

OKEECHOBEE UTILITY AUTHORITY
MEETING AGENDA
MARCH 17, 2022
8:30 A.M.

1. Call the Meeting to Order
 - Pledge of Allegiance
 - Determination of Voting Members
 2. Election of Officers
 3. Agenda Additions or Deletions
 4. Meeting Minutes from February 17, 2022
 5. Employee Recognition
 6. **Consent Agenda**
 7. Finance Report
 8. Invoice from B & Site Development, Inc. – SWSA Master Pump Station Site Civil Work
 9. Invoice from Sumner Engineering & Consulting, Inc. – SW 5th Avenue Sewer
 10. Invoice from Sumner Engineering & Consulting, Inc. – SW Wastewater Service Area Project (Part B and C)
 11. Invoice from Sumner Engineering & Consulting, Inc. – SW Wastewater Service Area Project (Part E)
 12. Invoice from Sumner Engineering & Consulting, Inc. – Tortoise Survey and Permitting
 13. Invoice from Eckler Engineering, Inc. – Pine Ridge Park Utility Improvements
 14. Invoices from Steven L. Dobbs Engineering, LLC – Engineering Services
 15. Invoice from MacVicar Consulting, Inc. – Lake Okeechobee System Operating Manual
 16. Invoice from Thorn Run Partners
-
17. Presentation Of FY21 Financial Statements Audit Report, Governance Letter and Annual Financial Report
 18. Ranking of Interim Financing
 19. SW 5th Avenue Engineering Report
 20. SW 5th Avenue Engineers Agreement
 21. SW 5th Avenue Funding Scenarios
 22. Okee-Tantie Engineering Agreement
 23. Advanced Metering Infrastructure Update
 24. Conners Gable Watermain Extension
 25. Public Comments
 26. Items from the Attorney
 27. Items from the Executive Director
 28. Items from the Board

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 1

MARCH 17, 2022

Call Meeting to Order

Pledge of Allegiance
Determine Voting Members

	<u>Absent</u>	<u>Present</u>
Melanie Anderson – Board Member	_____	_____
Tommy Clay – Board Member	_____	_____
John Creasman – Chairperson	_____	_____
Jeff Fadley - Alternate	_____	_____
Harry Moldenhauer - Alternate	_____	_____
Steve Nelson – 2 nd Vice Chairperson	_____	_____
Tabitha Trent –Vice Chairperson	_____	_____
Glenn Sneider - Alternate	_____	_____

FUTURE MEETING OF OUA BOARD

Thursday, April 21, 2022

FUTURE HOLIDAYS FOR OUA STAFF

Sunday, April 17, 2022 – Easter

Monday – May 30, 2022 – Memorial Day

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 2

MARCH 17, 2022

ELECTION OF OFFICERS

As provided for in the Inter-Local Agreement, paragraph 4.11, the OUA Board shall elect members to serve as officers in the position of Chairperson and Vice-Chairperson. By subsequent OUA Board action, a third officer is elected to serve in the position of 2nd Vice-Chairperson. The Inter-Local Agreement provides that these terms are for one year each and that an officer cannot serve in the same office for more than two consecutive years.

In consideration of current officeholders, Mr. Creasman (Chair), Ms. Trent (1st) and Mr. Nelson (2nd), have each served in their current position for one year and are available to serve in the same capacity for one additional year, if so elected.

Current offices up for election are as follows:

Chairperson:

Vice Chairperson:

Second Vice Chairperson:

The Executive Director will preside over the OUA Board meeting for the election of the Chairperson. The newly elected Chairperson will then preside over the meeting.

OKEECHOBEE UTILITY AUTHORITY BOARD MEMBERS

Tabitha Trent – Board Member (County)

Term: March 2021 – March 2025

Glenn Sneider – Alternate (County)

Term: April 2021 – March 2025

Tommy Clay – Board Member (City)

Term: March 2021 – March 2025

Melanie Anderson – Board Member (Glades)

Term: March 2019 – March 2023

John Creasman – Board Member (County)

Term: March 2019 – March 2023

Steven D. Nelson – Board Member (City)

Term: March 2019 – March 2023

Jeffrey Fadley – Alternate (City)

Term: March 2021 – March 2023

Harry Moldenhauer – Alternate (Glades)

Term: March 2021 – March 2023

ELECTIONS

Current Chairperson:

John Creasman

Elected: March 2021

Current Vice-Chairperson:

Tabitha Trent

Elected: March 2021

Current 2nd Vice-Chairperson:

Steve Nelson

Elected: March 2021

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 3

MARCH 17, 2022

AGENDA ADDITIONS OR DELETIONS

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 4

MARCH 17, 2022

MEETING MINUTES

Attached are copies of the minutes of the meetings held on February 17, 2022.

Unless the Board determines a correction is required to the minutes, Staff recommends the approval of the meeting minutes from February 17, 2022 as presented.

**OKEECHOBEE UTILITY AUTHORITY
MEETING MINUTES**

Thursday, February 17, 2022 8:30 A.M.

Okeechobee Utility Authority

100 SW 5th Avenue

Okeechobee, Florida

Chairperson Creasman called the meeting to order at 8:36 A.M.

Chairperson Creasman addressed Agenda Item No. 1, the following Okeechobee Utility Authority Board Members were present:

Board Members:

Melanie Anderson*

Tommy Clay*

John Creasman*

Steve Nelson*

Tabitha Trent*

Alternates:

Glenn Sneider

Absent:

Jeff Fadley

Harry Moldenhauer

*Voting Board Members

OUA Members:

John Hayford

George Gall

Tom Conely

Michelle Willoughby

Chairperson Creasman determined the voting members and led all participating attendees and visitors in the Pledge of Allegiance.

Chairperson Creasman addressed Agenda Item No. 2 ‘Agenda Additions or Deletions’ There were no additions or deletions to the agenda. Motion by Steve Nelson to accept the Agenda as written. Second by Tommy Clay. Vote unanimous (5-0), motion carried.

Chairperson Creasman addressed Agenda Item No. 3 ‘Meeting Minutes from January 10, 2022. Motion by Steve Nelson to accept the Meeting Minutes from January 10, 2022 as written. Second by Tommy Clay. Vote unanimous (5-0), motion carried.

Chairperson Creasman addressed Agenda Item No. 4 ‘Consent Agenda’ Motion by Tommy Clay to accept the Consent Agenda as follows:

Consent Agenda Item No. 5 ‘Finance Report for the period ending January 10, 2022’

Consent Agenda Item No. 6 ‘Invoices from Holtz Consulting Engineers Inc. – Conners Gables Watermain Extension in the amounts of \$13,356.00 and \$1,484.00’

Consent Agenda Item No. 7 ‘Invoices from Eckler Engineering, Inc. – Pine Ridge Park Utility Improvement in the amounts of \$3,001.81 and \$6,003.62’

Consent Agenda Item No. 8 ‘Invoice from Sumner Engineering & Consulting, Inc – SW

Wastewater Service Area Project (Part E) in the amount of \$57,147.84'

Consent Agenda Item No. 9 'Invoice from Sumner Engineering & Consulting, Inc. – Tortoise Surveying and Permitting in the amount of \$4,485.00'

Consent Agenda Item No. 10 'Invoice from Sumner Engineering & Consulting, Inc. – SW 5th Avenue Sewer in the amount of \$12,357.12'

Consent Agenda Item No. 11 'Invoice from MacVicar Consulting, Inc. in the amount of \$250.00'

Consent Agenda Item No. 12 'Invoices from Thorn Run Partners in the amounts of \$3,500.00 and \$3,500.00'

**Consent Agenda Item No. 13 'Accounts to be Written Off'
Second by Steve Nelson. Vote Unanimous (5-0), motion carried.**

Chairperson Creasman addressed Agenda Item No. 14 'Connors Gables Watermain Extension' Executive Director Hayford discusses that in late January 2022, The OUA received quotes from three suppliers of utility materials. Staff prepared a bid tabulation and the lowest bid was submitted by Core & Main in the amount of \$37,702.70. **Motion by Steve Nelson to approve the bid submitted by Core & Main in the amount of \$37,702.70. Second by Tabitha Trent. Vote unanimous (5-0), motion carried.**

Executive Director Hayford discusses that during the first week in February, the OUA received sealed bids for the Connors Gables Water Main Extension Project. There were three bidders for the project. Executive Director Hayford informed the board that Holtz Consulting Engineers, Inc., the engineer of record for the project, is making a recommendation to award the project to PRP Construction Group, LLC in the amount of \$141,472.00. **Motion by Steve Nelson to approve the bid submitted by PRP Construction Group, LLC in the amount of \$141,472.00. Second by Tommy Clay. Vote unanimous (5-0), motion carried.**

Executive Director Hayford discusses that the next item up for consideration is the issue of the Notice of Award, staff is requesting the authorization to issue the Notice of Award to PRP Construction Group, LLC for the Connors Gables Watermain Extension. **Motion by Steve Nelson to approve the OUA Board Chair to execute the Notice of Award to PRP Construction Group, LLC. Second by Tommy Clay. Vote unanimous (5-0), motion carried.**

Chairperson Creasman addressed Agenda Item No. 15 'SWSA Mater Pump Station' Executive Director Hayford discusses that on December 22, 2021, the OUA received bids for the Southwest Service Area Master Pump Station project. At the January 10, 2022, OUA Board Meeting, a recommendation of award to Felix Associates of Florida, Inc. (Felix) was approved. The bid amount to construct the Master Pump Station is \$1,894,600.00 which was approved as an element of the Notice of Award. The Notice of Award was executed and submitted to Felix. Since that time Felix has obtained the required documents (agreement, insurance, bonds, etc.). Executive Director Hayford informs the Board that once the Notice to Proceed is executed, contract time begins and Felix will have 365 calendar days to reach substantial completion and 425 calendar days to reach final completion with time for construction beginning upon issuance of Notice to Proceed. Executive Director Hayford discusses that during the course of their project, it is the intent of the OUA to purchase several pieces of equipment (generator, odor control equipment and

pumps/control equipment). All costs associated with the purchases will be deducted from the MPS contract price. The OUA will realize a cost savings to the project since this material will be purchased tax-free. There was a brief discussion. **Motion by Tommy Clay to approve the execution of the Notice to Proceed for the SWSA Master Pump Station Project. Second by Steve Nelson. Vote unanimous (5-0), motion carried.**

Chairperson Creasman addressed Agenda Item No. 16 ‘SWSA Master Force Main – Material Bid’ Executive Director Hayford discusses that on February 9, 2022, the OUA received bids from various materials suppliers for the Southwest Service Area Master Force Main project. This bid was for material only and does not include any construction. The OUA received quotes from four suppliers of utility materials. The materials bid was produced for two main reasons. Firstly, due to COVID related issues, the utility industry, like many other industries, has seen significant delays in material deliveries. What the OUA did not want to experience, is to make an award for construction of the force main only to wait 3 – 6 months for delivery of material prior to initiating the work. Secondly, if the OUA were to purchase the material, the OUA could realize a cost reduction in the project due to the savings on a tax-free purchase. In this case, approximately \$45,000. An additional materials consideration was the piping material and diameter. Executive Director Hayford discusses that the original design called for 10-inch PVC piping. In discussions with various suppliers, the OUA was led to believe that the lead time for PVC piping was longer than HDPE piping. However, the wall thickness of the HDPE pipe versus a PVC pipe, both the same outside diameter, the inside diameter of the HDPE pipe is smaller than the inside diameter of the PVC pipe. To compensate for this loss of inside diameter, a 12-inch HDPE is required to meet the hydraulic capacity of a 10-inch PVC pipe. The SWSA MFM project hydraulically connects the SWSA project to the existing OUA owned regional pump station (NW-15) up near the airport soccer fields. This project is in the final planning stages and should go out to bid around the middle of March 2022. Executive Director Hayford discusses that OUA staff set up two different bids: one with using primarily 10-inch PVC piping and the other bid utilizing just 12-inch HDPE piping. In review of the bids, 12-inch HDPE piping does have a lower price and has a shorter delivery time. Staff prepared a bid tabulation and the lowest bid was submitted by Core & Main for the 12-inch HDPE piping in the amount of \$646,110.98. **Motion by Steve Nelson to approve the bid submitted by Core & Main of a not to exceed amount of \$646,110.98. Second by Tommy Clay. Vote unanimous (5-0), motion carried.**

Chairperson Creasman addressed Agenda Item No. 17 ‘SWSA Interconnect’ Executive Director Hayford discussed that in the design of the SWSA project, a sanitary force main connecting an existing force main on SW 3rd Avenue to the SWSA Master Pump Station (MPS) was planned. This interconnect will provide two benefits. Executive Director Hayford discusses that the first benefit is the flow from an existing force main to the MPS will assist the MPS working early on when the flows from Project 2 and the Okee-Tantie areas are minimal. Executive Director Hayford discusses the second benefit to the OUA is by diverting flow to the SWSA MPS, it will decrease the flow/loadings sent to SE-2. This station (SE-2), is currently overloaded at times. Executive Director Hayford discusses that to accomplish the task of directing flow to the SWSA MPS, a pump station was needed along the route. Executive Director Hayford discusses that a developer, 15th Street Homes LLC, has planned a development that needs a pump station to serve the site. The team contacted the developer concerning the need to locate a pump station on their site in return of allowing their development to tie in when needed. Executive Director Hayford discusses that to accomplish this goal, an Acquisition Agreement was developed and executed by the property owner. OUA Board Attorney,

Mr. Tom Conely, provided background information regarding this document and to answer questions. A closing date of April 15, 2022 was proposed. There was a brief discussion. **Motion by Steve Nelson to approve the Acquisition Agreement with a closing date of April 15, 2022 and to authorize the OUA Board Chair to execute this agreement. Second by Tommy Clay. Vote unanimous (5-0), motion carried.**

Chairperson Creasman addressed Agenda Item No. 18 ‘Okee-Tantie Engineering RFP’

Executive Director Hayford discusses that the selected engineering team has begun developing a scope of work and fee schedule for this project. They have also been busy coordinating specific aspects of the field data gathering approach. Executive Director Hayford informs the Board that due to delays encountered with previously scheduled time off and COVID, the final scope of work and fee schedule will be delivered at the March OUA Board meeting. *Informational Purposes Only.*

Chairperson Creasman addressed Agenda Item No. 19 ‘SW 5th Avenue Engineering Report’

Executive Director Hayford discusses the SW 5th Avenue Septic to Sewer Conversion Preliminary Evaluation Report prepared by Sumner Engineering & Consulting, Inc. (SEC). Mr. Jeff Sumner made a presentation of the Evaluation Report to the Board. During the presentation three methods of wastewater collection were made: gravity, vacuum and low-pressure sewer systems. Each type of system for use was evaluated in the study area and produced a preliminary cost estimate. After the presentation there was a brief discussion.

Motion by Tommy Clay to develop scope of work and fee schedule for the low-pressure system to serve the residential area of SW 7th Avenue/5th Avenue to SW 3rd Avenue to be presented at the next board meeting. Second by Steve Nelson. Vote unanimous (5-0), motion carried.

Chairperson Creasman addressed Agenda Item No. 20 ‘SWSA Project 1 Additional

Engineering Fees’ Executive Director Hayford discusses that the Okeechobee Utility Authority and Sumner Engineering & Consulting, Inc., entered in to a professional services contract (19-04) in April 2019 for the Southwest Wastewater Service Area project. Executive Director Hayford discusses that additional services are authorized on an as need basis. Executive Director Hayford discusses additional work for this project: Changing force main diameters from a previous design diameter to meet the new diameters per current availability (10” to 12” and on the other project from 6” to 8”) and adding a pump station to the SE2 Interconnect force main . Executive Director Hayford discusses that the original contract had two projects for bidding (master pump station and master force main). Current design has divided the pump station into two bids and the master force main has been divided in to two bids; we now have a total of four bids. Executive Director Hayford discusses the request for Additional work authorization in the amount of \$36,220.00 by Sumner Engineering & Consulting, Inc. **Motion by Melanie Anderson to approve the Additional Work Authorization submitted by Sumner Engineering & Consulting, Inc., in the amount of \$36,220.00. Second by Tommy Clay. Vote unanimous (5-0), motion carried.**

Chairperson Creasman addressed Agenda Item No. 21 ‘Public Comments’ There were none

Chairperson Creasman addressed Agenda Item No. 22 ‘Items from the Attorney’ Attorney Tom Conley provided the board with an update on the Beaty Easement. **Motion by Tommy Clay to**

authorize the Board Chair to sign, execute and record the Beaty Easement. Second by Steve Nelson. Vote unanimous (5-0), motion carried.

Chairperson Creasman addressed Agenda Item No. 23 ‘Items from the Executive Director’ Executive Director Hayford gave an update on current projects.

Chairperson Creasman addressed Agenda Item No. 24 ‘Items from the Board’ Executive Director Hayford discusses that at the January 2022 Meeting there was a discussion regarding moving the board meeting to the 3rd Thursday of the month. There was a brief discussion.

Motion by Steve Nelson to accept the 3rd Thursday of each month at 8:30 A.M. Second by Tabitha Trent. Vote unanimous (5-0), motion carried.

There being no other business, meeting adjourned at 9:47 A.M.

PLEASE TAKE NOTICE AND BE ADVISED that if a person decided to appeal any decision made by the Okeechobee Utility Authority with respect to any matter considered at this meeting, he/she may need to ensure that verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is to be based. A CD recording of this meeting is on file in the Executive Director’s office.

Chairperson

Executive Director (Secretary)

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 5

MARCH 17, 2022

EMPLOYEE RECOGNITION

This month the Board will recognize one employee for their years of service to the OUA.

George Gall 5 Years

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 6

MARCH 17, 2022

CONSENT AGENDA

1. Pull items for discussion from Consent Agenda.
2. Items pulled from Consent Agenda will be discussed at the end of Agenda.
3. Unless noted all Consent Agenda items are recommended for approval.
4. Motion to approve items on Consent Agenda as follows:

Agenda

7. Finance Report
8. Invoice from B & B Site Development, Inc. – SWSA Master Pump Station Site Civil Work
9. Invoice from Sumner Engineering & Consulting, Inc. – SW 5th Avenue Sewer
10. Invoice from Sumner Engineering & Consulting, Inc. – SW Wastewater Service Area Project (Part B and C)
11. Invoice from Sumner Engineering & Consulting, Inc. – SW Wastewater Service Area Project (Part E)
12. Invoice from Sumner Engineering & Consulting, Inc. – Tortoise Survey and Permitting
13. Invoice from Eckler Engineering, Inc. – Pine Ridge Park Utility Improvements
14. Invoices from Steven L. Dobbs Engineering, LLC – Engineering Services
15. Invoice from MacVicar Consulting, Inc. – Lake Okeechobee System Operating Manual
16. Invoice from Thorn Run Partners

OKEEHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 7

MARCH 17, 2022

CONSENT AGENDA

FINANCE REPORT

Attached for your review is a copy of the Finance Report for the period ending February 28, 2022.

Okeechobee Utility Authority

Finance Report

Fiscal Year 2022

As of The Period Ending February 28, 2022

OKEECHOBEE UTILITY AUTHORITY
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Okeechobee Utility Authority
Executive Summary
Prepared by Finance Director

The accompanying Finance Report is for the first five months of FY2022. It is presented for your review and information. There may be invoices received at a later date that when paid, may change these results.

For the first five months of fiscal year 2022, actual YTD operating revenues on an accrual basis are \$4,938,079 which is \$278,054 greater than the budgeted operating revenues. YTD operating expenses that have been paid are \$2,643,709 which is \$682,367 lower than operating expenses budgeted on an accrual basis. Restricted revenues are \$58,550 greater than budget. Based on this limited data, there is a positive budget variance for net operating income for the first 5 months of fiscal year 2022.

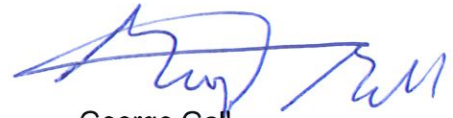
**OKEECHOBEE UTILITY AUTHORITY
BUDGET SUMMARY COMPARISON**

	Operating Revenues			Operating Expenses			Cumulative YTD Operating Budget Variance	Restricted Revenues			Cumulative YTD Restricted Budget Variance
	Actual YTD	Budget YTD	% Variance	Actual YTD	Budget YTD	% Variance		Actual YTD	Budget YTD	% Variance	
Oct-20	952,107	933,685	2.0%	304,448	665,215	54.2%	379,189	16,943	10,239	65.5%	6,704
Nov-20	1,932,264	1,867,370	3.5%	856,789	1,330,431	35.6%	538,536	37,265	20,478	82.0%	16,787
Dec-20	2,839,735	2,801,055	1.4%	1,578,441	1,995,646	20.9%	455,885	57,320	30,716	86.6%	26,604
Jan-21	3,889,449	3,728,020	4.3%	2,064,469	2,660,861	22.4%	757,821	73,453	47,675	54.1%	25,778
Feb-21	4,938,079	4,660,025	6.0%	2,643,709	3,326,076	20.5%	960,421	118,145	59,594	98.2%	58,550
Mar-21											
Apr-21											
May-21											
Jun-21											
Jul-21											
Aug-21											
Sep-21											

Utility billing accounts receivable over 90 days past due decreased \$2,499 to \$101,683 from February 28, 2021 to February 28, 2022 and decreased \$27,039 from January 31, 2022

If you have any questions, please contact me.

Respectfully,



George Gall

Okeechobee Utility Authority
FY 2022 Finance Report for February 28, 2022
The Period Ending

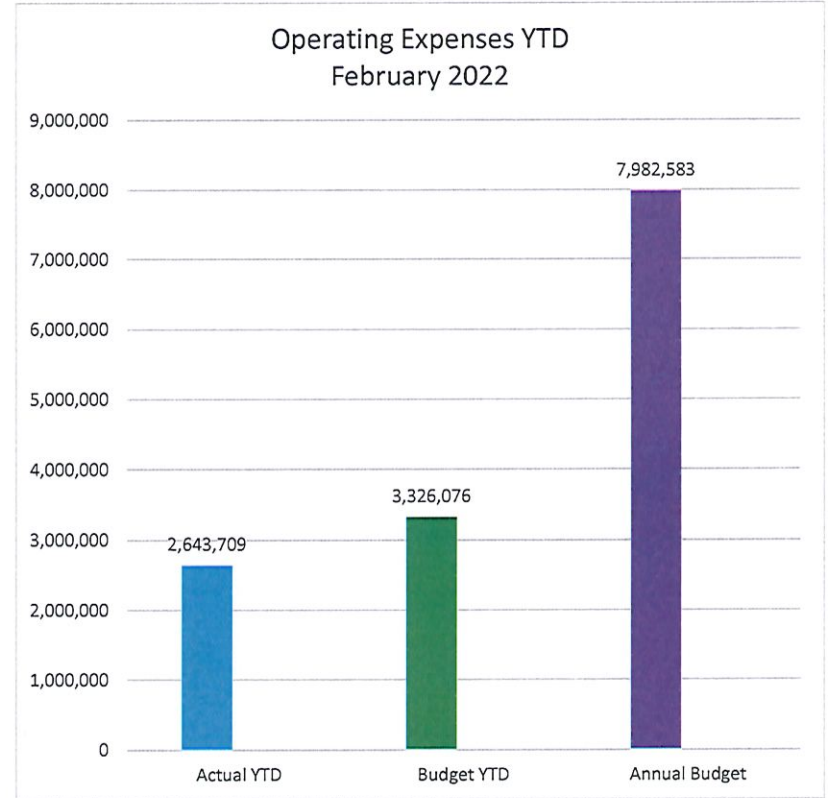
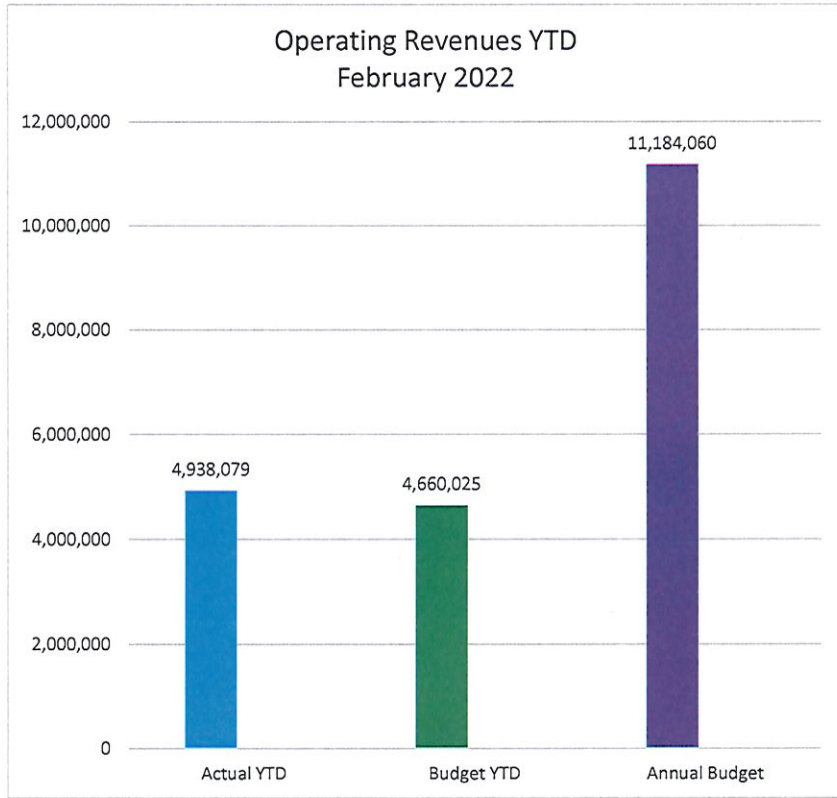
OPERATING REVENUE FUND

	Actual YTD	Budget YTD	\$ Variance	% Variance
OPERATING REVENUE:				
Water	\$ 2,934,581	\$ 2,784,768	\$ 149,814	5.4%
Sewer	\$ 1,818,012	1,725,714	92,299	5.3%
Other Operating Revenue (see detail on page 16)	\$ 185,486	149,543	35,942	24.0%
Total Operating Revenue Received	<u>\$ 4,938,079</u>	<u>\$ 4,660,025</u>	<u>\$ 278,054</u>	<u>6.0%</u>
OPERATING EXPENSES:				
Water	\$ 534,983	\$ 705,035	\$ 170,052	24.1%
Wastewater	\$ 388,988	474,625	85,637	18.0%
Meter Readers	\$ 97,600	115,642	18,042	15.6%
Maintenance	\$ 882,622	1,020,664	138,041	13.5%
Administration Operating	\$ 471,058	565,243	94,185	16.7%
General & Admin.	\$ 268,458	382,367	113,909	29.8%
Contingency Expense	\$ -	62,500	62,500	0.0%
Total Operating Expenses Paid (3) (4) (5) (6)	<u>\$ 2,643,709</u>	<u>\$ 3,326,076</u>	<u>\$ 682,367</u>	<u>20.5%</u>
Net Operating Income	<u><u>\$ 2,294,370</u></u>	<u><u>\$ 1,333,949</u></u>	<u><u>\$ 960,421</u></u>	<u><u>72.0%</u></u>

