**NOTICE**
**GLENPOOL UTILITY SERVICE AUTHORITY**
**REGULAR MEETING**

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A Regular Session of the Glenpool Utility Service Authority will be held at 6:00 p.m. immediately following the Glenpool City Council Meeting on July 1, 2019, at Glenpool City Hall, City Council Chambers, 12205 S. Yukon Ave., 3rd Floor, Glenpool, Oklahoma.

## AGENDA

Page

A) **Call to Order - Timothy Lee Fox, Chairman**

B) **Roll Call, Declaration of Quorum – Wendy Knight, Secretary; Timothy Lee Fox, Chairman**

C) **Public Works Director Report - Wes Richter**

1) Public Works Report July 2019 — 2 - 3

D) **Scheduled Business**

1) Discussion and possible action to approve minutes from June 3, 2019, and June 17, 2019 meetings. — 4 - 10
(Wendy Knight, Secretary)
GUSA - 03 Jun 2019 - Minutes - Html
GUSA - 17 Jun 2019 - Minutes - Html

2) Discussion and possible action to approve the Agreed Upon Audit Procedures Engagement Letter for FY2019 with Elfrink and Associates, PLLC. — 11 - 16
(Lowell Peterson, City Attorney)
Staff Memo - Elfrink Engagement Letter 061719
2019 - 2020 AUP Engagement Letter-final 061719

E) **Adjournment**

This notice and agenda was posted at Glenpool City Hall, 12205 S. Yukon Ave., Glenpool, Oklahoma, on June 28, 2019 by 4:00 pm.
Signed:Wendy Knight
Secretary

Public Works Director's Report

July 1st, 2019

To: Glenpool Utility Services Authority Board Members,

The following report highlights and summarizes the various activities that are currently being addressed by the Public Works Department.

## Waste Water Treatment Plant:

- Submitted Monthly Discharge Monitoring Report ( DMR ) to ODEQ. We had no excursions.
- Getting ready for the EPA lab recertification study.
- 4 sewer backups were reported 2 were on the customers side and 2 on the cities side.

## Water Distribution:

- Meter reading started on June 6th and ended on June 7th.
- Rereads for June were 94.
- 275 Service orders, 5 Blue tags were issued by the water billing department
- 6 leaks were repaired
- 269 Line locates were issued by call okie which brings the total for 2019 to 1166.
- There were 158 turned off for nonpayment.

***12205 S. Yukon, Glenpool, OK 74033 OFFICE: 918-322-5409 FAX: 918-209-4641***
***Mayor Tim Fox, Vice-Mayor Momodou Ceesay, Councilors: Joyce Calvert, Brandon Kearns, and Jacqueline Lund***
***City Manager David Tillotson, Assistant City Manager Susan White, City Clerk Wendy Knight***
***www.glenpoolonline.com***

Parks and Streets:

- The crews mow an average of 200 acres each week which includes weed eating and edging sidewalks.
- Along with all the mowing the crews also help the water crews when needed.
- The crews went through town filling/ repairing pot holes.
- As well as completing day to day work orders.
- With the large amounts of rainfall the crews have been busy making sure the storm drains are staying cleaned out from debris.
- The crews worked hard getting Black Gold park ready for Black Gold days.

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**MINUTES**
**GUSA Meeting**
**Monday, June 3, 2019 Council Chambers 6:00 PM**

**TRUSTEES PRESENT:** Tim Fox
Momodou Ceesay
Brandon Kearns
Joyce Calvert

**TRUSTEES ABSENT:** Jacqueline Triplett-Lund

**STAFF PRESENT:** David Tillotson
Susan White
Lowell Peterson
Wendy Knight
John Gonsalves
Jim Martin
Wes Richter

**A) Call to Order - Timothy Lee Fox, Chairman**
Chairman Fox called the meeting to order at 8:08 p.m.

**B) Roll Call, Declaration of Quorum – Wendy Knight, Secretary; Timothy Lee Fox, Chairman**
Wendy Knight called the roll, Chairman Fox declared a quorum present.

**C) Public Works Director Report - Wes Richter**

Public Works Report June 2019

**D) Scheduled Business**

1) Discussion and possible action to approve minutes from May 6, 2019 meeting.
(Wendy Knight, Secretary)

Moved by Brandon Kearns, seconded by Joyce Calvert

*To approve the minutes as presented.*

| For | Against | Abstained | Absent |
| --- | --- | --- | --- |

| | | | | |
|---|---|---|---|---|
| Brandon Kearns | x | | | |
| Joyce Calvert | x | | | |
| Tim Fox | x | | | |
| Momodou Ceesay | x | | | |
| Jacqueline Triplett-Lund | | | | x |
| | 4 | 0 | 0 | 1 |

CARRIED.

