



**NOTICE
GLENPOOL UTILITY SERVICE AUTHORITY
REGULAR MEETING**

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 November 1, 2021 at Glenpool City Hall, City Council Chambers, 12205 S. Yukon Ave., 3rd Floor, Glenpool, Oklahoma.

NOTE: The Glenpool Utility Service Authority will be assembled for the meeting at the City Council Chambers, 12205 S. Yukon Ave, Glenpool, Oklahoma. Members of the public are invited to attend the in-person meeting, or join a live broadcast at this link:

Join Zoom Meeting

<https://us02web.zoom.us/j/89753555435?pwd=QzdFVjA1b0lKa1lSUFlKbUNrUUxtdz09>

Meeting ID: 897 5355 5435

Passcode: 974088

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The GUSA Board welcomes comments from citizens of Glenpool who wish to address any item on the agenda.

- Speakers attending in **PERSON** are required to complete the Request to Speak form located on the agenda table and return to the City Clerk **PRIOR TO THE CALL TO ORDER**.
- Speakers attending via **ZOOM** are required to complete the Request to Speak form located on our website: <https://glenpoolonline.civicweb.net/document/19057/Request%20to%20Speak%20Form.pdf> and email it to the City Clerk: Wknight@cityofglenpool.com **PRIOR TO 6:00 PM, NOVEMBER 1, 2021.**

AGENDA

	Page
A) Call to Order - Joyce G. Calvert, Chair	
B) Roll Call, Declaration of Quorum – Wendy Knight, Secretary; Joyce G. Calvert, Chair	
C) Scheduled Business	
1) Discussion and possible action to approve, deny, or amend the minutes from October 4, 2021, and October 18, 2021 meetings. (Wendy Knight, Secretary) GUSA - 04 Oct 2021 - Minutes - Html GUSA - 18 Oct 2021 - Minutes - Html	3 - 7

- | | | |
|----|---|---------|
| 2) | Discussion and possible action to approve or deny receipt of the FY20-21 Annual Audit of Compliance with Agreement of Settlement, Compromise and Release (“Settlement Agreement”) as required by Sec. 10 of such Settlement Agreement, dated May 15, 2015 and which settled outstanding litigation between the City and GUSA (together, “Glenpool”) and Creek County Rural Water District No. 2 (“Creek-2”).
(Wendy Knight, City Clerk)
Staff Report FY 2020-2021 Creek II Audit
FY 2020-2021 Creek II Audit | 8 - 15 |
| 3) | Discussion and possible action to approve or deny the Agreed Upon Audit Procedures Engagement Letter for FY21-22, Elfrink and Associates, PLLC.
(Wendy Knight, City Clerk)
Staff Report AUP Engagement Letter
Glenpool-Creek II AUP Engagement Letter | 16 - 21 |
| 4) | Discussion and possible action to approve, deny or amend the 2022 Meeting Schedule.
(Wendy Knight, City Clerk)
Staff Report 2022 Meeting Schedule
Meeting Schedule 2022 GUSA | 22 - 23 |

D) Adjournment

This notice and agenda was posted at Glenpool City Hall, 12205 S. Yukon Ave., Glenpool, Oklahoma, on October 29, 2021, by 4:00pm.

Signed: Wendy Knight

Secretary



MINUTES
GUSA Meeting
Monday, October 4, 2021 Council Chambers 6:00 PM

TRUSTEES PRESENT: Joyce Calvert
Brandon Kearns
Tim Fox
Chris Brobst
Jacqueline Triplett-Lund

STAFF PRESENT: David Tillotson
Susan White
Lowell Peterson
Wendy Knight
Frank Ordaz
Lynn Burrow
Jim Martin

A) Call to Order - Joyce G. Calvert, Chair
Chair Calvert called the meeting to order at 6:28 p.m.

B) Roll Call, Declaration of Quorum – Wendy Knight, Secretary; Joyce G. Calvert, Chair
Wendy Knight called the roll, Chair Calvert declared a quorum present.

C) Scheduled Business
1) Discussion and possible action to approve, deny, or amend the minutes from September 7, 2021 meeting.
(Wendy Knight, Secretary)

Moved by Chris Brobst, seconded by Brandon Kearns

To approve the minutes as presented.

