

**SEACOAST UTILITY AUTHORITY
ANNUAL REPORT OF THE EXECUTIVE DIRECTOR
FISCAL YEAR OCTOBER 1, 2016 TO SEPTEMBER 30, 2017**

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”) 2016/2017 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

SUA’s FY 2016/2017 total revenue increased by 6.4% over the previous year. This increase was primarily driven by the 2.0% indexed rate increase implemented October 1, 2016, accelerating system growth, and the meter replacement program (conversion to automated meter reading) discussed elsewhere in this report. 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 2017</u>	<u>Budget 2017</u>	<u>Actual 2016</u>	<u>Budget 2016</u>
Water	\$32,312,147	\$29,950,284	\$29,946,464	\$28,195,450
Sewer	\$19,104,752	\$18,794,481	\$18,465,129	\$17,880,415
Water/Sewer	\$51,416,899	\$48,744,765	\$48,411,593	\$46,075,865
Reclaimed	\$ 1,304,707	\$ 1,280,168	\$ 1,145,038	\$ 1,168,811
Total	\$52,721,606	\$50,024,933	\$49,556,631	\$47,244,676

% VARIANCE 2017 OVER 2016

Water	7.90%	6.22%
Sewer	3.46%	5.11%
Water/Sewer	6.21%	5.79%
Reclaimed	13.94%	9.53%
Total	6.39%	5.88%

Operating Expense

Excluding depreciation and interest expense, operating costs were \$824,444 or 2.1% greater than the previous year. Primary factors affecting the increase in expenses were general inflation and a more focused attention to periodic maintenance programs at both the water and sewer plants as well as distribution and collection systems.

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, 2017 outstanding bond principal indebtedness, after unamortized discounts and premiums to \$143,454,031, it should be noted that this figure includes all principal debt to be extinguished plus the debt incurred to extinguish it. During FY2016/2017, SUA paid approximately \$7.5 million in principal debt and \$7.5 million in interest. Further detail is presented in the Finance section of this report and in the SUA's September 30, 2017 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

SUA served 35,665 metered accounts as of September 30, 2017.

System capacity for 1,655 equivalent residential connections (“ERC”) had been reserved as of September 30, 2017, down from 1,992 ERCs reserved the previous fiscal year. Fourteen new developer agreements and amendments were approved during the year, a significant increase from the eleven agreements and amendments approved the previous year. Assuming a reasonable pace of economic recovery, most of the reserved ERCs will be connected within the next 8 years, though Alton, the largest project currently under development, is likely to build out over the next 11 years.

Utility Fixed Assets

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>%Increase</u>
<u>Water</u>				
Water Main (miles)	484.5	488.2	493.6	1.11%
Fire Hydrants	3,555	3,593	3,614	0.58%
Gate Valves	7,186	7,307	7,382	1.03%
<u>Sewer</u>				
Gravity Sewer (miles)	284.1	285.0	286.3	0.46%
Force Main (miles)	86.9	87.5	87.9	0.46%
Lift Stations	151	152	153	0.66%
Manholes	7,711	7,747	7,787	0.52%
Reclaimed Water Main (miles)	24.3	24.3	24.3	0.0%

STAFF PERFORMANCE

Since its days as a privately owned system in 1986, SUA’s work force has been reduced from 144 employees to 127 full-time positions at September 30, 2017. 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, 2016.

OPERATIONS DIVISION

Water Department

Among many significant FY 2016/2017 Water Department projects were the following:

Wells, Wellfields, and Repump Stations:

- completed construction of all FY 2016 wells and associated electrical improvements to Hood Road wells 7,12 and 13, Health Department release for well 13 pending at year end;
- completed construction of Floridan well F-5 and associated raw water main;
- completed design and permitting of FY 2017 well replacements including Hood Road wells 17, 15 and 10;
- completed design and permitting of Floridan aquifer well F-6 and associated raw water main;
- repaired raw water main breaks on the Hood Road 24-inch and 36-inch raw water mains;
- replaced 96 pair fiber optic communication cable in the Hood Road well field;
- completed design of new sand interceptor for the Hood Road well field sand strainers;
- completed well rehabilitation projects on Hood Road well 14 and Palm Beach Gardens well 14;
- continued all environmental monitoring required by SFWMD water use permit in specified Mirasol and Alton wetlands;
- completed installation of new Richard Road high service pump 5 and associated electrical and control systems;
- contracted with Orr Protection Services to repair Richard Road fire system and complete system permitting;
- completed installation of Richard Road and Hood Road repump station cellular dialers required by fire code;
- replaced and adjusted radios and antennas to eliminate nuisance communication system fault alarms.