RESTRICTED REVENUE FUNDS

RESTRICTED REVENUE FUNDS RECEIVED:				
Fire Hydrant Fund Fee	\$ 39,194	\$ 36,350	\$ 2,844	7.8%
Water CC Fees (infill)	\$ 35,445	4,344	31,101	716.0%
WW CC Fees (infill)	\$ 37,881	4,050	33,831	835.3%
Operating Account Interest	\$ 3,273	8,175	(4,902)	0.0%
Payroll Account Interest	\$ 84	226	(142)	0.0%
Interest Income	\$ 2,268	6,450	(4,182)	-64.8%
TOTAL RESTRICTED REVENUE (1) (2)	<u><u>\$ 118,145</u></u>	<u><u>\$ 59,594</u></u>	<u><u>\$ 58,550</u></u>	<u><u>98.2%</u></u>
NON-OPERATING EXPENSES:				
Debt service interest expense	\$148,689	\$148,689	0	0.0%
Non-cash depreciation & amortization	\$1,111,292	\$1,130,250	18,958	1.7%
NET REVENUE BEFORE ITEMS BELOW	<u><u>\$ 1,152,534</u></u>	<u><u>\$ 114,604</u></u>	<u><u>\$ 1,000,013</u></u>	<u><u>872.6%</u></u>

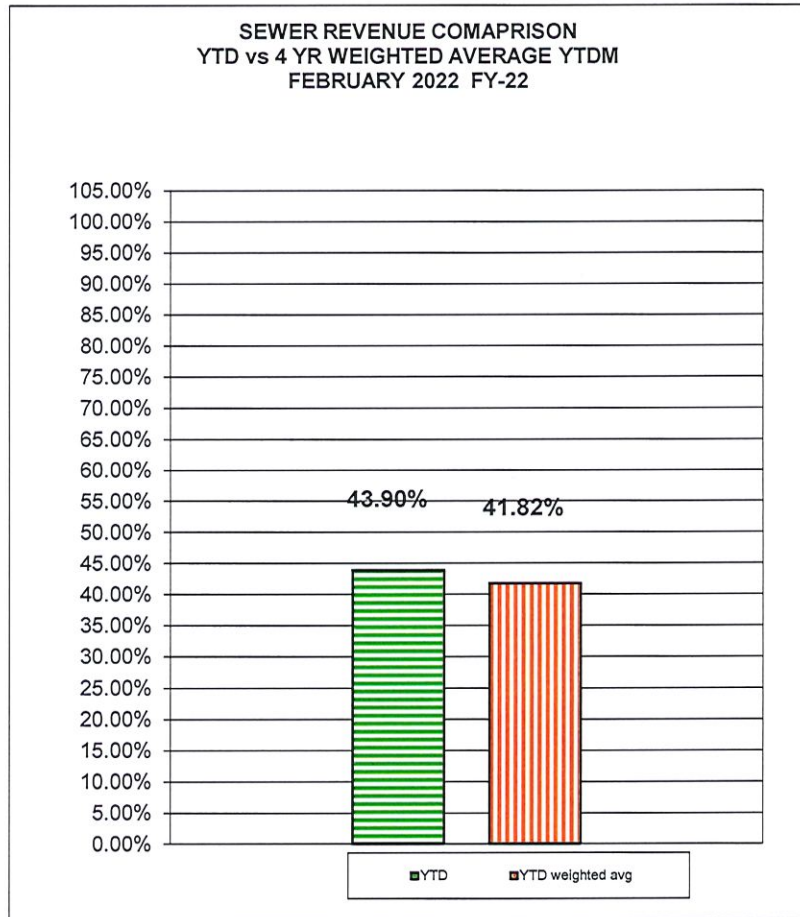
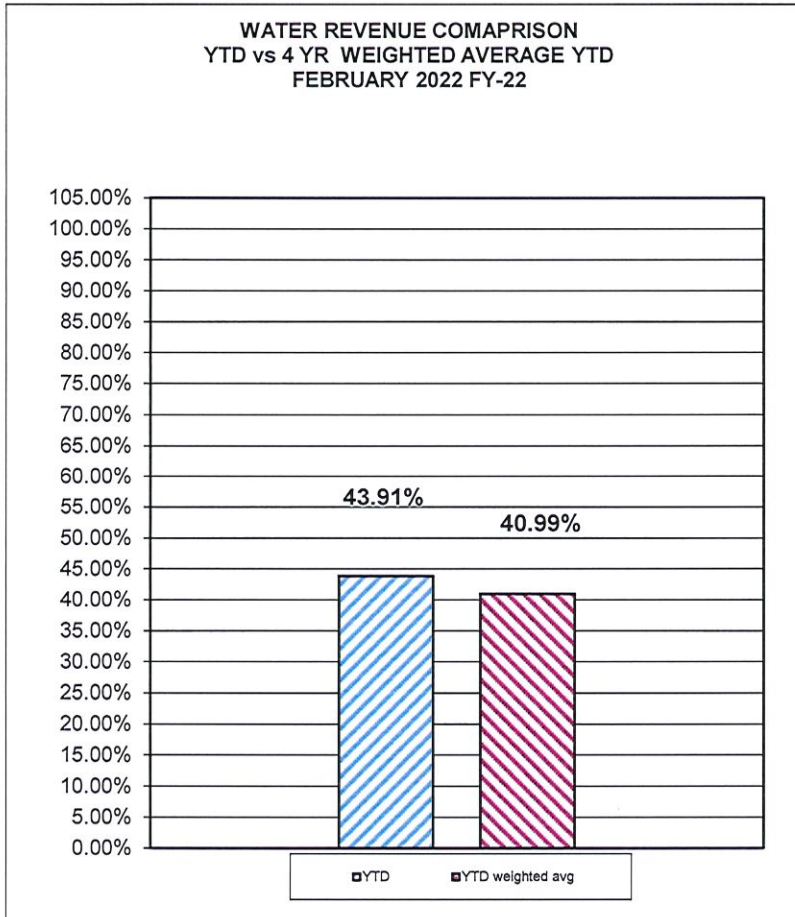
NOTES:	Actual YTD	Annual Budget	Variance
Above Revenue and Expense does not include the following:			
(1) Grant funds & state appropriations of:	\$0		
(2) Contributed capital of:	\$32,358		
(3) Debt service principal payments of:	\$0	\$2,028,142	
(4) Net Construction In Progress (CIP) Expenditures of:	\$269,210		



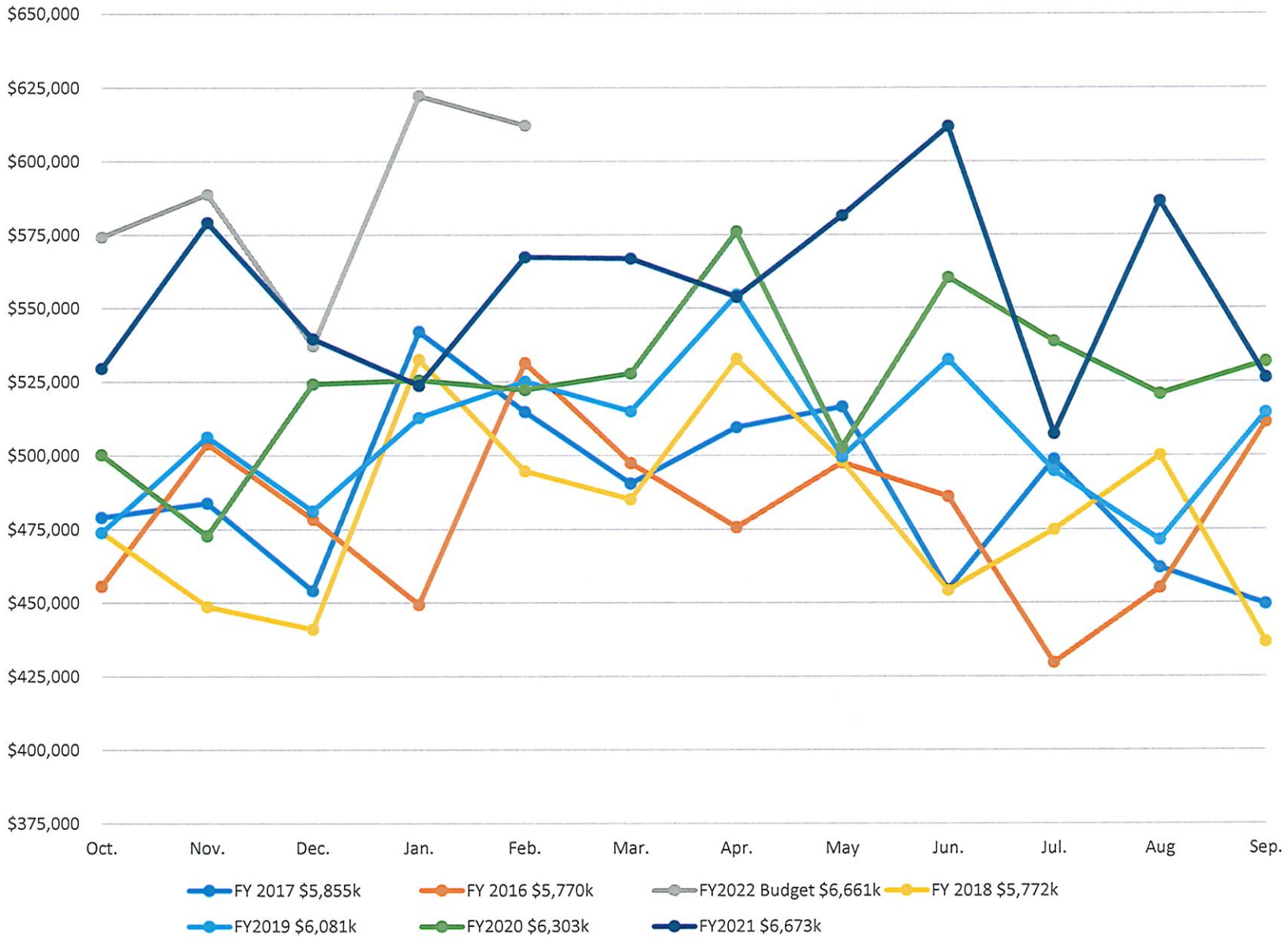
Current FY-22 Water and Sewer Utility Revenue
Monthly & YTD Revenue and Difference from 4Yr Weighted Average (in \$)

WATER UTILITY REVENUE:			Monthly \$ Difference From 4 Year Weighted Average of	% Current YTD To Budget Water Revenue	4 Yr Weighted Average %
Period	YTD	\$	\$	%	
		\$ 6,353,369		\$6,683,443	
Oct.	\$ 574,183	574,183	\$ 70,168	8.59%	7.97%
Nov.	\$ 588,819	1,163,002	\$ 69,267	17.40%	15.85%
Dec.	\$ 537,151	1,700,153	\$ 23,738	25.44%	23.85%
Jan.	\$ 622,267	2,322,420	\$ 99,324	34.75%	32.49%
Feb.	\$ 612,161	2,934,581	\$ 74,069	43.91%	40.99%
Mar.					49.40%
Apr.					58.50%
May					66.77%
Jun.					75.30%
Jul.					83.66%
Aug.					91.81%
Sep.					100.00%
SEWER UTILITY REVENUE:			Monthly \$ Difference From 4 Year Weighted Average of	% Current YTD To Budgeted Sewer Revenue	
Period	YTD	\$	\$	%	
		\$ 3,918,848		\$4,141,713	
Oct.	\$ 345,403	345,403	\$ 27,060	8.34%	8.17%
Nov.	\$ 358,045	703,448	\$ 30,170	16.98%	16.15%
Dec.	\$ 334,864	1,038,312	\$ 9,856	25.07%	24.43%
Jan.	\$ 388,267	1,426,579	\$ 66,339	34.44%	33.12%
Feb.	\$ 391,433	1,818,012	\$ 49,403	43.90%	41.82%
Mar.					50.30%
Apr.					59.36%
May					67.28%
Jun.					75.59%
Jul.					83.89%
Aug.					91.83%
Sep.					100.00%

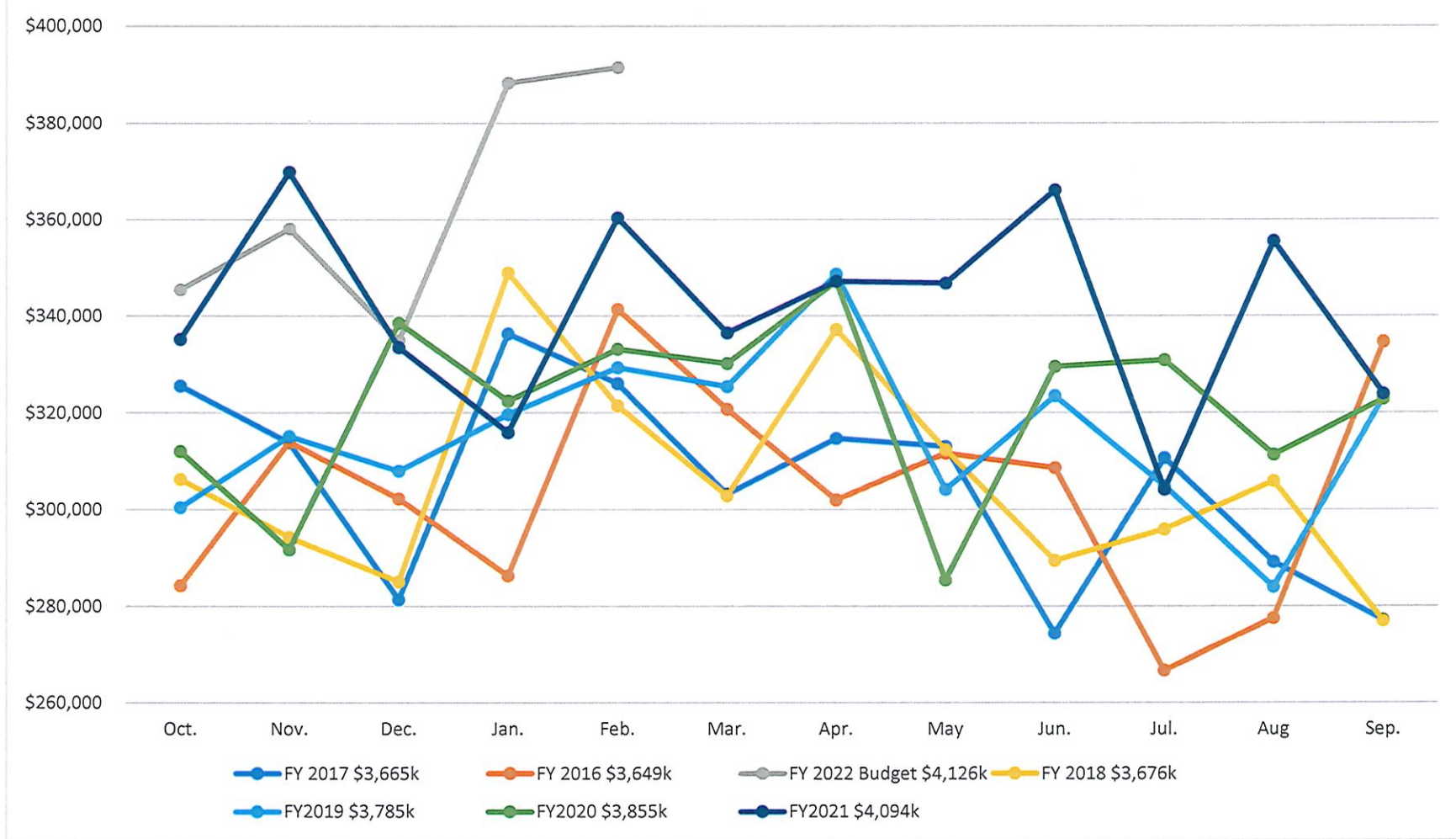
WATER AND SEWER REVENUE COMPARISON YEAR TO DATE vs 4 YEAR WEIGHTED AVERAGE YEAR TO DATE



Actual Water Revenue Comparison



Actual Wastewater Revenue Comparison

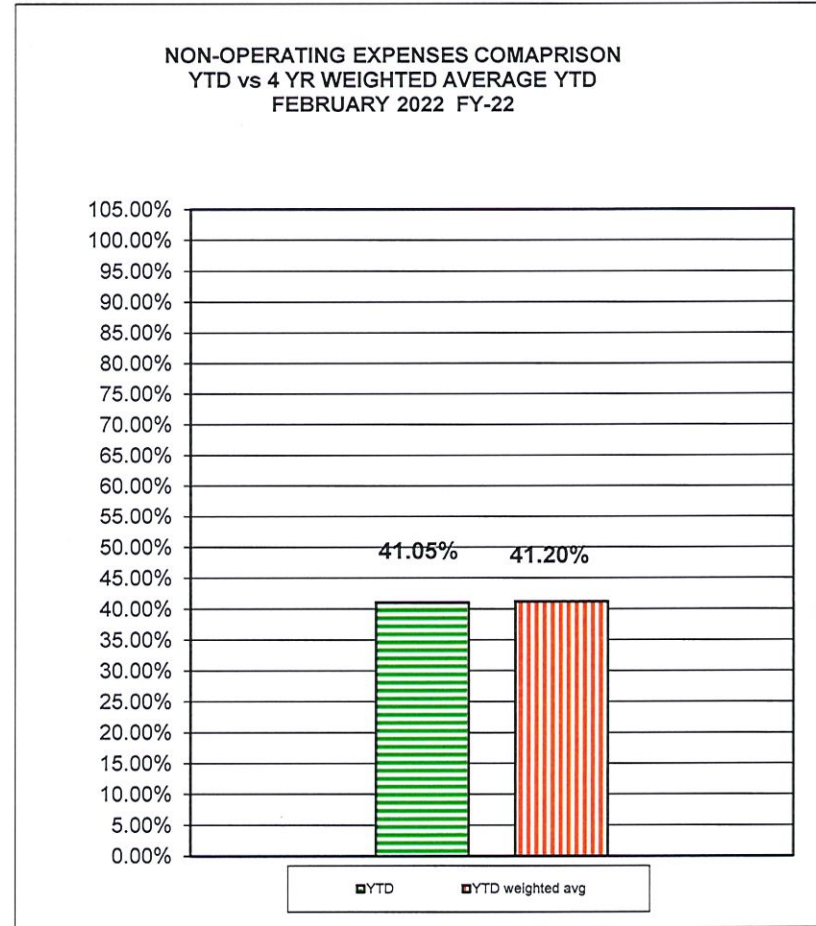
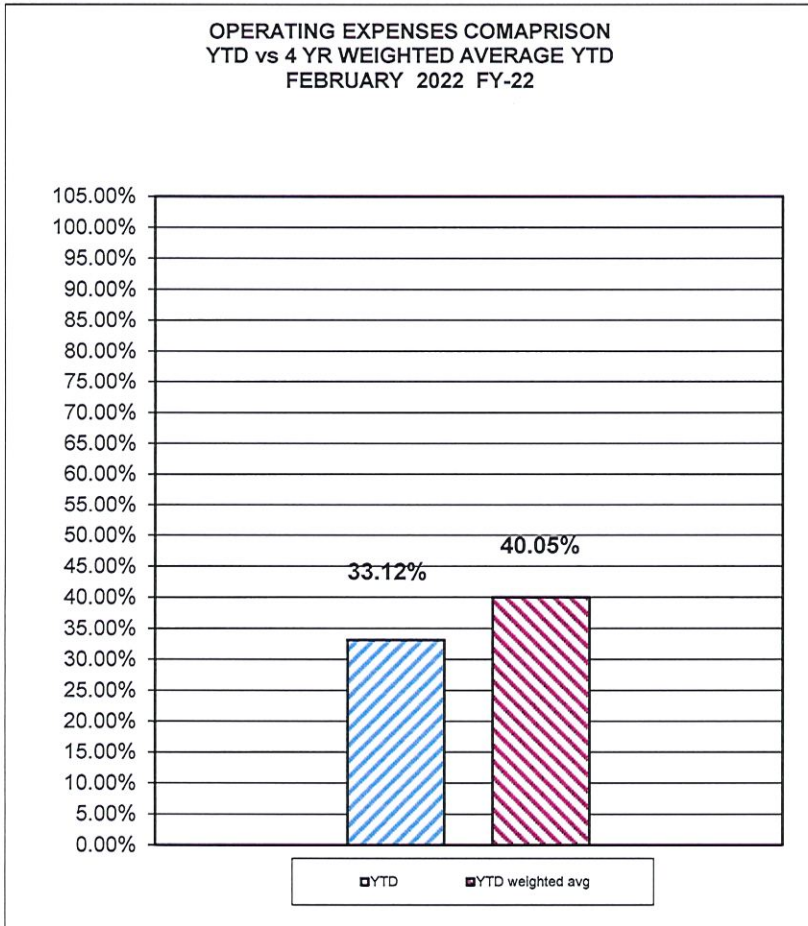


**Current FY-22 Operating & Non-Operating Expenses,
Monthly & YTD Expense and Difference from 4Yr Weighted Average (in \$)**

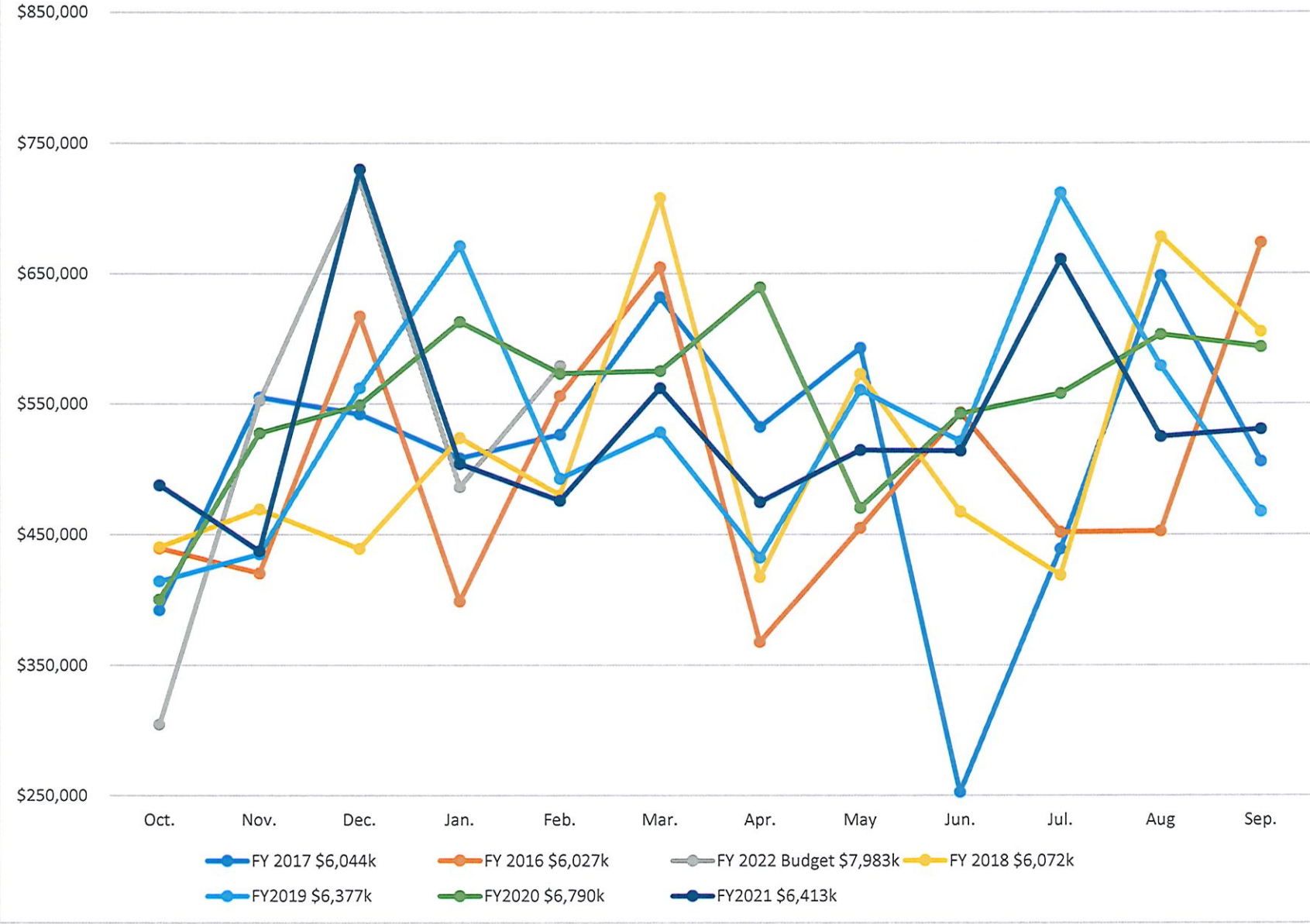
OPERATING EXPENSES:			\$ Difference	% Current YTD	4 Yr Weighted Average
			For the Month	To Budgeted	
Period	YTD	From 4 Year Weighted Avg of	Operating Exp.		
		\$ 6,484,908	\$7,982,583		
Oct.	\$ 304,448	\$ 304,448	\$ (137,422)	3.81%	6.78%
Nov.	\$ 552,341	\$ 856,789	\$ 85,300	10.73%	14.34%
Dec.	\$ 721,652	\$ 1,578,441	\$ 108,757	19.77%	22.82%
Jan.	\$ 486,028	\$ 2,064,469	\$ (85,873)	25.86%	31.94%
Feb.	\$ 579,240	\$ 2,643,709	\$ 70,467	33.12%	40.05%
Mar.					50.00%
Apr.					57.12%
May					66.16%
Jun.					73.46%
Jul.					82.17%
Aug.					92.02%
Sep.					100.00%
NON-OPERATING EXPENSES:			\$ 3,151,769	\$3,069,454	
			\$ Difference For the Month	% Current YTD To Budgeted	
			From 4 Year Weighted Avg of	Non-Oper. Exp.	
Oct.	\$ 251,996	\$ 251,996	\$ (4,911)	8.21%	8.20%
Nov.	\$ 251,996	\$ 503,992	\$ (2,594)	16.42%	16.40%
Dec.	\$ 251,996	\$ 755,988	\$ (3,793)	24.63%	24.70%
Jan.	\$ 251,997	\$ 1,007,985	\$ (3,770)	32.84%	32.99%
Feb.	\$ 251,996	\$ 1,259,981	\$ (4,080)	41.05%	41.20%
Mar.					49.42%
Apr.					57.60%
May					65.74%
Jun.					74.08%
Jul.					82.41%
Aug.					90.72%
Sep.					100.00%

