funding Levels. It was concluded per suggested policy that the paragraph that was in each states “The SECWCD and SECWAE Board will establish funding targets and priorities of Unrestricted Reserves, and will adjust periodically as necessary.”

President Long asked that the Board members submit any concerns to staff on the proposed policies.

**DRAFT FINANCE STRATEGY AND SUSTAINABILITY STUDY**

Dennis Jackson of JACOBS presented a PowerPoint titled, *Financial Strategy and Sustainability Study*, reviewing the following:

- Project Status and Schedule
- Overview of Draft Study Report
  - Introduction and Background
  - Financial Plan
  - Cost of Service
  - Water Rate Design and Analysis
  - Benchmarking Analysis

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- Recommendations
- Comments and Questions

The Board members were given an opportunity to ask questions during the presentation and Mr. Jackson or staff answered each.

**FINANCIAL STUDY WORKSHOP QUESTIONS AND ANSWERS**

During the Financial Strategy and Sustainability Study (Study) Workshops with the Executive Committee, staff was asked to research a number of questions.

Staff compiled all questions asked during the Study into one document that contains both the questions and the answers. This information was provided to the Board at the September 19, 2019 Board meeting. The Board desired additional time to review the document and requested it be added to the October 9, 2019 Board meeting agenda. Since the September 19, 2019 meeting, page 16 has been added to the questions and answers document.

The District also received a letter dated September 18, 2019 from Colorado Springs Utilities with questions regarding the Financial Study, the District replied to the letter on September 30, 2019 both letters were provided to the Board.

The Board members did not feel that they needed to go through the questions and answers at this time, since they were each provided the documents to review. President Long invited Board members to submit questions if not on the current list to staff.

**ACTION ITEMS:**

None

**INFORMATION ITEMS:**

None

**OTHER BUSINESS MATTERS:**

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 12:12 p.m.

Respectfully submitted,

Toni Gonzales  
Administrative Manager

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Secretary

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