
Southwest Regional Water District Special Meeting Minutes

A special meeting of the Audit Committee was held on November 9, 2021, beginning at 7:00 p.m. at the administrative building.

The meeting was called to order at 7:00 p.m. Trustees present included: Bob Schmidt, Randy Rolke and Robert L. (Bo) Copeland Jr. Sue Vance, General Manager and Kenny Hoffman, Business and Finance Manager were also present.

The tap fee audit covering the period of 8/5/21 – 11/3/21 was presented; all deposits were made timely. 25 taps were collected during the quarter.

ACH authorizations were reviewed and there are no changes recommended.

The District's quarterly Credit Card Report was reviewed. There are 6 active accounts, five of which are currently carrying charges.

A review of the District's investments was provided. Interest rates are very low. Staff was directed to investigate other short-term investment vehicles that might yield higher interest rates such as Harrison Building and Loan, if it is a permissible investment option, among others.

The District's Minimum Cash Balance Guidance was shared and the calculations for the upcoming year were presented. It was requested this be discussed as an item on the full Board agenda in November.

The District's 2022 Capital Improvement Plan was presented. In order to fund depreciation and work to increase the District's Net Capital Asset Percentage, the annual capital spend needs to be at least \$2,100,000.

The Financial Forecast was presented and discussed. The forecast shows a healthy financial outlook for the District.

The 2020 Financial Audit of the District is now publicly available on the Auditor of State's website. A copy of the audit was presented and discussed. There were no material or immaterial adjustments recommended, no management report and no verbal comments. It was requested that this be placed on the District's website.

A comparison of the District's financial metrics from the 2020 Audit versus peer utilities was presented and discussed. It was requested that this be placed on the Board's Intranet page, and that Trustees be notified of same.

The draft 2022 Operating Budget was presented for discussion. There was specific discussion about the rising cost of chemicals. After the draft budget was prepared, the District was informed by vendors to expect a 300% increase in the cost of chemicals for the upcoming year.

Bob Schmidt reported to the Committee that he is very happy with his review of invoices and has no issues to report. Bob will continue to perform reviews of invoices through March 2022.

The next meeting of the Audit Committee will take place on November 16, 2021, at 6:30 p.m. in the District's Board Room for the purpose of reviewing Board Member expense reports from the ORWA Fall Conference.

The next quarterly meeting of the Audit Committee will take place on February 8, 2022, at 7:00 p.m. in the District's Board Room.

The meeting was adjourned at 8:26 p.m.

Respectfully submitted,

Robert L. "Bo" Copeland Jr.