

**SEACOAST UTILITY AUTHORITY
REGULAR VIRTUAL MEETING**

February 24, 2021
Seacoast Utility Authority Board Room

MINUTES

CALL TO ORDER: 3:00 PM

ROLL CALL:

PRESENT: Andrew Lukasik, Chair
Joseph Lo Bello, Vice-Chair
Ron Ferris, President Pro-Tem
John D'Agostino, Member
Robert Weisman, Member

ALSO PRESENT: Nat Nason, General Counsel
Rim Bishop, Executive Director
Jessica Moore, Authority Clerk

COMMENTS FROM THE PUBLIC

There were no comments from the public.

*****DETERMINED THE CONSENT AGENDA*****

APPROVAL OF AGENDA

Considered a motion to approve the agenda.

APPROVAL OF MINUTES FOR MEETING OF JANUARY 27, 2021

Considered a motion to approve the minutes for meeting of January 27, 2021.

WATER TREATMENT CHEMICAL – SODIUM HYDROXIDE (CAUSTIC SODA)
PIGGYBACK CONTRACT RENEWAL

Considered a motion to approve purchase of Water Treatment Chemical – Sodium Hydroxide (Caustic Soda) with Brenntag Mid-South, Inc., pursuant to the terms of the competitively bid City of Boynton Beach Contract through March 2022, at the price of \$574.00/dry ton, estimated annual cost of \$973,987.00, as recommended by staff.

RESOLUTION NO. 1-2021, AMENDING SEACOAST UTILITY AUTHORITY SERVICE
CODE

Considered a motion to approve Resolution No. 1-2021, Amending Seacoast Utility Authority Service Code, as recommended by staff.

PROCLAMATION NO 2-2021, PROCLAIMING THE WEEK OF MARCH 15 – 19, 2021
GOVERNMENT FINANCE PROFESSIONALS WEEK

Considered a motion to approve Proclamation No. 2-2021, Proclaiming the Week of March 15 – 19, 2021 Government Finance Professionals Week, as recommended by staff.

MOTION

Board Members Weisman/Lo Bello moved to approve the consent agenda, as recommended by staff.

The motion carried unanimously.

*****ENDED CONSENT AGENDA*****

PROCLAMATION NO 1-2021 – A PROCLAMATION RECOGNIZING THE RETIREMENT
OF ENGINEERING DEPARTMENT MANAGER JIM LANCE

Chair Andrew Lukasik took the opportunity to thank Mr. Lance for all of the work that he provided to the Authority. Executive Director Rim Bishop and Board Member John D’Agostino also expressed their gratitude.

MOTION

Board Members Weisman/D’Agostino moved to approve Proclamation 1-2021, a Proclamation Recognizing the Retirement of Engineering Department Manager Jim Lance, as recommended by staff.

The motion carried unanimously.

Mr. Lance thanked the board and the entire staff. He stated it has been a pleasure to work for the Authority.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) – FY 2019/2020

Mr. Wade Sansbury and Daniel Anderson with Mauldin & Jenkins presented and summarized Exhibit “A”.

Vice Chair Joe Lo Bello complimented staff. Chief Financial Officer Daniela Russell complimented Mauldin & Jenkins and the Finance staff on a great first year working together.

MOTION

Board Members D’Agostino/Lo Bello moved to receive and file the FY 2019/2020 Comprehensive Annual Financial Report and Audit, as recommended by staff.

The motion carried unanimously.

HOOD ROAD ADMINISTRATIVE COMPLEX – PRIME CONTRACTOR CHANGE ORDER (“PCCO”) NO. 25

MOTION

Board Members Weisman/D’Agostino moved to approve Hood Road Administrative Complex – PCCO No. 25 with Hedrick Brothers in net the increase amount of \$225,644.07, including a supporting budget transfer of \$140,300.00 from R2101 Contingency and \$3,200.00 from N2101 Contingency, as recommended by staff.

The motion carried unanimously.

DESIGN BUILD AUTHORIZATIONS

MOTION

Board Members Weisman/D’Agostino moved to approve the following Design Build Authorizations in the aggregate amount of \$3,413,583.00, as recommended by staff.

Project	Firm	Amount
Supplemental Well SR-2 Wellhead Improvements	Holtz Consulting Engineers, Inc.	\$147,307.00
Hood Road Membrane Room Coating	Holtz Consulting Engineers, Inc.	\$242,413.00
Garden Isles Water Main Replacement Improvements	CES, Inc.	\$3,023,863.00

The motions carried unanimously.

SCADA SERVICES AUTHORIZATION – WASTEWATER LIFT STATION RTU CONVERSION

MOTION

Board Members Weisman/Lo Bello moved to approve SCADA Services Authorization – Wastewater Lift Station RTU Conversion with Black & Veatch Corporation, in the amount of \$499,921.00, as recommended by staff.

The motion carried unanimously.

ANNUAL PERFORMANCE EVALUATION EXECUTIVE DIRECTOR

Mr. John D’Agostino stated Mr. Bishop is very knowledgeable and responsive. He works effectively with staff and he believes Mr. Bishop is a leader in this field in the public sector. Mr. D’Agostino recommends a 3% -3.5% increase.

President Pro-Tem Ron Ferris stated that Mr. Bishop and his staff continues to perform in the most outstanding manner. He believes that every organization takes on the characteristics of its leadership and this is the case with Seacoast.

Ms. Russell stated a general employee that is rated excellent would receive a 4.5% total increase (merit and cost-of-living) for the year and longevity pay.

Mr. Ferris believes he should receive the same increase as last year, which was 6%.

MOTION

Board Members Ferris/D'Agostino moved to authorize a 6% base salary increase for Executive Director Rim Bishop.

