

**SEACOAST UTILITY AUTHORITY  
ANNUAL REPORT OF THE EXECUTIVE DIRECTOR  
FISCAL YEAR OCTOBER 1, 2017 TO SEPTEMBER 30, 2018**

**INTRODUCTION**

Seacoast Utility Authority’s (SUA) enabling documents require its Executive Director to prepare an annual summary of issues, activities and achievement. Following is the fiscal year (‘FY”) 2017/2018 report, which, read as a narrative supplement to the Engineers Report on the Condition of the System and the Comprehensive Annual Financial Report (CAFR), fulfills that requirement.

**FINANCIAL SUMMARY**

**Operating Revenue**

Despite the October 1, 2017 board approved 2% indexed rate increase, SUA’s FY 2017/2018 total revenue declined by 0.2% from FY2016/2017. While system growth drove sewer revenue higher, frequent and extended wet weather periods depressed demand for irrigation water. The table below compares budgeted water/sewer revenue and actual results for the current and previous fiscal years.

**WATER, SEWER AND RECLAIMED WATER SALES**

	<u>Actual 2018</u>	<u>Budget 2018</u>	<u>Actual 2017</u>	<u>Budget 2017</u>
Water	\$31,912,203	\$31,786,688	\$32,312,147	\$29,950,284
Sewer	<u>\$19,530,301</u>	<u>\$19,104,013</u>	<u>\$19,104,752</u>	<u>\$18,794,481</u>
Water/Sewer	<u>\$51,442,504</u>	<u>\$50,890,701</u>	<u>\$51,416,899</u>	<u>\$48,744,765</u>
Reclaimed	<u>\$ 1,183,151</u>	<u>\$ 1,376,691</u>	<u>\$ 1,304,707</u>	<u>\$ 1,280,168</u>
Total	<u>\$52,625,655</u>	<u>\$52,267,392</u>	<u>\$52,721,606</u>	<u>\$50,024,933</u>

**% VARIANCE 2018 OVER 2017**

Water	-1.24%	6.13%
Sewer	2.23%	1.65%
Water/Sewer	0.05%	4.40%
Reclaimed	-9.32%	7.54%
Total	-0.18%	4.48%

**Operating Expense**

Excluding depreciation and interest expense, operating costs were \$2,199,768 or 9.56% greater than the previous year. Sharply increasing competitively bid treatment chemical costs, coupled with rising power and maintenance expense were primary drivers. It should be noted however, that increasing maintenance costs are primarily attributable to SUA’s increasingly aggressive focus on *preventive* rather than reactive maintenance, and the implementation of newer, more efficient, effective and durable technologies.

**Debt Service**

SUA restructured its debt in December 2016, issuing \$50,660,000 in bonds which will completely retire the \$75 million 2009 A&B Bond series by the year 2020 and all SUA debt by 2024, fifteen years ahead of schedule. Thus, while the 2016 borrowing inflates the SUA’s *nominal* September 30, 2018 outstanding bond principal indebtedness, after unamortized discounts and premiums to \$133,454,610, it should be noted that this figure includes all principal debt to be extinguished plus the debt incurred to extinguish it. During FY2017/2018, SUA paid approximately \$8.3 million in principal debt and \$7.3 million in interest. Further detail is presented in the Finance section of this report and in the SUA’s September 30, 2018 Comprehensive Annual Financial Report (“CAFR”).

**System Growth**

Beginning with the 1999 sale of remaining developable MacArthur Foundation properties, SUA’s service area experienced a burst of growth that peaked in 2004 and 2005. Declining thereafter, new meter installations fell to a historical low in 2011 before rebounding in 2012. The following table reflects new meter installations since the year 2000:

2000	392
2001	781
2002	707
2003	1,083
2004	1,226
2005	1,441
2006	816
2007	266
2008	128
2009	169
2010	116
2011	55
2012	75
2013	101
2014	165
2015	85
2016	145
2017	261
2018	102

SUA served 35,767 metered accounts as of September 30, 2018.

System capacity for 1,935 equivalent residential connections (“ERC”) had been reserved as of September 30, 2018, up from 1,655 ERCs reserved the previous fiscal year. Fourteen new developer agreements and amendments were approved during the year, the same number as the previous year. Assuming a typical development pace, most of the reserved ERCs will be connected within the next 8 years. Alton, the largest project currently under development, is likely to build out over the next 11 years.