	For	Against	Abstained	Absent
Joyce Calvert	x			
Brandon Kearns	x			

GUSA
October 4, 2021

Tim Fox	x			
Chris Brobst	x			
Jacqueline Triplett-Lund	x			
	5	0	0	0

CARRIED.

[GUSA - 07 Sep 2021 - Minutes - Html](#)

D) Adjournment

Chair Calvert declared the meeting adjourned at 6:29 p.m.



MINUTES
GUSA Special Meeting
Monday, October 18, 2021 Council Chambers 6:00 PM

TRUSTEES PRESENT: Joyce Calvert
Brandon Kearns
Tim Fox
Chris Brobst
Jacqueline Triplett-Lund

STAFF PRESENT: David Tillotson
Lowell Peterson
Wendy Knight
Lynn Burrow
Jim Martin

STAFF ABSENT: Susan White

A) Call to Order - Joyce G. Calvert, Chair

Chair Calvert called the meeting to order at 7:11 p.m.

B) Roll Call, Declaration of Quorum – Wendy Knight, Secretary; Joyce G. Calvert, Chair

Wendy Knight called the roll, Chair Calvert declared a quorum present.

C) Scheduled Business

- 1) Discussion and possible action to approve or deny receipt of audited FY2019-2020 Financial Report and direct that the Report be placed in the permanent files.
(Frank Ordaz, Finance Director)

Mr. Ordaz recommended Board approval of and receipt of audited FY2019-2020 Financial Report and direct that the Report be placed in the permanent files. Hinkle & Company has completed its audit of the financial activities of the Glenpool Utility Service Authority for Fiscal Year 2019-2020.

Moved by Jacqueline Triplett-Lund, seconded by Chris Brobst

To approve receipt of audited FY2019-2020 Financial Report and direct that the Report be placed in the permanent files

	For	Against	Abstained	Absent
Joyce Calvert	x			
Brandon Kearns	x			
Tim Fox	x			
Chris Brobst	x			
Jacqueline Triplett-Lund	x			
	5	0	0	0

CARRIED.

[Acceptance of the Audited FY2019-2020 Financial Report](#)
[2020 City of Glenpool OK SAS 114 Letter Final](#)
[Audited FY2019-2020 Financial Report of the City of Glenpool OK](#)

- 2) Discussion and possible action to approve or deny the annual issuance by Bancfirst, a Letter of Credit in the amount of \$25,903.58, in compliance with the Agreement of Settlement, Compromise and Release ("Settlement Agreement") entered into with Creek County Rural Water District #2 in Settlement of Litigation.
(Frank Ordaz, Finance Director)

Mr. Ordaz recommended Board approval of the annual issuance by Bancfirst, a Letter of Credit in the amount of \$25,903.58, in compliance with the Agreement of Settlement, Compromise and Release ("Settlement Agreement") entered into with Creek County Rural Water District #2 in Settlement of Litigation. Section 14 (c) of the Agreement provides for the annual issuance of a letter of credit to secure performance of Glenpool's reporting and payment obligations. If the Audit discloses any deficiency of payments under Sections 6 (c) and (d), Creek-2 has the option to rely on the letter of credit as a means of recovering all or a portion of such deficiency pending any other remedies Creek-2 may be entitled to.

Moved by Jacqueline Triplett-Lund, seconded by Chris Brobst

To approve the annual issuance by Bancfirst, a Letter of Credit in the amount of \$25,903.58, in compliance with the Agreement of Settlement, Compromise and Release ("Settlement Agreement") entered into with Creek County Rural Water District #2 in Settlement of Litigation.

	For	Against	Abstained	Absent
Joyce Calvert	x			

GUSA
October 18, 2021

Brandon Kearns	x			
Tim Fox	x			
Chris Brobst	x			
Jacqueline Triplett-Lund	x			
	5	0	0	0

CARRIED.

[Annual issuance of \\$25000 plus incremental increase per settlement agreement with Creek County Rural Water District # 2](#)
[BancFirst Letter of Credit Paperwork](#)

D) Adjournment

Chair Calvert declared the meeting adjourned at 7:13 p.m.



Date: November 1, 2021

To: Honorable Mayor/Chairman and City Council/Trustees

From: Wendy Knight, City Clerk

Re: Annual Audit of Compliance with Agreement of Settlement, Compromise and Release ("Settlement Agreement"); and Reconciliation Agreement (Sec. 10[f] of Settlement Agreement)

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, (the "Agreement") 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 of both parties 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 Glenpool's fiscal year, the 12-month period from July 1-June 30, for each remaining year of the Agreement.

