

**FINANCE COMMITTEE
MINUTES
April 18, 2024**

A meeting of the Finance Committee was held on Thursday, April 18, 2024, at 8:30 a.m. The Finance Committee offered both in-person and virtual connection.

Chairwoman Ann Nichols announced a quorum was present.

COMMITTEE MEMBERS PRESENT:

In-Person: Ann Nichols-Chairwoman, Kevin Karney -Vice Chairman, Pat Edelmann, Seth Clayton, Bill Long, Greg Felt and Leann Noga.

COMMITTEE MEMBERS ABSENT AND EXCUSED:

None

OTHERS PRESENT:

In person: Stephanie Shipley, Chris Woodka, Garrett Markus, SECWCD staff, and Mitch Downs, Erickson, Brown & Kloster, LLC.

Virtual: Patty Rivas, SECWCD.

APPROVAL OF MINUTES:

Chairwoman Nichols confirmed that members of the Committee received their copy of March 21, 2024, minutes and asked if there were any corrections or additions. Hearing none, Mr. Clayton moved, seconded by Mr. Karney, to approve the March 21, 2024, minutes. Motion unanimously carried.

PRESENTATIONS:

2023 Audit

Mrs. Noga disclosed that the 2023 Annual Audit was completed and ready for the Finance Committee review and approval. Mrs. Noga specifically acknowledged a special thank you for the excellent work that Stephanie Shipley contributed to the annual audit process.

Mrs. Noga then introduced Mr. Mitch Downs of Erickson, Brown & Kloster, LLC to summarize the 2023 financial statements and audit. Mr. Downs walked the Committee through the layout of the overall audit. He provided the Committee with a list of items that are reviewed or tested during the audit process which included accounts payable, debt balance, budget to actual, legal, internal controls, and payroll entries. Mr. Downs complimented District staff on being prepared and responsive.

Mr. Downs also summarized the 2023 single audit process which was required for the 2023 financial period due to the District receiving more than \$750,000 in Federal awarded funds relating to American Rescue Plan Act. These funds were used to support the design and construction of the Arkansas Valley Conduit project. Mr. Downs complimented the staff of the District regarding their performance relating this audit as they found no errors or adjusting entries. He informed the Committee that a single audit report was located at the back of the annual audit financial report.

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Mr. Downs added that their opinion of the financial statements was fairly presented, in all material respects for each major fund of the District and Enterprise for December 31, 2023, also in conformity with generally accepted accounting principles in the United States of America. Mr. Downs entertained questions.

ACTION ITEMS:

Financial Reports, Check Review, and Investment Report

Mrs. Noga summarized the financial statements, check registers, and investment reports for the March 2024 accounting period. Chairwoman Nichols then asked for a motion to accept the financial reports. Mr. Clayton moved, seconded by Mr. Edelmann, to accept the financial statements, check registers, and summary investment report for March 2024. Motion unanimously carried.

2023 Annual Audit

Chairwoman Nichols asked for a motion to accept the 2023 Annual Financial Audit. Mr. Clayton moved to accept the 2023 Annual Financial Audit, seconded by Mr. Karney. Motion unanimously carried.

2023 Annual Financial Statements

Chairwoman Nichols explained that throughout the year the Finance Committee accepts the monthly financial statements, then after the annual audit the Committee approves the financial reports for the year. Chairwoman Nichols asked for a motion to approve the 2023 financial statements. Mr. Edelmann moved to accept the 2023 financial statements, seconded by Mr. Felt. Motion unanimously carried.

Finance Rate Model

In 2023, the Board of Directors took action to restructure the Water and Storage Rates. There are many edits that need to be accomplished to reflect the new rate restructuring. Staff reached out to Wilson Water Group, it was suggested to simplify the model and start new. The scope of this project is to create a fully functioning Finance Model using the adopted 2023 Water and Storage Rate Restructure.

In March 2024, the Finance Committee asked for a comparison of pricing and requested two additional firms to submit an estimate and to also provide Wilson Water an opportunity to revise costs were acceptable.

The following four quotes were received to complete a new rate model. All four options committed to a completion date of July 31, 2024.

Wilson Original: \$36,160

*Excel based Financial Model with 10-year forecasting, 20-year Capital Improvement Model, three scenario planning options, in-person project planning, output summary for presentation, and technical documentation for usability and control.

Wilson Revised: \$27,270

*Excel based Financial Model with 10-year forecasting, 20-year Capital Improvement Model, a single

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planning option, virtual project planning, output summary for presentation, and technical documentation for usability and control.

Harvey Economics: \$38,480

*Excel based Financial Model with 10-year forecasting, 20-year Capital Improvement Model, a single planning option, virtual project planning, output summary for presentation, and technical documentation for usability and control.

Raftelis: \$49,781

*Excel based Financial Model with 10-year forecasting, 20-year Capital Improvement Model, three scenario planning options, virtual project planning, output summary for presentation, and technical documentation for usability and control.

A discussion was held regarding the four options for the new finance model. Chairwoman Nichols asked for a motion to approve Wilson Water's revised quote totaling \$27,270. Mr. Long moved to accept the Wilson Water revised quote, seconded by Mr. Clayton. Motion unanimously carried.

INFORMATION ITEMS:

None

OTHER BUSINESS:

None

NEXT MEETING:

The next Finance Committee meeting is scheduled for May 16, 2024, at 8:30 am.

ADJOURN:

Chairwoman Nichols adjourned the meeting at 9:14 a.m.

Respectfully submitted,

Stephanie Shipley
Finance Manager