

**FINANCE COMMITTEE
MINUTES
February 21, 2019**

A meeting of the Finance Committee was held on Thursday, February 21, 2019 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, Bill Long, Seth Clayton, and James Broderick

COMMITTEE MEMBERS ABSENT AND EXCUSED:

Kevin Karney-Vice-Chairman and Greg Felt

OTHERS PRESENT:

Leann Noga, Finance Manager SECWCD

APPROVAL OF MINUTES:

Chairwoman Nichols confirmed that members of the Committee received their copy of the January 17, 2019 minutes and asked if there were any corrections or additions. Hearing none, Mr. Clayton moved, seconded by Mr. Long, to approve the January 17, 2019 minutes. Motion unanimously carried.

ACTION ITEMS:

Financial Reports and Check Review

Mrs. Noga summarized the financial statements and check register for January 2019. Chairwoman Nichols then asked for a motion to accept the both items. Mr. Clayton moved, seconded by Mr. Long, to accept the financial statements and check register for January 2019. Motion unanimously carried.

PRESENTATIONS:

None

ACTION ITEMS:

Amended 2018 Budget Resolution – Hydroelectric Power

The Board of Directors adopted Resolution No. 2017-05EF for the 2018 Budget of the Hydroelectric Power fund on December 7, 2017 for a total expenditures amount of \$9,976,089.

In November 2018, staff performed an analysis to determine if an Amendment to the Hydroelectric Power Budget would be needed as a result of the \$780,000 Board approved change order for the construction of the project. The forecasted analysis of year-end invoices provided that the expenditure total would remain within expenditure limits.

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Upon receipt of the final year-end invoices, expenditure limits were exceeded by the amount of \$109,021.

The 2018 Hydroelectric Power project expenditures totaled \$10,085,110. As a result of expenditure limits, the amended Resolution No. 2019-01EF increases the expenditure total by \$109,021 for an amended expenditure limit of \$10,085,110.

Chairwoman Nichols asked for a motion to recommend approval to the Board of Directors for Resolution and Order No. 2019-01EF for the Hydroelectric Power amendment of expenditure limit for the 2018 Budget. Mr. Long moved, seconded by Mr. Clayton. Motion unanimously carried.

Fry-Ark Project Reserve Fund Investment Account

Staff recommends opening an independent investment account with Wells Fargo for the purpose of the investment of the Fry-Ark Project Reserve Funds. This investment account, as stated in Amendment 11 of the Fry-Ark contract states that the reserve funds “be invested only in federally insured, interest or dividend bearing account, and/or in securities guaranteed by the federal government”.

Staff recommends a lateral investment strategy based on possible cash need for the Fry-Ark Project and/or the current investment market curve.

Mr. Clayton suggested to look into short term investment with other entities such as Legacy Bank as other future options.

Chairwoman Nichols asked for a motion to recommend approval to the Board of Directors to opening an independent Wells Fargo account for the investments of the Fry-Ark Project reserve fund as aligned in Amendment 11 of the Fry-Ark contract. Mr. Long moved, seconded by Mr. Clayton, to accept opening a new investment account for the Fry-Ark reserve. Motion unanimously carried.

INFORMATION ITEMS:

Financial Strategy and Sustainability Study Update

The Finance Committee was provided information regarding the Finance Strategy and Sustainability Study as follows:

1. JACOBS Professional Service Agreement
2. Finance Study outline presentation
3. Finance Study Questions and Responses regarding the service agreement
4. Finance Study Schedule of Meetings
5. Finance Study appointed Advisory Representatives

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OTHER BUSINESS:

Annual Audit

Mrs. Noga reported that the 2018 audit is moving forward and that staff had the first draft of the year-end financial statement. She stated that the external auditing team would be in the office to perform testing March 4-8 and that the audit is on track for the April 2019 Board Meeting.

NEXT MEETING:

The next Finance Committee meeting will be March 21, 2019.

ADJOURN:

Chairwoman Nichols adjourned the meeting at 9:27 a.m.

Respectfully submitted,

Leann Noga
Finance Manager