Sec. 10 (a) and (b) of the Agreement require the Independent Accountant's Audit Report to be completed within 90 days following the close of the Auditable Period. The Audit Report for FY 2020-2021 was dated and issued to the parties October 11, 2021.

Historical Perspective

The Council/Trustees may recall that performance under the Settlement Agreement has been an arduous task. Keeping up with all the procedures and protocols includes staff from: the Community Development Department (issuance of building permits and assessment of connection fees), Utility Department (allocating monthly royalty payments correctly with different rules for whether the customer's property is in the Permissive Area, the Released Area and/or is a "Reserved Creek-2 Water Customer", monthly reporting requirements and keeping track of the issuance of "construction meters" for temporary connection to fire hydrants on work sites); City/GUSA Clerk who oversees the entire ordeal; and the City Attorney.

12205 S. Yukon, Glenpool, OK 74033 OFFICE: 918-322-5409 FAX: 918-209-4641

Mayor Joyce Calvert, Ward 3; Vice-Mayor Brandon Kearns, At-Large;

Tim Fox, Ward 1; Chris Brobst, Ward 2; Jacqueline Lund, Ward 4

City Manager David Tillotson, Assistant City Manager Susan White, City Clerk Wendy Knight

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Notwithstanding this level of difficulty and the time and attention it requires, we can happily report that our annual audit has found us in substantial and improving compliance with the Settlement Agreement for each of the five years we have been undertaking this activity. This year, the auditor has noted the CPI-U adjustment was calculated and applied properly in the current year, however, a vacancy in the Finance Director position, resulted in the calculation not undergoing a second review before implementation of the rate change. Our auditor has commented favorably on the quality of our efforts, and in several instances has noted "Glenpool should continue" current procedures.

Reconciliation of Records

If the Audit Report discloses any non-compliance by either party, the other party is allowed 90 days following the date of issuance of the Audit in which to put the non-compliant party on notice of a potential default. Any such notice, to be effective, must be communicated by no later than 90 days following issuance of the Agreed Upon Procedures Audit Report. The Settlement Agreement also requires that, upon expiration of the 90-day notice period without notice of default, the Auditable Period under audit is deemed compliant and the parties are required to sign a written agreement establishing the parties' accounts are reconciled and all real or potential claims are forever waived. "The resulting reconciliation agreement shall be binding on both parties as a definitive statement of compliance with this Agreement [the Settlement Agreement] as of the date of such reconciliation agreement." Settlement Agreement § 10(g). Glenpool and Creek-2 will each be requested to enter such reconciliation agreement following expiration of the 90-day deadline without notice of default by either party.

Recommendation

Legal counsel for both parties to the Settlement Agreement have recommended that the City Council, the Glenpool Utilities Services Authority's Board of Trustees and the Creek-2 Board of Directors formally receive and approve the final Independent Accountant's Report on Applying Agreed-Upon Procedures, for FY 2020-2021.

Attached

- Independent Accountant's Report on Applying Agreed-Upon Procedures

12205 S. Yukon, Glenpool, OK 74033 OFFICE: 918-322-5409 FAX: 918-209-4641

Mayor Joyce Calvert, Ward 3; Vice-Mayor Brandon Kearns, At-Large;

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City Manager David Tillotson, Assistant City Manager Susan White, City Clerk Wendy Knight

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Elfrink and Associates, PLLC

Certified Public Accountants

City of Glenpool
Glenpool Utility Service Authority
12205 So. Yukon Ave
Glenpool, OK 74033

Creek County Rural Water District No. 2
2425 West 121st Street South
Jenks, OK 74037

Independent Accountant's Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated below, which were requested by and agreed to by the specified users of the report as identified above, as required by that certain Agreement of Compromise, Settlement and Release (the "Agreement") entered into between the users, effective May 15, 2015 (the "Effective Date"). Management of the City of Glenpool ("City"), Glenpool Utility Service Authority ("Authority") (collectively, "Glenpool") and the Creek County Rural Water District No. 2 ("Creek-2") are responsible for their entities' financial accountability and its compliance with applicable legal and contractual requirements. The audit period covered by this report is July 1, 2020 through June 30, 2021 ("Audit Period"). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA") and *Generally Accepted Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We have performed the procedures enumerated below, which were agreed to by Glenpool and Creek-2 to assist you in evaluating and monitoring the Agreement.