Hood Road Water Plant ("HRWTP"):

- completed demolition of at-risk 48-inch concrete piping at high service pump building;

- completed painting of all high service pumps and piping;
- completed replacement of all high service pump check valves;
- completed variable frequency drive (VFD) replacement, high service pumps 11 and 12;
- relocated generator exhaust stacks to prevent exhaust from entering operations building;
- completed replacement of high service pumps 2, 3 and 7;
- completed construction of ground storage tanks 5 and 7;
- completed sodium hypochlorite and orthophosphate storage tanks and transfer station;
- completed switchgear 3 electrical inspection and record drawings revisions;
- completed ARC Flash study update and recertification;
- completed electrical grounding study;
- installed new ground ring for switchgear 3;
- completed phase 2 service and inspection of motor control centers and related electrical equipment (all sites);
- completed generator day tank replacement and installation of electronic fuel tank monitoring and leak detection;
- completed safety and accessibility improvements to nanofiltration system acid injection vault, piping, including injection quill replacement;
- began design of new chlorine storage, handling and feed system;
- completed design of paving improvements;
- successfully coated low pressure reverse osmosis piping in micron filter and booster pump areas, eliminating condensation that had created ponding and a potential slip and fall hazard for plant staff;
- completed NACE III interior and exterior inspection and repair of sulfuric acid and sodium hydroxide storage tanks;
- membrane plant contractor completed clearwell exterior restoration and painting;
- completed installation of gutters and downspouts to control clearwell deck runoff;
- completed exterior restoration and painting of all ground storage tanks;
- completed Risk Management Plan study for chemical storage and handling;
- updated Spill Prevention Control and Countermeasure plan;
- completed preventive maintenance for all pumps, motors, generators, process and general equipment;
- installed cellular telephone dialer for fire system;
- ordered replacement covers for exhaust fans damaged by Hurricane Irma;
- ordered new garage doors for chemical and membrane building, delivery pending.

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;

- replaced unlined ductile iron water main found in Frenchman’s Creek.

Wastewater Department

Significant Wastewater Department activities during FY 2016/2017 include:

PGA Wastewater Treatment Plant (“PGA WWTP”)

- replaced the belt filter press feed pumps;
- installed aluminum covers on the RAS / WAS station and biological odor control;
- installed biological odor control for the headworks and anoxic basins;
- replaced the polymer feed pumps;
- started the replacement of the thickener feed pumps;
- replaced the radiator and generator shroud for the generator located at the deep injection well;
- made repairs to the pond liner system due to damage from a tornado;
- performed routine motor control center maintenance on the seven motor control centers at the plant;
- installed a passive reclaimed water overflow system;
- installed polymer tote scales;
- replaced the existing 10-ton air conditioning unit at the control building;
- installed a new air conditioning unit to serve the server room;
- commenced the design-build of a centrifuge dewatering system and overhead crane system;
- constructed plant water system pump improvements;
- commenced the construction of a grit flushing system;
- completed the construction of storage building;
- installed LED street lighting;
- replaced the filter cloths on one disc filter;
- completed the construction on the replacement of the existing Dual-Zone Monitoring Well;
- completed the design of a new sludge truck canopy;
- completed the design of improvements to the filter canopy, including new platforms and fencing around the structure;
- commenced the design-build of a new filter feed inlet structure;
- installed the HachWIMS system at the WWTP for collection of analytical data for submission to FDEP;
- submitted the permit renewal for the FDEP for the plant permit;
- completed the design of paving improvements at the WWTP site.