GUSA - 06 May 2019 - Minutes - Html

2) Discussion and possible action to ratify action taken by the Glenpool City Council to adopt Resolution No 2019005, as it pertains to the FY 2019-2020 Annual Budget of the Glenpool Utility Service Authority.
(David Tillotson, City Manager)

Mr. Tillotson recommended Board approval of Resolution No. 2019005, as it pertains to the FY 2019-2020 Annual Budget of the Glenpool Utility Service Authority.

Moved by Momodou Ceesay, seconded by Brandon Kearns

*To ratify action taken by the Glenpool City Council to adopt Resolution No 2019005, as it pertains to the FY 2019-2020 Annual Budget of the Glenpool Utility Service Authority.*

| | For | Against | Abstained | Absent |
|---|---|---|---|---|
| Tim Fox | x | | | |
| Momodou Ceesay | x | | | |
| Brandon Kearns | x | | | |
| Jacqueline Triplett-Lund | | | | x |
| Joyce Calvert | x | | | |
| | 4 | 0 | 0 | 1 |

CARRIED.

RESOLUTION 2019005 FY19-20 Budget
PROPOSED BUDGET 2019-2020

3) Discussion and possible action to acknowledge receipt of audited FY18 Financial Report and Operating Report and direct that the Report be placed in the permanent files.
(John Gonsalves, Treasurer)

Mr. Gonsalves recommended Board approval of the audited FY 18

Financial Report and Operating Report.

Moved by Brandon Kearns, seconded by Joyce Calvert

*To acknowledge receipt of audited FY18 Financial Report and Operating Report and direct that the Report be placed in the permanent files.*

| | For | Against | Abstained | Absent |
|---|---|---|---|---|
| Tim Fox | x | | | |
| Momodou Ceesay | x | | | |
| Brandon Kearns | x | | | |
| Jacqueline Triplett-Lund | | | | x |
| Joyce Calvert | x | | | |
| | 4 | 0 | 0 | 1 |

CARRIED.

Acceptance of the FY18 Audited Finanial Report and Operating Report
Letter from Arledge & Associates
City of Glenpool FY2018 Audit Report

**E) Adjournment**

Mayor Fox declared the meeting adjourned at 8:16 p.m.

**MINUTES**
**GUSA Special Meeting**
**Monday, June 17, 2019 Council Chambers 6:00 PM**

**TRUSTEES PRESENT:** Tim Fox
Momodou Ceesay
Brandon Kearns
Jacqueline Triplett-Lund
Joyce Calvert

**STAFF PRESENT:** David Tillotson
Susan White
Lowell Peterson
Wendy Knight
John Gonsalves
Lynn Burrow
Jim Martin
Lea Ann Reed

**A) Call to Order - Timothy Lee Fox, Chairman**
Chairman Fox called the meeting to order at 9:43 p.m.

**B) Roll Call, Declaration of Quorum – Wendy Knight, Secretary; Timothy Lee Fox, Chairman**
Wendy Knight called the roll, Chairman Fox declared a quorum present.

**C) Scheduled Business**

1) Discussion and possible action to approve and authorize the Chairman of the Board of Trustees to sign the Joint Resolutions pledging to renew December 2010 A and B, and January 2011 GUSA Revenue Bond Security Agreements.
(John Gonsalves, Finance Director)

Mr. Gonsalves presented and recommended Board approval of Resolution No. 2019006 and Resolution No. 2019007, in connection with the Series 2010 A, Series 2010 B and Series 2011 Utility System Revenue Bonds issued by GUSA. The City of Glenpool and GUSA entered into certain Security Agreements which must be renewed for successive annual periods commencing July 1, 2011, and thereafter for the terms of the bonds. This has been done by adoption by the Council of an identical resolution each July since 2012. Notice of the renewal must be provided to the Authority and to the Bond Trustee, not later than July 31 of each year.

Moved by Brandon Kearns, seconded by Joyce Calvert

*To approve and authorize the Chairman of the Board of Trustees to sign the Joint Resolutions pledging to renew December 2010 A and B, and January 2011 GUSA Revenue Bond Security Agreements.*

| | **For** | **Against** | **Abstained** | **Absent** |
|---|---|---|---|---|
| Tim Fox | x | | | |
| Momodou Ceesay | x | | | |
| Brandon Kearns | x | | | |
| Jacqueline Triplett-Lund | x | | | |
| Joyce Calvert | x | | | |
| | 5 | 0 | 0 | 0 |

CARRIED.