The procedures that we performed, and our results are as follows:

With respect to Glenpool's Records

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.

All Glenpool Building Permit applications are sent to the Glenpool Community Development Department, to ensure compliance with the Agreement. This Agreement defines the "Glenpool Territory" as comprised of the "Permissive Area" and the "Released Area" for water service. The City Planner maintains the Glenpool Territory map referenced in the Agreement marking the boundaries of the Released Area and the Permissive Area. The Released Area includes the city limits and land annexed into the City as of March 2, 2012 and will not change during the term of the Agreement. The "Permissive Area" is defined as all parts of Glenpool Territory within the colloquial "Fenceline" that were unincorporated as of March 2, 2012 (even if annexed in later) and as to which Glenpool is obligated by the Agreement to pay meter connection fees and monthly royalties. Three areas were annexed into the City in prior audit periods as designated by City Ordinances 695, 701, and 719. There were no new areas annexed in the current audit period.

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Tulsa, OK, 74137
Members of the AICPA and OSCP



539-664-4662
anne.elfrink@CPA.com
Government Accounting and Auditing

The Planner reviews all building permit applications that will include new meter connections for water or sewer service. For properties in the city limits, but also in the Permissive Area (that is, annexed after March 2, 2012), applicants for water service are given the choice to receive service from Glenpool or from Creek-2. Those customers choosing service from Creek-2 are referred directly to Creek-2 to establish water service.

If a property requesting water service in the Released Area has never had Glenpool water service and is or becomes an active or inactive Creek-2 water customer at any time before or after the Effective Date, it is defined as a "Reserved Creek-2 Water Customer". (All Reserved Creek-2 Water Customers as of the Effective Date were to be identified on the baseline customer count, as defined in the Agreement.) In that case, the Planner refers the customer to Creek-2. If water service is anticipated for a development on property that is classified as a Reserved Creek-2 Water Customer such that Glenpool fire suppression service will be required, Glenpool and Creek-2 have arranged for a mechanism to bifurcate the water requirements, however Creek-2 is now installing waterlines sufficient to provide fire suppression services for most locations. If the property is within the Released Area and is requesting water service and does not have an active or an inactive Creek-2 water meter, the Planner approves the water service request and notes that the service address is in the Released area. The Community Development Administrative Assistant sends the 'Notice Concerning Applications for Water Service in Glenpool Territory' ("notice") to Creek-2 and to the City's utility billing office to establish an account.

If Glenpool management decides to provide additional water service in the Permissive Area, this notice is also sent to Creek-2 and the City's utility billing office. Such water service requires the payment to Creek-2 of a one-time connection fee and a monthly royalty provided by the Agreement. The connection fee and monthly royalty payments are calculated by the City's utility billing department. Customers in the permissive area are identified by the "class" of "SP2" on the INCODE billing system and the "service code" of "305 – CCRD2 Royalty".

The Third Amendment to the Agreement of Compromise, Settlement and Release was executed by Glenpool and Creek-2 on December 12, 2018. This amendment requires that Glenpool track construction meter connections and terminations of the connections in the permissive area, such that five or more such iterations in a fiscal year will trigger the requirement to remit a meter connection fee to Creek-2. Glenpool has established a new procedure that went into effect in the 2019-2020 audit period to track construction meters in the permissive area. After successful application for a construction meter, the contractor will meet a Glenpool public works foreman at the fire hydrant location who then verifies with the public works supervisor as to the classification of the location as either Permissive or Released. The utility department then creates a service order using a "job code" that will show the location designation of the construction meter. Once a construction meter is flagged in the permissive area, it will be tracked sufficiently to determine if 5 iterations as described above have occurred in a fiscal period at which time a meter connection fee will be remitted to Creek-2. We requested a report of the construction meter service orders during the Audit Period and reviewed for potential permissive activity, noting only one meter reported that was not in the permissive area.