OPERATING AND NON-OPERATING EXPENSE COMPARISON

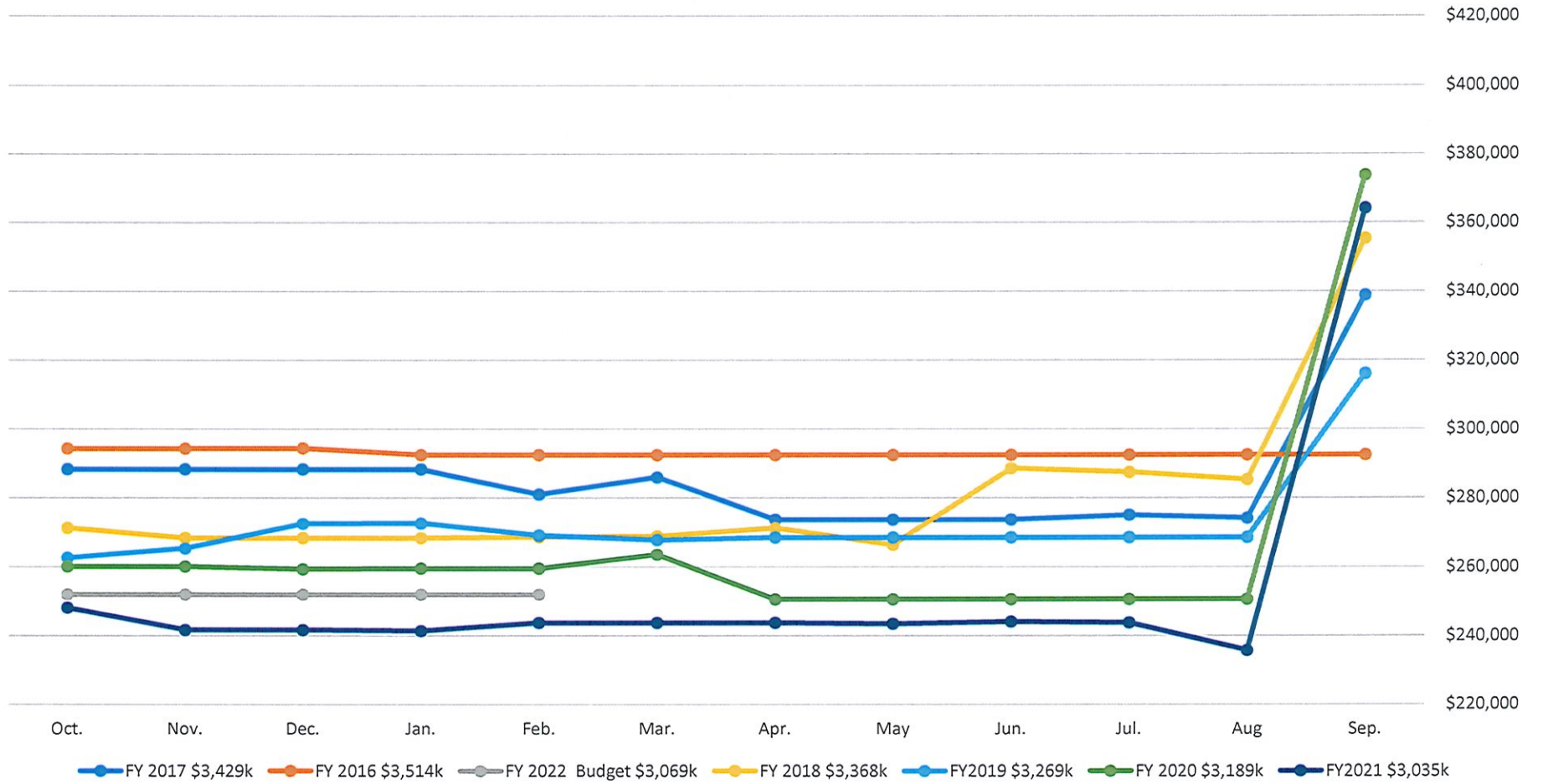
YEAR TO DATE vs 4 YEAR WEIGHTED AVERAGE YEAR TO DATE



Actual Operating Expense Comparison



Actual Non Operating Expenditure Comparison



	A	B	X	Z	AA	AB	AC
84							
85	Okeechobee Utility Authority		Audit		OUA prepared		OUA prepared
86	Statement of Cash Flows						
87	Basis of Accounting		Accrual Basis for Revenues		Accrual Basis for Revenues		Accrual Basis for Revenues
88			Accrual Basis for Expenses		Accrual Basis for Expenses		Cash Basis for Expenses
89							
90			Sept 30, 2020		Sept 30, 2021		February 28, 2022
91			12 Months		12 Months		5 Months
92							
93	Cash Flows from Operations						
94	Operating Income		1,137,636		2,679,336		1,182,979
95	Depreciation & Amortization		2,746,474		2,630,853		1,111,292
96	Increase (decrease) in cash from changes in accounts receivable		(416,787)		(384,962)		925,205
97	Increase (decrease) in cash from changes in accounts payable		(394,791)		15,521		(505,762)
98	Increase (decrease) in cash from changes in other assets		372,929		(1,438,669)		(258,458)
99	Increase (decrease) in cash from changes in other liabilities		(388,909)		1,091,556		117,345
100	Cash provided (used) by operations		3,056,552		4,593,635		2,572,600
101							
102	Cash Flows from Nonoperating Revenues/Expenses						
103	Capital connection & hydrant fees		97,282		230,218		112,520
104	Interest revenue		157,694		47,914		5,625
105	Debt issuance costs		(55,500)		0		0
106	Interest expense		(613,093)		(523,113)		(148,689)
107	Cash provided (used) by nonoperating activities		(413,617)		(244,980)		(30,545)
108							
109	Cash Flows from Capital and Financing Activities						
110	Purchase of equipment, computer hardware, & technology equipment		(342,552)		(477,117)		(92,490)
111	Construction in progress		(4,913,908)		(2,551,029)		(269,209)
112	Acquisition of land, easements and related costs		(252,195)		(34,500)		(45,182)
113	Sale of land and equipment		8,610		29,501		
114	Gain (Loss) on sale of land and equipment		2,310		37,022		100
115	Bond principal payments		(1,287,391)		(2,028,142)		-
116	Grant revenue & FEMA reimbursement		1,154,965		1,497,834		-
117	Capital contributions from developers		224,430		78,020		32,358
118	Cash provided (used) by capital / financing activities		(5,405,731)		(3,448,411)		(374,423)
119							
120	Net increase (decrease) in cash and investments		(2,762,796)		900,244		2,167,633

OKEECHOBEE UTILITY AUTHORITY
Statement of Net Assets
02/28/2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents		\$	2,827,957.38
Unrestricted assets:			
Investments			0.00
Interest receivable			0.00
Grants receivable			
Restricted assets:			
Cash and cash equivalents			9,442,928.17
Investments			0.00
Interest receivable			0.00
Receivables:			
Accounts receivable			1,527,657.77
less allowance for uncollectible accounts			-177,916.97
Inventories			613,329.47
Prepaid Expenses			281,710.45
Total current assets			14,515,666.27

NONCURRENT ASSETS

Capital assets:

Land			2,823,005.11
Utility plants, buildings and equipment			106,564,177.29
			109,387,182.40
Less accumulated depreciation			-49,994,626.10
			59,392,556.30
Construction in progress			3,139,504.26
Total capital assets			62,532,060.56

Other Assets:

Net Pension Asset			1,904,107.00
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Deferred Charges:

Deferred Pension Outflows - Actuarial and Prepaid			138,282.00
Deferred loss on bond refunding, net			553,788.00
Total Deferred charges:			692,070.00

Total noncurrent assets			65,128,237.56
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TOTAL ASSETS		\$	79,643,903.83
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	39,182.03
Accrued expenses		3,978.69
Due to other governments		45,397.11
Bonds payable (current)		2,073,095.68
Accrued compensated absences (current)		290,749.31
Payable from restricted assets		
Accrued interest		152,378.57
Customer Deposits		668,202.19
Total current liabilities		<u>3,272,983.58</u>

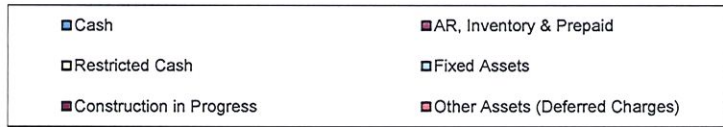
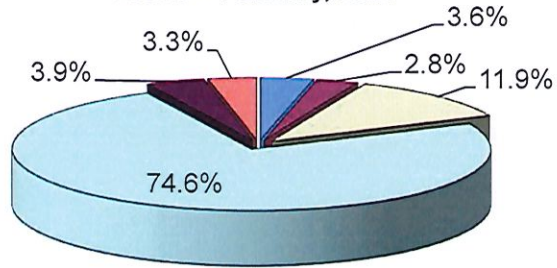
NONCURRENT LIABILITIES

Long-term portion of bonds payable, net		16,922,603.84
Accrued OPEB payable		45,523.00
Net Pension Liability		0.00
Deferred Pension Inflow from Actuarial Calculation		1,641,218.00
Unearned revenues:		
Developer agreements		424,402.36
Total noncurrent liabilities		<u>19,033,747.20</u>
TOTAL LIABILITIES		<u>22,306,730.78</u>

NET POSITION

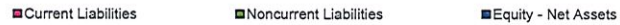
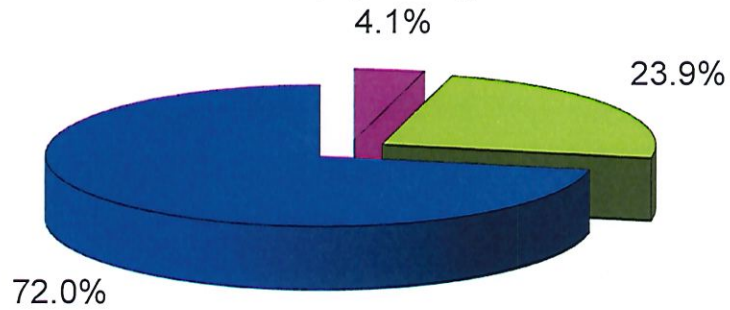
Invested in capital assets, net of related debt		44,731,657.00
Restricted for capital projects		2,361,411.00
Restricted for debt service		481,018.00
Restricted for Rate Stabilization		1,339,359.00
Restricted for Pension Benefits		1,904,107.00
Unrestricted		5,334,728.88
YTD Surplus of Revenue over Expenses		1,184,892.17
Total net position		<u>57,337,173.05</u>
TOTAL LIABILITIES AND NET POSITION	\$	<u>79,643,903.83</u>

Assets - February, 2022



Cash	2,827,957	3.6%
AR, Inventory & Prepaid	2,244,781	2.8%
Restricted Cash	9,442,928	11.9%
Fixed Assets	59,392,556	74.6%
Construction in Progress	3,139,504	3.9%
Other Assets (Deferred Charges)	2,596,177	3.3%
Total Assets	79,643,904	

Liabilities & Equity February, 2022



Current Liabilities	3,272,984	4.1%
Noncurrent Liabilities	19,033,747	23.9%
Equity - Net Assets	57,337,173	72.0%
Total Liab & Equity	79,643,904	

Okeechobee Utility Authority
 Detail of February 28, 2022 Other Operating Revenue
 Data Per General Ledger Account Balances For Finance Report

Accounts included in Other Operating Revenue:	Actual Amount YTD	Amount Per Budget YTD	\$ Variance From Budget YTD
Install Fees-Water	\$ 14,656	\$ 2,760	\$ 11,896
Private Fire Protection	\$ 35,716	33,829	1,887
Turn on/off Fees	\$ 25,810	26,480	(670)
Other Revenue-Water A	\$ 7,056	6,960	95
Install Fees-Sewer	\$ 1,608	2,650	(1,042)
Kings Bay Sewer Maint. Fees	\$ 8,117	4,517	3,600
Other Revenue-Sewer B	\$ 1,215	1,020	195
Penalties & Late Charges	\$ 53,418	53,693	(275)
Gain/Loss Sale of Assets C	100	0	100
Ag Land Lease	\$ 3,515	0	3,515
Merchant & Misc. Revenue D	\$ 34,275	17,635	16,640
Totals	\$ 185,486	\$ 149,543	\$ 35,942

- A Other Revenue-Water includes:
 - Water service inspection fees
 - Backflow prevention fees
 - After hours charges
 - Meter relocation charges
 - Bench test charges
- B Other Revenue-Sewer includes:
 - Wastewater service line inspection fees
- C Gain/Loss on Sale of Assets
- D Miscellaneous Revenue includes:
 - Administration charges
 - Charges for damage and repair to system:
 - Parts and labor used
 - Equipment charges

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 8

MARCH 17, 2022

CONSENT AGENDA

**INVOICE FROM B & B SITE DEVELOPMENT, INC – SWSA MASTER PUMP STATION
SITE CIVIL WORK**

Please find attached the invoice in the amount of \$10,644.84 submitted by B & B Site Development, Inc. Staff is aware of the work currently being done by B & B Site Development, Inc. and is in agreement with these requests.

Invoice Date	Pay Request No.	Date Paid	Amt. Requested	Amount Paid	Remaining Balance
					\$97,459.00
Mar-22	1		\$10,644.84		\$86,814.16

Staff recommends approval of this invoice in the amount of \$10, 644.84 to B & B Site Development, Inc.



March 1, 2022

Okeechobee Utility Authority
100 SW 5th Avenue
Okeechobee, FL 34974

**RE: Master Pump Station Civil Site Work Project
B&B Site Development, Inc. – Pay Application No. 1**

Mr. Hayford:

Please find attached Pay Application No. 1 for the above-referenced project, recommended for payment in the amount of \$10,644.84, which covers work confirmed to have been completed for the period from Notice to Proceed to February 28, 2022, less the required 10% retainage.

If you have any questions, please do not hesitate to contact us.

Sincerely,
Sumner Engineering & Consulting, Inc.

Jeffrey M. Sumner, PE
President

cc: Bill Lynch (via email)

Application and Certificate for Payment

TO OWNER: *Okeechobee Utility Authority*
 100 SW 5th Avenue
 Okeechobee, FL 34974

PROJECT: *SWSA Master Pump Station Site Civil Work*

FROM

CONTRACTOR: *B&B Site Development, Inc.*
 1505 S Parrott Avenue
 Okeechobee, FL 34974

Engineer: Sumner Engineering-
 and Consulting, Inc.

APPLICATION NO: **1**

PERIOD TO: **2/28/2022**

Contract Date: 10-Jan-22

NTA Date: December 15, 2021

Eng. Project No.: 19-04

Distribution to:

OWNER:	<input checked="" type="checkbox"/>
ARCHITECT:	<input checked="" type="checkbox"/>
CONTRACTOR:	<input type="checkbox"/>
FIELD:	<input type="checkbox"/>
OTHER:	<input type="checkbox"/>

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$ 97,459.00
2. NET change by Change Orders	\$ -
3. CONTRACT SUM TO DATE (Line 1+2)	\$ 97,459.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) ...	\$ 11,827.60
5. RETAINAGE:	
a. 10% % Of Completed Work	\$ 1,182.76
(Column D+E on G703)	
b. 0% % of Stored Material	\$ -
(Column F on G703)	
Total Retainage (Lines 5a+5b or Total in Column I of G703)	\$ 1,182.76
6. TOTAL EARNED LESS RETAINAGE	\$ 10,644.84
(Line 4 less Line 5 Total)	
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT	\$ -
(Line 6 from prior Certificate)	
8. CURRENT PAYMENT DUE	\$ 10,644.84
9. BALANCE TO FINISH, INCLUDING RETAINAGE	
(Line 3 less Line 6)	\$ 86,814.16

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS	\$ -	\$ -
NET CHANGES by Change Order	\$	-

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: *B&B Site Development, Inc*
 By: *Michael S. Babin* Date: *2-1-2022*
 State of: FLORIDA County of: OKEECHOBEE
 Subscribed and sworn to before me this ____ day of _____ 2018.

Notary Public:
 My Commission expires:

ARCHITECT'S CERTIFICATE FOR PAYMENT ENGINEER'S

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED **\$10,644.84**

(Attached explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT/ENGINEER: Jeffrey M. Sumner, PE
 By: *[Signature]* DATE: **03/01/2022**

This certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

Continuation Sheet
From: B&B Site Development, Inc.
To: Okeechobee Utility Authority
Page 2 of 2

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT,

containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 1

APPLICATION DATE: 2/28/2022

PERIOD TO: 2/28/2022

Engineers PROJECT NO: 19-04

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D+E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G / C)		
1	Mob and Demob	\$ 4,664.00		\$ 2,332.00		\$ 2,332.00	50%	\$ 2,332.00	\$ 233.20
2	Indemnification	\$ 500.00				\$ -	0%	\$ 500.00	\$ -
3	Maintenance of Traffic	\$ 1,500.00		\$ 750.00		\$ 750.00	50%	\$ 750.00	\$ 75.00
4	Existing Utility Location	\$ 500.00				\$ -	0%	\$ 500.00	\$ -
5	Environmental/NPDES	\$ 500.00				\$ -	0%	\$ 500.00	\$ -
6	Clearing/Grubbing (incl. tree rem)	\$ 25,680.00		\$ 513.60		\$ 513.60	2%	\$ 25,166.40	\$ 51.36
7	Dry Dentention Area	\$ 3,363.00				\$ -	0%	\$ 3,363.00	\$ -
8	36' RCP	\$ 8,232.00		\$ 8,232.00		\$ 8,232.00	100%	\$ -	\$ 823.20
9	36" M/E.S.(incl backfill/subgrade	\$ 5,500.00		\$ -		\$ -	0%	\$ 5,500.00	\$ -
10	Field Fence	\$ 15,525.00				\$ -	0%	\$ 15,525.00	\$ -
11	Ranch Gates	\$ 2,400.00				\$ -	0%	\$ 2,400.00	\$ -
12	Lime Rock Drive	\$ 9,555.00				\$ -	0%	\$ 9,555.00	\$ -
13	Acess Drive Stabilization	\$ 9,540.00				\$ -	0%	\$ 9,540.00	\$ -
14	Owner's Allowanc e	\$ 10,000.00				\$ -	0%	\$ 10,000.00	\$ -
15									
16									
	GRAND TOTAL	\$ 97,459.00	\$ -	\$ 11,827.60	\$ -	\$ 11,827.60	12%	\$ 85,631.40	\$ 1,182.76

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 9

MARCH 17, 2022

CONSENT AGENDA

**INVOICE FROM SUMNER ENGINEERING & CONSULTING, INC. – SW 5TH AVENUE
SEWER**

Please find attached the invoice in the amount of \$10,445.70 submitted by Sumner Engineering & Consulting, Inc. Staff is aware of the work currently being done by Sumner Engineering & Consulting, Inc. and is in agreement with these requests.

Invoice Date	Pay Request No.	Date Paid	Amt. Requested	Amount Paid	Remaining Balance
					\$46,588.00
Apr-21	1	Apr-21		\$5,445.24	\$41,142.76
Sep-21	2	Sep-21		\$6,985.68	\$34,157.08
Oct-21	3	Oct-21		\$1,355.94	\$32,801.14
Dec-21	4	Dec-21		\$4,088.80	\$28,712.34
Jan-22	5	Jan-22		\$5,909.52	\$22,802.82
Feb-22	6	Feb-22		\$12,357.12	\$16,355.22
Mar-22	7		\$10,445.70		

Staff recommends approval of this invoice in the amount of \$10,445.70 to Sumner Engineering & Consulting, Inc.



Invoice

BILL TO

March 7, 2022

Okeechobee Utility Authority
100 SW 5th Avenue
Okeechobee, Florida 34974

Invoice No. 1445
SW 5th Avenue Sewer PER (SEC Proj. No. 20-10)
OUA Purchase Order No. 10711

Task	Contract Amount	Percent Complete	Amount Complete	Previously Billed	Invoice Amount
A1 – Project Management & Meetings	\$3,690.00	100%	\$3,690.00	\$2,952.00	\$738.00
A2 – Preliminary Evaluation Report	\$39,048.00	100%	\$39,048.00	\$33,190.30	\$5,857.70
A3 – Funding Sources & Opportunities Review	\$3,850.00	100%	\$3,850.00	\$0.00	\$3,850.00
				TOTAL:	\$10,445.70

Total Purchase Order Amount: \$46,588.00
Total Billed to Date: \$46,588.00
Total Billed this Invoice: \$10,445.70

For services rendered January 30 – March 6, 2022.

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 10

MARCH 17, 2022

CONSENT AGENDA

**INVOICES FROM SUMNER ENGINEERING & CONSULTING, INC. – SW
WATERWATER SERVICE AREA PROJECT (PART B AND C)**

Please find attached the invoice in the amount of \$27,996.69 submitted by Sumner Engineering & Consulting, Inc. Staff is aware of the work currently being done by Sumner Engineering & Consulting, Inc. and is in agreement with this request.

Invoice Date	Pay Request No.	Date Paid	Amt. Requested	Amount Paid	Remaining Balance
					\$724,136.00
Apr-20	1	Apr-20		\$48,503.60	\$675,632.40
May-20	2	May-20		\$38,802.88	\$636,829.52
Jun-20	3	Jun-20		\$33,952.52	\$602,877.00
Aug-20	4	Aug-20		\$87,306.48	\$515,570.52
Sep-20	5	Sep-20		\$43,653.24	\$471,917.28
Nov-20	6	Nov-20		\$77,605.76	\$394,311.52
Jan-21	7	Jan-21		\$38,802.88	\$355,508.64
Feb-21	8	Feb-21		\$38,802.88	\$316,705.76
Apr-21	9	Apr-21		\$43,653.24	\$273,052.52
Jul-21	9	Jul-21		\$19,401.44	\$253,651.08
Oct-21	10	Oct-21		\$7,275.54	\$246,375.54
Dec-21	11	Dec-21		\$10,592.40	\$235,783.14
Jan-22	12	Jan-22		\$13,491.60	\$222,291.54
Feb-22	13	Feb-22		\$27,996.69	\$194,294.85
Mar-22	14		\$27,996.69		\$166,298.16

Staff recommends approval of this invoice in the amount of \$27,996.69 to Sumner Engineering & Consulting, Inc.

The Southwest Service Area (SWSA) septic to sewer project has three separate segments or phases which can be described as follows:

Project 1 (Parts B & C)

- Master Pump Station (MPS) – to be constructed on the parcel purchased from the School Board. This pump station is designed to accept wastewater flows from the SWSA collection area, SE2 Interconnect Forcemain, Okee-Tantie Area forcemain and wastewater flow from the undeveloped areas in the immediate vicinity of the MPS.
- Master Forcemain System (MFS) – this new proposed piping system connects the SWSA MPS to an existing OUA pump station, which in turn pumps to the regional OUA owned treatment facility located on Cemetery Road.



Invoice

BILL TO

March 7, 2022

Okeechobee Utility Authority
100 SW 5th Avenue
Okeechobee, Florida 34974

Invoice No. 1447

SW Wastewater Service Area Project (SEC Proj. No. 19-04)

Part B – SWSA Project 1 Design, Permitting & Bidding, and Part C – Construction Phase Services

OUA Purchase Order No. 10264

Task	Contract Amount	Percent Complete	Amount Complete	Previously Billed	Invoice Amount
B1 – Design and Permitting	\$505,036	96.3%	\$486,349.67	\$477,760.46	\$8,589.21
• <i>Original Authorization</i>	<i>\$485,036</i>				
• <i>Change Order</i>	<i>\$20,000</i>				
B2 – Bidding Services	\$43,380	59.5%	\$25,811.10	\$24,084.00	\$1,727.10
• <i>Original Authorization</i>	<i>\$27,160</i>				
• <i>Change Order</i>	<i>\$16,220</i>				
C – Construction Services	\$211,940	T&M	\$17,680.38	\$0.00	\$17,680.38
				TOTAL:	\$27,996.69

Total Purchase Order Amount: \$724,136.00

Total Billed to Date: \$529,841.15

Total Billed this Invoice: \$ 27,996.69

For services rendered through January 2 – February 28, 2022.

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 11

MARCH 17, 2022

CONSENT AGENDA

INVOICES FROM SUMNER ENGINEERING & CONSULTING, INC. – SW WASTEWATER SERVICE AREA PROJECT (PART E)

Please find attached the invoice in the amount of \$33,336.24 submitted by Sumner Engineering & Consulting, Inc. Staff is aware of the work currently being done by Sumner Engineering & Consulting, Inc. and is in agreement with this request.

Invoice Date	Pay Request No.	Date Paid	Amt. Requested	Amount Paid	Remaining Balance
					\$1,141,783.00
Jun-21	1	Jun-21		\$19,783.98	\$1,121,999.02
Jul-21	2	Jul-21		\$28,576.86	\$1,093,422.16
Aug-21	3	Aug-21		\$17,585.76	\$1,075,836.40
Sep-21	4	Sep-21		\$61,550.16	\$1,014,286.24
Oct-21	5	Oct-21		\$68,144.82	\$946,141.42
Dec-21	6	Dec-21		\$15,387.54	\$930,753.88
Jan-22	7	Jan-22		\$84,990.00	\$845,763.88
Feb-22	8	1-Feb		\$57,147.84	\$788,616.04
Mar-22	9		\$33,336.24		\$755,279.80

Staff recommends approval of this invoice in the amount of \$33,336.24 to Sumner Engineering & Consulting, Inc.