Annual Renewal of Revenue Bond Security Agreements

2) Discussion and possible action to approve FY19-20 Property, General Liability and Workers Compensation insurance renewals from Oklahoma Municipal Assurance Group.
(John Gonsalves, Finance Director)

Mr. Gonsalves recommended Board approval of FY19-20 Property, General Liability and Workers Compensation insurance renewals from Oklahoma Municipal Assurance Group.

Moved by Jacqueline Triplett-Lund, seconded by Momodou Ceesay

*To approve FY19-20 Property, General Liability and Workers Compensation insurance renewals from Oklahoma Municipal Assurance Group*

| | **For** | **Against** | **Abstained** | **Absent** |
|---|---|---|---|---|
| Tim Fox | x | | | |
| Momodou Ceesay | x | | | |
| Brandon Kearns | x | | | |
| Jacqueline Triplett-Lund | x | | | |

| | | | | |
|---|---|---|---|---|
| Joyce Calvert | x | | | |
| | 5 | 0 | 0 | 0 |

CARRIED.

(2) Insurance Renewal 2020

3) Discussion and possible action to approve the proposal from Dunham's Asphalt Services, Inc. in an amount not to exceed $48,899.00 to be funded with a portion of the current savings balance in the construction contract agreement with MSB Construction Co. covering the Speedy's Liftstation Rehab. Project, and authorize the City Manager to execute said agreement.
(Lynn Burrow, Community Development Director)

Mr. Burrow presented and recommended Board approval of approval of the proposal from Dunham's Asphalt Services, Inc. in an amount not to exceed $48,899.00. The proposal covers labor, equipment, and materials necessary to apply a 2" thick asphalt paving surface overlay on Broadway Avenue extending from 141st Street to 146th Street.

Moved by Joyce Calvert, seconded by Jacqueline Triplett-Lund

*To approve the proposal from Dunham's Asphalt Services, Inc. in an amount not to exceed $48,899.00 to be funded with a portion of the current savings balance in the construction contract agreement with MSB Construction Co. covering the Speedy's Liftstation Rehab. Project, and authorize the City Manager to execute said agreement.*

| | For | Against | Abstained | Absent |
|---|---|---|---|---|
| Tim Fox | x | | | |
| Momodou Ceesay | x | | | |
| Brandon Kearns | x | | | |
| Jacqueline Triplett-Lund | x | | | |
| Joyce Calvert | x | | | |
| | 5 | 0 | 0 | 0 |

CARRIED.

GUSA Presentation 06 17 19 (2) Speedy's Liftstation Rehab. Project ; Paving Overlay

4) Discussion and possible action to approve the proposal from L & L Construction, Inc. to re-grout liftstation structures, in an amount not to exceed $11,680.00, to be funded with a portion of the current savings balance in the construction contract agreement with MSB Construction Co. and to authorize the City Manager to execute said agreement.

(Lynn Burrow, Community Development Director)

Mr. Burrow presented and recommended Board approval of the proposal from L & L Construction, Inc. to re-grout liftstation structures, in an amount not to exceed $11,680.00. The proposal covers labor and materials for the application of an epoxy preservative coating to the exterior surfaces of all existing above grade concrete structures within the liftstation facility, which will enhance the long-term durability of these structures.

Moved by Jacqueline Triplett-Lund, seconded by Brandon Kearns

*To approve the proposal from L & L Construction, Inc. to re-grout liftstation structures, in an amount not to exceed $11,680.00, to be funded with a portion of the current savings balance in the construction contract agreement with MSB Construction Co. and to authorize the City Manager to execute said agreement.*

| | **For** | **Against** | **Abstained** | **Absent** |
|---|---|---|---|---|
| Brandon Kearns | x | | | |
| Jacqueline Triplett-Lund | x | | | |
| Tim Fox | x | | | |
| Momodou Ceesay | x | | | |
| Joyce Calvert | x | | | |
| | 5 | 0 | 0 | 0 |

CARRIED.

GUSA Meeting Presentation 06 17 19 Speedy's Liftstation Structure re-grouting

**D) Adjournment**

Chairman Fox declared the meeting adjourned at 9:56 p.m.