**Utility Fixed Assets**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>% Increase</u>
<u>Water</u>				
Water Main (miles)	488.2	493.6	495.7	0.43%
Fire Hydrants	3,593	3,614	3,624	0.28%
Gate Valves	7,307	7,382	7,450	0.92%
<u>Sewer</u>				
Gravity Sewer (miles)	285.0	286.3	286.3	0.00%
Force Main (miles)	87.5	87.9	88.9	1.14%
Lift Stations	152	153	154	0.65%
Manholes	7,747	*7,787	7,771	0.00%
Reclaimed Water Main (miles)	24.3	24.3	24.3	0.00%

(\*Manholes miscounted in 2017)

**STAFF PERFORMANCE**

Since its days as a privately owned system in 1986, SUA’s work force has been reduced from 144 employees to 125 full-time positions at September 30, 2018. Throughout that same period, the customer base has grown by more than 70%, as have the fixed assets that those employees manage and maintain. Staff believes that SUA’s combination of competitive pay, attractive benefits, positive work environment, attention to renewal and replacement of aging equipment, and prudent application of technology have created a remarkably productive work force.

**ACTIVITIES SUMMARY**

**Legal Issues**

In addition to providing routine assistance for a wide range of land development, real estate, debt collection, policy and regulatory matters, SUA legal counsel worked extensively on construction contract issues during the year. SUA General Counsel assisted in negotiating and drafting numerous legal instruments, including settlement agreements, lien and easement documents, release language, and purchase contracts.

### **Water and Sewer Rate Adjustment**

Ordinance no. 2-2009, providing for annual rate indexing became effective October 1, 2009. SUA's Board authorized a 2.0% federally indexed rate increase that became effective October 1, 2017.

## **OPERATIONS DIVISION**

### **Water Department**

Among many significant FY 2017/2018 Water Department projects were the following:

Wells, Wellfields, and Repump Stations:

- completed construction on two FY 2017 wells and associated electrical improvements to Hood Road wells 17 and 15;
- began construction on Hood Road well 10;
- release for well 15 pending at year end;
- completed construction of Floridan well F-6 and associated raw water main, with associated well head and fiber optic installation scheduled for completion in November 2018;
- began construction of Floridan well F-9, expected completion scheduled for August , 2019;
- completed design and permitting of FY 2018 well replacements including Hood Road wells 9, 11, 14, 16 and 18;
- completed design and permitting of Hood Road well field electrical improvements which will replace aging 480-volt electrical conductors with smaller gauge 4160-volt conductors;
- repaired raw water main breaks on the 36-inch raw water main;
- upgraded all fiber optic communication components in the Hood Road Well Field;
- completed construction of new sand interceptor for the Hood Road well field sand strainers;
- completed installation of new catwalks around the Hood Road re-pump sand strainers;
- completed well rehabilitation projects on Burma Road wells 24 and 25;
- continued all environmental monitoring required by SFWMD water use permit in specified Mirasol and Alton wetlands;
- completed installation of new 100' antenna tower at Richard Road re-pump resulting in significant improvement in the monitoring of remote read water meters;

- completed permitting, repair and replacement of the Richard Road fire protection system;
- completed electrical design of Richard Road MCC replacement and upgrades to Richard Road and Lilac Street main circuit breakers;
- completed pigging (internal scouring) of following raw water mains:
  - 16” main from Burma Road to Richard Road re-pump
  - 20” main from Lilac Street re-pump to Hood Road WTP
  - Burma Road, North Palm Beach and Lilac St. wellfield piping
- replaced Lilac St. re-pump closed circuit TV security system;
- installed additional security lighting at Ricard Road and Lilac St.

**Hood Road Water Plant (“HRWTP”):**

- began electrical grounding repairs/improvements;
- installed new ground ring for switchgear 3;
- completed phase 3 service and inspection of motor control centers and related electrical equipment (all sites);
- began construction of new chlorine storage, handling and feed system;
- completed paving improvements;
- completed annual preventive maintenance for all pumps, motors, generators, process and general equipment;
- completed installation of replacement covers for exhaust fans damaged by Hurricane Irma;
- completed lightning detection and SCADA interface;
- ordered critical electrical spare parts;
- completed safety improvements in elevated storage tank;
- completed roofing modifications and sealing to stop water migration through block parapet wall on membrane building;
- completed repair and painting of membrane and high service pump buildings;
- completed painting of interior and exterior of elevated storage tank;
- completed recoating of acid and caustic containment areas;
- completed upgrade of SCADA and PLC operating systems;
- began engineering on pilot study for testing and evaluation for new LPRO membranes;
- contracted with experienced electrical company to install recommended electrical surge protection devices on FPL services entering plant;
- received two new 100kw generators for portable standby power for Floridan F-wells.

**Water Distribution**

- received draft system hydraulic modeling study;
- continued Automated Meter Reading (AMR) meter replacement program;

- accelerated valve and fire hydrant replacement program to address obsolescence issues;
- completed painting of large meter and fire flow assemblies;
- continued system flushing as needed to preserve and restore system water quality;
- began engineering for water/force main replacements on US 1 Lake Park and Northlake Blvd. from Alt. A1A to US-1;
- replaced unlined ductile iron water main found on Hunt Club Drive;
- began engineering on water main replacement and sewer clean out installation covering the eastern half of Cabana Colony;
- began engineering for water and sewer main relocation on Silver Beach Road for County drainage improvements.