The Southwest Service Area (SWSA) septic to sewer project has three separate segments or phases which can be described as follows:

Project 2 Collection System

- Oak Lake Estates (Part D)
- Collection system for the Oak Lake Estates area only
- SWSA (Part E)
- The collection piping and two vacuum pump stations for all of the remaining service area



Invoice

BILL TO

March 2, 2022

Okeechobee Utility Authority
100 SW 5th Avenue
Okeechobee, Florida 34974

Invoice No. 1441

SW Wastewater Service Area Project (SEC Proj. No. 19-04)

Part E – SWSA Project 2 Design, Permitting and Construction Phase Services

OUA Purchase Order No. 10829

Task	Contract Amount	Percent Complete	Amount Complete	Previously Billed	Invoice Amount
E1 – Preliminary Design and Permitting	\$219,822	100%	\$219,822.00	\$219,822.00	\$0.00
E2 – Final Design and Permitting	\$476,232	35%	\$166,681.20	\$133,344.96	\$33,336.24
E3 – Bidding and Negotiation Phase	\$34,778	0%	\$0.00	\$0.00	\$0.00
E4 – Construction Phase Services (excl. RPR)	\$147,500	0%	\$0.00	\$0.00	\$0.00
E5 – Post-Construction Phase Services	\$20,784	0%	\$0.00	\$0.00	\$0.00
E6 – Resident Project Representative (T&M)	\$242,667	0%	\$0.00	\$0.00	\$0.00
				TOTAL:	\$33,336.24

Total Purchase Order Amount: \$1,141,783.00

Total Billed to Date: \$ 386,503.20

Total Billed this Invoice: \$ 33,336.24

For services rendered January 30 – February 26, 2022.

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 12

MARCH 17, 2022

CONSENT AGENDA

**INVOICES FROM SUMNER ENGINEERING & CONSULTING, INC. – TORTOISE
SURVEYING AND PERMITTING**

Please find attached the invoice in the amount of \$2,415.00 submitted by Sumner Engineering & Consulting, Inc. Staff is aware of the work currently being done by Sumner Engineering & Consulting, Inc. and is in agreement with this request.

Invoice Date	Pay Request No.	Date Paid	Amt. Requested	Amount Paid	Remaining Balance
					\$6,900.00
Feb-22	1	Feb-22		\$4,485.00	\$2,415.00
Mar-22	2		\$2,415.00		\$0.00

Staff recommends approval of this invoice in the amount of \$2,415.00 to Sumner Engineering & Consulting, Inc.



Invoice

BILL TO

March 7, 2022

Okeechobee Utility Authority
100 SW 5th Avenue
Okeechobee, Florida 34974

Invoice No. 1446

SWSA Project 1 (SEC Proj. No. 19-04)

OUA Purchase Order No. 11063 (Tortoise Survey and Permitting – MPS Site)

Task	Contract Amount	Percent Complete	Amount Complete	Previously Billed	Invoice Amount
Tortoise Field Survey and Permitting Application	\$6,900.00	100%	\$6,900.00	\$4,485	\$2,415.00
				TOTAL:	\$2,415.00

Total Purchase Order Amount: \$6,900.00

Total Billed to Date: \$6,900.00

Total Billed this Invoice: \$2,415.00

For services rendered through January 30 – March 5, 2022.

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 13

MARCH 17, 2022

CONSENT AGENDA

INVOICES FROM ECKLER ENGINEERING, INC. – PINE RIDGE PARK UTILITY IMPROVMENT

Please find attached invoice in the amount of \$12,007.24 submitted by Eckler Engineering, Inc. Staff is aware of the work currently being done by Eckler Engineering, Inc. and is in agreement with this request.

Invoice Date	Pay Request No.	Date Paid	Amt. Requested	Amount Paid	Remaining Balance
					\$145,600.00
May-20	1	May-20		\$2,912.00	\$142,688.00
Jun-20	2	Jun-20		\$11,648.00	\$131,040.00
Jul-20	3	Jul-20		\$32,032.00	\$99,008.00
Aug-20	4	Aug-20		\$14,560.00	\$84,448.00
Aug-20	Change Order #1		\$21,000.00		\$105,448.00
Sep-20	5	Sep-20		\$22,148.00	\$83,300.00
Oct-20	6	Oct-20		\$24,990.00	\$58,310.00
Nov-20	7	Nov-20		\$19,992.00	\$38,318.00
Dec-20	8	Dec-20		\$4,998.00	\$33,320.00
Dec-20	Change Order #2		\$22,000.00		\$55,320.00
Jan-21	9	Jan-21		\$8,170.00	\$47,150.00
Feb-21	10	Feb-21		\$18,860.00	\$28,290.00
Mar-21	11	Mar-21		\$9,430.00	\$18,860.00
Apr-21	12	Apr-21		\$3,772.00	\$15,088.00
May-21	13			\$1,886.00	\$13,202.00
	Change Order #3		\$111,581.00		\$124,783.00
Jun-21	14	Jun-21		\$7,712.41	\$117,070.59
Jul-21	15	Jul-21		\$12,007.24	\$105,063.35
Aug-21	16	Aug-21		\$9,005.43	\$96,057.92
Sep-21	17	Sep-21		\$30,018.10	\$66,039.82
Oct-21	18	Oct-21		\$15,009.05	\$51,030.77
Nov-21	19	Nov-21		\$9,005.43	\$42,025.34
Dec-21	20	Dec-21		\$9,005.43	\$33,019.91
Jan-22	21	Feb-22		\$3,001.81	\$30,018.10
Feb-22	22	Feb-22		\$6,003.62	\$24,014.48
Mar-22	23		\$12,007.24		\$12,007.24

Staff recommends approval of these invoices in the amount of \$12,007.24 to Eckler Engineering, Inc.

Invoice



Mr. John Hayford, P.E.
 Okeechobee Utility Authority
 100 SW 5th Avenue
 Okeechobee, FL 34974

March 1, 2022
 No: 235-006.01
 Invoice No: 22036

Project: Pine Ridge Park Utility Improvements

Professional engineering services for the design of the Pine Ridge Park Utility Improvements as authorized on May 17, 2021 under P.O. No. 10380 (Change Order No. 3), Engineering Scope Revision No. 1 dated 7/20/2020 and Engineering Scope Revision No. 2 dated 12/3/2020 and Engineering Scope Revision No. 3 dated 5/17/2021.

Professional Services from January 26, 2022 to February 25, 2022

Phase	0001	Design Phase		
Fee				
Total Fee	300,181.00			
Percent Complete	96.00	Total Earned	288,173.76	
		Previous Fee Billing	276,166.52	
		Current Fee Billing	12,007.24	
		Total Fee	12,007.24	
Billing Limits				
		Current	Prior	To-Date
Total Billings		12,007.24	270,162.90	282,170.14
Limit				300,181.00
Remaining				18,010.86
			Total this Phase	\$12,007.24
			Total this Invoice	\$12,007.24

Fee (Design Phase) History Summary:

2020-04-14	Original PO #10380 =	\$145,600.00
2020-09-22	Change Order #1 =	\$ 21,000.00
2020-12-22	Change Order #2 =	\$ 22,000.00
2021-05-17	Change Order #3 =	\$111,581.00
	Fee Total	\$300,181.00

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 14

MARCH 17, 2022

CONSENT AGENDA

INVOICE FROM STEVEN L. DOBBS ENGINEERING, LLC – ENGINEERING SERVICES

Please see attached invoices from Steven L. Dobbs Engineering, LLC for engineering services.

Staff recommends approval of the invoices from Steven L. Dobs Engineering, LLC in the amount of \$3,125.00 and \$500.00.

Steven L. Dobbs Engineering, LLC
 1062 Jakes Way
 Okeechobee, FL 34974 US
 863-824-7644
 sdobbs@stevedobbsengineering.com

Invoice



BILL TO
John Hayford Okeechobee Utility Authority 100 SW 5th Avenue Okeechobee, FL 34974

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
932	03/08/2022	\$500.00	04/01/2022	Due on receipt	

DESCRIPTION	QTY	RATE	AMOUNT
Permitting Services ENGINEER will prepare the necessary permit plans and calculations for the below checked permits. ENGINEER will begin the permit application process upon completion of the construction plans; however permitting coordination with regulatory agencies begins during the design phase. ENGINEER will include normal Development Team and Agency coordination and one (1) permit response to the various governmental agencies after the initial submittal. Offsite roadway and drainage and utility improvements are not anticipated or included with this proposal.	0	0.00	0.00
Permitting Services:FDEP (Wastewater) ENGINEER shall prepare for client's signature an application for a Florida Department of Environmental Protection Wastewater Collection General Permit.	0.25	1,500.00	375.00
Construction Bidding ENGINEER shall create bid documents. <ol style="list-style-type: none"> 1. Prepare a bid document including quantities for a list of contractors approved by the owner. 2. Answer RAIs from the contractors. 3. Review and approve revision request/alternate request. 	0.25	500.00	125.00
Construction Services ENGINEER shall schedule and attend the pre-construction meeting with Client's Contractor and appropriate regulatory agencies. ENGINEER shall visit the site, as requested by Client and Client's Contractor, to observe key elements of the work. It is the responsibility of Client and Client's Contractor to notify Engineer of the progress of the work and to schedule Engineer's site visits at the appropriate times as discussed in the pre-construction meeting. ENGINEER shall perform a final inspection of the work upon notification by Client that the work is completed. Upon satisfactory completion of the work, and when requested by Client, ENGINEER shall submit a final certification to FDEP. This is subject to ENGINEER's	0	1,000.00	0.00

DESCRIPTION	QTY	RATE	AMOUNT
receipt of record drawings, which are to be prepared, signed and sealed by a Florida registered land surveyor, and certified testing results indicating substantial compliance with the project design.			
5th Street/9th Avenue sewer expansion.	BALANCE DUE		\$500.00

Steven L. Dobbs Engineering, LLC
 1062 Jakes Way
 Okeechobee, FL 34974 US
 863-824-7644
 sdobbs@stevedobbsengineering.com

Invoice



BILL TO
John Hayford Okeechobee Utility Authority 100 SW 5th Avenue Okeechobee, FL 34974

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
933	03/08/2022	\$3,125.00	04/01/2022	Due on receipt	

DESCRIPTION	QTY	RATE	AMOUNT
Engineering Services Based on final site plan, ENGINEER will prepare design and construction plans to include the clearing, filling procedures, demolition/disposal offsite of existing wastewater package treatment plant and final site grading. CLIENT's Surveyor will provide a topographic survey for the site. For the purpose of this proposal it is anticipated that this site will not need to be platted. The preparation of easement documents is not included in this proposal.	0.25	1,500.00	375.00
Construction Bidding ENGINEER shall create bid documents. <ol style="list-style-type: none"> 1. Prepare permits, a bid document plans and specifications including quantities for a list of contractors approved by the owner. 2. Answer RAIs from the contractors. 3. Review and approve revision request/alternate request. 4. Prepare bid tabulation, review bids/bidders and recommendation of award. 	0.50	2,000.00	1,000.00
Construction Management Services ENGINEER shall schedule and attend the pre-construction meeting with Client's Contractor and appropriate regulatory agencies. ENGINEER shall monitor the contractor's work at regular intervals to inspect the contractor's work and compare the work to the intent of the contract documents. ENGINEER shall review and approve for payment the contractor's invoices as they are submitted to the Client. ENGINEER shall perform a final inspection of the work and prepare a final punch list together with the client and retainer will not be released until the ENGINEER and Client are satisfied with the work performed by the contractor. Upon satisfactory completion of the work, and when requested by Client, ENGINEER shall submit a final certification to all regulatory agencies the project has received permits from. This is subject to ENGINEER's receipt of record drawings, which are to be prepared, signed and sealed by a Florida registered	0.25	5,000.00	1,250.00

DESCRIPTION	QTY	RATE	AMOUNT
<p>land surveyor, and certified testing results indicating substantial compliance with the project design.</p> <p>Additional Services Unless otherwise identified below, ENGINEER would be pleased to provide any additional services requested by CLIENT in accordance with the enclosed Fee Schedule. Additional services will not be performed unless CLIENT specifically requests them, and an addendum to this agreement is executed.</p>	0	0.00	0.00
<p>Engineering Services Based on OUA Request, ENGINEER will prepare design and construction plans to relocate the existing dumpster for Pine Ridge Park</p>	0.25	2,000.00	500.00

Pine Ridge Park WWTP Demolition and dumpster Relocation.

BALANCE DUE

\$3,125.00

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 15

MARCH 17, 2022

CONSENT AGENDA

INVOICE FROM MACVICAR CONSULTING, INC.

Please see attached the MacVicar Consulting Inc. invoice.

Staff recommends approval of the monthly invoice from MacVicar Consulting Inc. in the amount of \$250.00.



MACVICAR CONSULTING, INC.
4524 Gun Club Road Suite 201

Invoice

Okeechobee Utility Authority
Attn:John Hayford, Exec Director
100 SW 5th Avenue
Okeechobee, FL 34974
PO No:0000010989

DATE	INVOICE #
2/28/2022	202203014

PROJECT
540.01-LOSOM Support

DESCRIPTION	AMOUNT
Support for the month of February 2022	250.00
Total	\$250.00

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 16

MARCH 17, 2022

CONSENT AGENDA

INVOICE FROM THORN RUN PARTNERS

Please see attached the Thorn Run Partners monthly invoices for March.

Staff recommends approval of the March monthly invoices from Thorn Run Partners in the amounts of \$3,500.00.

THORN RUN PARTNERS



INVOICE

March 1, 2022

Invoice No: 3122

TO:

Okeechobee Utility Authority

100 SW 5th Avenue
Okeechobee, FL 34974

DESCRIPTION	AMOUNT
Government Relations Services performed March 2022 Fee as agreed to and amount owed: PO 10938	\$3,500.00
TOTAL AMOUNT DUE:	\$3,500.00

Please make all checks payable to Thorn Run Partners, LLC:

By Mail:

Thorn Run Partners, LLC
100 M Street, SE Suite 750
Washington, DC 20003

By Wire:

PNC BANK
ABA: 054000030
Account #5313630938
Account: Thorn Run Partners, LLC

FEIN: 27-1541515

If you have any questions concerning this invoice, contact Chris Lamond at clamond@thornrun.com or 202-688-0222

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 17

MARCH 17, 2022

PRESENTATION OF FY21 FINANCIAL STATEMENTS AUDIT REPORT, GOVERNANCE LETTER AND ANNUAL FINANCIAL REPORT

Attached are the Financial Statements Audit Report, the Governance Letter for FY21, and the Annual Financial Report, that were completed by Nowlen, Holt & Miner, P.A. The Governance Letter is a requirement by Auditing Standards. The Annual Financial Report (AFR) is a summary of the Audit that is required to be submitted to the Department of Financial Services.

Regarding the audited financial statements, new requirements of the Auditor General are for information as to the number of employees, compensation, new construction projects exceeding \$65,000, and a budget variance report. This information is on Pages 48-49.

Since OUA received financial assistance exceeding \$750,000 in FY21 from the Florida Department of Environmental Protection, there is a Compliance Report, a Schedule of Expenditures, and a Schedule of Findings on Pages 52-57 of the audited financial statements.

The Management Letter on pages 58–60 is a required communication to the Board by the Auditor General.

Page 61 is a required compliance report regarding local government investment policies.

Mr. Terry Morton, CPA of Nowlen, Holt & Miner, P.A. will be in attendance to discuss the Audit and answer any questions the Board may have regarding the Audit.

After presentation and discussion should the OUA Board agree with the findings, staff requests formal Board acceptance of the FY21 Financial Statements Audit Report and the Annual Financial Report.



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED, CPA
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

KATHLEEN A. MINER, CPA
MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
TIMOTHY H. SCHMEDES, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA

March 17, 2022

Honorable Chairman and Members
Okeechobee Utility Authority
Okeechobee, Florida

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

We have audited the financial statements for the Okeechobee Utility Authority, the Authority, for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550 Rules of the Florida Auditor General, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 16, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Okeechobee Utility Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Okeechobee Utility Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements was:

Management's estimate of the allowance for doubtful accounts for water and sewer receivables is based on historical water and sewer revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop these allowances in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the financial statement were:

The disclosure on the Employee Retirement System in Note 8 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The adjusting journal entries presented in Schedule I represent misstatements detected as a result of audit procedures and were corrected by management prior to the preparation and publication of the financial statements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 7, 2022, which is presented in the attached Schedule II.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and the pension and other postemployment benefit trend information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenditures of State Financial Assistance, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Other Information Section which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board and management of Okeechobee Utility Authority and is not intended to be and should not be used by anyone other than these specified parties.

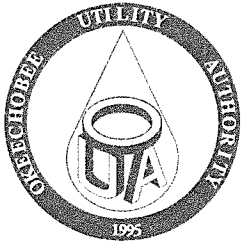
Nowlen, Holt & Miner, P.A.
Nowlen, Holt, & Miner, P.A.

SCHEDULE I

Client: OKEECHOBEE UTILITY AUTHORITY
Engagement: 2021 - Okeechobee Utility Authority
Current Period: 09/30/2021
Workpaper: Adjusting Journal Entries

Account	Description	Debit	Credit	Net Income Effect
AJE01				
To record GASB 68 Pension adjustments				
0-156-9000-000	Net Pen Asset	1,617,912.00	0.00	
0-190-0002-000	Def Pen Outflow Actuarial Calc	0.00	67,985.00	
1-290-0001-000	Def Pen Inflow Actuarial Calc	0.00	1,069,409.00	
3-513-2200-100	Retirement Admin	0.00	137,229.00	
5-533-2200-100	Retirement SWTP	0.00	68,864.00	
5-533-2200-200	Retirement GWTP	0.00	6,724.00	
6-535-2200-100	Retirement WW	0.00	81,302.00	
4-536-2200-100	Retirement Maint	0.00	156,989.00	
7-513-2200-100	Retirement MR	0.00	29,410.00	
Total		<u>1,617,912.00</u>	<u>1,617,912.00</u>	<u>480,518.00</u>
AJE02				
to reverse prior year accrual of Accrued Wages Payable				
1-216-0000-000	Accrued Wages Payable	84,728.77	0.00	
5-533-1600-100	Accrued Wages and FICA SWTP	0.00	13,255.38	
4-536-1600-100	Accrued Wages and FICA Maint	0.00	29,543.45	
6-535-1600-100	Accrued Wages and FICA WW	0.00	13,538.58	
3-513-1600-100	Accrued Wages and FICA Admin	0.00	23,966.74	
7-513-1600-100	Accrued Wages and FICA MR	0.00	4,424.62	
Total		<u>84,728.77</u>	<u>84,728.77</u>	<u>84,728.77</u>
AJE03				
To record additional a/r per client				
0-133-1000-100	Due from Other Governments	474,801.10	0.00	
2-389-6000-000	State Grant/Capital	0.00	474,801.10	
Total		<u>474,801.10</u>	<u>474,801.10</u>	<u>474,801.10</u>
RJE01				
To reclassify A/R amounts for F/S presentation				
1-225-0000-001	Deferred Water/Sewer Regular	0.00	80,319.62	
0-115-1000-000	AR Regular	80,319.62	0.00	
Total		<u>80,319.62</u>	<u>80,319.62</u>	<u>0.00</u>
RJE02				
To reclassify accrued wages as of 9/30/21				
0-101-1113-000	Payroll Account	92,023.35	0.00	
1-216-0000-000	Accrued Wages Payable	0.00	92,023.35	
Total		<u>92,023.35</u>	<u>92,023.35</u>	<u>0.00</u>
GRAND TOTAL		<u>2,349,784.84</u>	<u>2,349,784.84</u>	<u>1,040,047.87</u>

SCHEDULE II



OKEECHOBEE UTILITY AUTHORITY

100 SW 5th Avenue
Okeechobee, Florida 34974-4221

(863) 763-9460
FAX: (863) 467-4335

March 7, 2022

Nowlen, Holt & Miner, P.A.
Certified Public Accountants
515 N. Flagler Dr., Suite 1700
West Palm Beach, FL 33401

This representation letter is provided in connection with your audit of the financial statements of the Okeechobee Utility Authority (the "Authority"), which comprise the respective financial position of the propriety fund and the aggregate remaining fund information of the Authority as of September 30, 2021, and the respective changes in financial position and cash flows for the year then ended and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 7, 2022, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 16, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the

primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenses, loans, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.
- 10) We have not completed the process of evaluating the impact that will result from adopting Governmental Accounting Board Statement (GASB) No. 87 as discussed in Note 14 to the financial statements. The Okeechobee Utility authority is therefore unable to disclose the impact that adopting GASB 87 will have on its financial position and the results of its operations when the Statements are adopted.

Information Provided

11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
- b) Additional information that you have requested from us for the purpose of the audit.

- c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Authority's Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of state financial assistance.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the entity's related parties and all the related party relationships and transactions, including any side agreements.

Government—specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position.

- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 23) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 24) As part of your audit, you assisted with preparation of the financial statements and disclosures, schedule of expenditures of state financial assistance and the preparation of the Annual Financial Report, filed with the Florida Department of Financial Services. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures, schedule of expenditures of state financial assistance, and the preparation of the Annual Financial Report, filed with the Florida Department of Financial Services.
- 25) In order to provide oversight of the financial statement preparation services provided by you at an appropriate level, we have established effective review policies and procedures including the performance of the following functions:
 - a) Reconcile general ledger amounts to the draft statements utilizing grouping schedules provided by you.
 - b) Review all supporting documentation and explanations for journal entries you proposed and approve the entries.
 - c) Review and approve schedules and calculations supporting amounts included in the notes to the financial statements.
- 26) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

- 29) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34, as amended.
- 30) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 31) Provisions for uncollectible receivables have been properly identified and recorded.
- 32) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 33) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 34) We have appropriately disclosed the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 35) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 36) We agree with the findings of actuaries in evaluating the Authority's pension and OPEB liabilities and costs and have adequately considered the qualifications of the actuaries in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the actuaries with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the actuaries. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 37) During the fiscal year ended September 30, 2021, the Okeechobee Utility Authority expended less than \$750,000 in federal awards and the Authority is not required to have a Federal Single Audit.
- 38) During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

- 39) We understand that it is management's responsibility to monitor the Authority's financial condition, and that your financial condition assessment was based in part on representations made by management and the review of financial information provided by management.
- 40) As of September 30, 2021, and during the year then ended, the Authority was not required to recognize any liabilities and corresponding deferred outflows of resources defined in GASB Statement No. 83, *Certain Asset Retirement Obligations*.
- 41) During the fiscal year ended September 30, 2021, the Okeechobee Utility Authority has not met any of the following financial emergency conditions specified in Section 218.503(1), Florida Statutes:
- a) Failure within the same fiscal year in which due to pay short-term loans or failure to make bond debt service or other long-term debt payments when due, as a result of a lack of funds.
 - b) Failure to pay uncontested claims from creditors within 90 days after the claim is presented, as a result of a lack of funds.
 - c) Failure to transfer at the appropriate time, due to lack of funds:
 - i) Taxes withheld on the income of employees; or
 - ii) Employer and employee contributions for:
 - (1) Federal social security; or
 - (2) Any pension, retirement, or benefit plan of an employee.
 - d) Failure for one pay period to pay, due to lack of funds:
 - i) Wages and salaries owed to employees; or
 - ii) Retirement benefits owed to former employees.
- 42) With respect to state projects:
- a) We are responsible for understanding and complying with and have complied with the requirements of the Department of Financial Services' *State Projects Compliance Supplement*, including requirements relating to preparation of the schedule of expenditures of state financial assistance.
 - b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of state financial assistance (SEFA) and related disclosures in accordance with the requirements of Chapter 10.550 Rules of the Auditor General, and we believe the SEFA, including its form and content, is fairly presented in accordance with Chapter

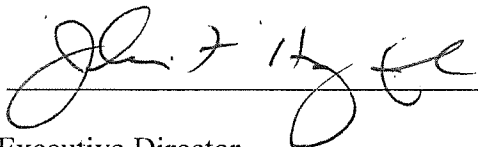
10.550 Rules of the Auditor General. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Florida Single Audit Act and have included in the SEFA expenditures made during the audit period for all awards provided by state agencies in the form of grants, or state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the terms and conditions of contracts and grant agreements related to each of our state projects and have identified and disclosed to you the requirements of laws, regulations, and the terms and conditions of contracts and grant agreements that are considered to have a direct and material effect on each major project.
- f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to state projects that provide reasonable assurance that we are managing our state projects in compliance with laws, regulations, and the terms and conditions of contracts and grant agreements that could have a material effect on our state projects. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with state agencies or pass-through entities relevant to state projects and related activities.
- h) We have received no requests from a state agency to audit one or more specific projects as a major project.
- i) We have complied with the direct and material compliance requirements including when applicable, those set forth in the Department of Financial Services' *State Projects Compliance Supplement*, relating to state financial assistance and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of state financial assistance.
- j) We have disclosed any communications from grantors and pass through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly

relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

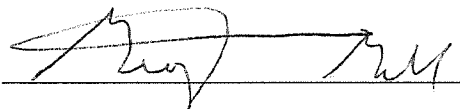
- l) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to state project financial reports and claims for advances and reimbursements.
- n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- o) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- p) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- q) State project financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- r) The copies of state project financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective state agency or pass-through entity, as applicable.
- s) We have charged costs to state financial assistance in accordance with applicable cost principles.
- t) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by Chapter 10.550 Rules of the Auditor General and we have provided you with all information on the status of the follow-up on prior audit findings by state awarding agencies and pass-through entities, including all management decisions.

Signed: _____



Title: Executive Director

Signed: _____



Title: Finance Director

OKEECHOBEE UTILITY AUTHORITY
FINANCIAL STATEMENTS WITH INDEPENDENT
AUDITOR'S REPORT THEREON
SEPTEMBER 30, 2021

OKEECHOBEE UTILITY AUTHORITY
SEPTEMBER 30, 2021
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SEPTEMBER 30, 2021
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NOWLEN, HOLT & MINER, P.A.

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WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Members of the
Okeechobee Utility Authority Board
Okeechobee, Florida

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333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
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Report on the Financial Statements

We have audited the accompanying financial statements of the proprietary fund and aggregate remaining fund information of the Okeechobee Utility Authority as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Okeechobee Utility Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the proprietary fund and the aggregate remaining fund information of the Okeechobee Utility Authority as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, the schedule of changes in the total OPEB liability on page 43, and the pension schedules on pages 44 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Okeechobee Utility Authority's basic financial statements. The schedule of expenditures of state financial assistance on page 55 is presented as required by Chapter 10.550, Rules of the Auditor General, the schedule of revenues and expenses on page 47 is presented for purposes of additional analysis, and the information on pages 48 and 49 is presented for compliance with Section 218.39(3)(c), Florida Statutes and are not required parts of the basic financial statements.

The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedules and information on pages 47 to 49 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2022, on our consideration of the Okeechobee Utility Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Okeechobee Utility Authority's internal control over financial reporting and compliance.

Nowlen, Holt & Mimer, P.A.

