



# Financial Strategy and Sustainability Study

## HISTORY

The Southeastern Colorado Water Conservancy District (District) was formed in 1958 to improve the water resources of the Arkansas River, and specifically to develop the Fry-Ingpan-Arkansas Project (Project). When the Project was authorized by Congress in 1962, the District already had begun the task of funding the legal, engineering and clerical support the Project required. Much of the District's activity in the past 60 years has been focused on paying off the debt for construction of the Project, as well as paying for its share of the operation and maintenance of the Project.

## NEW STUDY

In 2019, the District has launched a Financial Strategy and Sustainability Study to develop financial planning tools to cope with an aging Project, as well as dynamic changes that are expected to occur in the coming years.



## PURPOSE

The District will receive financial planning tools that will allow its Board to make solid planning decisions in the future. This will help meet the Project's infrastructure needs, as well as give the District the means to address future challenges.

## IMPACTS

The District will not change its ad valorem tax rate as a result of this study. The property tax is tied to the federal contract for the repayment and operation of the Project.

Other than taxes, the District primarily relies on water sales and storage revenues. The Project water sales rate has not been raised since 1998, and the District has pulled from its reserves or imposed fees to meet shortfalls in revenue that should be covered by sales. The price of Project water is just a fraction of comparable water that can be purchased for supplemental use in this area. Project water storage fees are assessed as surcharges.

## STUDY COMPONENTS

The District will have new financial tools to work with as a result of the JACOBS study. These will be approached in the most efficient way that has the least impact on customers.

**Financial Plan:** Guidelines for future budgets, anticipated revenues, expenditures and reserves.

**Analysis of Policies:** Determination of Board actions needed to implement the financial plan.

**Capital Improvement and Capital Project Plan:** Development of a schedule for District and Project needs up to 20 years in the future.

**Revenue Requirement Analysis:** Evaluation of revenue needs for the Project, District and Enterprise.

**Cost of Service Analysis:** Alignment of revenue sources with capital and operational expenses.

**Rate Design Analysis:** Matching rates with revenue needs.

**2019 Finance Strategy and Sustainability Study**  
**Schedule of Meetings**

**Lower Arkansas Valley Outreach Meeting**

Subject: Study Introduction and Schedule  
March 12, 2019 at 11:00 a.m.  
Otero Junior College – Rizzuto Banquet Room  
1802 Colorado Ave  
La Junta, CO 81050

**Upper District Area Outreach Meeting**

Subject: Study Introduction and Schedule  
March 14, 2019 at 1:30 p.m.  
Upper Arkansas Water Conservancy District Office  
339 E. Rainbow Blvd  
Salida, CO 81201

**Northern District Area Outreach Meeting**

Subject: Study Introduction and Schedule  
March 15, 2019 at 10:00 a.m.  
Fountain City Hall  
116 S. Main Street  
Fountain, CO 80817

**Central District Area Outreach Meeting**

Subject: Study Introduction and Schedule  
March 21, 2019 at 9:30 a.m.  
Southeastern Colorado Water Conservancy District  
31717 United Ave  
Pueblo, CO 81001

**Executive Committee Workshop 1**

Subject: Preparing Long-Term Financial Plan  
April 23, 2019 from 10:00 a.m.- 2:00 p.m. (Lunch Provided)  
Southeastern Colorado Water Conservancy District  
31717 United Ave  
Pueblo, CO 81001

**Executive Committee Workshop 2**

Subject: Establishing Appropriate Reserves  
May 23, 2019 from 10:00 a.m.- 2:00 p.m. (Lunch Provided)  
Southeastern Colorado Water Conservancy District  
31717 United Ave  
Pueblo, CO 81001

**Executive Committee Workshop 3**

Subject: Allocation Cost of Service  
June 27, 2019 from 10:00 a.m.- 2:00 p.m. (Lunch Provided)  
Southeastern Colorado Water Conservancy District  
31717 United Ave  
Pueblo, CO 81001

**Executive Committee Workshop 4**

Subject: Water Assessment Rates and Surcharges  
July 25, 2019 from 10:00 a.m.- 2:00 p.m. (Lunch Provided)  
Southeastern Colorado Water Conservancy District  
31717 United Ave  
Pueblo, CO 81001

**SE District Board Meeting**

Subject: Assessment Rates, Surcharges, and Fees Hearing  
August 15, 2019 at 9:30 a.m. (Lunch Provided)  
Southeastern Colorado Water Conservancy District  
31717 United Ave  
Pueblo, CO 81001

**SE District Board Meeting**

Subject: Assessment Rates, Surcharges, and Fees Adoption  
September 19, 2019 at 9:30 a.m. (Lunch Provided)  
Southeastern Colorado Water Conservancy District  
31717 United Ave  
Pueblo, CO 81001

*Additional meetings maybe added to this schedule in the future.*

Southeastern Colorado Water Conservancy District