City Of Glenpool
Creating Opportunity

Glenpool Utility Service Authority

To: City of Glenpool, Mayor and City Council
Glenpool Utility Service Authority, Chair and Board of Trustees

From: Lowell Peterson, Attorney for City of Glenpool and Glenpool Utility Service Authority

Date: June 17, 2019

Subject: Reaffirmation of Agreed Upon Procedures Engagement Letter with Elfrink and Associates, PLLC, for FY 2019 Annual Audit of Compliance with Glenpool/Creek-2 Settlement Agreement of May 2015

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Background:

In the Settlement Agreement that terminated the litigation between the City of Glenpool and the Glenpool Utility Services Authority (together "Glenpool") and Creek County Rural Water District #2 ("Creek-2") in May of 2015, Glenpool proposed, and Creek-2 accepted, a methodology for minimizing and hopefully preventing any future disputes or claims based on multiple years of real or perceived non-compliance by either party. The parties agreed to retain, annually, an independent auditor who will examine all pertinent records and accounts to determine whether the parties have met their respective reporting and payment obligations during the "Auditable Period" under review. Auditable Period has been defined, to conform to the parties' fiscal years, as the 12-month period from July 1 - June 30 of each year of the Agreement.

Essential terms of the Settlement Agreement that are audited include:

- Whether Glenpool has accurately reported all new water customer connections within the "Permissive Area" and paid to Creek-2 the corresponding Meter Connection Fees in the initial amount of $800 per tap of less than 1-inch and $1,200 per tap for lines of 1-inch or more diameter, as adjusted annually in accordance with the CPI-U.
- Whether Glenpool has accurately reported all Active Water Connections maintained by Glenpool within the Permissive Area and paid to Creek-2 a monthly Royalty in the initial amount of $7.75 per month for each such connection, as adjusted annually in accordance with the CPI-U. [This now also includes "Construction Meters."]
- Confirm that no Meter Connection Fees and no Royalty payments have been paid to Creek-2 for Glenpool water customers situated in the Released Area, defined as the Glenpool city limits as of March 2, 2012.
- Whether Creek-2 has charged its water customers who choose to connect to the Glenpool sanitary sewer system the applicable sewer rate, based on water usage, and

City of Glenpool
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remitted the corresponding amount to Glenpool on a monthly basis (whether or not the customer pays Creek-2 the amount of the bill).

Creek-2 and Glenpool have used the services of Elfrink and Associates, PLLC, (Anne Elfrink) for the past three fiscal year annual audits. She recently confirmed with both parties that they would like to use her services again. In response she sent the attached engagement letter, representing that she is prepared to do the FY 2019 Annual Audit in accordance with the same agreed-upon procedures used for the last three fiscal years.

<u>Recommendation:</u>

Legal counsel for both parties to the Settlement Agreement recommend that the City Council, the Glenpool Utilities Service Authority's Board of Trustees and the Creek-2 Board of Directors approve the attached engagement letter setting forth procedures first adopted on October 24, 2016 and updated to April 25, 2019.

<u>Attachment:</u>

Agreed Upon Audit Procedures Engagement Letter for FY 2019, Elfrink and Associates, PLLC

Elfrink and Associates, PLLC

Member of the AICPA, OSCPA, and GFOA
3119 E 87th Street 918-361-2133
Tulsa, Oklahoma 74137 Anne.Elfrink@CPA.com Fax: 918-512-4280

April 24, 2019

City of Glenpool/Glenpool Utility Service Authority and
Creek County Rural Water District No. 2
12205 S. Yukon Ave.
Glenpool, OK 74033

We are pleased to confirm our understanding of the nature and limitations of the services we are to provide for the City of Glenpool/Glenpool Utility Service Authority ("Glenpool") and Creek County Rural Water District No. 2 ("Creek-2" for the audit period of July 1, 2018 through June 30, 2019 ("Auditable Period").

**SCOPE OF SERVICES**

We will apply the agreed-upon procedures described below to be performed in accordance with the applicable attestation standards of the American Institute of Certified Public Accountants and the fieldwork reporting standards in *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the schedule below for any purpose. If, for any reason, we are unable to complete the procedures, we will describe the restrictions on the performance of the procedures in our report or will not issue a report as a result of this engagement.

Because the agreed-upon procedures listed in the schedule below do not constitute an examination, we will not express an opinion on the financial statements, underlying data, or the procedures being conducted to prepare such statements. In addition, we have no obligation to perform any procedures beyond those listed in the schedule below.