Reclaimed Water System

SUA’s reclaimed water system continues to operate at full capacity and in compliance with all regulatory requirements. During FY 2016/2017, SUA delivered an average of 10.19 million gallons per day (MGD) to reclaimed water customers. This represents a 30.6% increase from the

previous year and is attributable to increased irrigation demand and improved reclaimed water storage and delivery systems. Assisted by SUA's SFWMD supplemental reclaimed water allocation and the recycled membrane water treatment plant waste stream, SUA recycled the equivalent of 132% of wastewater generated by its customers during FY 2016/2017. In addition, staff:

- finalized construction on the replacement of Supplemental Reclaimed Water Well SR1 in the Frenchman's Creek development;
- commenced the replacement of the Cla-Val control valve with a motor-actuated plug valve at the Old Palm metering station;
- serviced the Cla-Val control valves throughout the service area;
- coated eight reclaimed water metering stations throughout the service area;
- replaced the existing control panel at Mirasol;
- replaced the existing meters at Paloma, The Isles, and the Regional Center;
- assisted Old Palm with installation of individual reclaimed water meters for residential units;
- 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 2016/2017 wastewater collection and pumping system projects and activities:

- slip lined 17,087 feet of gravity main line;
- installed 55 new cleanouts;
- replaced wet well piping in 3 lift stations ("LS");
- installed 8 LS control panels, including telemetry system upgrades;
- converted 13 LS to high speed telemetry frequency;
- completed 24 emergency sinkhole and broken lateral repairs;
- replaced broken concrete collars surrounding 11 manholes;
- attended to 6 broken or plugged force mains;
- inspected each of 493 customer grease traps 3 times;
- performed maintenance on 604 force main and reclaimed water main valves;
- performed maintenance on 130 force main and reclaimed water main air release valves;
- performed electrical and mechanical maintenance on 159 LS;
- cleaned 17,977 feet of gravity main;
- repaired 18 pumps and replaced 17 submersible pumps;
- commenced the collection of electrical, flow, and hydrogen sulfide data at the existing lift stations utilizing the Mermaid system;
- commenced construction of the replacement of LS 34;
- completed the rehabilitation, including panel change out of LS 2, LS 3, LS 33, LS 63, and LS 93;

- constructed the LS 23 force main replacement;
- relocated the terminal manhole on Shore Road;
- commenced construction of the redundant Intracoastal Waterway force main crossing;
- constructed the PGA National in situ force main slip lining project;
- designed the rehabilitation of LS 96;
- replaced the isolation panel at LS 21;
- designed and constructed the replacement of the asbestos cement force main on Roan Lane.

Utility Services Department

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

- repaired 300 ft. of fence and cleared debris at PGA WWTP damaged by a tornado;
- prepared on-site storm water to receive construction water discharge from Floridan aquifer well F-5;
- installed permanent marking stakes along easement from Hood Road to PGA;
- assisted HRWTP and PGA WWTP crews, using large boom truck to lift pumps and motors for repair or replacement;
- completed drainage improvements at Hood Road Administrative Complex;
- installed potable water line at Richard Road WTP backwash recovery basin;
- trimmed and maintained trees and vegetation at various lift stations for radio telemetry system;
- secured all buildings at Administrative Complex Site per SUA's Emergency Operation Plan for Hurricane Irma;
- maintained fueling of portable generators before and after Hurricane Irma;
- replaces and upgraded generator fuel tank at Administrative Complex;
- replaced rubber tire backhoe for Water Distribution Department;
- purchased new mower for maintenance of SUA easements;
- purchased new off road all-terrain vehicle for GPS use by Water Distribution and Engineering Departments;
- updated all SUA employee ID badges;
- integrated existing security gates with new telephone system to include remote gate operation functions;
- replaced and updated Fleet's tire balancer and vehicle maintenance program, provided training to Fleet maintenance employees with these programs.

