

Summit Lake Paiute Tribe
Special Council Meeting
Friday, November 3, 2017
Primary Administrative Office, Sparks, Nevada

Call to Order: Chairwoman Page Linton called the Special Council meeting of Friday, November 3, 2017 EPA Audit Resolution to order at 1:37 pm.

Roll Call: Secretary Treasurer Eugene Mace called the roll: Chairwoman Page Linton, present via teleconference; Vice-Chairwoman Randi DeSoto, present via teleconference; Secretary/Treasurer Eugene Mace; present; and Council Member Jerry Barr, present.

Staff: Linda Quinn, Financial Director

Guest: Charles Carslaw via teleconference, Summit Lake Paiute Tribe CPA; Alexander Kramer via teleconference, Acting Grants and Contracts Branch Chief; Fareed Ali via teleconference, Grants Management Specialist; and Marie Ortesi via teleconference, Accounting Supervisor

Mr. Kramer and his staff introduced themselves. Mr. Kramer proceeded with the meeting.

Mr. Kramer asked if everyone had copies of the meeting presentation document.

In addition to those attending, Mr. Kramer commented on the rest of the Region 9 EPA personnel. Kerry Drake is the new Acting Regional Administrator and a Disputes Decision Official. He is the one referred to as the DDO. Sandra Leon is the Regional Counsel for grants.

Background of the Audits

As of 2011, Summit Lake Paiute Tribe had five open audits resulting in disallowed costs of \$871,395. These are old issues going back to 2008 through 2010. The EPA recognizes all the improvements the Tribe made after that time. From 2012 and beyond, they recognize all the hard work the Tribe did to come into compliance and to update their systems and procedures. They do recognize improvement the Tribe made and is continuing to be made and execute as asked. What they are talking about is resolving some fairly old issues.

In January 2017 the Summit Lake Paiute Tribe received debt forgiveness on \$73,000 of disallowed costs related to the Office of the Inspector General Agreed Upon Procedures (OIG AUP) audit. (The debt was originally \$96,615.) Of the five audits being discussed, one was resolved in January 2017.

Mr. Carslaw asked if this was formally put down in writing and sent to the Tribe. The only thing that the Tribe received was an email. Ms. Linton confirmed that they had only received an email from Ms. Ortesi stating the Tribe was forgiven but did not receive a

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letter or any hard copy from the EPA confirming it. It is needed to officially close the issue. Mr. Kramer stated that they will send an official letter stating the issue is resolved and the Tribe was given debt forgiveness of \$73,000 to close this out.

The EPA reviewed the four remaining single audits from 2008, 2009, 2010, and 2011. With documentation they were able to substantiate costs for deliverables for all but \$56,602 of the \$871,395 which was disallowed.

Mr. Barr asked if this means the Tribe still owes the EPA \$56,602. Mr. Kramer replied that yes there was \$56,602 which the EPA could not substantiate with either deliverables or information that they have received from the Tribe. This is down from the original \$871,395. This is good.

Mr. Kramer said they will discuss the individual audits giving the EPA and Summit Lake Paiute Tribe a chance to resolve the issues and move forward.

OIG Agreed Upon Procedures (AUP)

The EPA will be sure to send the Tribe a final letter on this issue.

OIG's original report disallowed \$96,615 for costs related to Environmental Director's timekeeping records and incorrect charging of indirect costs. In March of 2014 the disallowed costs were reduced to \$73,000 based upon supporting documentation submitted by Summit Lake Paiute Tribe. In January of 2017, the Tribe received debt forgiveness on \$73,000 of disallowed costs related to the OIG AUP audit. In October of 2017 the OIG review was officially closed by the EPA.

2008 and 2009 Single Audit Reports (\$592,210)

There was a decision which was appealed by the Tribe. It is anticipated that the DDO will issue a decision to reduce the disallowed costs from \$592,210 to \$0. The Programmatic deliverables were submitted and accepted for Grants covered in Single Audits. The grants (except GAP grant ID# GA-00T19201-0) have been closed by the EPA. The audits questioned all EPA grant dollars for 2008 and 2009 (deferred revenue core issue.)

Mr. Ali explained how they came to the determination to recommend the reduction of the disallowed costs to zero.

2010 and 2011 Single Audit Reports (\$182,570)

All the Water Program grant deliverables have been submitted.