Mr. Lo Bello appreciates the culture of excellence Mr. Bishop has established at the Authority.

The motion carried unanimously.

COMMENTS FROM THE BOARD

There were no comments from the board.

STAFF REPORT

Executive Director Rim Bishop stated the engineer's report and the financial report were in the packet. Chief Operations Officers Brandon Selle was present for any engineer report questions. Chief Financial Officer Daniela Russell was present for any financial report questions.

ADJOURNMENT

There being no further business to come before the board, Chair Andrew Lukasik adjourned the meeting at approximately 3:32 PM.

APPROVAL:

ANDREW LUKASIK, CHAIR

JOSEPH LO BELLO, VICE CHAIR

RON FERRIS, PRESIDENT PRO-TEM

JOHN D'AGOSTINO, MEMBER

ROBERT WEISMAN, MEMBER

ATTEST:

JESSICA MOORE, AUTHORITY CLERK

Seacoast Utility Authority
Presentation of 2020 Audit Results
Financial Statements, Reports
and Other Deliverables



Presented by:
Wade Sansbury, CPA
Daniel Anderson, CPA





Agenda

- Who is Mauldin & Jenkins?
- Overview of the Audit Opinion
- Required Communications under Government *Auditing Standards*
- Accounting recommendations and related matters.
- Questions





Who is M&J?

- Large Regional Firm – serving governments throughout the Southeast since 1918
- Nationally recognized in the top 100 public accounting firms in the US by *Inside Public Accounting and Accounting Today*
- Approximately 500 governments served, including approx. 50 stand alone business type entities – over 120 clients served who receive GFOA's Certificate of Achievement for Excellence in Financial Reporting annually.
- 25 partners and managers – 100% governmental and over 100 professionals with current governmental experience.
- Dedicated to the Profession and Governmental Accounting – M&J professionals teach at various national and state conferences
- Joel Black, Governmental Partner, has recently been appointed the Chair of the Governmental Accounting Standards Board, effective July 1, 2020.





Overview of the Audit Opinion

1. The quality of financial reporting is the responsibility and representation of SUA's management and Board.
2. Management is responsible for the preparation and fair presentation of the financial statements.
3. We have issued an unmodified opinion. This is the highest form of assurance we can render with regard to the fairness of the financial statements on which we are opining.
4. We performed the audit of SUA's financial statements in accordance with auditing standards generally accepted in the US and *Government Auditing Standards* issued by the Comptroller General of the US.
5. The financial statements are considered to present fairly in all material respects the financial position and results of operations of the Seacoast Utility as of and for the year ended September 30, 2020.





Required Communications

- Accounting policies, management judgements, accounting estimates, and financial statement disclosures are the responsibility of management
- No significant difficulties encountered or issues discussed with management
- No auditor proposed adjustments, no uncorrected misstatements and no disagreements with management
- Representation from management
- We are independent with respect to the Seacoast Utility Authority





Financial Information

Statement of Revenues, Expenses, and Change in Net Position
(Condensed)

	FY 2020	FY 2019	FY 2018	%	%
Operating revenues:					
Charges for services	\$ 59,354,778	\$ 57,102,231	\$ 54,217,539	3.9	5.3
Miscellaneous	300,661	454,026	392,763	(33.8)	15.6
Total operating revenues	59,655,439	57,556,257	54,610,302	3.6	5.4
Operating expenses:					
Plant operation and maintenance	18,774,759	18,012,593	18,330,442	4.2	(1.7)
General and administrative	9,341,138	7,454,413	6,873,146	25.3	8.5
Depreciation	19,104,598	18,838,327	18,658,291	1.4	1.0
Total operating expenses	47,220,495	44,305,333	43,861,879	6.6	1.0
Nonoperating revenues:					
Interest income	1,918,035	2,549,434	2,491,940	(24.8)	2.3
Net increase (decrease) in FMV	795,908	2,361,132	(1,863,386)	(66.3)	(226.7)
Grant revenue	339,096	35,934	104,821	843.7	(65.7)
Other revenue	301,501	942,492	236,137	(68.0)	299.1
Bond rebate	585,862	1,401,190	1,395,093	(58.2)	0.4
Total nonoperating revenues	3,940,402	7,290,182	2,364,605	(45.9)	208.3
Nonoperating expenses:					
Interest expense	3,284,780	6,192,934	7,004,641	(47.0)	(11.6)
Amortization	(1,017,945)	(1,573,181)	(1,481,246)	(35.3)	6.2
Other expense	583,262	3,787,291	295,693	(84.6)	1,180.8
Total nonoperating expenses	2,850,097	8,407,044	5,819,088	(66.1)	44.5
Income (loss) before capital contributions	13,525,249	12,134,062	7,293,940	11.5	66.4
Capital contributions:					
Developer and other contributions	10,423,687	5,448,227	3,950,902	91.3	37.9
Change in net position	\$ 23,948,936	\$ 17,582,289	\$ 11,244,842	36.2	56.4
Net Position, beginning of year	300,120,122	282,537,833	271,292,991	6.2	4.1
Net Position, end of year	\$ 324,069,058	\$ 300,120,122	\$ 282,537,833	8.0	6.2





Recommendation for Improvement and Other Matters

- No audit findings
- One management point regarding cyber security
- GASB 84 through 97 become effective over the next 5 years
- Free CPE opportunities offered to SUA employees





Questions?

If you ever have any additional questions we can be reached at the following:

Wade Sansbury
wsansbury@mjcpa.com
1-855-891-0070

Daniel Anderson
danderson@mjcpa.com
1-855-891-0070

We appreciate the opportunity to serve the Seacoast Utility Authority and look forward to serving you in the future. Thank you!!