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 2016/2017 Construction Department activities included:

- performed plan review, construction management and observation for several new and ongoing land development projects including:
 - Alton, Clarity Point
 - Alton, Town Center Access Road
 - Alton, Atlantico
 - Alton, United Technologies
 - Alton Neighborhood 5
 - Congress Business Park – Aldi and Racetrac
 - Frenchman’s Reserve Clubhouse
 - Donald Ross Village – Out Parcels
 - Old Dixie Highway Reconstruction
 - Old Palm Residential Reclaimed Water
 - Azure
 - Point Midtown
 - Water Club of NPB
 - Hamptons at Central Gardens
- office personnel received 9,647 One Call tickets requesting location of underground SUA facilities; field personnel responded to approximately 6,487 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 hands during the year;
- assisted 14 existing food service establishments in meeting current building and service codes for grease control;
- provided in excess of 2,031 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 2016/2017, SUA acquired three new easements through this program.

Finance Department

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

In September 2017, 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, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 & 2016.

SUA's fiscal 2016 audit report included a "clean opinion" on its financial statements with no management letter comments offered.

In the summer of 2016, the Finance Department assembled a team of finance professionals to develop proposed SUA debt service reduction alternatives. The Board adopted the team's recommended plan, and on December 5, 2016, SUA advanced refunded its 2009A Bonds and crossover refunded its 2009B Bonds, investing \$13 million of SUA reserve funds and implementing an accelerated annual debt service payment schedule. The refundings achieved a net present value saving of \$29 million dollars, reduced the debt term by 15 years and saved SUA customers over \$41 million. Through this new structure, SUA will be debt free in Fiscal Year 2024.

In conjunction with the refundings noted above, SUA received a credit rating upgrade. The results are as follows:

- Moody's upgrading the Authority's bond rating to Aa1 from Aa2;
- Standard and Poors' double upgrading to AA+ from AA-; and
- Fitch upgrading to AA, positive from AA.

All three credit rating agencies noted similar strengths:

- strong and improving debt profile
- financial flexibility – noting a solid financial position, with continued increases in liquidity stabilizing SUA's financial position
- diverse service area – noting an economically strong and stable service area as characterized by high wealth levels
- advanced treatment facilities and renewed water use permits ensuring sufficient water resource availability to meet growing demand
- prudent management – providing conservative budgeting and multi-year projections

All three ratings remain in effect.

SUA's warehouse operation remains a model of effectiveness and efficiency. Handling 7,644 transactions having a total \$240,127 value, its \$352,632 year-end inventory required a remarkably low \$15 adjustment.

Other significant Finance Department activities included:

- continued to invest SUA's approximately \$80 million reserve and debt service funds, achieving an average yield of 1.563% while preserving principal and limiting maturity length to an average of 1.96 years;
- under extreme time constraints, developed a new request for proposal for bill payment processing, evaluated, awarded and along with Customer Service staff, successfully implemented a new payment processing system within 60 days' time;
- finalized the implementation of the new timesheet/timekeeping software;
- continued compliance with federal Affordable Care Act filing requirements;
- along with IS staff, researched, trained and implemented the latest upgrades to SUA accounting, purchasing and payroll accounting software;
- continued use of the self-service modules, allowing employees to view their paychecks, W-2's and make open enrollment elections, among other features;
- generated approximately \$34,000 selling surplus equipment using a contracted online governmental surplus sales site;
- began researching, evaluating and implementing negotiated pension plan changes, navigating from two providers to one.

Information Systems Department (IS)

In 2017, the IS Department focused on network security, updating and replacing the phone system and implementing a new bill payment system all while maintaining an increase in network up time, servicing over 125 user with a staff of two. Following is a list of the IS Department's major activities this past year.