West Palm Beach, Florida
March 7, 2022

**Okeechobee Utility Authority
Management’s Discussion and Analysis
For the Fiscal Year Ended September 30, 2021**

Management’s Discussion and Analysis (MD&A) is intended to provide an objective analysis of the Okeechobee Utility Authority (the “Authority”) financial activities for fiscal year ended September 30, 2021. The analysis provides summary financial information for the Authority and should be read in conjunction with the audited financial statements.

FINANCIAL HIGHLIGHTS

- The Authority’s assets exceeded its liabilities at September 30, 2021, by \$56 million (Net Position). Of this amount, approximately \$5.3 million is its unrestricted net position (Table 1).
- The Authority’s operating revenues increased \$728,000 over FY2020 and operating expenses decreased by \$849,000 from FY2020 (Table 2).
- Operating expenses were \$2.1 million less than budget.
- The Authority received \$1,500,000 in capital grant funding from the Florida Department of Environmental Protection to help pay for the 1) Septic to Sewer project referred to as the Southwest Wastewater Service Area, 2) expanding the wastewater collection system for Pine Ridge Park community and 3)the experimental Algae-wheel system to treat wastewater at the Lakeview Estates community.
- The Authority’s total capital assets, before accumulated depreciation, increased by approximately \$7 million from FY2020 (Table 3).

OVERVIEW OF THE FINANCIAL STATEMENTS

This management discussion and analysis (MD&A) is intended to serve as an introduction to the Authority’s financial statements. Since the Authority is a special district involved solely in the provision of water and wastewater services within the service area of the utility system, its operations are accounted for in a Proprietary Fund, specifically an Enterprise Fund. Enterprise Funds are used to report business-type functions, which recover all or a significant portion of their costs through user fees and charges. Over time, significant changes in the Authority’s net position serve as a useful indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any entity, the reader must also consider other non-financial factors such as changes in economic conditions, customer growth, and legislative mandates.

The Okeechobee Utility Authority Employees’ Retirement System is a component unit of the Authority as it is fiscally dependent on and imposes a specific financial burden. It is reported in the Authority’s financial statements as a Fiduciary Fund, the Employee’s Pension Trust Fund. Fiduciary Funds are not included in the government-wide financial statements because the Authority cannot use these assets to finance its operations. Therefore, there are no government-wide financial statements, as they would be redundant to the fund financial statements.

REQUIRED FINANCIAL STATEMENTS

The financial statements report information about the Authority using accounting methods similar to those used by private business entities. The costs of providing goods or services are primarily recaptured primarily through user charges for water and wastewater services. The full accrual basis of accounting is used whereby revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The *Statement of Net Position* includes the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. It provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. The current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses and Changes in Net Position*. This statement measures the results of the Authority's operations over the past year and may be used to determine whether the Authority is efficiently recovering all its costs through its user fees and other charges. These two statements help the reader understand the Authority's profitability and credit worthiness.

The third required financial statement is the *Statement of Cash Flows*. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing and financing activities. Answers to questions regarding sources of cash, uses of cash, and changes in cash balances during the reporting period may be found in the *Statement of Cash Flows*.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the financial statements.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

The *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes in Net Position* report information about the Authority's activities in a way that reflects whether the Authority is improving or deteriorating as a result of the fiscal year's activities. These two statements report the net position of the Authority and changes in the net position. Viewing the Authority's net position helps one to evaluate the financial health and financial position of the Authority. Net position is the difference between assets and deferred outflows of resources (what is owned) and liabilities and deferred inflows of resources (what is owed).

The Authority's total net position increased \$4,047,231. The condensed analysis below focuses on the Authority's net position (Table 1) and changes in net position from fiscal year 2020 to fiscal year 2021.

Table 1
Net Position

	<u>FY2021</u>	<u>FY2020</u>	<u>Net Change</u>	<u>Percent</u>
Net Capital Assets	\$ 63,173,569	\$ 62,839,322	\$ 334,247	0.53%
Restricted Assets	6,089,584	5,034,317	1,055,267	20.96%
Current and Other Assets	8,972,526	7,034,423	1,938,103	27.55%
Total Assets	78,235,679	74,908,062	3,327,617	4.44%
Total Deferred Outflows	692,070	889,454	(197,384)	-22.19%
Noncurrent Liabilities	17,577,792	19,761,202	(2,183,410)	-11.05%
Liabilities Payable from				
Restricted Assets	642,291	590,071	52,220	8.85%
Current Liabilities	2,914,167	2,769,384	144,783	5.23%
Total Liabilities	21,134,250	23,120,657	(1,986,407)	-8.59%
Total Deferred inflows	1,641,218	571,809	1,069,409	187.02%
Net Investment in Capital Assets	44,731,657	42,498,667	2,232,990	5.25%
Restricted for Capital Projects	2,361,411	2,168,736	192,675	8.88%
Restricted for Debt Service	481,018	99,091	381,927	385.43%
Restricted for Rate Stabilization	1,339,359	1,890,225	(550,866)	-29.14%
Restricted for Pension Benefits	1,904,107	286,195	1,617,912	565.32%
Unrestricted Net Position	5,334,729	5,162,136	172,593	3.34%
Total Net Position	\$ 56,152,281	\$ 52,105,050	\$ 4,047,231	7.77%

A comparison of the Authority's revenues and expenses for the fiscal years ended September 30, 2021 and September 30, 2020 is as follows (Table 2):

Table 2
Revenues and Expenses

	<u>FY2021</u>	<u>FY2020</u>	<u>Net Change</u>	<u>Percent</u>
Revenue				
Water System Revenue	\$ 6,949,975	\$ 6,500,587	\$ 449,388	6.91%
Wastewater System Revenue	4,105,049	3,856,063	248,986	6.46%
Miscellaneous Revenue	201,232	172,391	28,841	16.73%
Non-Operating Revenue	47,914	199,322	(151,408)	-75.96%
Total Revenue	11,304,170	10,728,363	575,807	5.37%
Expenses				
Operating Expenses	8,539,898	9,389,095	(849,197)	-9.04%
Non-Operating Expenses	523,113	668,593	(145,480)	-21.76%
Total Expenses	9,063,011	10,057,688	(994,677)	-9.89%
Excess Revenue over Expenses				
Before Capital Contributions	2,241,159	670,675	1,570,484	234.16%
Capital Contributions	1,806,072	1,435,049	371,023	25.85%
Total Change in Net Position	4,047,231	2,105,724	1,941,507	92.20%
Beginning Net Position	52,105,050	49,999,326	2,105,724	4.21%
Ending Net Position	\$ 56,152,281	\$ 52,105,050	\$ 4,047,231	7.77%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021, the Authority had \$63,173,569 after accumulated depreciation invested in a broad range of utility capital assets including land, ground water plant, surface water plant, water main system, wastewater plant, lift stations, sanitary sewer system, force mains, equipment and construction in process.

The Authority's total capital assets increased after accumulated depreciation from last year by approximately \$334,000 as reflected in the following table (Table 3):

Table 3
Changes in Capital Assets

	<u>FY2021</u>	<u>FY2020</u>	<u>Net Change</u>
Land and Easements	\$ 2,777,823	\$ 2,743,323	\$ 34,500
Buildings	1,108,764	1,108,764	-
Equipment	4,385,822	4,142,602	243,220
Distribution & Collection System	100,977,101	94,222,095	6,755,006
	<u>109,249,510</u>	<u>102,216,784</u>	<u>7,032,726</u>
Lease Accumulated Depreciation	<u>(48,883,333)</u>	<u>(46,536,468)</u>	<u>(2,346,865)</u>
	60,366,177	55,680,316	4,685,861
Construction in Process	<u>2,807,392</u>	<u>7,159,006</u>	<u>(4,351,614)</u>
	<u><u>\$ 63,173,569</u></u>	<u><u>\$ 62,839,322</u></u>	<u><u>\$ 334,247</u></u>

The Authority plans each year for capital improvement projects. Some projects are completed within the fiscal year, and other projects take longer than a year to complete. In fiscal year ended September 30, 2021 the surface water treatment plant completed construction of a three-million-gallon storage water tank at a cost of approximately \$5.7 million. The Lakeview Estates Wastewater Facility and the Oak Lake Estates Wastewater expansion projects will be completed during fiscal year September 30, 2022.

Table 4 below reflects future major additions and the costs incurred as of September 30, 2021.

Table 4
Capital Improvement Projects

Lakeview Estates Wastewater Facility	\$ 878,255
Pine Ridge Park Wastewater expansion	249,550
Oak Lake Estate Wastewater expansion	518,773
SW Wastewater Area Septic to Sewer	939,115
441 SE/36 th Ave Water main replacement	131,715
Other Projects	89,984
Total Ongoing CIP Projects	<u><u>\$ 2,807,392</u></u>

See *Notes to the Financial Statements (Note 6)* for additional information related to capital assets.

Debt Management

On September 30, 2021, the Authority had State Revolving Loans and notes payable outstanding in the amount of \$18,995,700. The total principal repaid in FY2021 was \$2,028,143. See *Notes to the Financial Statements (Note 7)* for additional information related to State Revolving Loans and notes payable.

ECONOMIC FACTORS AND ASSESSMENT OF GROWTH

The Authority began operations in 1995. Since 1995, the net increase in new customer accounts has been modest on an annual basis. In the most recent fiscal year ended September 30, 2021, capital connection charge revenues for 33 water and 30 wastewater residential connections were received.

Florida's rural central areas do not experience the same rate of growth as both the Atlantic and Gulf coastal areas. Given current economic environment, a modest growth in the number of connections is anticipated to be realized from new construction on vacant sites in the existing developed sections of the Authority's service area rather than through planned new developments.

The City of Okeechobee is approximately forty-five minutes to one hour from the Atlantic coast. The main east and west access highways to the Atlantic coastal area are State Road 70 and State Road 710. As such, the Okeechobee Utility Authority's service area is within a commutable range of the Atlantic coast and its life style.

The Authority's current water treatment plants with a total treatment capacity of six million gallons per day (6mgd) can accommodate approximately twenty-four thousand (24,000) residential water connections, which is greater than the existing customer base of approximately nine thousand five hundred sixty-nine (9,602) residential connections. The Authority's current wastewater treatment plant with three million gallons per day (3mgd) of total treatment capacity can accommodate approximately twelve thousand (12,000) additional wastewater customers, which is greater than the existing customer base of approximately four thousand four hundred fifty-three (4,483). In the near-term projection of five years, this available capacity is more than adequate to accommodate the projected level of customer growth.

This MD&A report is designed to provide a general overview of the Okeechobee Utility Authority's financial health for those interested in the Authority's financial condition. Questions concerning the information provided in this report or requests for additional information should be addressed to the Finance Director, 100 SW 5th Avenue, Okeechobee, Florida, 34974-4221. An audit of the financial statements for the Authority may be obtained at the Main Office of the Authority.

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OKEECHOBEE UTILITY AUTHORITY
Statement of Net Position - Proprietary Fund
September 30, 2021

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 5,279,175
Restricted assets:	
Cash and cash equivalents - customer deposits	638,602
Receivables:	
Grants	1,144,767
Accounts receivable, less allowance for uncollectible accounts of \$179,656	1,273,400
Inventories	579,462
Prepaid expenses	57,120
Total current assets	<u>8,972,526</u>

NONCURRENT ASSETS

Restricted assets:	
Cash and cash equivalents	4,185,477
Net pension asset	1,904,107
Capital assets:	
Land	2,777,823
Utility plants	106,471,687
	<u>109,249,510</u>
Less accumulated depreciation	(48,883,333)
	<u>60,366,177</u>
Construction in progress	2,807,392
Total capital assets	<u>63,173,569</u>
Total noncurrent assets	<u>69,263,153</u>

TOTAL ASSETS	<u>78,235,679</u>
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DEFERRED OUTFLOWS OF RESOURCES

Pension related items	138,282
Deferred loss on bond refunding, net	553,788
	<u>692,070</u>

TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>692,070</u>
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LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 544,944
Accrued expenses	104,720
Due to other governments	31,689
Bonds payable (current)	2,073,096
Accrued compensated absences (current)	79,398
Unearned connection fees	80,320
Payable from restricted assets:	
Accrued interest	3,689
Customer deposits	638,602
Total current liabilities	<u>3,556,458</u>

NONCURRENT LIABILITIES

Long-term portion of bonds payable	16,922,604
Long-term portion of compensated absences	185,263
Total OPEB liability	45,523
Unearned revenues:	
Developer fees	424,402
Total noncurrent liabilities	<u>17,577,792</u>

TOTAL LIABILITIES	<u>21,134,250</u>
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DEFERRED INFLOWS OF RESOURCES

Pension related items	<u>1,641,218</u>
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NET POSITION

Net investment in capital assets	44,731,657
Restricted for capital projects	2,361,411
Restricted for debt service	481,018
Restricted for rate stabilization	1,339,359
Restricted for pension benefits	1,904,107
Unrestricted	5,334,729
TOTAL NET POSITION	<u>\$ 56,152,281</u>

See notes to the financial statements.

OKEECHOBEE UTILITY AUTHORITY
Statement of Revenues, Expenses, and Changes in Net Position -
Proprietary Fund
For the Fiscal Year Ended September 30, 2021

OPERATING REVENUE	
Water system charges for services	\$ 6,949,975
Wastewater system charges for services	4,105,049
Penalties and late charges	121,010
Miscellaneous	80,222
Total operating revenues	<u>11,256,256</u>
OPERATING EXPENSES	
Water services	1,327,971
Wastewater services	895,605
Maintenance	1,884,663
Meter reader	207,587
Administrative and general	1,593,220
Depreciation and amortization	2,630,852
Total operating expenses	<u>8,539,898</u>
OPERATING INCOME	<u>2,716,358</u>
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	47,914
Interest expense	(523,113)
Total nonoperating revenues (expenses)	<u>(475,199)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	<u>2,241,159</u>
CAPITAL CONTRIBUTIONS	
Capital grants	1,497,834
Water capital connection fees	83,437
Wastewater capital connection fees	146,781
Developer contributions for capital projects	78,020
Total capital contributions	<u>1,806,072</u>
INCREASE IN NET POSITION	4,047,231
NET POSITION, BEGINNING OF PERIOD	<u>52,105,050</u>
NET POSITION, END OF PERIOD	<u><u>\$ 56,152,281</u></u>

See notes to the financial statements.

OKEECHOBEE UTILITY AUTHORITY
Statement of Cash Flows - Proprietary Fund
For the Fiscal Year Ended September 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 11,209,636
Payments to suppliers	(2,949,377)
Payments to employees	(2,531,089)
Payments for employee benefits	<u>(915,190)</u>
Net cash provided (used) by operating activities	<u>4,813,980</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(2,887,078)
Note and loan principal payments	(2,028,143)
Note and loan interest paid	(394,168)
Capital connection fees received	199,194
Capital grants	<u>1,140,059</u>
Net cash (used) by capital and related financing activities	<u>(3,970,136)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from investments	1,500,000
Interest on investments	<u>56,403</u>
Net cash provided by investing activities	<u>1,556,403</u>
Net increase (decrease) in cash and cash equivalents	2,400,247
Cash and cash equivalents at beginning of year	<u>7,703,007</u>
Cash and cash equivalents at end of year	<u><u>\$ 10,103,254</u></u>

See notes to the financial statements.

OKEECHOBEE UTILITY AUTHORITY
Statement of Cash Flows - Proprietary Fund (continued)
For the Fiscal Year Ended September 30, 2021

CASH AND CASH EQUIVALENTS CLASSIFIED AS:	
Current assets	\$ 5,279,175
Restricted assets	4,824,079
Total	<u>\$ 10,103,254</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 2,716,358
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in net pension asset and related deferred amounts	(480,518)
Change in total OPEB liability	(5,142)
Depreciation and amortization	2,630,852
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(99,294)
(Increase) decrease in inventory	(43,722)
(Increase) decrease in prepaid expenses	17,091
Increase (decrease) in accounts payable	15,521
Increase (decrease) in accrued liabilities	443
Increase (decrease) in compensated absences	8,815
Increase (decrease) in deposits	52,674
Increase (decrease) in due to other governments	<u>902</u>
Total adjustments	<u>2,097,622</u>
Net cash provided (used) by operating activities	<u>\$ 4,813,980</u>
Noncash investing, capital and financing activities	
Developer contributions	<u>\$ 78,020</u>

See notes to the financial statements.

OKEECHOBEE UTILITY AUTHORITY
Statement of Fiduciary Net Position
Pension Trust Fund
September 30, 2021

ASSETS	
Cash and cash equivalents	\$ 173,561
Contributions receivable	
Employee	12,768
Employer	5,126
Prepays	2,933
Investments: (at fair value)	
Mutual funds- fixed income	4,628,044
Mutial funds - international equity	1,152,637
Mutial funds - domestic equity	6,180,071
Total investments	<u>11,960,752</u>
TOTAL ASSETS	<u>12,155,140</u>
LIABILITIES	
Accounts payable	<u>6,919</u>
TOTAL LIABILITIES	<u>6,919</u>
FIDUCIARY NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 12,148,221</u></u>

See notes to the financial statements.

OKEECHOBEE UTILITY AUTHORITY
Statement of Changes in Fiduciary Net Position
Pension Trust Fund
For the Fiscal Year Ended September 30, 2021

ADDITIONS	
Contributions	
Employer	\$ 286,486
Plan members	138,622
Total contributions	<u>425,108</u>
Investment income	
Net appreciation in fair value of investments	1,659,953
Interest and dividends	358,779
	<u>2,018,732</u>
Less: investment expenses	<u>(20,250)</u>
Net investment income	<u>1,998,482</u>
TOTAL ADDITIONS	<u><u>2,423,590</u></u>
DEDUCTIONS	
Benefits paid to participants	353,503
Refunds due on terminations	13,463
Administrative expenses	<u>50,818</u>
TOTAL DEDUCTIONS	<u><u>417,784</u></u>
NET INCREASE	2,005,806
FIDUCIARY NET POSITION - RESTRICTED FOR PENSION BENEFITS	
Beginning of year	<u>10,142,415</u>
End of year	<u><u>\$ 12,148,221</u></u>

See notes to the financial statements.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Okeechobee Utility Authority (the “Authority”) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Authority’s significant accounting policies are described below.

Reporting Entity

The Okeechobee Utility Authority is an independent special district created pursuant to an Interlocal Agreement (the “Agreement”), dated November 10, 1994, between the City of Okeechobee (the “City”) and the County of Okeechobee (the “County”) in accordance with the provisions of Chapters 163 and 189, Florida Statutes.

As required by generally accepted accounting principles, these financial statements include the Authority (the primary government) and its component units. Component units are legally separate entities for which the Authority is financially accountable. The Authority is financially accountable if:

- a) the Authority appoints a voting majority of the organization’s governing board and (1) the Authority is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Authority, or
- b) the organization is fiscally dependent on the Authority and (1) there is a potential for the organization to provide specific financial benefits to the Authority or (2) impose specific financial burdens on the Authority.

Organizations for which the Authority is not financially accountable are also included when doing so is necessary in order to prevent the Authority’s financial statements from being misleading.

Based upon application of the above criteria, the Authority has determined that there is one legally separate entity to consider as a component unit. The Okeechobee Utility Authority Employees’ Retirement System is a component unit as it is fiscally dependent on and imposes a specific financial burden on the Authority. It is reported in the Authority’s financial statements as a Fiduciary Fund, the Employees’ Pension Trust Fund.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

The Authority was created in order to regionalize the water and wastewater services being provided to the residents and customers within the service area of the utility system and to assist in addressing environmental issues concerning the quality and supply of water for Lake Okeechobee and South Florida. The Authority has broad powers with respect to the operation and maintenance of the utility system.

The Authority services both residential and commercial customers and its service area includes the City and County of Okeechobee and extends into part of the unincorporated section of Glades County.

The Authority began operations on September 28, 1995 and is governed by a Board of Directors comprised of five (5) members and three (3) alternates. The Board of Directors has financial accountability and control over all activities relating to the operations of the Authority.

Basis of Presentation

The Authority is accounted for as a proprietary type enterprise fund. Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises. Enterprise funds are used in the following situations: 1) the activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; 2) laws or regulations require that all costs of providing services, including capital costs, be recovered from fees and charges; or 3) fees and charges are designed to recover the costs of the activity, including capital costs.

Measurement Focus and Basis of Accounting

These financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Under the accrual basis of accounting, revenues are recognized when earned; expenses are recognized when incurred. The assets, deferred outflows, liabilities, deferred inflows, and net position of the Authority are reported in a self-balancing set of accounts, which include restricted and unrestricted resources, representing funds available for support of the Authority's operations.

The Employees' Pension Trust Fund also uses the accrual basis of accounting and the economic resources measurement focus.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. The Authority's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its system, including administrative expenses and depreciation of capital assets. All other revenues and expenses not meeting the definition above are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Budget Process

Pursuant to the interlocal agreement, the Authority is required to adopt a budget and provide a copy to the City and the County. The Authority adopted its final budget relating to the fiscal year ended September 30, 2021 on September 13, 2020.

Deposits and Investments

Cash and cash equivalents include amounts on deposit in demand accounts, money market accounts, and money market mutual funds. For the purposes of the statement of cash flows, the Authority considers all highly liquid investments and certificates of deposit with an original maturity of three months or less when purchased to be cash equivalents.

Investments are reported at fair value as required by generally accepted accounting principles. The fair value of an investment is the amount that the Authority could reasonably expect to receive for it in a current sale between a willing buyer and a willing seller, other than in a forced or liquidation sale. The Authority categorizes its investments according to the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on observable and unobservable inputs used in establishing the fair value of a financial asset or liability. Purchases and sales of investments are recorded on the trade date.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable consist of both billed and unbilled receivables. Unbilled receivables represent the estimated amount of accounts receivable for services that have not been billed as of the statement of financial position date. The amounts are a result of a timing difference between the Authority's fiscal year end and the date the various utility cycles are subsequently billed.

Inventories

Inventories are recorded at cost using the first-in, first-out method.

Utility Plant

Property, plant, and equipment are stated at cost for items constructed or purchased. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. The Authority capitalizes all land purchases. The capitalization policy for other assets is an initial useful life of more than one year and an individual cost of \$5,000.

Depreciation of exhaustible utility fixed assets, including those acquired through intergovernmental grants externally restricted to capital acquisition, is charged as an expense against operations. Depreciation of the various assets is computed over the assets' estimated useful lives using the straight-line method. The estimated useful lives range as follows:

Distribution and collection plants	10-60 years
Buildings	15-25 years
Equipment	3-10 years

Unearned Revenues

Unearned revenues primarily represent water and wastewater capital connection and inspection fees and service payments that are paid in advance by customers. These fees will be recognized as income in subsequent years as the services are performed.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflow of Resources

In addition to assets, the Statement of Net Position reports a separate section for Deferred Outflows of Resources. Deferred Outflows of Resources represent the usage of net position applicable to future periods and will not be recognized as an expense until the future period to which it applies. The Authority has two items that qualify for reporting in this category. The first is the deferred amount on bond refunding. The deferred loss on current and advance refunding of bonds is being charged to operations through the year 2030 based on the effective interest method. The second is deferred pension items in connection with its pension plan. These deferred pension charges are amortized in a systematic and rational method as pension expense in future periods.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position reports a separate section for Deferred Inflows of Resources. Deferred Inflows of Resources represent the acquisition of net position applicable to future periods and will not be recognized as revenue until the future period to which it applies. The Authority currently reports deferred pension items in connection with its pension plan. These deferred pension charges are amortized in a systematic and rational method as pension expense in future periods.

Compensated Absences

The Authority's policy is to allow each employee eligible for vacation leave to accumulate up to thirty (30) days. Employees are paid unused vacation leave at current hourly rates upon retirement or at termination. Employees of the Authority, with ten (10) years or more of continuous service, receive payment for unused sick leave at a rate of fifty percent (50%) of current hourly rates upon retirement or at termination. This also applies to employees at normal retirement, regardless of length of service.

Accrued liabilities, based on hourly salary rates at September 30, 2021, are reflected in the accounts of the Authority for vested (not contingent on an employee's future services) vacation and sick leave benefits.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Net position is the result of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is classified in three components:

Net investment in capital assets

This category consists of the Authority's capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds or notes that are attributable to the acquisition, construction, or improvements of those assets.

Restricted

This category of the net position consists of constraints placed on the net position by external constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted

This category represents all other Authority net position that do not meet the definition of net investment in capital assets, restricted for capital projects, or restricted for debt service as defined earlier.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets, deferred inflows and outflows, and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS

Authority Deposits

As of September 30, 2021, the amount of deposits in “Qualified Public Depositories” was \$10,202,162 and the book balance was \$10,100,504. The Authority also had \$2,750 in petty cash for a total carrying amount of \$10,103,254.

In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The Authority’s deposits at year end are considered insured for custodial credit risk purposes.

Authority Investments

The Authority categorizes its investments according to the fair value hierarchy established *GASB Statement No. 72, Fair Value Measurement and Application*. The hierarchy is based on valuation inputs used to measure the fair value of the asset as follows: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs to include quoted prices for similar assets in active and non-active markets; Level 3 inputs are significant unobservable inputs.

The Authority’s investment policy authorizes investments in money market and savings accounts, certificates of deposits, money market funds; bonds, notes, bills and other obligations of the U.S. Government; repurchase agreements; securities issued or guaranteed by certain federal agencies and instrumentalities, Local Government Surplus Trust Fund or any intergovernmental investment fund authorized pursuant to the Florida Interlocal Cooperation Act, commercial paper, securities issued by the Authority, any guaranteed investment contract within the limitations established by Florida Statutes, and any other investment vehicle authorized by Florida law and determined by the investment officer and the Board of Directors to be a prudent investment.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Authority Investments (Continued)

The Authority did not have any investments as of September 30, 2021:

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Authority's investment policies limit its investments to high quality investments to control credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Cash and cash equivalents are presented in the balance sheet as of September 30, 2021, as follows:

Current cash and cash equivalents	\$ 5,279,175
Current restricted cash and cash equivalents	638,602
Restricted cash and cash equivalents	<u>4,185,477</u>
Total cash and cash equivalents and investments	<u>\$ 10,103,254</u>

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

General Employees' Pension Trust Fund

Salem Trust Company periodically holds uninvested cash in its capacity as custodian for the Plan. These funds exist temporarily as cash in the process of collection from the sale of securities and for the payments of benefits and expenses. The pension plan's policy for the allocation of invested assets is established by the Plan's Board of Trustees which pursues an investment strategy that reduces risk through a prudent diversification of the portfolio across a selection of distinct asset classes. The policy discourages the use of cash equivalents, except for liquidity purposes and refrains from shifting asset class allocations over short time spans. Investment management fees are calculated quarterly as a percentage of the fair market value of the Plan's managed assets, where applicable. The plan uses mutual funds as the investment vehicle for fixed income, international equity and domestic equity investments for further diversification. These investments are recommended and monitored by the investment performance monitor.