## **Wastewater Department**

Significant Wastewater Department activities during FY 2017/2018 include:

### **PGA Wastewater Treatment Plant (“PGA WWTP”)**

- received the permit renewal from the FDEP for the plant permit;
- replaced the thickener feed pumps;
- installed isolation valves on the return activated sludge mains;
- replaced the existing air compressor that serves the belt filter presses and the laboratory;
- continued the design-build of a centrifuge dewatering system and overhead crane system;
- completed the construction of a grit flushing system;
- replaced the filter cloths on one disc filter;
- completed repaving of PGA WWTP roads and cart paths;
- commenced the construction of a new sludge truck canopy;
- completed the construction of improvements to the filter canopy, including new platforms and fencing around the structure;
- completed the installation of a new filter feed inlet structure;
- completed the demolition of the hydropneumatic tank and associated pumps and piping adjacent to the operations building;
- completed the design and commenced construction of improvements to the existing laboratory including replacement of the cabinets, ceiling tiles, lightning, and the addition of walls and a door;
- commenced the design of a project that includes the replacement of the NRCY pump station, the addition of a new digester blower building with new digester blowers and associated air piping, the relocation of MCC No. 5, the replacement of variable frequency drives for the RAS pumps, and the replacement of plant lighting with new LED lights;
- commenced the design-build of the replacement of the clarifier rake mechanisms for clarifiers no. 1 and 3;
- commenced the design-build of the replacement of three valve actuators associated with the reclaimed water storage ponds and the deep injection well storage pond;
- commenced the design-build of the addition of a fifth reclaimed water high service pump and a second plant water pump.

### **Reclaimed Water System**

SUA's reclaimed water system continues to operate at full capacity and in compliance with all regulatory requirements. During FY 2017/2018, SUA delivered an average of 8.67 million gallons per day (MGD) to reclaimed water customers. This represents a 14.9% decrease from the previous year and is attributable to decreased wet weather irrigation demand. Assisted by SUA's SFWMD supplemental reclaimed water allocation and the recycled membrane water treatment plant waste stream, SUA recycled the equivalent of 110% of wastewater generated by its customers during FY 2017/2018. In addition, staff:

- replaced the existing meters at the Isles supplemental well;
- installed new pond level transmitters for Paloma, BallenIsles East, BallenIsles West, and Frenchman's Creek;
- installed new telemetry antennas at BallenIsles East and Frenchman's Creek;
- developed and calibrated a reclaimed water hydraulic model to simulate future improvements to the system, including the addition of Alton as a future reclaimed water customer.

### **Wastewater Collection System**

Following is a summary of significant FY 2017/2018 wastewater collection and pumping system projects and activities:

- slip lined 13,794 feet of gravity main line;
- installed 22 new cleanouts;
- installed 4 lift station ("LS") control panels, including telemetry system upgrades;
- converted 10 LS to high speed telemetry frequency;
- completed 10 emergency sinkhole and broken lateral repairs;
- replaced broken concrete collars surrounding 29 manholes;
- attended to 2 broken or plugged force mains;
- inspected each of 498 customer grease traps 3 times;
- performed maintenance on 612 force main and reclaimed water main valves;
- performed maintenance on 132 force main and reclaimed water main air release valves;
- performed electrical and mechanical maintenance on 155 LS;
- cleaned 17,977 feet of gravity main;
- repaired 24 pumps and replaced 9 submersible pumps;
- continued the collection of electrical, flow, and hydrogen sulfide data at the existing lift stations utilizing the electronic "Mermaid" system;
- completed construction of the replacement of LS 34;
- completed the rehabilitation, including panel change out of LS 96, LS 116, LS 102, LS 100, and LS 101;
- constructed the LS 101 force main replacement, eliminating a cascading system;
- designed and constructed the force main improvements within Eastpointe, eliminating two traps that have caused maintenance issues;

- completed construction of the redundant Intracoastal Waterway force main crossing;
- purchased the 4058 Ilex Circle South property to allow for improved access to LS 1. Demolished the dwelling unit and pool, and commenced the installation of site improvements including driveway and fencing;
- designed and commenced construction on the coating of the wetwell at LS 54;
- designed and commenced construction of a subaqueous force main crossing along the Lighthouse Drive bridge, eliminating an aerial crossing;
- designed and commenced construction of the LS 98 (Costco) force main replacement;
- commenced a feasibility evaluation for extending low pressure sewers to currently unsewered SUA service area properties.