- made a rapid change to a new bill payment process when our current provider could not continue processing payments;
- upgraded XenServers to latest version – total virtual servers now 24 with capability of up to approximately 30 servers;
- implementation of VOIP phone system on SUA Network without additional network load, minimizing the impact to the data side of the Authority's network;
- installed new firewalls at HRWTP and PGAWWTP;
- expanded the backup system to include SCADA servers to ensure restoration capabilities in the case of a disaster;
- engaged a third party consultant to run a Network Penetration Test, achieving successful results with minimal minor errors, which were corrected;
- researched, tested and implemented vulnerability scanning on a regular basis of the entire network. Implemented a program to address scanning results and correction processes;

- expanded the IPHost system monitoring, adding SCADA servers at the Hood Road Water Plant and the PGA Sewer Plant;
- successfully upgraded Accounting, Purchasing and Payroll Accounting System from version 11.1 to 11.2;
- researched, tested and implementation of the HachWIMS asset maintenance and reporting system a new software solution for the PGA Sewer Plant, which was a part of a move from other less supported software, and to enable other divisions to piggyback onto this platform;
- completed organizing all server rooms, including diagraming the network framework in each room;
- successfully tested and installed security cameras in all server rooms;
- upgraded a significant amount of users to Windows 10 from either Windows 7 or Windows 7/Parallels on Macintoshes;
- upgraded all Microsoft Office 2007 users to Office 2016;
- migrated the fuel system software to the latest version, integrating the data into the vehicle maintenance program system;
- researched, tested and engaged a third party software to begin implementation of email archiving to ensure retention of SUA emails as needed by state laws
- personnel achieved two certifications: Certified Ethical Hacker and 100W Operational Security for Control Systems;
- continued support of existing network and PC 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 2017. 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 2016/2017 included:

- implemented Bill2Pay, a new payment processor including bill printing services by TC Delivers. Bill2Pay implementation has allowed SUA to eliminate one staff position;
- received operator training for Sensus Analytics 3.3 and Sensus RNI for implementation of new meter management reporting software;
- implemented 2% rate increase effective October 1, 2017 per board action;
- achieved historically low \$32,919.30 bad debt write-off for FY 2015/2016;
- installed 6,175 new smart meters – by September 30, 2017, more than half of Seacoast's 35,000 meters were "radio reads";
- over 3,000 customers served by smart meters are now enrolled in Aquahawk, a customer portal for monitoring water uses. 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;

- implemented new telephone call monitoring and reporting software providing supervisors useful supervisory and training information;
- published many community bill message notices along with billing inserts regarding our new payment system, Aquahawk, and meter downsizing options.

Customer Service Billing Work Summary

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
4414	4,061	4,003	4,141	Average Monthly Reminder Notices
537	696	532	596	Average Monthly Collection Door Hangers Notices
167	173	159	156	Average Monthly Non-Pay Disconnections
24,177	21,057	21,613	22,365	Average Monthly Paper Statements
11,366	10,308	9,844	9,316	Average Monthly Direct Bank Statements Issued
3,171	4,073	3,767	3,441	Average Monthly E-Bills Statements Issued
35,543	35,438	35,224	35,122	Average Monthly Billed Accounts Issued
\$4,426,183	\$4,170,376	\$3,926,900	\$3,776,872	Average Monthly Billed Revenue
528,131	495,255	473,796	495,635	Average Billed Monthly Gallons (1,000)
2%	2%	3%	3.5%	Rate Increase
\$33,014	\$39,602	\$61,080	\$53,671	Un-Paid Write Off Revenue
1,811	1,838	26	19	Number of 1" Downsize Bill Inserts
1	1	13	3	Number Meters Downsized (1" to 5/8")
45%	45%	46%	49%	Percentage Monthly Mailed in Payments
31%	27%	28%	27%	Percentage Monthly Direct Bank Payments
12%	16%	13%	12%	Percentage Monthly Credit Card Payments
8%	8%	8%	8%	Percentage Monthly E-Payments
3%	3%	3%	3%	Percentage Monthly Cashier Payments
1%	1%	2%	1%	Percentage Monthly Drop Box Payments
49%	51%	49%	47%	Percentage Customers Using Electronic Payments
22,055	15,880	12,941	10,451	Number of Automated Meters Installed
\$575,551	\$575,107	\$557,847	\$549,564	Dollar Value, Recorded Liens
\$1,012,742	\$958,630	\$888,416	\$714,364	Dollar Value of Liens Paid
40	39	18	35	Boil Water Notifications Issued
0.0025%	0.0025%	0.0025%	0.0025%	Security Deposit Interest Rate
3,129	1,956	638		AquaHawk Registered Users
8,860				B2P Customer Profiles
6,352	6,427	6,488	6,853	New Customer Move In/Outs
6,175	4,275	1,662	1,167	Remote Meter Change Out Program
2,174	3,750	3,790	3,099	Non-Pay Turn On/Offs
1,459	1,885	2,034	1,994	Check for Leaks
631	1,681	1,500	1,524	Courtesy Turn On/Offs
638	696	801	787	Leak At Meters
1,055	618	417	101	Remote Meters Not Registering - Reprogramed
435	545	480	390	Faucet to Meter Test

