

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO WATER
CONSERVANCY DISTRICT**

MINUTES

October 9, 2019

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

DIRECTOR(S) ABSENT AND EXCUSED:

Greg Felt, Curtis Mitchell and Tom Goodwin

DISTRICT 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

INTRODUCTION OF VISITORS:

President Long welcomed the visitors to the meeting, and asked them to introduce themselves and identify the organization they represented.

APPROVAL OF MINUTES:

None

FINANCE COMMITTEE REPORT:

None

RECORD OF PROCEEDING

CONSENT ITEMS:

None

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 policies 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

RECORD OF PROCEEDING

- Financial Plan
- Cost of Service
- Water Rate Design and Analysis
- Benchmarking Analysis
- 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 each of 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

EXECUTIVE SESSION:

Lee Miller said a request has been made for the Southeastern Colorado Water Conservancy District to enter Executive Session for the purpose of:

Discussion with legal counsel on the on the following matter:

RRA Acreage Limitations

RECORD OF PROCEEDING

Pursuant to:

- C.R.S. §24-6-402(4)(b): (Conferences with an attorney for the local public body for the purposes of receiving legal advice on specific legal questions)
- C.R.S. §24-6-402(4)(c): (Matters required to be kept confidential by federal or state law or rules and regulations, specifically the Privacy Act of 1974, 5 U.S.C. § 552a)
- C.R.S. §24-6-402(4)(e): (Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators)

The presence of the following persons is requested at this Executive Session for RRA Acreage Limitations:

1. Non-Excused Board Members (state for the record any who are excused) Dallas May was excused.
2. Executive Director
3. Senior Policy and Issues Manager
4. Water Resources Engineer
5. The District's Federal Lobbyist

Minutes will be electronically recorded as required by the Colorado Open Meeting Act.

Mr. Colosimo moved, seconded by Mr. Garcia, to enter into Executive Session. Motion unanimously carried.

The District meeting was recessed at 12:12 p.m. and reconvened at 12:26 p.m. to enter into Executive Session, and reconvened at 1:14 p.m.

REPORT OUT OF EXECUTIVE SESSION:

Lee Miller reported the Board received legal advice on RRA Acreage Limitation determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators. There was no action taken on this matter at this time.

MONTHLY/QUARTERLY REPORTS:

U.S. BUREAU OF RECLAMATION REPORT

None

DIVISION ENGINEER'S REPORT

None

U.S. GEOLOGICAL SURVEY REPORT

None

RECORD OF PROCEEDING

INFORMATIONAL ITEMS:

President Long asked if there were any other matters to come before the meeting, and hearing none, adjourned the meeting at 1:16 p.m.

Respectfully submitted,

Toni Gonzales
Administrative Manager

Secretary