### **Utility Services Department**

This department provides building, grounds, and fleet support services. The following are examples of this year's activities and special projects:

#### **Fleet:**

- in conjunction with the Finance Department, implemented a vehicle lease program, which will provide for newer more fuel efficient, reliable and safer vehicles;
- acquired Ford OEM software and vehicle interface equipment to expedite repairs and to program body control modules;
- purchase evaporative emission equipment to assist in SUA vehicle repairs;
- replaced a departing Fleet Mechanic;
- set up pressure washing machine with slide-out tray and flexible water piping on newly acquired vacuum truck;
- pressure wash, repaint, and relabel Fleet's diesel and gasoline fuel storage tanks;
- install acetylene cutting torch system and other safety equipment on the small Water Distribution boom truck;
- acquired and set up a new small boom truck with requested accessories and safety items for wastewater collection use w;
- trained Fleet staff in the daily functions of the Enterprise Fleet Management Program;
- completed routine maintenance and repairs to SUA's vehicles and equipment.

#### **General Maintenance:**

- repair French drain in car wash;
- installed 120-gallon hot water heater at PGA Wastewater Treatment Plant;
- repaired Golden Eagle Circle access road Hood Road Well Field;
- re-sloped and re-sodded swales at Hood Road Water Treatment Plant;
- installed new exhaust fan covers on top of Hood Road Water Treatment Plant membrane building, repairing damage due to Hurricane Irma;
- re-sloped yard, repaired irrigation, formed up concrete driveway restoring SUA customer property damaged during construction activity;
- installed shower enclosures in two bathrooms in Hood Road Water Treatment Plant membrane building;
- replaced landscaping around administration building;

- re-sloped and sodded behind vehicle storage building;
- installed power charging stations behind storage building;
- replaced all 8ft. fluorescent lighting fixtures with LED fixtures in vehicle storage building;
- installed new lighting panel in warehouse to accommodate mini split air conditioning unit in the hydrant room;
- 4058 Ilex Circle South property:
  - assisted with house demolition;
  - cleaned property;
  - trimmed oak tree to prevent damage from large equipment;
  - regraded lot to prep from sod, landscape and irrigation install;
- assisted other departments with mainline breaks and sewer lines;
- pulled deep well injection pump and filter feed pump at PGA Wastewater Treatment Plant with boom truck.

## **Construction Department**

SUA's Construction Department is responsible for subdivision plan review, developer agreements, inspections, line locations, coordinating new meter sets, web site administration and central files. All new water distribution, wastewater collection and reclaimed water main projects discussed elsewhere in this report were coordinated, start to finish, by the Construction Department.

To assist with an increasingly varied workload, departmental personnel have been cross-trained to handle multiple tasks including line locations, routine and special project inspection work, plan review, and project tracking and management responsibilities. Construction Department personnel have offered considerable interdepartmental assistance in such areas as customer service, computer support, hydrant flushing, asset management software development and implementation, easement inspections and other critically important SUA functions.

Other FY 2017/2018 Construction Department activities included:

- Performed plan review and or construction management for numerous new and ongoing land development and SUA projects requiring FDEP permits including but not limited to:
  - Ancient Tree
  - PBG's Sandhill Crane Clubhouse
  - PBG's Sandhill Crane Maintenance Building
  - Avenir master water and sewer plan
  - Avenir Water Main Extension
  - Avenir Spine Road
  - Trevi Isle's
  - Alton Neighborhoods 2,3,4, and 5
  - Alton Recreation Center
  - Alton Town Center

- PBC Hood Road Reconstruction-Turnpike to Hood RD
  - Reclaimed Water main from Old Palm to Alton
  - Raw water main from Alton well F 6 to HRWTP
  - Old Dixie Highway Reconstruction Old Dixie – Northlake Blvd
  - Aldi
  - Autozone
  - Spacebox
  - Lost Tree Village Low Pressure Force main
  - Lost Tree Village Master Lift Station Replacement
  - FPL Juno Beach Office complex/Garage
  - Lift Station 34
  - BallenIsles Country Club
  - Earl Stewart Toyota Expansion
  - Central Gardens Apartments
  - Azure
  - Hampton Cove
  - Hamptons at the Gardens
  - Earthfare
  - Point Midtown Residential
  - Intracoastal Water Main Crossing @ PGA
  - First Republic Bank
  - Hunt Club Drive Water Main Replacement
  - PGA Office Building
- completed 24 projects that donated assets to SUA and an additional 60 projects where assets were either less than \$1,000 or ownership not transferred to SUA;
  - set 143 permanent and 87 temporary meters;
  - 1935 ERC's were reserved as of 9/30/18 (up from 1655 in FY16/17);
  - prepared and administered 14 new developer agreements and amendments;
  - office personnel received 11,141 One Call tickets requesting location of underground SUA facilities; field personnel responded to approximately 7,577 of these (others were outside the service area or duplicates);
  - provided account review and/or site inspections of meter, backflow and sewer cleanouts for 180 non-residential accounts changing ownership during the year;
  - assisted 12 existing food service establishments in meeting current building and service codes for grease control;
  - provided in excess of 2,500 scheduled inspections for developer/contractor projects.