Glenpool remitted royalty fees for one customer with two meters in the Permissive Area; the Triumph Worship Center located at 2125 West 181st Street South, that were installed prior to execution of the Agreement and a second customer with six meters, Mark Allen Chevrolet that were installed in a prior audit period. There were no new meters identified in the Permissive Area in the current audit period. The City reported these eight meters monthly sending the 'Monthly Reporting Form for Glenpool' to the Creek-2 District office. Glenpool sent the required monthly report for each month in the current Audit Period, remitting the monthly royalty fees for these eight meters.

We obtained a customer history file for all active Glenpool utility customers and compared the service addresses to the service addresses in the original baseline customer count file and the building permit files provided in the current and prior years. We noted two new Glenpool service addresses in the permissive area that were added to be able to bill for the Glenpool stormwater fee but receive water service from Creek-2. We updated our reference file to include all service addresses for future comparisons.

Findings: There appears to be a continued emphasis at Glenpool that the procedures and controls are in place to assure compliance with the agreement. Creek-2 provided a desk manual related to compliance with the terms of the Agreement and we noted improved procedures to assure compliance, however we did note 9 notices sent by Glenpool during the year that were not found in the Creek records at the time of fieldwork of which 6 were attached to a single email sent in January 2021. The Creek-2 desk procedures related to the Agreement specify that notices should be saved electronically and then printed and placed in the binders.

Suggestions: Creek-2 management should assure that desk procedures are followed, and a complete file of all notices received from Glenpool are made available to the auditors at the time of fieldwork.

2. We will obtain building permit records for all new construction within the Permissive Area during the Audit 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.

We obtained a listing of building permits issued by Glenpool during the Audit Period and determined that there were 133 properties that had a permit type of "BLD-RES", "BLD-COM", or "BLD-MF". We compared these permits to the "Notice Concerning Applications" reports that were received by Creek-2.

Finding: We noted one service address on the building permit list (548 W 125th Pl S) for which no notice was provided to Creek-2. Glenpool management reported that, although a number had been assigned to the permit application as of 5/12/2021, the permit was not issued during the audit period. Because this connection will eventually be in the Released Area, no meter connection fee or royalty will be due to Creek-2 in any case.

Recommendation: Glenpool should continue current procedures to assure that all new connections are reported in a timely manner to Creek-2.

3. We will calculate the amount of Meter Connection Fees due Creek-2 during the Audit Period based upon building permits, utility installation records, and utility billing records, and will 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 Audit Period.

Finding: We noted no new connections in the Permissive area for which meter connection fees would be due.

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 Audit Period are correct. We will reconcile any differences noted and determine the correct amount due to Creek-2 during the Audit Period.

Finding: We noted no exceptions. Receipt of the fees was confirmed by a review of Creek-2's records.

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 Audit Period and determine whether such adjustments were accurate and made in a timely manner.

The Agreement requires that the CPI-U adjustment shall be the percentage change of the year-end CPI-U from December 31 of the immediate past calendar year and the year-end CPI-U from December 31 of the second immediate past calendar year, as published by the Bureau of Labor Statistics annually. The CPI-U for December 2019 was 256.974. The CPI-U for December 2020 was 260.474 which is a 3.500 index point change. This index point change is then divided by the earlier index of 256.974 for an adjustment of 1.36%.

After the CPI-U adjustment, the meter connection fee increased by \$11.91 to \$887.43 for connection less than 1" in diameter and by \$17.86 to \$1,331.13 for connections greater than or equal to 1" in diameter. The monthly royalty fee increased by \$0.12 to \$8.61 which was the rate paid by Glenpool from the February billing cycle forward.

Finding: The CPI-U adjustment was calculated and applied properly in the current year. The correction for the error reported in the prior year's report was implemented in December 2020. We noted no evidence of review of the CPI-U calculation prior to implementation of the rate changes. Glenpool management reported that this was due to the Director of Finance position vacancy at the time of the calculation.

Suggestion: The City should continue the practice of requiring a second review of the calculation prior to implementation of the rate changes.

With Respect to Creek-2's Records

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. Such understanding shall be documented by the Auditor in writing.

Shared Utility Customers receive water service from Creek-2 and wastewater sewer service from Glenpool. Because there is no separate mechanism for measuring wastewater usage without metering potable water, Glenpool has provided Creek-2 with its rate structure for calculating sewer service based on water usage. This is billed to the Shared Utility Customers by Creek-2 and remitted to the City on a monthly basis, whether or not billing is paid to Creek-2. During the Audit Period, Creek-2 billed thirty-five shared utility customers, twenty of these customers are located in the 14000 and 15000 blocks of South Elwood. Creek-2 is expecting more Shared Utility Customers from South 26th West Avenue once the Glenpool sewer line is complete.