The plan follows the investment guidelines as established within the ordinance and Florida Statute 112.661. The Pension Trust Fund is authorized to invest in the local government surplus funds trust fund, obligations of the U.S. Government or agencies thereof, banking institution within the state and other such institutions within the guidelines of the state statutes which are insured by the Federal Deposit Insurance Corporation, investment agreements, direct and general long-term obligations of any state with proper credit rating and full faith and credit pledge, municipal obligations with proper credit rating, annuity and life insurance contracts, bonds issued by the State of Israel, foreign stocks or bonds, and stocks, bonds, and commingled funds administered by National or State banks or evidences that the corporation is listed on a nationally recognized exchange and holds proper credit ratings as set forth by a major credit rating service. These equity investments are not to exceed 60% of the assets of the fund on a cost basis or 70% of the market value of plan assets. Foreign investments are not to exceed 15% of the market value of the assets. Temporary investment funds held by the custodian in a money market fund are classified as cash equivalents within the investment account.

The Plan carried no particular security investment that individually represented 5% or more of the Plan's net assets available for benefits as of September 30, 2021.

Investments not evidenced by securities that exist in physical or book-entry form include investments in mutual funds, domestic investment funds or a commingled pooled trust fund.

The Plan's independently managed investments are segregated into a separate account. The investment manager is monitored by the Board of Trustees and an investment performance monitor.

The Plan has no instrument that, in whole or in part, is accounted for as a derivative instrument under GASB statement No. 53, Accounting and Financial Reporting for Derivative Instruments during the current year.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

General Employees’ Pension Trust Fund (Continued)

The Plan invests in mortgage-backed securities representing interests in pools of mortgage loans as part of its interest rate risk management strategy. The mortgage-backed securities are not used to leverage investments in fixed income portfolios. The mortgage-backed securities held by the Plan are guaranteed by federally sponsored agencies such as the Government National Mortgage Association. These investments are inside of the fixed income open-end mutual fund that the plan holds.

The Plan invests in a variety of investment vehicles. Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and such changes could materially affect the amounts reported in the statement of fiduciary net position.

For a more detailed and comprehensive list of available investments, the Investment Policy Statement, as approved by the Board of Trustees, should be referenced. The gain or loss on financial instruments is recognized in the changes in net position as part of investment income.

The following is a list of the Plan’s investments by categories of risk as of September 30, 2021:

	2021	
	Historical Cost	Fair Value
Money Market Mutual Funds	\$ 173,561	\$ 173,561
Mutual Funds – Domestic Equity	3,198,048	6,180,071
Mutual Funds – International Equity	824,260	1,152,637
Mutual Funds - Fixed Income	4,548,868	4,628,044
	\$ 8,744,737	\$ 12,134,313

The money market mutual funds consist of investments with financial institutions in open end, institutional, money market funds complying with Securities and Exchange Commission (SEC) Rule 2a7. Rule 2a7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net assets used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, and requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount. Money market mutual funds are exempt from the GASB 72 fair value hierarchy disclosures and are recorded as cash and cash equivalents on the Statement of Fiduciary Net Position.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

General Employees’ Pension Trust Fund (Continued)

Investment Measurement at Fair Value

The Plan categorizes its investments according to the fair value hierarchy established GASB *Statement No. 72, Fair Value Measurement and Application*. The hierarchy is based on valuation inputs used to measure the fair value of the asset as follows: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs to include quoted prices for similar assets in active and non-active markets; Level 3 inputs are significant unobservable inputs.

The Plan categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following fair value measurements as of September 30, 2021:

	Fair Value Measurement			
	Balance	Level 1	Level 2	Level 3
Investments by fair value level				
Mutual Funds – Domestic Equity	\$ 6,180,071	\$ 6,180,071	\$	\$
Mutual Funds – International Equity	1,152,637	1,152,637		
Mutual Funds - Fixed Income	4,628,044	4,628,044		
	\$ 11,960,752	\$ 11,960,752	\$	\$

Credit risk – Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. Credit risk does not apply to the Plan’s investments at this time.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risks.

At September 30, 2021, the fixed income mutual fund was invested in high quality bonds and other fixed income securities including U.S. Government obligations, mortgage and asset-backed securities, corporate and municipal bonds, collateralized mortgage obligations, short-term instruments, and the other investments A rated by Standard & Poor’s, Moody’s Investor Services or Fitch. To a lesser extent the fund may also invest in fixed income securities rated Baa or lower.

This fund had an effective duration of 5.1 years of September 30, 2021.

Concentrations of credit risk – Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single user. Not more than five (5) percent of the Plan’s assets shall be invested in the common stock or capital stock of any one issuing company.

OKEECHOBEE UTILITY AUTHORITY

Notes to Financial Statements

September 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Employees’ Pension Trust Fund (Continued)

Investment Measurement at Fair Value (Continued)

Investing in Foreign Markets – Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized or unrealized gains, and their prices are more volatile than those of comparable securities in U.S. companies.

NOTE 3 – INVENTORY

Inventory was comprised of the following at September 30, 2021:

Chemicals	\$ 17,380
Parts and supplies	<u>562,082</u>
Total inventory	<u>\$ 579,462</u>

NOTE 4 – RESTRICTED ASSETS

Restricted assets consist of the following accounts as of September 30, 2021:

Renewal, replacement & improvement	\$ 533,351
Capital connection water	468,087
Capital connection wastewater and treatment plant	1,107,134
Fire hydrant	<u>252,839</u>
Total restricted for capital projects	2,361,411
Debt service	484,707
Rate stabilization	1,339,359
Customer deposits	<u>638,602</u>
Total restricted assets	<u>\$ 4,824,079</u>

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 5 – UNRESTRICTED NET POSITION

Unrestricted net position consists of the following as of September 30, 2021:

Designated:

Capital improvement project	\$ 695,556
Operating reserve	1,951,047
Emergency funding	<u>650,680</u>
Total designated	3,297,283
Undesignated	<u>2,037,446</u>
Total unrestricted net position	<u>\$ 5,334,729</u>

NOTE 6 – CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated</u>				
Land	\$ 2,743,323	\$ 34,500	\$	\$ 2,777,823
Construction in progress	<u>7,159,006</u>	<u>2,488,124</u>	<u>(6,839,738)</u>	<u>2,807,392</u>
Total capital assets not being depreciated	<u>9,902,329</u>	<u>2,522,624</u>	<u>(6,839,738)</u>	<u>5,585,215</u>
<u>Capital assets being depreciated</u>				
Buildings	1,108,764			1,108,764
Equipment	4,142,602	297,335	(54,115)	4,385,822
Distribution and collection plant	<u>94,222,095</u>	<u>6,987,941</u>	<u>(232,935)</u>	<u>100,977,101</u>
Total capital assets being depreciated	<u>99,473,461</u>	<u>7,285,276</u>	<u>(287,050)</u>	<u>106,471,687</u>
<u>Less accumulated depreciation</u>				
Buildings	(615,674)	(40,497)		(656,171)
Equipment	(3,380,940)	(177,351)	51,052	(3,507,239)
Distribution and collection plant	<u>(42,539,854)</u>	<u>(2,413,004)</u>	<u>232,935</u>	<u>(44,719,923)</u>
Total accumulated depreciation	<u>(46,536,468)</u>	<u>(2,630,852)</u>	<u>283,987</u>	<u>(48,883,333)</u>
Total capital assets being depreciated, net	<u>52,936,993</u>	<u>4,654,424</u>	<u>(3,063)</u>	<u>57,588,354</u>
Total capital assets, net	<u>\$ 62,839,322</u>	<u>\$ 7,177,048</u>	<u>\$(6,842,801)</u>	<u>\$ 63,173,569</u>

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 7 – LONG-TERM LIABILITIES

Loans Payable from Direct Borrowings and Direct Placements

Pledged Revenues

Net Revenues from operating the System, Pledged Capital Connection Charges, Special Assessments, and earnings and investment income are pledged for the payment of the Capital Improvement Refunding Revenue Notes, Series 2020 and the Loan Agreement WW615100.

Capital Improvement Refunding Revenue Notes, Series 2020

On April 1, 2020, the Authority issued \$16,390,000 Capital Improvement Refunding Revenue Notes, Series 2020 with Truist Bank (the Senior Debt). The notes were issued to provide funds to refund the Capital Improvement Refunding Revenue Note, Series 2017.

The Series 2020 Notes are comprised of \$7,340,000 Series 2020A and \$9,050,000 Series 2020B as follows:

<u>Series</u>	<u>Original Face Amount</u>	<u>Interest Rate</u>	<u>Mandatory Redemption Beginning October 1</u>	<u>Maturity</u>
2020A	\$7,340,000	1.79%	2020	October 1, 2025
2020B	9,050,000	2.05%	2020	October 1, 2030

Principal and interest is to be paid semiannually on each April 1 and October 1, through October 1, 2030. As of September 30, 2021, the balance due on Series 2020A and 2020B is \$5,411,000 and \$8,825,000, respectively.

The Authority is to 1) establish rates and collect fees to provide Net Revenues of at least 1.10 times the Annual Debt Service Requirement for the Notes, 2) maintain a Debt Service Account that is funded monthly to fund semi-annual Debt Service Payments, and 3) maintain a Renewal Replacement and Improvement Account of 5% of Gross Revenues of the preceding fiscal year. In the event of default in the payment of interest or principal of any of the bonds or any other event of default and such default is not cured in sixty days, any Holder shall be entitled to the appointment of a receiver to manage the System in an appropriate judicial proceeding.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Loans Payable from Direct Borrowings and Direct Placements (Continued)

Loan Agreement WW615100

The Authority was approved for a construction loan of \$10,210,183, with an interest rate of 1.86%, by the Florida Department of Environmental Protection (the Department) under the State Revolving Fund Loan Program (The Junior Debt). The amount outstanding as of September 30, 2021, was \$4,759,700. According to the loan agreement, 40 semi-annual payments of principal and interest commenced on September 15, 2009, in the amount of \$341,431. This loan is junior, inferior, and subordinate in all regards in right of payment and security to the Capital Improvement Refunding Revenue Note, Series 2020A and Capital Improvement Refunding Revenue Note, Series 2020B.

The Authority is to 1) establish rates and collect fees to provide Net Revenues of at least 1.15 times the Annual Debt Service Requirement for the Notes, 2) maintain a Debt Service Account that is funded monthly to fund semi-annual Debt Service Payments, and 3) satisfy the debt service coverage requirements of the Senior Debt.

Upon an event of default and subject to the rights of others having prior liens on the Pledged Revenues the Department may (1) apply to a court of competent jurisdiction, cause to appoint a receiver to manage the System, or (2) may accelerate the repayment schedule or increase the interest rate on the unpaid principal of the loan.

Debt service requirements to amortize long term debt at September 30, 2021 are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,073,096	\$ 356,854	\$ 2,429,950
2023	2,113,253	318,753	2,432,006
2024	2,153,619	279,859	2,433,478
2025	2,212,198	240,170	2,452,368
2026	2,182,993	198,899	2,381,892
2027-2030	8,260,541	355,755	8,616,296
Total	<u>\$ 18,995,700</u>	<u>\$ 1,750,290</u>	<u>\$ 20,745,990</u>

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Changes in Long-Term Liabilities

A summary of changes in long-term liabilities is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One year</u>
Notes payable	\$21,023,842	\$	\$ (2,028,142)	\$18,995,700	\$ 2,073,096
Compensated absences	255,845	177,250	(168,434)	264,661	79,398
Total OPEB liability	<u>50,665</u>	<u></u>	<u>(5,142)</u>	<u>45,523</u>	<u></u>
Total long-term liabilities	<u>\$21,330,352</u>	<u>\$ 177,250</u>	<u>\$ (2,201,718)</u>	<u>\$19,305,884</u>	<u>\$ 2,152,494</u>

Interest Expense

Interest expense for the year ended September 30, 2021 was \$523,113, which consisted of \$129,399 amortization of deferred costs from the issuance of bonds in prior years and interest costs incurred of \$393,714. Total interest paid during the year was \$394,168.

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM

General Information

The Employees' Retirement System of the Okeechobee Utility Authority (the System) is a single-employer, defined benefit contributory pension trust established by the Authority in Resolution 2016-03 for the benefit of the Authority employees. The System is under the supervision of a five-member local independent board of trustees, two of whom shall be a legal resident within the Authority's jurisdictional boundaries, who shall be appointed by the Okeechobee Utility Authority Board; two of whom shall be Employee Members employed by the Authority and elected by Member employees; and one of whom shall be the Executive Director of the Authority or his designee. Any changes to the plan requires approval by the Board of the Authority.

The System issues a publicly available financial report that includes financial statements, ten-year historical trend information, and other required supplementary information. That report may be obtained by writing to the attention of the Assistant Finance Director, Okeechobee Utility Authority, 100 SW. 5th Avenue, Okeechobee, FL 34974-4221.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM (Continued)

Basis of Accounting

The retirement system is reported on the accrual basis of accounting. Plan members contributions are recognized as revenues in the period that the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The plan's fiduciary net position has been determined on the same basis used by the pension plan. Investments are reported at fair value

Plan Description

The pension plan provides retirement, death and disability benefits for its participants. Each person employed by the Authority as a full-time employee becomes a member of the Plan as a condition of their employment except that the Executive Director of the Utility Authority, may opt out of the Plan within 60 days of employment. All employees are eligible to participate on the date of employment following attainment of age 18. Participation is mandatory. Normal retirement is provided for at age 65 and 5 years of service, or at 30 years of service regardless of age. The benefit is calculated at 2.1% of average monthly earnings times the last 5 years of continuous service with the employer. Benefits are payable by monthly annuity for 10 years certain and life thereafter with other options available. Early retirement is provided for at age 55 and 10 years of participation. Death and disability benefits are also available through the plans. The early retirement reduction factor is 2% per year.

Upon termination of employment, with less than 5 years of service, the plan refunds accumulated employee contributions. After 5 years of service, the pension benefit is accrued to date of termination and payable at normal retirement age if employee contributions are left in the fund.

The Plan contains a deferred retirement option plan (DROP) whereupon the employee could retire from the pension plan but continue employment with the Utility Authority for an additional maximum period of up to five years. The retirement benefit is immediately calculated and the monthly benefit is allocated to the DROP account. An election is made to either earn interest at the rate of 6.5% per annum or credited or debited with an investment return or loss approximating the other assets in the fund. Once a participant elects this option, he is no longer eligible for disability or pre-retirement benefits. The Plan's guidelines for the DROP are designed to adhere to IRS regulations. Additional information about the DROP can be obtained from the ordinance.

The Plan is administered by its Board of Trustees. Any changes to benefit provisions requires approval by the Board of the Authority.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM (Continued)

Members of the plan consisted of the following at September 30, 2020:

Retired Plan Members or Beneficiaries	
currently receiving benefits	21
Inactive Plan Members entitled to but	
not yet receiving benefits	4
Drop Participants	-
Active Plan Members	<u>50</u>
Total	<u>75</u>

Contributions

Contributions are made in accordance with applicable Florida Statutes and meeting the actuarially determined contribution requirements as based on the benefit structure established within the Plan as approved by the plan sponsor. The employer is required to contribute an amount equal to the difference between the normal cost, as calculated for the plan year from the applicable actuarial valuation, less the member contributions for the current year. The Authority is required to fund the plan according to any contribution deficit as determined by actuarial valuation for the plan beyond the contributions by employees and the regular employer contributions by the Okeechobee Utility Authority. After applying the allocable prepaid contribution from the beginning of the year, the employer contribution was sufficient to meet the required annual contribution, prepaid employer contributions.

The Utility Authority funded the pension plan at the rate of 12.40% of covered payroll for plan participants based on the October 1, 2019 actuarial valuation. Employee contributions are at the rate of 6% of payroll.

The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation. The funding policy for the Plan is to make an actuarially determined pension contribution in an amount, such that when combined with the participants' contributions, all participants' benefits will be fully provided for by the time they attain retirement age.

Investments Concentrations. The plan did not hold investments in any one organization that represents 5 percent or more of the Pension Plan's fiduciary net position.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions.

Inflation	2.5 %
Salary increases	6.00%, average, including wage inflation of 3.5%
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Retirement Age	100% when first eligible for normal retirement or DROP entry
Mortality	For healthy participants PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, separate rates for males and females, set back 1 year for males, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, separate rates for males and females, both set forward 3 years, without projected mortality improvements

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included the pension plan’s target asset allocation as of September 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Real Rate of Return*
Domestic Equity	50%	7.5%
International Equity	10%	8.5%
Fixed Income	40%	2.5%
Cash Equivalents	0%	0.0%
Total	100%	

*Net of long-term inflation assumption of 2.5%

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM (Continued)

Rate of Return.

For the year ended September 30, 2021, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 18.77 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The components of the net pension liability at September 30, 2021, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2020	\$ 9,856,220	\$ 10,142,415	\$ (286,195)
Changes due to:			
Service cost	296,197		296,197
Interest	682,179		682,179
Differences between expected and actual experience	(51,853)		(51,853)
Change of Assumptions	(171,663)		(171,663)
Employer contributions		286,486	(286,486)
Employee contributions		138,622	(138,622)
Benefit payments and refunds	(366,966)	(366,966)	
Net investment income		1,998,482	(1,998,482)
Administrative expenses		(50,818)	50,818
Total changes	387,894	2,005,806	(1,617,912)
Balances at September 30, 2021	<u>\$ 10,244,114</u>	<u>\$ 12,148,221</u>	<u>\$ (1,904,107)</u>

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM (Continued)

The change in assumptions due to updating the mortality assumptions.

The Plan fiduciary net position was 118.59% of the total pension liability as of September 30, 2021.

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following represents the Authority’s net pension liability calculated using the discount rate of 7.0%, as well as what the Authority’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1% Decrease 6%	Current Rate 7%	1% Increase 8%
	<u> </u>	<u> </u>	<u> </u>
Net pension liability	\$ <u>(599,577)</u>	\$ <u>(1,904,107)</u>	\$ <u>(2,993,718)</u>

Pension expense and deferred outflows and inflows of resources

For the fiscal year ended September 30, 2021, the Authority recognized a pension credit of \$(194,032). In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 79,661	\$ 284,273
Change of assumptions	58,621	145,256
Net difference between projected and actual earnings on plan investments	<u> </u>	<u>1,211,692</u>
Total	<u>\$ 138,282</u>	<u>\$ 1,641,218</u>

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 8 – EMPLOYEE RETIREMENT SYSTEM (Continued)

The amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in pension expense as follows:

<u>Year ended September 30:</u>	<u>Amount</u>
2020	\$ (348,161)
2021	(337,805)
2022	(417,439)
2023	(342,266)
2024	(39,553)
Thereafter	(17,712)
	<u>\$ (1,502,936)</u>

Payables to the Pension Plan

At September 30, 2021, the Authority had a payable of \$12,768 for outstanding contributions to the Pension Plan for the fiscal year ended September 30, 2021.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Effective October 1, 2017, the Authority implemented Governmental Accounting Standards Board Statement 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Retirees of the Authority pay an amount equal to the actual premium for health insurance charged by the carrier. The premium charged includes an implied subsidy, as the amount charged for all participants (active employee or retiree) is the same, regardless of age. Under GASB 75, an implied subsidy is considered other post-employment benefits (OPEB).

The following describes the Authority’s OPEB Provisions:

Plan Description

The Authority provides a single employer defined benefit health care plan to all of its employees and the plan is administered by the Authority. The plan has no assets and does not issue a separate financial report.

Benefits Provided

The plan allows its employees and their beneficiaries, to continue to obtain health and dental benefits upon retirement. Normal retirement is provided for at age 65 and 5 years of service, or at 30 years of service regardless of age. The benefits of the plan are in accordance with Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Employees Covered by Benefit Terms

At September 30, 2021, the following employees were covered by benefit terms:

Participants	
Active employees	52
Inactive employees currently receiving benefits	3
Inactive employees entitled to but not receiving benefits	-
Total	<u>55</u>

Contribution Requirements: The Authority does not make direct contributions to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group health rates as active employees. However, the Authority’s actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an employer contribution, based upon an implicit rate subsidy. This offset equals the total annual age-adjusted costs paid by the Authority, or its active employees, for coverage of the retirees and their dependents net of the retiree’s own payments for the year.

Total OPEB Liability

The Authority’s total OPEB liability of \$45,523 was measured as of September 30, 2021 and was determined by the actuarial valuation as of that date.

Actuarial Assumptions and Methods

The total OPEB liability was determined using the following actuarial assumptions and other methods:

Valuation Date:	September 30, 2021
Discount Rate:	2.27% per annum
Average Retirement Age	65
Age adjustment factor	2.161021
Health Care Trend Rate:	Medical – 4.90% initially trending to 4.30% in 10 years Pharmacy – 5.90% initially trending to 4.30% in 10 years Dental – 3.50% initially trending to 3.00% in 10 years Vision – 3.00%

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions and Methods (Continued)

Actuarial Cost Method:	Entry Age Normal
Plan Participation Percentage:	18%
Mortality Rates:	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

The valuation was prepared using the Alternate Method in accordance with GASB 75.

Discount Rate

The Authority does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate is a yield or index rate for 20-year, tax-exempt municipal bonds. As a result, the calculation used a rate of 2.27%.

<u>Changes in the Total OPEB Liability</u>	<u>Total OPEB Liability</u>
Balance at September 30, 2020	\$ 50,665
Changes for the Year:	
Service Cost	1,959
Interest Cost	1,247
Changes of Assumptions and Other Inputs	419
Differences Between Expected and Actual Experience	(8,767)
Benefit Payments	(5,142)
Net Change in Total OPEB Liability	<u>(5,142)</u>
Balance at September 30, 2021	<u>\$ 45,523</u>

Changes in Assumptions

The discount rate was 2.37% at 10/1/20 and 2.27% at 9/30/21.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Authority, and the Authority's total OPEB liability if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher (versus the current discount rate):

	1.0% Decrease (1.27%)	Discount Rate (2.27%)	1.0% Increase (3.27%)
Total OPEB Liability	<u>\$ 50,400</u>	<u>\$ 45,523</u>	<u>\$ 41,786</u>

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 9 – OTHERPOST EMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the total OPEB liability of the Authority, and the Authority’s total OPEB liability if it were calculated using healthcare cost trends that are 1-percentage-point lower or 1-percentage-point higher (versus the current healthcare cost trend rates):

	1.0% Decrease	Healthcare cost Trend Rates	1.0% Increase
Total OPEB Liability	\$ 41,153	\$ 45,523	\$ 51,247

OPEB Expense

For the year ended September 30, 2021, the Authority recognized OPEB credit of \$(5,142).

NOTE 10 – CONTINGENCIES

The Authority is involved in various litigations and claims arising in the course of operations. It is the opinion of legal counsel that the likelihood of unfavorable outcomes and the amounts of potential losses cannot be reasonably determined at this time. Accordingly, no provision for any liability, that may result, has been made in the accompanying financial statements.

In the opinion of management, no present claims exist that would, in the event of an adverse resolution, result in liabilities in excess of the Authority’s insurance coverage.

NOTE 11 – COMMITMENTS

As of September 30, 2021, the Authority had commitments on outstanding engineering and construction contracts for improvements to the system of approximately \$1,945,332.

NOTE 12 – RISK MANAGEMENT

The Okeechobee Utility Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the 2021 fiscal year, coverage was maintained via membership renewal with Preferred Governmental Insurance Trust (“PGIT”), a public entity risk pool. The Okeechobee Utility Authority pays an annual premium to PGIT for the following coverage: property and inland marine, general liability, automobile, crime, public official’s liability, employment practices liability, and worker’s compensation. The PGIT purchases excess of loss insurance policies. The excess of loss insurance policies attaches at \$100,000 per occurrence except for property insurance which is \$25,000 per occurrence. Since the PGIT purchases excess of loss insurance, the pool has not billed and does not plan to bill members for additional assessments.

OKEECHOBEE UTILITY AUTHORITY
Notes to Financial Statements
September 30, 2021

NOTE 12 – RISK MANAGEMENT (Continued)

As of September 30, 2021, the Authority's management is of the opinion that the PGIT is able to pay claims incurred to date and that the Authority will not be liable to pay any submitted claims.

The Okeechobee Utility Authority continues to carry commercial insurance for the following risks: pollution liability, health, life, and disability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Florida Statutes limit the Authority's maximum loss for most liability claims to \$200,000 per person and \$300,000 per occurrence under the Doctrine of Sovereign Immunity. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in Florida Statutes do not apply to claims filed in Federal courts.

NOTE 13 – CORONAVIRUS

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Authority may be adversely affected. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

NOTE 14– NEW ACCOUNTING STANDARDS

Below is a brief description and effective date of new accounting standards that could have a significant impact on the Authority's financial statements. Management is currently evaluating the impact of the adoption of this statement on the Authority's financial statements.

GASB Statement No. 87, *Leases*. This Statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting that is based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the fiscal year ending September 30, 2022.

OKEECHOBEE UTILITY AUTHORITY
Required Supplemental Information
Schedule of Changes in the Total OPEB Liability
Last Ten Fiscal Years

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Service cost	\$ 2,113	\$ 3,493	\$ 4,304	\$ 1,959
Interest on total OPEB liability	1,636	3,107	2,436	1,247
Effect of economic/demographic gains or losses	26,276	(22,138)	(31,610)	(8,767)
Effect of assumption changes	<u>(11,009)</u>	<u>4,796</u>	<u>4,176</u>	<u>419</u>
Net change in total OPEB Liability	19,016	(10,742)	(20,694)	(5,142)
Total OPEB liability - beginning	<u>63,085</u>	<u>82,101</u>	<u>71,359</u>	<u>50,665</u>
Total OPEB liability - ending	<u>\$ 82,101</u>	<u>\$ 71,359</u>	<u>\$ 50,665</u>	<u>\$ 45,523</u>
Covered employee payroll	<u>\$ 2,339,518</u>	<u>\$ 2,384,400</u>	<u>\$ 2,565,609</u>	<u>\$ 2,653,458</u>
Total OPEB liability as a percentage of covered employee payroll	<u>3.51%</u>	<u>2.99%</u>	<u>1.97%</u>	<u>1.72%</u>
<u>Change of Assumptions</u>				
Discount rate (2.51% at 10/1/17)	<u>3.63%</u>	<u>3.22%</u>	<u>2.37%</u>	<u>2.27%</u>

This schedule is intended to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for those years for which information is available.