In April 2014, the board authorized an Easement Acquisition Program designed to secure more explicit legal access to SUA facilities crossing approximately 175 private properties. Shortly thereafter, SUA filed a public record notice designed to inform those researching real estate title that SUA easements may be required. During fiscal 2017/2018, SUA acquired two new easements through this program.

## **ADMINISTRATIVE ACTIVITIES**

## **Finance Department**

SUA's Finance Department is responsible for the Accounting/Payroll, Information Systems ("IS") and Warehouse/Purchasing functions.

In September 2018, the Finance Department received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the FY2015/2016 annual report. This certificate is the highest form of recognition in the area of governmental accounting and financial reporting. SUA has received this award for fiscal years 1999 and 2004 through 2017.

SUA's fiscal 2017 audit report included a "clean opinion" on its financial statements with no management letter comments offered.

SUA's 2016 crossover refunding achieved a net present value saving of \$29 million dollars, reduced the Authority's debt term by 15 years and saved SUA customers over \$41 million. During their 2018 review of SUA financial operations, nationally recognized rating agencies Moody's and Fitch both explicitly recognized this transaction's value, noting the significance of its substantial present value benefit and that it allows all SUA debt to be fully retired by 2024. Below is a summary of the each of the rating agency's comments:

Fitch – August 2018 Annual Review:

- Upgraded rating from AA Stable to AA+ Positive
- Improved financial profile, specifically debt service coverage and days cash on hand have grown since October 2016 review
- Rapidly declining debt profile
- Healthy rate flexibility and affordability
- Solid system and infrastructure
- Strong, stable, wealthy service area

Moody's - January 2018 Issuer Comment Report

Moody's review was less detailed, with more emphasis on key indicators and the US Medians. Nonetheless, its comments were similarly positive, summarized as follows:

- Robust liquidity
- Superlative financial profile, with days cash on hand well exceeding the median range for and Aa1 rating
- Extremely small debt profile and strong debt service coverage

Full versions of these reports can be found on our website at [www.sua.com](http://www.sua.com)

SUA's warehouse operation remains a model of effectiveness and efficiency. Handling over 7,500 transactions, its \$349,048 year-end inventory required an exceptionally low 5% inventory value adjustment.

Other significant Finance Department activities included:

- continued to invest SUA's approximately \$86 million reserve and debt service funds, achieving an average yield of approximately 2.12% while preserving principal and limiting maturity length to an average of 1.94 years;
- converted/migrated the Authority's Pension and 457 Plan to a new platform, negotiating rates and fees which resulted in savings of approximately \$700 per participant per year, a value of \$16,000 per participant (assumes 5% return and 15-year length of service)
- along with IS staff, researched, trained and implemented the latest upgrades to SUA accounting, purchasing and payroll accounting software;
- Investigated and initiated the Vendor Self Service and Bid Management MUNIS Modules.

### **Information Systems Department (IS)**

In 2018, the IS Department focused on network upgrade & cyber security, all while maintaining an increase in network up time, servicing over 125 users with a staff of two. Following is a list of the IS Department's major activities this past year.

- completed the installation of an extensive email archiving system which captures all incoming emails before they hit the users account; providing for easy access to these records when and if a public records request should arise;
- researched, presented to executives and implemented an Intrusion Detection System from the Center for the Internet Security that monitors all SUA networks, including our SCADA for sophisticated cyber-attacks;
- upgraded the Billing (CIS) Servers to Windows Server 2016, which ensure greater security;
- upgraded the XenServers (virtual servers), including software and memory expansion to enable redundancy in the case of failure;
- installation/setup of four servers for the upcoming Laserfiche project.
- coordinated the Tyler Content Manager (TCM) upgrade from 2017.1.2.1 to 2017.4.2;
- managed and coordinated Tyler MUNIS upgrade from 11.2 to 11.3;
- as a result of the personnel changes made in June of 2018, analyzed and modified various Tyler MUNIS approval workflows as needed;
- enabled confidential documents in TCM for selected personnel only; including modifying MUNI Web Part accessibility to ensure only permitted personnel can view salaries and other personal information;
- redesigned XIMA dashboard that is displayed on the TV located in the customer service area;
- replaced as many as possible Windows 7 PCs with Windows 10