307	339	339	705	Other/Miscellaneous
242	322	249	227	Sewer Backups
231	317	227	211	New Meter Sets
229	282	552	465	Raise Lower Meter Box
20	278	48	25	Replace 5/8" Lid
188	272	265	233	Monitor Consumption
328	267	186	173	Water Break/Leaks
266	244	260	351	Check for Off & Locked
39	191	649	330	Can't Locate or Buried
326	176	160	226	Return Payments
145	174	159	97	Repair Backflow
158	141	120	160	No Water Reported
135	140	156	106	Check Pressure
126	129	139	102	Test Water Quality
182	127	90	63	Verify Readings
153	127	143	122	Relocate Meter
95	103	94	64	Replace CurbStop/Angle or Ball Valve
48	70	62	44	Replace 1" Lid
31	56	61	71	Roots in Box
54	52	61	46	Replace Double 5/8" Lid
33	32	32	45	Sink Holes
29	30	44	50	Bees/Wasps
28	30	39	60	Shut Off No Deposits
39	26	42	51	Deposit Request Notices
26	22	13	24	Sewer Odor Complaints
25	16	17	20	Temporary Shut offs
4	8	5	9	Replace 1.5 Lid
8	8	7	4	Repair Hydrant
1	6	5	5	Replace 2" Lid
7	5	5	8	Bench Test Meters
3	2	12	11	Raise /Lower Meters
2	1	8	20	Remote Meter Register Change Out
0	0	0	2	Plug Meters
22,427	23,870	21,421	20,045	Total Yearly Completed Service Orders

Website (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 & RFP, 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. During hurricane season, SUA's website also provides weather and tracking resources for its customers.

Finally, 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 are able to access past usage and transaction history.

ADMINISTRATIVE ACTIVITIES

Administrative highlights for FY 2016/2017 include:

Administration Achievements

- distributed Annual Water Quality Report with an updated look;
- updated Seacoast's phone system, which now includes cell phone applications, call monitoring and recording;
- completed an efficient emergency hurricane operation with no phone outages and also used Seacoast's dial-my-call phone application to keep in contact with employees through automated messages;
- implemented standing desk options to employees;
- updated Seacoast's Hurricane Planning Guide for customers;
- created Reclaimed Water Flyer for reclaimed customers;
- began posting job openings on Seacoast's Facebook page to reach even more potential employees;
- hosted quarterly blood drives.

Special Programs and Safety Initiatives

- organized inspections by Safety and Health Committee members of SUA facilities and followed up with reports on progress to correct violations and hazards;
- coordinated predictive maintenance infrared imaging of electric panels at each treatment plant, water repump station, and critical wastewater lift stations;
- applied to Florida Public Assistance for reimbursement from FEMA of expenses related to Hurricane Matthew and Hurricane Irma;
- applied for and received from the SUA workers' compensation insurance carrier \$4,362 reimbursement for purchase of safety training and equipment;
- hosted a safety themed interactive presentation for the benefits fair;
- renewed agreement with NMS Management Services Inc. for drug testing after business hours;
- organized a class titled Sprain and Strain Prevention presented a doctor of chiropractic, attended by 19 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;
- coordinated presentation by Sunshine 811 and Florida Gas Transmission, Company for attended by 29 Collection, Distribution and Construction/Development employees;
- provided hepatitis B vaccinations for occupationally exposed SUA workgroups;