OKEECHOBEE UTILITY AUTHORITY
Required Supplemental Information
Employees' Retirement System
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	2017	2018	2019	2020	2021
Total pension liability:					
Service cost	\$ 285,610	\$ 282,926	\$ 269,093	\$ 285,901	\$ 296,197
Interest	723,860	595,025	616,927	655,548	682,179
Differences between expected and actual experience		181,813	(383,010)	(36,680)	(51,853)
Change of assumptions	109,828				(171,663)
Benefit payments, including refunds of employee contributions	(206,413)	(319,132)	(300,238)	(328,601)	(366,966)
Net change in total pension liability	912,885	740,632	202,772	576,168	387,894
Total pension liability - beginning	7,423,763	8,336,648	9,077,280	9,280,052	9,856,220
Total pension liability - ending (a)	<u>\$ 8,336,648</u>	<u>\$ 9,077,280</u>	<u>\$ 9,280,052</u>	<u>\$ 9,856,220</u>	<u>\$ 10,244,114</u>
Plan fiduciary net position					
Contributions - employer	\$ 287,362	\$ 325,097	\$ 336,605	\$ 317,039	\$ 286,486
Contributions - employees	130,765	129,178	128,067	133,961	138,622
Net investment income	831,485	703,480	327,727	1,067,073	1,998,482
Benefit payments, including refunds of employee contributions	(206,413)	(319,132)	(300,238)	(328,601)	(366,966)
Administrative expenses	(52,151)	(72,819)	(59,018)	(52,827)	(50,818)
Net change in plan fiduciary net position	991,048	765,804	433,143	1,136,645	2,005,806
Plan fiduciary net position - beginning	6,815,775	7,806,823	8,572,627	9,005,770	10,142,415
Plan fiduciary net position - ending (b)	<u>\$ 7,806,823</u>	<u>\$ 8,572,627</u>	<u>\$ 9,005,770</u>	<u>\$ 10,142,415</u>	<u>\$ 12,148,221</u>
Net pension liability (asset) (a) - (b)	<u>\$ 529,825</u>	<u>\$ 504,653</u>	<u>\$ 274,282</u>	<u>\$ (286,195)</u>	<u>\$ (1,904,107)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.64%</u>	<u>94.44%</u>	<u>97.04%</u>	<u>102.90%</u>	<u>118.59%</u>
Covered payroll	<u>\$ 2,179,417</u>	<u>\$ 2,152,963</u>	<u>\$ 2,134,469</u>	<u>\$ 2,232,670</u>	<u>\$ 2,310,371</u>
Net pension liability (asset) as a percentage of covered payroll	<u>24.31%</u>	<u>23.44%</u>	<u>12.85%</u>	<u>(12.82)%</u>	<u>(82.42)%</u>

NOTE: Prior to October 1, 2016, the Authority participated in the City of Okeechobee and Okeechobee Utility Authority Employees' Retirement System, a cost-sharing multiple-employer defined benefit plan. Effective October 1, 2016, the Authority withdrew from that plan and started the Okeechobee Utility Authority Employees' Retirement System, a single-employer defined benefit plan with the same contribution and benefit provisions as the prior plan.

This schedule is intended to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for those years for which information is available.

Change of Assumptions

For the year ending September 30, 2017, the assumed rates of mortality were changed.

For the year ending September 30, 2021, the assumed rates of mortality were changed.

**OKEECHOBEE UTILITY AUTHORITY
Required Supplemental Information**

Last Ten Fiscal Years

Schedule of Employer Contributions

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Authority's Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2017	303,157	287,362 *	(15,795) *	2,179,417	13.19%
2018	302,922	325,097	22,175	2,152,963	15.10%
2019	335,965	336,605	640	2,134,469	15.77%
2020	317,039	317,039	-	2,232,670	14.20%
2021	286,486	286,486	-	2,310,371	12.40%

* Excess contributions from previous years totaling \$15,795 were applied to satisfy the full contribution requirement.

Schedule of Annual Money-Weighted Rate of Return, Net of Investment Expense

Fiscal Year Ending September 30	
2017	10.83%
2018	8.11%
2019	3.21%
2020	11.53%
2021	18.77%

NOTE: Prior to October 1, 2016, the Authority participated in the City of Okeechobee and Okeechobee Utility Authority' Employees' Retirement System, a cost-sharing multiple-employer defined benefit plan. Effective October 1, 2016, the Authority withdrew from that plan and started the Okeechobee Utility Authority Employees' Retirement System, a single-employer defined benefit plan with the same contribution and benefit provisions as the prior plan.

This schedule is intended to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for those years for which information is available.

OKEECHOBEE UTILITY AUTHORITY
Notes to the Schedule of Contributions

September 30, 2021

Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported. The contributions for the fiscal year ended September 30, 2021, were determined by the actuarial valuation as of October 1, 2019 using the methods and assumptions below.

Valuation Date	October 1, 2019
Actuarial Cost Method	Aggregate
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	4-year smoothed market
Inflation	2.50%
Salary Increases	6.00%
Cost of Living Adjustments	None
Investment Rate of Return	7.00%
Retirement age	100% when first eligible for normal retirement or DROP entry
Mortality *	RP-2000 Combined Healthy Participant Mortality Table with mortality improvement projected to all future years using Scale BB

* This assumption was changed in the October 1, 2020 actuarial valuation, which was used for the fiscal year ended September 30, 2021 net pension asset calculation.

OKEECHOBEE UTILITY AUTHORITY
Schedule of Revenues and Expenses
For the Fiscal Year Ended September 30, 2021
Unaudited

	<u>Water</u>	<u>Wastewater</u>	<u>Unallocated</u>	<u>Total</u>
OPERATING REVENUE				
Water system charges for services	\$ 6,949,975	\$	\$	\$ 6,949,975
Wastewater system charges for services		4,105,049		4,105,049
Penalties and late charges			121,010	121,010
Miscellaneous			80,222	80,222
Total operating revenues	<u>6,949,975</u>	<u>4,105,049</u>	<u>201,232</u>	<u>11,256,256</u>
OPERATING EXPENSES				
Personnel Costs	441,990	472,238	2,131,692	3,045,920
Electricity	201,355	147,442	115,342	464,139
General Repair and Maintenance Expenses	129,888	119,820	562,888	812,596
Repair & Maintenance Expenses Equipment	88,195		31,857	120,052
Monitoring and Testing	19,408	22,842		42,250
Residual Disposal		67,089		67,089
Chemicals	434,307	57,616	63,505	555,428
Maintenance Supplies	9,036	3,979	49,203	62,218
Office Supplies	2,084	569	9,676	12,329
Miscellaneous	1,708	4,010	6,483	12,201
Administrative Costs			210,355	210,355
Accounting and Audit Fees			22,500	22,500
Legal Fees			35,126	35,126
Property, Liability and Casualty Insurance			341,104	341,104
Professional Services			105,739	105,739
Depreciation and amortization	1,653,941	976,911		2,630,852
Total operating expenses	<u>2,981,912</u>	<u>1,872,516</u>	<u>3,685,470</u>	<u>8,539,898</u>
OPERATING INCOME	<u>3,968,063</u>	<u>2,232,533</u>	<u>(3,484,238)</u>	<u>2,716,358</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue			47,914	47,914
Interest expense			(523,113)	(523,113)
Total nonoperating revenues (expenses)			<u>(475,199)</u>	<u>(475,199)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	<u>\$ 3,968,063</u>	<u>\$ 2,232,533</u>	<u>\$ (3,959,437)</u>	<u>\$ 2,241,159</u>

OKEECHOBEE UTILITY AUTHORITY
Information Required by Section 218.39(3)(c), Florida Statutes
For the Fiscal Year Ended September 30, 2021
Unaudited

As required by Section 218.39(3)(c), Florida Statutes, the Authority reported:

Required Information	Reported	
The total number of district employees compensated in the last pay period of the District's fiscal year 2021:	54	
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year 2021:	Not Applicable	
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for fiscal year 2021:	\$ 2,653,458	
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for fiscal year 2021:	Not Applicable	
Each construction project with a total cost of at least \$65,000 approved by the District that was scheduled to begin on or after October 1 of the fiscal year 2021, together with the total expenditures for such project:		
Project	Budget	Expenditures
US 441 SE & 36th Ave WM replacement	155,000	131,715
Oak Lake Estates WW	554,249	518,773
SW Section WW Service Area Project II	11,055,091	195,642
Advanced Metering Infrastructure	2,230,423	20,072
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year 2021 being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes:	See Page 49	
The millage rate of ad valorem taxes imposed by the District for fiscal year 2021:	Not Applicable	
The rate of non-ad valorem special assessments imposed by the District for fiscal year 2021:	Not Applicable	

OKEECHOBEE UTILITY AUTHORITY
Budgetary Schedule
For the Fiscal Year Ended September 30, 2021
Unaudited

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
OPERATING REVENUE				
Water system charges for services	\$ 6,643,139	\$ 6,643,139	\$ 6,949,975	\$ 306,836
Wastewater system charges for services	4,033,985	4,033,985	4,105,049	71,064
Penalties and late charges	117,408	117,408	121,010	3,602
Miscellaneous	39,330	67,910	80,222	12,312
Total operating revenues	<u>10,833,862</u>	<u>10,862,442</u>	<u>11,256,256</u>	<u>393,814</u>
OPERATING EXPENSES				
Water services - labor	602,751	602,751	441,990	160,761
Water services - O & M	1,041,085	1,041,085	885,981	155,104
Wastewater services - labor	594,347	594,347	472,238	122,109
Wastewater services - O & M	725,830	700,175	423,367	276,808
Maintenance - labor	1,370,234	1,370,234	1,086,116	284,118
Maintenance - O & M	1,072,350	1,047,350	798,547	248,803
Meter reader - labor	234,213	234,213	186,121	48,092
Meter reader - O & M	29,614	29,614	21,466	8,148
Administrative and general - labor	1,137,643	1,137,643	859,455	278,188
Administrative and general - O & M	1,103,449	1,223,556	733,765	489,791
Depreciation and amortization	2,682,200	2,682,200	2,630,852	51,348
Total operating expenses	<u>10,593,716</u>	<u>10,663,168</u>	<u>8,539,898</u>	<u>2,123,270</u>
OPERATING INCOME	<u>240,146</u>	<u>199,274</u>	<u>2,716,358</u>	<u>2,517,084</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	44,189	44,189	47,914	3,725
Interest expense	<u>(394,167)</u>	<u>(394,167)</u>	<u>(523,113)</u>	<u>(128,946)</u>
Total nonoperating revenues (expenses)	<u>(349,978)</u>	<u>(349,978)</u>	<u>(475,199)</u>	<u>(125,221)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	<u>(109,832)</u>	<u>(150,704)</u>	<u>2,241,159</u>	<u>2,391,863</u>
CAPITAL CONTRIBUTIONS				
Capital grants		40,872	1,497,834	1,456,962
Water capital connection fees	9,650	9,650	83,437	73,787
Wastewater capital connection fees	9,000	9,000	146,781	137,781
Developer contributions for capital projects			78,020	78,020
Total capital contributions	<u>18,650</u>	<u>59,522</u>	<u>1,806,072</u>	<u>1,746,550</u>
INCREASE IN NET POSITION	<u>\$ (91,182)</u>	<u>\$ (91,182)</u>	<u>\$ 4,047,231</u>	<u>\$ 4,138,413</u>



NOWLEN, HOLT & MINER, P.A.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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The Honorable Chairman and Members of the
Okeechobee Utility Authority Board
Okeechobee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the proprietary fund and aggregate remaining fund information of the Okeechobee Utility Authority as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Okeechobee Utility Authority's basic financial statements, and have issued our report thereon dated March 7, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Okeechobee Utility Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Okeechobee Utility Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Okeechobee Utility Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Okeechobee Utility Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nowlen, Holt & Mimer, P.A.

West Palm Beach, Florida
March 7, 2022



NOWLEN, HOLT & MINER, P.A.

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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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The Honorable Chairman and Members of the
Okeechobee Utility Authority Board
Okeechobee, Florida

Report on Compliance for Each Major State Project

We have audited the Okeechobee Utility Authority’s compliance with the types of compliance requirements described in the *Department of Financial Services’ State Projects Compliance Supplement* that could have a direct and material effect on the Okeechobee Utility Authority’s major State project for the year ended September 30, 2021. The Okeechobee Utility Authority’s major State project is identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its State projects applicable to its State project.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for the Okeechobee Utility Authority’s major State project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about the Okeechobee Utility Authority’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance of the major State project. However, our audit does not provide a legal determination of the Okeechobee Utility Authority's compliance.

Opinion on Each Major State Project

In our opinion, the Okeechobee Utility Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State project for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the Okeechobee Utility Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Okeechobee Utility Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Okeechobee Utility Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Nowlen, Holt & Mimer, P.A.

West Palm Beach, Florida
March 7, 2022

OKEECHOBEE UTILITY AUTHORITY
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended September 30, 2021

<u>State Grantor/Program Title</u>	<u>CSFA Number</u>	<u>Contract Number</u>	<u>State Expenditures</u>
<u>Florida Department of Environmental Protection</u>			
<u>Statewide Water Quality Restoration Projects</u>	37.039		
		LP47012	\$ 488,205
		LP47021	200,093
		LPQ0008	754,226
		LPQ0017	55,310
			<u>1,497,834</u>
Total State Financial Assistance			<u>\$ 1,497,834</u>

NOTE 1 - BASIS OF PRESENTATION

The above schedule of expenditures of state financial assistance includes State grant activity of the Okeechobee Utility Authority and is presented in accordance with the requirements of the Florida Single Audit Act. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Because the Schedule presents only a portion of the operations of the Okeechobee Utility Authority it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Okeechobee Utility Authority.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Expenditures are recognized on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Florida Department of Financial Services' State Projects Compliance Supplement, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The Okeechobee Utility Authority did not have any loan programs.

NOTE 3 - CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the Okeechobee Utility Authority for the return of those funds. In the opinion of management, all grant expenditures were in compliance with the terms of the grant agreements and applicable State laws and regulations.

OKEECHOBEE UTILITY AUTHORITY
Schedule of Findings and Questioned Costs
September 30, 2021

SECTION I—SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified Opinion

Internal control over financial reporting:

- Material weakness identified? No
- Reportable condition identified that is not considered to be a material weakness? No

Noncompliance material to financial statements noted? No

State Financial Assistance

Internal control over major projects:

- Material weakness identified? No
- Reportable condition identified that is not considered to be a material weakness? None reported

Type of auditor’s report issued on compliance for major project: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General? No

Identification of Major State Project

<u>CSFA Number</u>	<u>Name of State Project</u>
37.039	Florida Department of Environmental Protection · Statewide Water Quality Restoration Projects

Dollar threshold used to distinguish between type A and type B programs: \$300,000

OKEECHOBEE UTILITY AUTHORITY
Schedule of Findings and Questioned Costs
September 30, 2021

SECTION II — FINANCIAL STATEMENT FINDINGS

None

SECTION III— STATE PROJECTS FINDINGS AND QUESTIONED COSTS

Major State Project

Florida Department of Environmental Protection
Statewide Water Quality Restoration Projects – CSFA 37.039

None

SECTION IV— SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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515 N. FLAGLER DRIVE, SUITE 1700
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N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

The Honorable Chairman and Members of the
Okeechobee Utility Authority Board
Okeechobee, Florida

Report on the Financial Statements

We have audited the financial statements of the Okeechobee Utility Authority, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 7, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 7, 2022, should be considered in conjunction with this Management Letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the prior year that required corrective actions.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Okeechobee Utility Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Okeechobee Utility Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes, during the fiscal year ended September 30, 2021.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Okeechobee Utility Authority's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes.

Based on the application of criteria in publications cited in Section 10.553, Rules of the Auditor General, there are no special district component units of the Okeechobee Utility Authority.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Authority reported the required information in the Other Information Section on pages 48 and 49.

Single Audits

The Okeechobee Utility Authority expended less than \$750,000 of federal awards and more than \$750,000 of state financial assistance for the fiscal year ended September 30, 2021 and was required to have a state single audit.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Nowlen, Holt & Mimes, P.A.

West Palm Beach, Florida
March 7, 2022



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

**INDEPENDENT ACCOUNTANT’S REPORT
ON COMPLIANCE WITH SECTION 218.415,
FLORIDA STATUTES**

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

The Honorable Chairman and Members of the
Okeechobee Utility Authority Board
Okeechobee, Florida

We have examined the Okeechobee Utility Authority’s compliance with Section 218.415, Florida Statutes during the year ended September 30, 2021. Management of the Okeechobee Utility Authority is responsible for Okeechobee Utility Authority’s compliance with the specified requirements. Our responsibility is to express an opinion on the Okeechobee Utility Authority’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Okeechobee Utility Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Okeechobee Utility Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Okeechobee Utility Authority’s compliance with the specified requirements.

In our opinion, the Okeechobee Utility Authority complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, applicable management, and the Okeechobee Utility Authority Board, and is not intended to be and should not be used by anyone other than these specified parties.

Nowlen, Holt & Miner, P.A.

West Palm Beach, Florida
March 7, 2022

Unit Information	
Unit Type: Special District	Year: 2021
Unit Name: Okeechobee Utility Authority	Unit Dependency: Independent
Unit Status: Active	

Location Information	Contact Information
Name: George Gall	Name: George Gall
Title: Finance Director	Title: Finance Director
Phone: (863)763-9460	Phone: (863)463-9460
Fax: (863)763-9036	Email: gdgall@ouafl.com
Address: 100 SW 5th Avenue Okeechobee, FL 34974 ,	Address: 100 SW 5th Avenue Okeechobee, FL 34974 ,

AFR Details
Original AFR
AFR Status: In Progress
AFR Received Date:
Audit Received Date:
Submission Type:

Long-Term Debt Information
Long-Term Debt: \$16,922,604

Audit Information
Was an audit performed? Yes
Audit Performed Date: 3/7/2022
Auditor Name: Nowlen, Holt & Miner, P.A.
 Address: 515 N. Flagler Drive Suite 1700 West Palm Beach, FI 33401

Certification								
Chief Financial Officer	Chairman/Elected Official							
Name: George Gall	Name: John Creasman							
Title: Finance Director	Title: Chairman							
		<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px; text-align: center;">X</td> </tr> <tr> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> <td style="border: 1px solid black; width: 20px; height: 20px;"></td> </tr> </table>	Yes	No		X		
Yes	No							
	X							
Have You Experienced a Financial Emergency in this year?								
If Yes, Have You Compiled With Section 218.503(2), Florida Statues?								

Revenues Report for FYE 2021

Account Code	General	Special Revenue	Debt Service	Capital Projects	Permanent	Enterprise	Internal Service	Pension	Trust	Custodial	Component Units	Total
343300 - Service Charge - Water Utility	0	0	0	0	0	6,949,975	0	0	0	0	0	6,949,975
343500 - Service Charge - Sewer/Wastewater Utility	0	0	0	0	0	4,105,049	0	0	0	0	0	4,105,049
343600 - Service Charge - Water/Sewer Combination Utility	0	0	0	0	0	121,010	0	0	0	0	0	121,010
361100 - Interest	0	0	0	0	0	0	0	358,779	0	0	0	358,779
361300 - Net Increase (Decrease) in Fair Value of Investments	0	0	0	0	0	0	0	1,659,953	0	0	0	1,659,953
364000 - Disposition of Fixed Assets	0	0	0	0	0	7,259	0	0	0	0	0	7,259
368000 - Pension Fund Contributions	0	0	0	0	0	0	0	425,108	0	0	0	425,108
369900 - Other Miscellaneous Revenues	0	0	0	0	0	72,963	0	0	0	0	0	72,963
389100 - Proprietary - Interest	0	0	0	0	0	47,914	0	0	0	0	0	47,914
389600 - Proprietary - Capital Contributions from State Government	0	0	0	0	0	1,497,834	0	0	0	0	0	1,497,834
389800 - Proprietary - Capital Contributions from Private Source						308,238						308,238
Grand Total	0	0	0	0	0	13,110,242	0	2,443,840	0	0	0	15,554,082

Expenditures Report for FYE 2021

Account/Object Code	General	Special Revenue	Debt Service	Capital Projects	Permanent	Enterprise	Internal Service	Pension	Trust	Custodial	Component Units	Total
513.10 - Financial and Administrative - Personnel Services	0	0	0	0	0	859,455	0	0	0	0	0	859,455
513.30 - Financial and Administrative - Operating Expenses	0	0	0	0	0	733,765	0	71,068	0	0	0	804,833
518.30 - Pension Benefits - Operating Expenses	0	0	0	0	0	0	0	366,966	0	0	0	366,966
533.10 - Water Utility Services - Personnel Services	0	0	0	0	0	441,990	0	0	0	0	0	441,990
533.30 - Water Utility Services - Operating Expenses	0	0	0	0	0	885,981	0	0	0	0	0	885,981
535.10 - Sewer/Wastewater Services - Personnel Services	0	0	0	0	0	472,238	0	0	0	0	0	472,238
535.30 - Sewer/Wastewater Services - Operating Expenses	0	0	0	0	0	423,367	0	0	0	0	0	423,367
536.10 - Water/Sewer Services - Personnel Services	0	0	0	0	0	1,272,237	0	0	0	0	0	1,272,237
536.30 - Water/Sewer Services - Operating Expenses	0	0	0	0	0	3,450,865	0	0	0	0	0	3,450,865
591.70 - Non-Operating Interest Expense - Debt Service	0	0	0	0	0	523,113	0	0	0	0	0	523,113
Grand Total	0	0	0	0	0	9,063,011	0	438,034	0	0	0	9,501,045

Data Element Worksheet Report for FYE: 2021, Okeechobee Utility Authority

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 18

MARCH 17, 2022

RANKING OF INTERIM FINANCING

On February OUA requested RFP's for interim financing from approximately 15 commercial banks for the Southwest Service Area Project 2 that will be at the completion of construction funded by a USDA permanent loan of \$7,508,000. The total projected cost for Project 2 is \$11,055,091 with a \$883,000 USDA grant and a \$2,664,091 Florida DEP grant funding the difference.

Live Oak Bank, South State Bank and Truist Bank submitted RFP's. Truist Bank was disqualified because their loan proposal was not a construction loan with multiple advances. A committee of India Riedel, Kelley Carson and an OUA staff member were on a committee to evaluate the RFP's. OUA publicly thanks India Riedel and Kelley Carson for their service.

The committee agreed on the following six criteria to evaluate the RFP's. The ranking form provides more specifics on qualifications, loan structure and costs. The criteria were weighted by level of significance for a total of 100%.

Qualifications 35%
Loan Structure 20%
Loan Term 8%
Security for the Loan 3%
Reporting Requirements 3%
Costs 31%

Utilizing the six criteria above, the committee evaluated the RFP's from the two qualified commercial banks. The following rankings reflect the cumulative scores of this evaluation.

1. South State Bank
2. Live Oak Bank

Other factors such as: asset/deposit size of the bank, proximity of the commercial bank, and OUA's experience with South State Bank and Truist Bank were not considered in the evaluation process.

The Board may consider the committee's rankings, the aforementioned factors not considered by the committee and general Board discussions to develop the final ranking.

Staff recommends that the Board authorize the Executive Director or Finance Director to negotiate a binding commitment letter on specific loan terms that are satisfactory to the USDA for interim financing with the commercial bank ranked #1 by the Board and if those negotiations fail then the commercial bank ranked #2 by the Board.

	A	B	C	D	E	F	G
1							
2			Okeechobee Utility Authority				
3			The Committee's Cumulative Ranking for Interim Financing			Date:	17-Mar-22
4							
5					Bank #1	Bank #2	Bank #3
6			Name of Bank:		Live Oak Bank	South State Bank	Truist Bank
7							
8			Qualifications:				
9			Experience with USDA loans	25	75	36	
10			Experience with government bonds	6	12	18	
11			Junior staff experience	2	6	4	
12			Ability to provide other services / technical support	2	5	6	
13		1	Total Qualifications:	35	98	64	
14							
15			Loan Structure:				
16			Compliant with USDA conditions	12	30	29	* Not compliant
17			Firm Commitment to Lend	3	7	7	
18			Bank Qualified tax-exempt	3	6	9	
19			No prepayment penalty	2	6	6	
20		2	Total Loan Structure:	20	49	51	
21							
22		3	Total Loan Term:	8	24	22	
23							
24		4	Total Security for Loan:	3	9	9	
25							
26		5	Total Reporting Required from OUA, if any:	3	2	9	
27							
28			Costs:				
29			Bank attorney fees	8	15	23	
30			Interest rate (fixed or variable)	12	24	36	
31			Origination fee	7	0	21	
32			Inspection fee	2	0	6	
33			Other fees	2	2	6	
34		6	Total Costs:	31	41	92	
35			Maximum Points for the six criteria of 100	100	223	247	
36							
37	*		Truist's loan proposal wasn't for multiple construction project advances & therefore not acceptable to USDA.				



NON-BINDING PROPOSAL

February 24, 2022

George Gall, MBA, CPA
Okeechobee Utility Authority
100 SW 5th Avenue
Okeechobee, FL 34974

Dear Mr. George Gall,

SouthState Bank, N.A. ("the Bank") is pleased to have the opportunity to consider your loan request on behalf of Okeechobee Utility Authority (OUA). This letter is a Non-Binding Proposal.

Borrower: Okeechobee Utility Authority (The Borrower or the Utility Authority).

Purpose: Proceeds will be used by the Borrower to provide interim financing for the septic to sewer conversion in OUA's Southwest Section Service Area (SWSA) known as Project 2.

The total project cost is estimated to be \$11,055,000 with the cost to be paid for with a \$2,664,000 Florida Department of Environmental Protection (FDEP) grant, a \$7,508,000 interim loan from a lender (this loan) and a USDA grant of \$883,000.

Loan Amount and Type: Not to exceed \$7,508,000 (Seven Million Five Hundred and Eight Thousand Dollars) in the form of a Bank Qualified Tax-Exempt loan. The loan is anticipated to tentatively close within 60 days of acceptance of this letter and subsequent commitment.

This is a non-Revolving draw facility.

Maturity Date: Thirty-Six Months from Closing Date.

Interest Rate: The rate shall be a tax-exempt floating interest rate of WSJ Prime x 0.79. Currently 2.57% as of 1/27/2022, subject to changes in Prime. Interest will be calculated on a 30/360-day count basis.

Repayment Terms: Commencing on October 1, 2022, interest payments on the outstanding principal balance will be paid semi-annually on April 1st and October 1st of each year for the term of the loan.