- upgraded Adobe Reader/Acrobat XI to Adobe Acrobat Reader/Acrobat 2017, as Version XI is no longer supported;
- configured SCADA computers for three remote sites,
- research, procured and configured a UPS for the Administrative building server room;
- reconfigured the PGA SCADA switch, which allowed for the removal, from the network, of an outdated router;
- designed, configured, implemented and documented a solution that allows for replication of the backup from the Hood Road Water Treatment Plant to the PGA Wastewater Plant server room;
- replaced an outdated Netgear ReadyNAS network storage with Synology;
- updated the Water Treatment Plant Server Room's and Operations Building's security cameras firmware
- added additional storage to the Fleet DVR to allow longer video footage retainage;
- coordinated the installation of 6 network drops on the second floor of the Hood Road Water Treatment Plant Membrane Building, which will accommodate additional personnel during a hurricane or similar event;
- updated all Win 10 PCs to build 1709, and then the following version 1803;
- added an antivirus program to the SCADA DMZ servers and disabled SMBv1/CIFS protocols to eliminate an attach surface that takes advantage of protocol vulnerabilities;
- cleaned up DNS records;
- implemented DMARC DNS TXT record for SUA emails;
- migrated the Service Desk website to a new server and decommissioned the old server;
- converted a HachWIMS software update to a newer version;
- designed and launched an IT Department survey;
- implemented and processed quarterly cyber security checks of the external and internal networks, using feedback to determine areas of weakness and concerns to address;
- researched, interviewed qualified vendors, and procured services for an annual penetration test; monitored and facilitated the entire process along with resulting findings to be addressed;
- Created a dedicated email account to report suspicious emails;
- Research IT Security Awareness programs to incorporate into our overall safety training program;
- Continued support of existing network, servers and PCs in all SUA locations

### **Customer Relations/Billing Department**

Customers were notified by bill message that the seventeenth annual Consumer Confidence Report (CCR) was posted on SUA's website in March 2018. Hard copies were made available at the customer's request.

Several Community Service Agencies and Constituent Governments continue to utilize the SUA Bill Message/Insert Program.

Notable activities for FY 2017/2018 included:

- post implementation of Bill2Pay our payment processor, SUA engaged Fiserv to process all electronic banking check payments (a/k/a “e-lockbox” payments)
- at no additional cost to customers, began accepting American Express payments with very positive customer feedback;
- implemented Sensus Analytics, a billing and customer usage program, allowing for a more streamlined bill processing as well as providing information regarding stale meters, battery life and leak alarms. The Sensus RNI 3.3 software provides us tools that encourage and support proactive meter management.
- implemented 2% board-approved rate increase effective October 1, 2017;
- achieved historically low \$36,000 bad debt write-off for all accounts considered uncollectible as of September 30, 2017;
- installed over 4,000 new smart meters for the fiscal year ending September 30, 2018, totally 26,000 of SUA’s 36,000 meters now using radio read technology;
- provided Aquahawk water usage monitoring service to over 4,000 customers. Aquahawk is a customer portal, providing hourly water usage information, 24/7. Aquahawk customers can set their own water use parameters which, if exceeded, will result in an alerting email or text to the customer. Customers offer positive feedback on this service, and at every opportunity, staff encourages customer participation;
- utilized new customer service telephone call monitoring tools and reporting software, providing useful supervisory and training information;
- published numerous community bill message notices along with billing inserts regarding our new payment system, Aquahawk, and updating customer contact information.

**Customer Service Billing Work Summary**

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	
3,625	4,414	4,061	4,003	Average Number of Monthly Reminder Notices Issued
654	537	696	532	Average Number of Monthly Collection Door Hanger Notices Issued
179	167	173	159	Average Number of Monthly Non-Pay Disconnections Issued
31,662	24,177	21,057	21,613	Average Number of Monthly Paper Statements Issued
12,937	11,366	10,308	9,844	Average Number of Monthly Direct Bank/Auto Pay Statements Issued
3,915	3,171	4,073	3,767	Average Number of Monthly E-Bills Statements Issued
35,560	35,543	35,438	35,224	Average Monthly Billed Accounts Issued
\$4,427,515	\$4,426,183	\$4,170,376	\$3,926,900	Average Monthly Billed Revenue
505,356	528,131	495,255	473,796	Average Billed Monthly Gallons (1,000) Water Registered