We will submit a report listing the procedures performed and our findings. The report is intended solely for the use of the City of Glenpool/Glenpool Utility Service Authority and Creek County Rural Water District No. 2. It should not be used by anyone other than the specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to the parties.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities, and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for management decisions and functions; for designating an individual with suitable skill, knowledge, and/or experience to oversee the procedures we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

The specific procedures to be performed are:

**<u>With respect to Glenpool's Records</u>**

1. We will update our understanding of the policies, procedures, and methodologies used by Glenpool to create, maintain, bill, and terminate water utility customers, particularly those existing within the Permissive Area, as that term is defined in the Agreement. Such understanding shall be documented by us in writing.
2. We will obtain building permit records for all new construction within the Permissive Area during the Auditable Period, and compare such records to records maintained within Glenpool's utility billing system pertaining to the installation of new water meters at the physical addresses on the building permits to ensure that information regarding new meter installations reported to Creek-2 is timely and accurate.
3. We will calculate the amount of Meter Connection Fees due Creek-2 during the Auditable Period based upon building permits, utility installation records, and utility billing records, and shall compare the results of that calculation to the amount remitted by Glenpool during the same period. We will reconcile any differences noted and determine the correct amount due during the Auditable Period.
4. We will examine Glenpool's records (including, but not limited to raw computer billing data, customer reports, software billing programs) to determine whether amounts paid to Creek-2 for Royalty Fees due on Active Water Connections in the Permissive Area during the Auditable Period are correct. We will reconcile any differences noted and determine the correct amount due to Creek-2 during the Auditable Period.
5. We will obtain documentation of the CPI-U adjustments made to Meter Connection Fees and Royalty Fees paid by Glenpool to Creek-2 during the Auditable Period and determine whether such adjustments were accurate and made in a timely manner.

**<u>With Respect to Creek-2's Records</u>**

1. We will update our understanding of the policies, procedures, and methodologies used by Creek-2 to create, maintain, bill, and terminate Shared Utility Customers. We will document our understanding in writing.
2. We will obtain and compare records maintained by Glenpool pertaining to wastewater taps made or maintained at addresses served by Creek-2's domestic water and compare such records to Creek-2's billing records for Shared Utility Customers.
3. We will examine Creek-2's records (including but not limited to raw computer billing data, customer reports, software billing programs) regarding water consumption by Shared Utility Customers and calculate the amounts due Glenpool for wastewater collection services for those customers. We will compare the calculation above to the actual amounts paid to Glenpool for the Auditable Period and reconcile any differences noted.

**<u>Procedures Applicable to Creek-2 and Glenpool</u>**

I. We will apply the following agreed-upon procedures, as specified in the Agreement of Compromise, Settlement and Release ("Agreement"), dated May 2015 provided that the Auditor may implement the Audit Sampling standards set forth in *AU Section 350, Audit Sampling,* implementing Statements on Auditing Standards No. 39, 43, 45 and 111, promulgated by the Auditing Standards Board of the American Institute of Certified Public Accountants, as such AU 350 may be amended or superseded.

2. We will perform any other procedures we deem reasonable and necessary to ensure that the purpose and intent of the Agreement has been met by both Creek-2 and Glenpool.
3. The above agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the Government Accountability Office.

We understand that your employees will assist in locating documents and obtaining data files we request.

The documentation for this engagement is the property Elfrink and Associates, PLLC and constitutes confidential information. This documentation will be retained for a minimum of five years after the report release date.

Our fee for these services will be a flat baseline fee of $10,000 for the audit period covering July 1, 2018 through June 30, 2019 plus $10 per meter for each active water connection maintained by the City of Glenpool/Glenpool Utility Service Authority in the permissive area.

Our invoice for these fees will be rendered upon delivery of our final report and is payable on presentation. However, if we are prevented from continuing our work due to delays in availability of client staff or information, or any other mechanism outside of the jurisdiction and control of our firm, we will bill for services rendered on a monthly basis at our standard rates. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. An invoice that is not paid within 45 days of the billing date will accrue interest at the rate of 6% per annum from the date of the invoice. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. If an expansion of scope beyond those specific procedures identified above is necessary, we will discuss it with you before we incur additional costs.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2016 peer review letter accompanies this letter.

We appreciate the opportunity to be of service to the City of Glenpool and Creek County Rural Water District No. 2 and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Elfrink and Associates, PLLC

Elfrink and Associates, PLLC

AFFIRMATION:

This letter correctly sets forth the understanding of the City of Glenpool/Glenpool Utility Service Authority and Creek County Rural Water District No 2 for the audit period of July 1, 2018 through June 30, 2019.

FOR THE CITY OF GLENPOOL:

By:_______________________________________________

Title:_____________________________________________

Date:_____________________________________________

FOR THE GLENPOOL UTILITY SERVICE AUTHORITY:

By:__________________________________________

Title:________________________________________

Date:________________________________________

FOR THE CREEK COUNTY RURAL WATER DISTRICT NO. 2:

By:_______________________________________________

Title:_____________________________________________

Date:_____________________________________________