

City of Bel Aire, Kansas

STAFF REPORT

DATE: June 29, 2022

TO: Governing Body

FROM: City Attorney/City Manager

RE: CCUA Audit Contracts



Background: The City of Bel Aire has requested the Manager and Attorney work with experts to investigate the financial equity and operational concerns within Chisolm Creek Utility Authority (CCUA). To achieve this goal the City needs unique expertise particularly tying engineering, operational, and financial audit capabilities, in order to properly and holistically assess the complex financial and operational concerns. The Manager and Attorneys met and agreed that the need for this project was to bring on both a **financial audit expert** and an operational **facility operation expert** to put together a comprehensive credible assessment of the CCUA. The deliverables for both agreements include reports, findings, recommendations, meetings, and presentations. Attorney believes those deliverables will allow the City to objectively assess the gaps and solutions needed to make CCUA operate more fairly and effectively.

Discussion:

Scot Loyd, owner of the Loyd Group brings broad experience and expertise in organizational financial audits and making recommendations that are practical and protective, particularly in working with government clients. The agreement presented is broad enough to allow the City to work with him on many aspects of this financial review, including helping staff understand implications of certain practices. He will help with the implementation and execution plan of the City's goal and his role will adapt to assist if City needs change. This contract is designed to be reviewed after a year and may be terminated at any time.

Burns & McDonnell has expertise in comprehensive facility evaluation. They have assembled a team to prove utility performance audit and evaluation. This team is very comfortable with complex and makeshift existing utilities and has tools to assist in finding lines, understanding flow issues, and investigating causes/solutions for KDHE compliance issues that come with such cases. Consultant will perform facility evaluations of the CCUA wastewater treatment plant and the CCUA water treatment plant and explain findings. The agreement presented is targeted and provides a clear scope of deliverables that will be meaningful to understanding gaps in CCUA functions. The contract provides a 12 week schedule to track progress and can be terminated with 10% fee at any time.

Recommendation: Approve both contracts to begin CCUA audit, and review as needed.