3%	2%	2%	3%	Rate Increase
\$30,606	\$33,014	\$39,602	\$61,080	Un-Paid Write Off Revenue - includes unpaid Lien write off amounts due to 5-year limit
0	1,811	1,838	26	Number of 1" Downsize Bill Inserts
5	1	1	13	Number of Meters Downsized (1" to 5/8")
23%	45%	45%	46%	Percentage of Monthly Mailed in Payments
31%	31%	27%	28%	Percentage of Monthly Direct Bank Payments
25%	12%	16%	13%	Percentage of Monthly Credit Card Payments
19%	8%	8%	8%	Percentage of Monthly E-Payments
1%	3%	3%	3%	Percentage of Monthly Cashier Payments
1%	1%	1%	2%	Percentage of Monthly Drop Box Payments
				Percentage of Monthly Customers Utilizing SUA
44%	49%	51%	49%	Various Electronic Payment Options
25,601	22,055	15,880	12,941	Number of Automated Meters Installed since June 2007
				Dollar Value of Recorded Liens Since April 2010
\$621,502	\$575,551	\$575,107	\$557,847	(recorded value)
\$1,050,950	\$1,012,742	\$958,630	\$888,416	Amount of Paid Recorded Liens (collected value)
58	40	39	18	Number of Boil Water Notifications Issued
0.0025%	0.0025%	0.0025%	0.0025%	Security Deposit Interest Rate
18	29	30	44	Bees/Wasps
5	7	5	5	Bench Test Meters
33	39	191	649	Can't Locate or Buried
1,159	1,459	1,885	2,034	Check for Leaks
182	266	244	260	Check for Off & Locked
132	135	140	156	Check Pressure
1,474	1,631	1,681	1,500	Courtesy Turn On/Offs
18	39	26	42	Deposit Request Notices
462	435	545	480	Faucet to Meter Test
435	638	696	801	Leak at Meters
140	188	272	265	Monitor Consumption
5,958	6,352	6,427	6,488	New Customer Move In/Outs
203	231	317	227	New Meter Sets
155	158	141	120	No Water Reported
2,139	2,174	3,750	3,790	Non-Pay Turn On/Offs
335	307	339	339	Other/Miscellaneous
1	0	0	0	Plug Meters
207	232	2	12	Raise /Lower Meters/Boxes
8	229	282	552	Raise Lower Meter Box
93	153	127	143	Relocate Meter
4,566	6,175	4,275	1,662	Remote Meter Change Out Program
5	2	1	8	Remote Meter Register Change Out
1,065	1,055	618	417	Remote Meters Not Registering - Reprogramed
188	145	174	159	Repair Backflow

2	8	8	7	Repair Hydrant
7	48	70	62	Replace 1" Lid
1	4	8	5	Replace 1.5 Lid
2	1	6	5	Replace 2" Lid
18	20	278	48	Replace 5/8" Lid
81	95	103	94	Replace Curb Stop/Angle or Ball Valve
9	54	52	61	Replace Double 5/8" Lid
251	326	176	160	Return Payments
24	31	56	61	Roots in Box
224	242	322	249	Sewer Backups
25	26	22	13	Sewer Odor Complaints
35	28	30	39	Shut Off No Deposits
18	33	32	32	Sink Holes
30	25	16	17	Temporary Shut offs
93	126	129	139	Test Water Quality
166	182	127	90	Verify Readings
272	328	267	186	Water Break/Leaks
20,239	23,656	23,870	21,421	Total Yearly Completed Service Orders

**Website ([www.sua.com](http://www.sua.com))**

SUA’s website features a broad range of information and services which include: About Us, Notices Calendar, Payment Center, Construction and Departments as well as quick links to the SUA budget, New Services & Payment, bid and requests for proposals, customer access, and Governing Board information. Other public information and updates include boil water advisory, scheduled service outages, SFWMD landscape and irrigation restrictions, SUA’s monthly Board meeting schedule, annual Consumer Confidence Report and the Annual Report of the Executive Director. A feature entitled “Hurricane Preparedness” appears on SUA’s website. This feature addresses frequently asked questions and provides a link to [www.floridadisaster.org](http://www.floridadisaster.org). During hurricane season, SUA’s website also provides weather and tracking resources for its customers.

SUA offers its customers the option of completing service and electronic funds transfer applications on line via website link or by fax. SUA customers can also pay online using a checking or savings account or credit card. Also, if customers register their account online, they can access past usage and transaction history.

**Administrative Services**

Administrative highlights for FY 2017/2018 include:  
Administration Achievements

- distributed Annual Water Quality Report;

- hosted quarterly blood drives.

### Special Programs and Safety Initiatives

Following is a summary of 2018 special programs and workplace safety initiatives:

- continued the Safety and Health Committee program for Administration, Field and Plant divisions;
- coordinated predictive maintenance infrared imaging of electric panels at each treatment plant, water repump station, and critical wastewater lift stations;
- worked with Florida Public Assistance and FEMA for reimbursement of expenses related to Hurricane Irma;
- applied for and received from the SUA workers' compensation insurance carrier \$5,000 reimbursement for purchase of safety training and equipment;
- renewed agreement with NMS Management Services Inc. for drug and alcohol testing after business hours;
- arranged NFPA 70E Electrical Safety in the Workplace training for two electrical workers;
- organized a class titled Sprain and Strain Prevention presented the Safety Council of Palm Beach County, attended by 44 employees;
- continued the "Safety Pays" safety incentive program making cash awards available within work groups maintaining outstanding safety records;
- arranged a vaccination clinic for SUA employees and immediate family members;
- provided hepatitis B vaccinations for occupationally exposed SUA workgroups;
- continued random drug and alcohol testing of A, B and C level commercial drivers' licenses to comply with federal DOT regulations;
- coordinated collection and disposal of regulated hazardous waste;
- evaluated and updated the Industrial Pretreatment Program Local Limits for Sewage Pretreatment Ordinance 1-2014;
- conducted semi-annual administrative office fire drills;
- coordinated online access throughout SUA to safety and health videos and safety training courses from J.J. Keller (Video on Demand), The Training Network and Target Solutions companies;
- performed inspection of industrial user facilities under the Industrial Pretreatment Program;
- worked throughout the year updating and revising the forms for the safety meeting/training record keeping system for all workgroups;
- organized inspections by Safety and Health Committee members of SUA facilities and followed up with reports on progress to correct violations and hazards;
- hosted CPR/AED and 1<sup>st</sup> Aid training to certify 14 employees;
- discontinued the hard copy of the Safety & Health Manual for the Administrative Division in favor of an electronic copy stored on R drive.