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Some GAP deliverables have been submitted, leaving disallowed costs in the amount of \$56,602 (Grant ID#GA-00T19201). There were some general assistance deliverables received but there were some the program could not account for and that is what led to the disallowed costs of \$56,602. They can provide the detailed line items. It remains because their program could not locate the deliverables or find the deliverables submitted by the Tribe.

The Management Decision letter is forthcoming to reduce the disallowed costs from \$182,570 to \$56,602.

Resolution Options-2010 and 2011 Single Audits Debt (\$56,602).

There will be three letters sent confirming the decisions on the audits. Then there are the following options available.

- The Tribe can re-pay the debt in one payment or the Tribe can negotiate a payment plan with the EPA.
- There could be a Treasury off-set after three unsuccessful billings.
- The Tribe can appeal the MDO Decision by submitting additional supporting documentation for GAP.
- The Tribe can request debt forgiveness, similar to what was done for the forgiveness of the OIG AUP audit costs of \$73,000.

Mr. Kramer said he was available to answer questions at any time to any of the Council members.

Mr. Carslaw asked if this clears up all other deferred revenue issues that the Tribe might have with the EPA. Mr. Kramer stated that yes, as long as the conditions are accepted by the DDO, it should clear up the deferred revenue issues. Mr. Carslaw felt that getting a clean slate would be ideal for the Tribe. The combination of the three letters will confirm that once the Tribe decides which option to use to handle the remaining \$56,602 everything will be closed out.

Mr. Barr asked if the Tribe decides to pay the debt, will that put the Tribe in good standing again and make them eligible to put in for grants or would there be a wait period. Mr. Ali replied that once the debt is paid the Tribe would be in good standing to receive future grants. Mr. Ali explained that the Tribe would be required to show receipts for all new purchases before being reimbursed for future grant expenses. Mr. Barr commented that that is good because it appears the EPA and the Tribe are trying to

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accomplish the same things on the Reservation and it would be good to be able to work with a willing partner in good standing.

Mr. Barr asked them to email the detailed items for the remaining \$56,602 to Ms. Quinn. They would like to look at them.

Ms. DeSoto thanked the members of the EPA for their time in coming to the table and helping to resolve these old issues. It has been a long time.

Ms. Linton concurred with Ms. Linton. She also appreciated all the hard work the Tribe and Ms. Quinn have done to resolve this.

Mr. Barr also thanked the EPA namely Ms. Ortesi, Mr. Ali and Mr. Kramer for helping out the Tribe as well as Ms. Quinn and the Council.

Mr. Kramer thanked the Council for taking time out of their schedules to help resolve the issues. There will be the three letters heading to the Council shortly. When the third letter regarding the \$56,602 in remaining debt arrives, they should all touch base to see how the Council would like to resolve it.

Ms. Quinn asked how long they anticipate it will take to have the letters accepted by the DDO. The expectation is that letters will arrive by the end of the month with the third one received by the end of November. With the third one, there is a thirty day from receipt of the letter deadline for the Council to choose the appeal route.

The EPA members signed off.

Mr. Barr's thought right now is, since the Tribe has the money, to just pay it off right now. This is just a first thought.

After a discussion of what to do, whether to pay or ask for forgiveness Mr. Carslaw asked if the Council wanted further EPA grants. This should be considered and that would not happen until the debt is either written off or paid.

They will need to discuss it at a later date.

Everyone is happy that the debt was reduced to \$56,602.

**MOTION: Council Member Jerry Barr move to adjourn the meeting.
Secretary/Treasurer Eugene Mace seconded the motion. Vice-Chairwoman Randi DeSoto called the vote: 3 FOR, 0 AGAINST, 0 ABSTAINED. Motion carried. The meeting was adjourned at 2:10 pm.**

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CERTIFICATION

I, **Eugene Mace, Sr.**, Secretary/Treasurer of the Summit Lake Paiute Tribal Council, hereby certify that the Minutes of the November 3, 2017, Special Council Meeting were approved by the Council during a duly held meeting November 18, 2017 at which there was a quorum present, and the Council voted:

2 - FOR _0_ - AGAINST _1_ -ABSTAINING, Chairwoman Page Linton did not vote because there was not a tie vote.

11/28/2017
Date

Eugene Mace
Eugene Mace, Sr.
Secretary/Treasurer
Summit Lake Tribal Council