- continued random drug and alcohol testing of A, B and C level commercial drivers licensees to comply with federal DOT regulations;
- coordinated collection and disposal of regulated hazardous waste;
- updated, revalidated and audited the Risk Management Programs for chlorine;
- conducted semi-annual administrative office fire drills;
- continued the Safety and Health Committee program for Administration, Field and Plant divisions;
- purchased Video On Demand service for workgroups to have online access to safety and health videos;
- purchased magnetic manhole lid lifter to reduce back injuries;
- performed inspection of industrial users 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;
- reviewed and revised the evaluation of the Spill Prevention, Control and Countermeasure Plan;
- organized a Coaching the Forklift Operator 2 course presented by the SUA General Maintenance Foreman to certify 7 employees for forklift operation.

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 2016/2017 include:

Insurance Packages and Supervisor Training

- renewed health, dental, life disability, and EAP Insurance Benefits Package, resulting in an overall net cost of 1.74% above 2016 benefit costs;
- renewed all Property/Casualty/Workers Compensation Insurance coverages with USI/PGIT, AJ Gallagher/Lexington and USI with a slight increase of \$3,511 in annual premiums;
- promoted the personal and professional development of staff by offering various training and workshops, including as a comprehensive U.S. Equal Employment Opportunity Commission (EEOC) employment Law seminar to supervisors, managers and directors;
- provided supervisory education on the following topics:
 - Five Ways a Mentor Can Help Make Better Decisions
 - Manage Less for a Stronger Team
 - Do Your Employees Have a Case of "Businefficiency"?
 - The Workplace Trends to Expect in 2017
 - Five Signs You're Expecting Your Team to Achieve the Impossible
 - Supporting a Diverse Workplace Starts with You;

- continued to offer all staff a wide range of business training topics located in our video library;
- received a 3.5% rebate of the total health insurance premium from Florida Blue in the amount of \$29,439.60.

Annual Updates

- assessed, updated, designed, produced and electronically distributed the new 2017 Employee Handbook;
- examined and revised human resources policies and implemented new polices;
- verified all employees' driver licenses to confirm special enforcement, driving privilege status, and traffic violations;
- audited Nationwide 401a Money Purchase Retirement Plan beneficiary forms;
- held election for the Employee Grievance Board.

Health and Wellbeing

- hosted the Authority's Annual Benefits and Health Fair and Open Enrollment;
- health offerings including preventative medical examinations;
- multiple wellness activities pertaining to health and financial wellness.

Employee Initiatives

- updated Veterans' reference forms to include certification of Current Member of Reserve Components, and the US Armed forces and The Florida Reserve, Unremarried widow and Widower certification, VP FAQ;
- redesigned the Authority's "Application for Employment" form to ensure unfair barriers to employment are removed until a provisional job offer has been extended;
- revised and expanded the exit interview questions to identify problem areas in managing employees and design possible solutions.

Fast Facts

- reportable new Workers Compensation claims were 3 annually;
- new and revised administrative policies and procedures were 8 annually;
- new and revised job descriptions were 4 annually;
- new hires were 7 annually;
- terminations were 10 annually,
- new family and medical leave request were 10 annually;
- reclassifications were 6;
- employee average years of Service – 15.37 years.

Age distribution of Full Time Employees

- 24 & under: 3 employees (2%)
- 25-34: 17 employees (13%)

- 35-44: 27 employees (22%)
- 45-54: 28 employees (23%)
- 55-64: 45 employees (35%)
- 65 & Over: 7 employees (5%)

Average Age of All Employees

- 49.23 years

Male/Female

- 25 females (19%)
- 102 males (81%)

CONCLUSION

Respected credit rating agencies agree that for decades, SUA has prudently managed available economic, natural and human resources, assiduously protecting and preserving each for long-term public benefit. This report, coupled with SUA's Comprehensive Annual Financial Report and the Engineer's Report on the Condition of the System, confirms that SUA is an economically strong, vibrant and progressive utility system, fully committed the highest standard of customer care.