Historically, the establishment of a Shared Utility Customer has been a rare occurrence. These customers all live in the Glenpool city limits, are Creek-2 water customers and have converted from septic or anaerobic systems to Glenpool sewer. As the City expands its sewer services, the number of Shared Utility Customers will likewise increase. It is anticipated that the new development near the 14600 block of South Elwood to create as many as 230 new shared utility customers.

We reviewed the billing and collection records for all thirty-five active Shared Utility Customers. All Shared Utility Customers were billed a base charge of \$14.00 which includes the first 1,000 gallons, and an additional \$2.75 for each additional 1,000 gallons of water usage. The rates were confirmed by the City of Glenpool and were unchanged from the prior audit period. The Shared Utility Customers are noted in the Creek-2 utility billing system as "Secondary Status G" and service type "SwrGP". Creek-2 reports total water consumption for each sewer tap and remits the total billed for all sewer charges to Glenpool by the 20th of the month, whether or not such billing has been collected by Creek-2.

Findings: Procedures were documented in writing as above.

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.

Glenpool provided a list of 114 customers with sewer connections established during the audit period, of which 74 did not have current Glenpool water service. All 74 properties were located in the released area and all but one were on the Glenpool permit list for the current or prior audit periods.

Findings: We noted no exceptions.

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. The Auditor shall compare the calculation above to the actual amounts paid to Glenpool for the Audit Period and reconcile any differences noted.

We reviewed the billing and collection records for all thirty-five active Shared Utility Customers. The rates billed were consistent with the rate schedule provided by Glenpool. Creek-2 remits the total billed for all sewer charges to Glenpool by the 20th of each month. Glenpool confirmed receipt of all the payments.

Finding: We noted that Tap 5245, 8072 W 133rd St S continued to be remitted in error for the month of July 2020 in the amount of \$51.16.

Creek-2 is also required to send notices to Glenpool when a new water tap is established in the Glenpool Territory. In our review of the notices sent to Glenpool, we noted that none of the notices showed an indication for sewer service. This is continued from the prior year.

Suggestion: Creek-2 should indicate whether or not a location is expected to have sewer service on each new tap notice in the Glenpool territory.

Procedures Applicable to Creek-2 and Glenpool

1. We will apply the following agreed-upon procedures, as specified in the Agreement provided that we 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.

Finding: Sampling Standards as set forth in AICPA AU Section 350, Audit Sampling were followed as indicated in the descriptions of procedures performed above.

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.

We obtained a customer listing from the City of Glenpool's Utility Billing Department and cross-checked the service addresses with a listing that included the addresses of the Glenpool Baseline Customer Count and the relevant building permit lists obtained in the audit procedures for the period ended June 30 2016, and years ended June 30, 2017, 2018, 2019, 2020, and 2021. This list has been updated to include any previously omitted addresses and will be maintained and built upon in the future.

Finding: Based on the agreed-upon procedures performed, we find that the purpose and intent of the Agreement has been substantially met by both Creek-2 and Glenpool for the Audit Period.

3. The above agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants ("AICPA") and the Government Accountability Office ("GAO").

Finding: The procedures described above were conducted in accordance with attestation standards established by the AICPA and GAO.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying review of transactions. Accordingly, we do not express such an opinion. Had we

performed additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties

Elfrink and Associates, PLLC
September 28, 2021



Date: November 1, 2021

To: Honorable Mayor/Chairman and City Council/Trustees

From: Wendy Knight, City Clerk

Re: Reaffirmation of Agreed Upon Procedures Engagement Letter with Elfrink and Associates, PLLC, for FY 2021-2022 Annual Audit of Compliance with Glenpool/Creek II Settlement Agreement of May 2015

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."]

12205 S. Yukon, Glenpool, OK 74033 OFFICE: 918-322-5409 FAX: 918-209-4641

Mayor Joyce Calvert, Ward 3; Vice-Mayor Brandon Kearns, At-Large;

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City Manager David Tillotson, Assistant City Manager Susan White, City Clerk Wendy Knight

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- 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 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 five 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 FY21-22 Annual Audit in accordance with the same agreed-upon procedures used for the last five fiscal years.

