

**FINANCE COMMITTEE
MINUTES
June 21, 2018**

A meeting of the Finance Committee was held on Thursday, June 21, 2018 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:

Leann Noga, Finance Manager SECWCD and Garrett Markus, Water Recourse Engineer SECWCD.

APPROVAL OF MINUTES:

Chairwoman Nichols confirmed that members of the Committee received their copy of the May 17,2018 minutes and asked if there were any corrections or additions. Hearing none, Mr. Clayton moved, seconded by Mr. Karney, to approve the May 17, 2018 minutes. Motion unanimously carried.

ACTION ITEMS:

Financial Reports

Mrs. Noga summarized the financial statements for May 2018 revenues and expenditures. A short discussion was held regarding water revenues in the Enterprise. Mr. Broderick discussed the 2018 water imports and allocation. He explained that the twenty-year average budget was based off 55,733 acre-feet. The May 1st import projection was 58,200 acre-feet of which 43,050 acre-feet was allocated after deductions. At this point staff is estimating that the Enterprise will have an allocation shortage of 12,728 acre-feet. The shortage will result in processing refunds for Project Water customers as well as Agricultural Return Flows customers. This creates an estimated water sales and surcharges refund of approximately \$140,000. Staff will know more as imports come to an end for the season.

Chairwoman Nichols then asked for a motion to accept the financial statements as presented. Mr. Karney moved, seconded by Mr. Clayton to accept the financial statements for May 2018. Motion unanimously carried.

Check Review

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

COLOTrust Action

Mrs. Noga explained at the May 17, 2018 Finance Committee meeting an information item regarding possibly investing in COLOTrust was presented. The Finance committee requested an investment strategy. The following strategy was presented:

Evaluating Investment Option

The investment strategy would consist of a calculation comparison at each Wells Fargo investment maturity, prior to reinvestment. The comparison would assess the differences in investing in Wells Fargo single CUSIP's or COLOTrust investment pool over the same time period. This will all be considered while at the same time, maintain the lateral year approach within the District and Enterprise Wells Fargo accounts. Considerations will include treasury rates, agency rates, COLOTrust rates in addition to forward-looking rates such as market and federal expectations.

Six Month Review Period

For the period of June to December 2018, the District will have 30 percent of its total Wells Fargo portfolio reach maturity. Over that same period the Enterprise and Aurora accounts will have 25 percent of its total portfolio reach maturity. The strategy is to make sure that no more than 30 percent of the District, 35 percent of the Enterprise, and 21 percent of the Aurora funds will be invested in COLOTrust in the next six months. The Finance committee will receive monthly updates regarding Wells Fargo and COLOTrust investments. During this same six-month period, staff will prepare additional strategies to align 2019 as well as budget expectations.

A summary for the maturity date in all investment accounts was provided to the committee. Mrs. Noga ensured that the investments would follow District and Enterprise current investment policy of *"primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield."*

Chairwomen Nichols asked for a motion to recommend to the Board of Directors the approval of opening COLOTrust investment accounts for the District, Enterprise and Aurora investments. Mr. Clayton moved to approve the COLOTrust investment accounts, seconded by Mr. Karney. Motion unanimously carried.

PRESENTATIONS:

None

INFORMATION ITEMS:

None

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OTHER BUSINESS:

None

NEXT MEETING:

The next Finance Committee meeting will be June 27, 2018 at 10:00 a.m. for an introductory presentation on the COLOTrust Investments.

ADJOURN:

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

Respectfully submitted,

Leann Noga
Finance Manager