
Southwest Regional Water District Special Meeting Minutes

A special meeting of the Audit Committee was held on October 24, 2023 at the administrative building.

The meeting was called to order at 5:00 p.m. Trustees present included: Rob Brehm, Randy Rolke, and Bob Schmidt. Phil Sackenheim, General Manager, and Kenny Hoffman, Finance and Business and Manager were also present.

The tap fee audit covering the period of 06/29/2023 – 10/23/2023 was presented; twenty-five tap fee deposits were made timely and two were delayed during the audit period. The reason(s) for the delayed deposits is being investigated and once determined will be reported to the Audit Committee.

ACH authorizations were reviewed. There are eighteen ACH rules in place. There were two changes since the last meeting: OPWC decreased from \$30,000 to \$1 and USDA decreased from \$224,000 to \$1. The maximum limits had been increased for debt service payments and were decreased back to normal levels.

The Quarterly Credit Card Report for October 2023 was reviewed. There are seven active accounts, with a total credit limit of \$46,000. The current total account balance is \$13,447.72. A request has been made to increase the Voyager Fuel Card from \$10,000 to \$12,000 as we hit our credit limit this month.

The District's Cash Detail as of 9/30/2023 and the October 2023 Quarterly Investment report were reviewed. Mr. Hoffman discussed issues he has encountered funding the District's new GDP account. Those issues have been reported and he is told they are being resolved. The hope is that in the next couple of weeks we will be able to fund the GDP account per the Board's direction.

Mr. Hoffman presented a five-year Financial Forecast and proposed a combined 2024 Water Rate Increase of 4.5% (6.6% to the Service Availability Charge and 1.1% to the volumetric rates). The increase is necessary to keep up with continuing inflation and the provision of funds for future capital improvements. The Audit Committee requested the five-year Financial Forecast and 2024 Water Rate Schedule be presented to the Board at the November 2023 meeting.

Expense Reports for the 2023 WaterPro Conference were presented. The Board's Travel and Training policy requires the Audit Committee to review expense reports to ensure conformance to the policy. Rob Brehm, \$153.02; Doug Drake, \$785.44; Clark Kelly, \$366.93. The expense reports are in order.

Mr. Schmidt's review of weekly invoices revealed nothing of interest to report. Mr. Schmidt requested advice from the Audit Committee pertaining to the frequency of invoice review. He has been performing this duty for many years and has never found a problem. There is nothing legislatively that requires all invoices to be reviewed. The Audit Committee recommended that invoice review be completed on a bi-monthly or quarterly basis on a random sample of invoices.

The next meeting of the Audit Committee is scheduled for February 27, 2024, at 5:00 p.m. in the Roger S. Gates Meeting Room.

The meeting was adjourned by common consent at 5:55 p.m.

Respectfully submitted,



Phil Sackenheim
General Manager

Attachments:

- Special Meeting Agenda, 07/18/2023
- New Tap Fees Audit – June 29, 2023 to October 23, 2023
- Review of ACH Authorizations
- Credit Card Current Balance Report, October 2023
- September 30, 2023 Cash Detail
- October 2023 Quarterly Investment Report
- GIDP Deposit Transfer Issue
- Financial Forecast
- Proposed 2024 Water Rate Schedule
- WaterPro 2023 Expense Reports