Recommendation

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 May 11, 2020.

Attached

- Agreed Upon Audit Procedures Engagement Letter for FY 2021-2022

12205 S. Yukon, Glenpool, OK 74033 OFFICE: 918-322-5409 FAX: 918-209-4641

Mayor Joyce Calvert, Ward 3; Vice-Mayor Brandon Kearns, At-Large;

Tim Fox, Ward 1; Chris Brobst, Ward 2; Jacqueline Lund, Ward 4

City Manager David Tillotson, Assistant City Manager Susan White, City Clerk Wendy Knight

www.glenpoolonline.com

Elfrink and Associates, PLLC

Member of the AICPA, OSCP, and GFOA

8905 S Yale Avenue, Suite 102
Tulsa, Oklahoma 74137

Anne.Elfrink@CPA.com

918-361-2133
Fax: 918-512-4280

October 11, 2021

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, 2021 through June 30, 2022 ("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:

With respect to Glenpool's Records

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.

With Respect to Creek-2's Records

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.

Procedures Applicable to Creek-2 and Glenpool

- 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 of 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 \$11,000 for the audit period covering July 1, 2021 through June 30, 2022 plus \$10 per meter for each active water connection maintained by the City of Glenpool/Glenpool Utility Service Authority in the permissive area and each shared utility customer.

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 2019 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 Auditable Period of July 1, 2021 through June 30, 2022.

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: _____



Date: November 1, 2021

To: Honorable Mayor/Chairman and City Council/Trustees

From: Wendy Knight, City Clerk

Re: 2022 Meeting Schedule

Background

Per Oklahoma Open Meetings Act O.S.25 § 311(A)(1), all public bodies shall give notice in writing by December 15 of each calendar year of the schedule of the regularly scheduled meetings for the following year.

Meeting schedules have been prepared separately for City Council meetings, each Trust Authority and GEMS. They are similar to 2021 in frequency and convening time for each public body.

Attached

- 2022 Meeting Calendar

12205 S. Yukon, Glenpool, OK 74033 OFFICE: 918-322-5409 FAX: 918-209-4641

Mayor Joyce Calvert, Ward 3; Vice-Mayor Brandon Kearns, At-Large;

Tim Fox, Ward 1; Chris Brobst, Ward 2; Jacqueline Lund, Ward 4

City Manager David Tillotson, Assistant City Manager Susan White, City Clerk Wendy Knight

www.glenpoolonline.com

**2022 CALENDAR YEAR
SCHEDULE OF REGULAR MEETINGS
GLENPOOL UTILITY SERVICE AUTHORITY
GLENPOOL, OKLAHOMA**

DATE	TIME	PLACE
JANUARY 3, 2022	6:00 P.M.	GLENPOOL CITY HALL
FEBRUARY 7, 2022	6:00 P.M.	GLENPOOL CITY HALL
MARCH 7, 2022	6:00 P.M.	GLENPOOL CITY HALL
APRIL 4, 2022	6:00 P.M.	GLENPOOL CITY HALL
MAY 2, 2022	6:00 P.M.	GLENPOOL CITY HALL
JUNE 6, 2022	6:00 P.M.	GLENPOOL CITY HALL
JULY 5, 2022 *	6:00 P.M.	GLENPOOL CITY HALL
AUGUST 1, 2022	6:00 P.M.	GLENPOOL CITY HALL
SEPTEMBER 6, 2022 *	6:00 P.M.	GLENPOOL CITY HALL
OCTOBER 3, 2022	6:00 P.M.	GLENPOOL CITY HALL
NOVEMBER 7, 2022	6:00 P.M.	GLENPOOL CITY HALL
DECEMBER 5, 2022	6:00 P.M.	GLENPOOL CITY HALL

* Denotes Tuesday Meeting

GLENPOOL CITY HALL, City Council Chambers, 12205 S Yukon Ave., Glenpool Oklahoma

APPROVED BY:
TRUSTEES OF THE GLENPOOL UTILITY SERVICE AUTHORITY
12205 S. YUKON
GLENPOOL, OK 74033
918-322-5409
Filed in the office of the City Clerk on the ____ day of November 2021

Signed: _____