### **Human Resources**

SUA's Human Resources Department is responsible for the coordination of the SUA's personnel activities including benefits administration, employee relations, classification and compensation, recruitment, employee training and development, assuring compliance with federal, state and local laws.

Human Resources highlights for FY 2017/2018 include:

#### Insurance Packages and Supervisor Training

- renewed health, dental, life disability, and EAP Insurance Benefits Package, resulting in a richer HMO plan for employees and an overall net cost of 0.89% above 2017 benefits cost;
- began second year of 2-year renewal for all Property/Casualty/Workers Compensation Insurance coverages with USI/PGIT, AJ Gallagher/Lexington and USI resulting in no increase in annual premiums;
- promoted the personal and professional development of staff by offering the following training and workshops;
  - Wells Fargo- building credit and how to apply for a mortgage
  - EPA wills and trusts
  - Wells Fargo banking and credit building
  - KMs Wealth Management monthly finance meetings for retirement planning
- continued to offer all staff a wide range of business training topics located in our video library;
- promoted wellness that assisted in receiving a healthcare premium rebate of over \$41,000.

#### Annual Updates

- examined and revised human resources policies and implemented new polices;
- verified all employees' driver license to confirm special enforcement, driving privilege status, and traffic violations;
- audited Lincoln 401(a) Money Purchase Retirement Plan and 457(b) Deferred Compensation Plan beneficiary forms;
- audited SUA beneficiary forms;
- audited and updated I-9 forms
- updated job application forms, new hire packets, interview questions/checklist and direct deposit form and action forms;
- designed a compensation rate acknowledgement form and new hire checklist form;
- designed a new format and started updating job descriptions;
- created a confidential file system;
- updated the medical file system;
- mailed all SUA model notice credible coverage forms to employees;
- distributed all SUA annual compliance notices;
- hosted the Authority's Annual Benefits and Open Enrollment;
- updated bulletin boards in the Admin Building.

## Health and Wellbeing

- health offerings including preventative medical examinations;
- multiple wellness activities pertaining to health and financial wellness;
- offered PBG Medical Center on site health screenings for blood pressure, glucose and cholesterol.

## Employee Initiatives

- revised and expanded the exit interview questions/process;
- created a new HR help station for employees to offer easy access to several HR websites; including ESS, Lincoln Financial, all of the SUA carriers;
- redesigned the booklet and flyer area outside of the Finance Office and in the HR Office;
- assisted employees with updating their beneficiary forms for the pension and life benefits;
- updated bulletin boards in the Administrative Building.

## Fast Facts

### FY 2017/2018 by the numbers:

- 3 Workers Compensation claims;
- 8 new and revised administrative policies and procedures;
- 4 new and revised job descriptions;
- 3 new hires;
- no terminations;
- 3 resignations;
- 2 retirements;
- 15 new family and medical leave requests;
- 3 reclassifications;
- 12 promotions;
- 1 pay grade change;
- 12 new/revised job descriptions;
- 15.37 is the calculated employee average years of Service;
- 125 total number of employees at fiscal year end.

### Age distribution of Full Time Employees

- 24 & under - 2 employees (2%)
- 25-34 – 14 employees (11%)
- 35-44 – 27 employees (22%)
- 45-54 – 28 employees (23%)
- 55-64 – 45 employees (35%)
- 65 & Over – 9 employees (7%)

Average Age of All Employees

- 50.29

Men/women

- 103 males (82%)/22 females (18%)

Average years of service

- Greater than 30 years: 27
- 25-30 years: 4
- 20-25 years: 13
- 15-20 years: 13
- 10-15 years: 25
- 5-10 years: 15
- Less than 5 years: 28

**CONCLUSION**

Seacoast Utility Authority was formed in August 1988. While its assets have been renewed, replaced and dramatically modernized in the intervening 30 years, nearly 25% of the work force employed at the time of the acquisition remains. Their pride, professionalism, and commitment to SUA's customers is shared by all and forms the solid foundation upon which future success will be built. Given the Authority's financial strength, robust infrastructure, sound policies, and experienced board-level guidance, its future is likely to be even more remarkable than its past.