Principal and Remaining Interest balance will be paid in full via proceeds of USDA loan and all other available sources of funds on or before Thirty-Six Months from Closing Date.

Security: The Note and the interest thereon will be payable from and secured by a pledge of the net proceeds of the USDA loan if and when received by the Borrower and are additionally payable from and secured by a lien upon and pledge of the Net Revenues (the "Pledged Revenues") of the Okeechobee Utility Authority on parity with existing senior debt.

Late Fees: Bank may at its option collect from the Borrower a late charge of five percent (5.00%) of any payment not received by the Bank within ten (10) days after the payment is due.

Event of Default: Upon an event of default as described in the resolution, the Bank may recover from the Borrower all expenses incurred including without limitation reasonable attorney's fees, at all levels of the proceedings, whether incurred in connection with collection, bankruptcy proceedings, trial, appeal or otherwise. Remedies shall include acceleration in the event of payment default.

Default Rate: WSJ Prime plus 4.0%.

Prepayment Penalty: None.

Bank Fees: Bank fees including its Bond Counsel review shall not exceed \$6,500.

It is understood that Lewis Longman & Walker, PA will prepare the documents on behalf of the Utility Authority with the Utility Authority bearing all closing costs.

Covenants:

- 1) Audited Financial Statements within 270 days of fiscal year end and the Utility Authorities Budget within 60 days of adoption shall be provided to the Bank by the Utility Authority
- 2) The Utility Authority shall provide such other financial information from time to time as is reasonably requested by the Bank.
- 3) The Utility Authority agrees to take such actions as may be required by Treasury regulations in order to maintain the status of the loan as a tax-exempt obligation. In the event the loan is not considered Tax Exempt as a result of any action or inaction of the Town, the Bank reserves the right to increase the interest rate (see "Interest Rate" above) to the taxable rate equivalent rate.

Conditions:

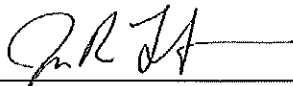
- 1) Loan documents to be satisfactorily reviewed and approved by Bank's Bond Counsel. Documents to include customary utility system covenants related to operation and maintenance, sale or disposal, connection, free service, etc.
- 2) Receipt of formal approval and authorization from the USDA, satisfactory to the Bank, in the form of an agency action or signed loan agreements confirming the grant and loan awards for the Southwest Wastewater Service Area Septic System to Sewer Wastewater Application letter dated September 3, 2021, and subsequent extension dated January 26, 2022.
- 3) Formal approval and authorization from the Okeechobee Utility Authority for the proposed \$7,508,000 million loan to provide interim financing for the septic to sewer conversion in OUA's Southwest Section Service Area (SWSA) known as Project 2.

Governing Law: State of Florida

This Non-Binding Proposal is solely and exclusively intended to serve as a summary of potential credit facility terms and conditions as a basis for preliminary discussion purposes only and to demonstrate SouthState Bank's interest in reviewing your loan request and, subject to SouthState Bank's underwriting requirements, and submission of your request for approval. This proposal may not include all of the terms and provisions that may be contained in any binding commitment letter which may later be offered to you. No oral communications between the parties shall be deemed to supersede this Non-Binding Proposal or indicate any commitment to extend credit in any form.

We appreciate this opportunity to submit our proposal to Okeechobee Utility Authority for consideration, and if you have any questions, please do not hesitate to call me at 772-201-4991 or email at JTrefelner@SouthStateBank.com.

Sincerely,



Jarrod Trefelner
SVP and Team Lead

February 24, 2022

Date

Acceptance:

By accepting this Non-Binding Proposal, you acknowledge and agree to the terms hereof, including without limitation the non-binding nature of this Proposal.

Authorized Signer

Date

Print Name: _____

Contact Information:

Jarrod Trefelner | SVP | Commercial Team Lead
5001 Okeechobee Rd | Fort Pierce, FL 34947
Cell 772.201.4991 | Office 772.293.0636 | Fax 772.257.3739
JTrefelner@SouthStateBank.com

Additional Information

1. SouthState Bank understands the nature of this facility as an interest only draw facility with multiple advances and acknowledges the receipt of 120-day extension by USDA to OUA.
2. Term sheet closing date is specifically open ended to allow bid process, review, and finalization of numbers.
3. SouthState Bank specifically understands the challenges of the project and provided a 36-month interest only period for the facility.
4. SouthState Bank has closed more than \$400 million in bond financing in Florida over the last 6 years. Jarrod Trefelner as a municipal lender has closed over \$80 million in municipal bond financing in the same period. Jarrod recently completed an \$11 million FDEP takeout facility, similar in nature to USDA takeout. Additionally, SouthState Bank employs a Director of Governmental & Non-Profit Banking who brings extensive experience with municipal lending. Finally, SouthState Bank will engage Peter Dame from Akerman to review loan documents.
5. SouthState Bank's pricing reflects Bank Qualified Tax-Exempt status.
6. SouthState provides Non-Binding proposals for all RFP's. Once the RFP has been awarded the SouthState Bank municipal lending group formalizes the approval with the specific agreed upon terms and conditions.

LOAN COMMITMENT LETTER**March 1, 2022**

Board of Directors
Okeechobee Utility Authority
371 State Rd, 78W
Okeechobee, FL 34974

Dear Board of Directors:

Live Oak Banking Company dba Live Oak Bank ("Live Oak") is pleased to commit to provide Okeechobee Utility Authority ("Borrower"), a credit facility ("Loan") in the principal amount of \$7,508,000. The following credit facility described is subject to all terms and conditions contained herein, provided there has been no material adverse change in Borrower's financial condition as determined by the Bank.

Borrower: Okeechobee Utility Authority**Borrowing
Amount:** \$7,508,000**Purpose:** To provide interim construction financing to construct a sewer collection system that will serve the Southwestern Section Wastewater Service Area, as well as the financing of defined soft costs and closing costs.**Interest Rate:** The loan will have an interest rate that is adjusted quarterly during the construction phase based on Wall Street Journal Prime plus 0.50%. If the loan were to close today, the fully indexed rate would be 3.75%. The interest rate will continue to adjust quarterly at the then current index plus applicable spread through maturity.

Interest will be calculated on the daily outstanding balance based on a 360-day year for the actual number of days elapsed and will be due monthly with each payment of principal.

Floor Rate: 3.75%, or the starting rate at origination**Repayment:** Interest-only, to be paid monthly, during the construction phase up to a maximum of 36 months with an optional 3-month extension. Take-out permanent loan will be through a USDA WEP Direct Loan.**Repayment
Penalty:** No prepayment penalty

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Construction
Monitoring Fee: 0.50% of the Loan Amount

Origination Fee: 0.50% of the Loan Amount

Extension Fee: 0.25% of the Loan Amount, if exercised

Sources and Use of Proceeds: CONSTRUCTION

Sources and Uses	Borrower Equity	Bank	USDA Grant	FDEP Grant	Total
Administrative and Legal	0	0	56,130	0	56,130
Architectural and Engineering	0	0	730,832	0	730,832
Field Geotech Testing Lab	0	0	96,038	53,962	150,000
Project Inspection Fees	0	0	0	410,951	410,951
Construction	0	7,508,000	0	1,163,818	8,671,818
Miscellaneous	0	0	0	168,000	168,000
Construction Monitoring Fee	37,540	0	0	0	37,540
Bank Legal Fee	10,000	0	0	0	10,000
Origination Fee	37,540	0	0	0	37,540
Contingencies	0	0	0	867,360	867,360
Total	85,080	7,508,000	883,000	2,664,091	11,140,171

Borrower acknowledges that they must notify Live Oak Bank before proceeding with any changes as it relates to the use of funds as referenced above. All loan funds are to be used to cover cost associated with the expansion of the facility and cannot be used for expenditures that have not been approved. _____(initial)

Collateral: Secured by a pledge of net revenues derived from the operation of the system on parity with existing outstanding obligations

Conditions Precedent:

Including, but not limited to the following, with all documents to be satisfactory in form and substance to Live Oak:

- a) No material adverse change in the condition, financial or otherwise, operations, properties, assets or prospects of the Borrower
- b) No material threatened or pending litigation or material contingent obligations
- c) Execution of Loan documentation
- d) Evidence that all actions necessary or, in the opinion of Live Oak, desirable, to perfect and protect the security interest of Live Oak have been taken

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- e) Delivery of evidence of legally binding insurance covering such risks as are required by Live Oak (including builder's risk, comprehensive general liability, hazard insurance, personal property, business interruption), naming Live Oak as mortgagee, Live Oak's loss payable and additional insured, as appropriate.
- f) A certificate, to be dated as of the Closing Date as to the incumbency of officers, partners, or members, as appropriate, of Borrower
- g) Resolutions of Borrower evidencing approval of the Loan and all steps necessary to consummate the Loan including, without limitation, execution of the Loan documents
- h) Delivery of legal opinions required by Live Oak relating to the Borrower and the Loan
- i) A complete set of detailed plans and specifications for proposed improvements
- j) Signed copy of the construction contract representing either a fixed sum or guaranteed maximum price contract without the "cost savings" clause
- k) A detailed construction budget
- l) Payment and performance bond with respect to the construction contract
- m) Satisfactory site visit with at least one Live Oak Credit Officer
- n) Receipt of USDA Form 1940-01 "Request for Obligation of Funds – Guaranteed Loans"
- o) Bond counsel's satisfactory receipt, review, and acceptance of any and all bond documentation (must include parity position with other bondholders) – subject to credit review and approval
- p) Executed Bond Anticipation Note with a term no less than the term of the Loan
- q) Satisfactory receipt and review of 9/30/2021 Audit – subject to underwriting review and approval

Disbursements: 36 months; Borrower will have a 3-month extension option at Bank's sole discretion.

**Representations
And
Warranties:**

Usual and customary for transactions of this nature with respect to the including, but not limited to: (i) organization and qualification; (ii) capitalization and ownership; subsidiaries; (iii) power and authority; (iv) validity, binding effect and enforceability; (v) security interests, no conflict; (vi) absence of material litigation; (vii) accuracy of financial statements, solvency; (viii) consents and effectiveness of governmental approvals; (ix) no material adverse change; (x) use of proceeds and not engaged in business of purchasing/carrying margin stock; (xi) full disclosure; (xii) taxes; (xiii) consents and approvals; (xiv) title to assets; (xv) no Event of Default; (xvi) compliance with instruments; (xvii) intellectual property and licenses; (xviii) insurance; (xix) compliance with laws; (xx) material contracts (including project documents and tax equity documents (as applicable)); (xxi) construction matters;

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(xx) investment companies; (xxi) plans and benefit arrangements; (xxii) employment matters; and (xxiii) environmental matters.

Financial Reporting:

Usual and customary for transactions of this nature with respect to the Borrower, including but not limited to:

- Audit financial statement prepared in accordance with GAAP within 90 days after fiscal year end for the borrowing entity and consolidated
- Officer Compliance Certificate
- Annual approved operating budget

Power of Attorney For UCC Filings:

Borrower appoints Live Oak its true attorney in fact to prepare, execute, file, record, or deliver financing statements, continuation statements, termination statements, statements of assignment, applications for registration, or like papers to perfect, preserve, or release Live Oak's interests in the collateral; cause any Collateral to be transferred to Live Oak's name or the name of Live Oak's nominee; and execute all documents in the name of Borrower or otherwise as Live Oak deems necessary, proper, or convenient in order to preserve, perfect, or enforce its rights in Collateral.

Material Adverse Change:

Live Oak's obligations and Commitments under this letter are subject to the accuracy of all information, representations, and materials submitted with or in support of the Borrower's request for the loan and any material inaccuracy, omission or change therein, shall, in Live Oak's discretion, operate to terminate this offer and Live Oak's Commitment hereunder. This Commitment letter may also be terminated by Live Oak upon the occurrence of any material adverse change in the financial condition, business, prospects, properties, or management of the Borrower or the occurrence of any other event as a result of which Live Oak believes that the prospect of the Borrower repaying its liabilities to Live Oak as contemplated herein may be impaired. Without limiting the generality of the foregoing, the Commitment hereunder shall immediately terminate in the event the Borrower becomes the subject of any proceedings under the United States Bankruptcy Code or any other insolvency, reorganization, liquidation, or moratorium of law.

Expenses:

The Loan shall be made and administered without cost to Live Oak. The Borrower's acceptance of this Commitment shall constitute the unconditional agreement, jointly and severally, whether or not the Loan closes, to pay all reasonable fees, expenses, taxes, costs and charges incurred in connection with the Loan, or in any way incident to the making of or the ongoing administration of the Loan, including, but not limited to, reasonable attorneys' fees and expenses (including, fees and expenses of Live Oak's counsel), appraisal fees, title searching fees, title or other insurance premiums, fees and costs for environmental tests and studies, engineer's and architect's fees, inspector's fees,

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surveyor's fees, recording costs, and recordation and transfer taxes. Live Oak shall not pay any brokerage fees or commissions arising from the Loan, and the Borrower agrees, jointly and severally, to defend indemnify, and hold Live Oak harmless against any and all expenses, liabilities and losses (including attorneys' fees) arising from any such claims. The Borrower and each of the guarantors, jointly and severally promise to pay to Live Oak on demand all costs and expenses incurred by Live Oak in connection with the enforcement of this Commitment or any of Live Oak's rights hereunder or any defenses of Live Oak against any claim made in connection with or arising out of this Commitment, including, without limitation, all of Live Oak's reasonable attorney's fees and expenses and court costs, whether or not proceedings are brought.

Commitment Fee: A \$10,000 commitment fee is required upon execution of the Commitment letter and due within fourteen days from the date of this letter; otherwise, this Commitment will have expired. The commitment fee will be applied to engage legal counsel and any other third-party costs incurred. The deposit held by Live Oak will be applied to any expenses incurred by Live Oak in connection with the Loan, including without limitation, lien and judgement searches, title searching fees, appraisals, business valuations, surveys, environmental tests and studies and reasonable attorney's fees and expense, should the Loans not close. At the time the Loan closes, any unused portion of the deposit, if any, shall be returned to the borrower.

This Commitment letter is addressed solely to you, it is solely for your benefit, and may not be relied upon or used by any other person or entity and may not be disclosed by you without Live Oak's prior written consent to any person other than your attorneys and other advisors. This Commitment letter and the Commitment evidenced herein may not be assigned by you to any other person or entity. This Commitment letter shall be governed by the laws of the state of North Carolina.

This credit accommodation is made available subject to the terms, conditions, and provisions comprehensive loan documents to be executed within 180 days from Live Oak's Credit approval dated February 25, 2022. Should the loan not close within 180 days from Live Oak's Credit approval, updated financials and re-approval is required.

If the terms outlined in this commitment letter are acceptable to you, please execute and return a copy to Live Oak Bank.

Sincerely,

Monica Pierre

MONICA PIERRE
Senior Loan Officer
Live Oak Bank

1741 Tiburon Dr
Wilmington, NC 28403
liveoakbank.com

Accepted By:

Name: John F. Hayford

Title: Executive Director

Date:

Other Conditions:

Please Note that a detailed checklist will be prepared for use during the closing process by your closing specialist.

Live Oak Bank USDA Experience

The Live Oak Bank team is knowledgeable of all funding programs of USDA, Rural Development. Our lending team is comprised of USDA experts who are passionate about helping rural America thrive. Live Oak Bank was named the leading 2021 USDA lender by volume for its Business & Industry Guaranteed Loan Program. To date, Live Oak has provided more than \$1.38 billion in USDA loans for projects in rural communities nationwide. Live Oak's expertise in USDA lending programs combined with our unparalleled customer service and flexible financing has made us a premier lender in the rural lending space.

Our team is comprised of several individuals who were key players in USDA, Rural Development previously. Debra Nesbit, who is our USDA Coordinator, brings over 23 years of USDA experience. She was recently named the Chairwoman of the National Rural Lender's Association. Our team also includes Monica Pierre, who brings over 20 years of USDA, Rural Development experience. Monica is the Senior Loan Officer for the Water and Environmental Guaranteed Loan Program.

Live Oak Bank, a subsidiary of Live Oak Bancshares, Inc. (Nasdaq), is a digitally focused, FDIC-insured bank serving customers across the country. Live Oak puts a groundbreaking spin on service and technology to redefine banking. Our products help customers buy, build, and expand their business and grow their hard-earned money. To learn more, visit www.liveoakbank.com

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OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 19

MARCH 17, 2022

SW 5TH AVENUE ENGINEERING REPORT

In the Please find attached the amended SW 5th Avenue Septic to Sewer Conversion Preliminary Evaluation Report prepared by Sumner Engineering & Consulting, Inc. (SEC).

This amended report addresses the request for a low pressure system to serve the SW5th Avenue/SW 7th Avenue area with gravity sewer serving the area east of SW 3rd Avenue. As expected, this blended alternative came in slightly higher than all low pressure.

Mr. Sumner will be in attendance to present the findings of the amended report.



TECHNICAL MEMORANDUM

ADDENDUM TO SW 5TH AVENUE PRELIMINARY EVALUATION REPORT

TO: Okeechobee Utility Authority

FROM: Jeffrey M. Sumner, PE

SUBJECT: SW 5th Avenue “Blended” Alternative

DATE: March 17, 2022

Background

As authorized by the Okeechobee Utility Authority (Purchase Order No. 10711), Sumner Engineering & Consulting, Inc. (SEC) completed a Preliminary Evaluation Report (PER) for the SW 5th Avenue Septic to Sewer Conversion Project. The PER analyzed multiple options to provide sewer service to the project area, including gravity sewer, vacuum sewer, and low pressure sewer alternatives. For the PER, we considered each alternative for the entire project area, and ranked each one based on the following criteria:

1. Capital investment cost (the direct material and labor cost of installing the system, including engineering design and construction services, and general costs).
2. Construction disruption to area (including likely road closures, traffic delays and detours, etc.).
3. Constructability of each alternative (ease or difficulty of construction, including water table management, trench safety, maintenance of traffic, etc.).
4. Operational effort (maintenance requirements, frequency of service calls, etc.)
5. Operational and Life-cycle cost (life expectancy / frequency of equipment replacement or refurbishment, electric costs, etc.).
6. Project area coverage / Potential expansion (ability of selected alternative to serve the entire Project Area, potential / ease of expansion beyond the Project Area).

As presented to the OUA Board at their February 17 meeting, the PER recommended the low pressure sewer alternative for the entire project area. This was due in large part to the significant difference in capital cost between low pressure and the gravity or vacuum sewer option. Low pressure sewer also offered ease of construction, and significantly less disturbance to the surrounding lots to be served (particularly in the residential areas). We did recognize, however, that low pressure systems have higher operational effort and higher operating and life cycle costs.

Additional Considerations

At the February Board meeting, SEC was asked about the possibility of dividing the project area and providing a “blended” alternative for sewer service. Based on that discussion, OUA staff instructed SEC to analyze an option for providing low pressure sewer service to the residential area between SW 7th Avenue and SW 5th Avenue (from SW 15th Street to SW 23rd Street), while serving the residential and

commercial area from SW 3rd Avenue to US 441 (from SW 15th Street to SW 28th Street) with gravity sewer. A project map illustrating this alternative is included with this memorandum as Attachment A-4.

Project Cost

SEC analyzed project costs associated with the “blended” alternative. Cost estimates based on our preliminary design layouts are included here as Attachments B-4a and B-4b. The combined preliminary estimate of construction cost for this alternative is \$3,785,741. A revised cost comparison is shown below:

- Vacuum \$ 6,053,000
- Gravity \$ 5,845,547
- Low-Pressure \$ 3,166,922
- “Blended” Alternative \$ 3,785,741

Alternatives Analysis

Utilizing the same criteria from the PER in selecting a recommended alternative, we have analyzed the blended option. A revised factor ranking is included below as Table 6 (Revised):

Table 6 (Revised) Factor Ranking

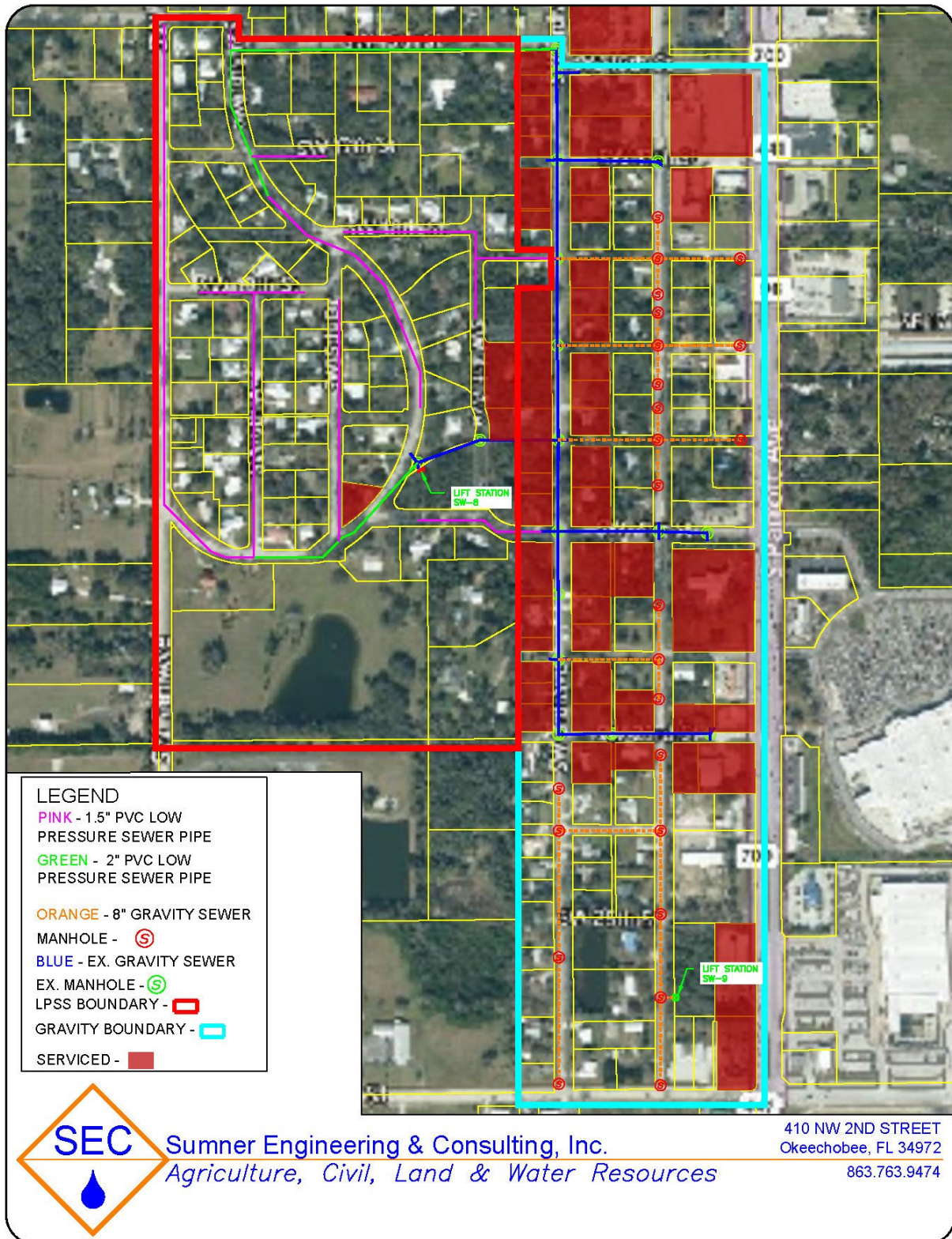
Criteria	Vacuum	Gravity	Low Pressure	“Blended”
Capital investment cost	3	3	1	1.5
Construction disruption to area	2	3	1	1.5
Constructability of the system	2	3	1	1.5
Operational effort	2	1	3	2
Operating / Life-cycle cost	2	1	3	2
Project Area Coverage / Expansion Potential	1	3	2	3
Total	12.0	14.0	11.0	11.5

Based on the established scoring criteria, the “blended” alternative ranks close to the originally recommended low pressure system for the entire project area. There are still concerns, as discussed in the PER, regarding a lack of expansion potential for gravity, particularly within the commercial area. Further, it is possible that the south end of the project area (between SW 23rd Street and SW 28th Street) may not be reachable by gravity without a new lift station. Some of these issues could be alleviated by further refining the boundary between the two system types (such as serving the residences along the south ends of SW 2nd Avenue and SW 3rd Avenue with low pressure.)


We do believe that a mix of service types as described is a viable option. We recommend, due to the critical nature of the public health concerns within the residential area, that OUA proceed with design, permitting and construction of a low pressure sewer system to serve the area shown in Attachment A-4.

We hope that this Technical Memorandum gives OUA the information necessary to proceed. If needed (such as for use in a Facilities Plan in support of a funding application), we would be happy to amend the previous PER to include the information contained here.


A-4: Blended Sewer System Alternative – Map (Sumner Engineering & Consulting, Inc.)



B-4a: Blended Sewer System Alternative – Opinion of Probable Cost (Gravity Sewer Area)

				
OPINION OF PROBABLE CONSTRUCTION COST				
OWNER:		ESTIMATED BY:		
Sumner Engineering & Consulting, Inc.		J. Razo		
CLIENT:		CHECKED BY:		
Okeechobee Utility Authority		J. Sumner		
PROJECT TITLE:		PROJECT SEGMENT		
SW 5th AVE - Gravity Sewer Alternative (East Commercial / Residential)				
PROJECT NUMBER:		DATE:		
20-10		2/27/2022		
DESCRIPTION	UNIT	QUANTITY	UNIT COST	TOTAL COST
Gravity Collection System				
8" PVC Gravity Sewer 0'-6'	LF	665	\$ 47.00	\$ 31,255.00
8" PVC Gravity Sewer 6'-8'	LF	2,106	\$ 67.00	\$ 141,102.00
8" PVC Gravity Sewer 8'-10'	LF	2,441	\$ 83.00	\$ 202,603.00
8" PVC Gravity Sewer 10'-12'	LF	580	\$ 134.00	\$ 77,720.00
8" PVC Gravity Sewer 12'-16'	LF	370	\$ 224.00	\$ 82,880.00
Manhole 0'-6'	Ea.	6	\$ 5,318.00	\$ 31,908.00
Manhole 6'-8'	Ea.	9	\$ 6,792.00	\$ 61,128.00
Manhole 8'-10'	Ea.	5	\$ 9,158.00	\$ 45,790.00
Manhole 10'-12'	Ea.	3	\$ 12,379.00	\$ 37,137.00
Manhole 12'-16'	Ea.	1	\$ 13,545.00	\$ 13,545.00
4" PVC Sewer Laterals	Ea.	60	\$ 35.00	\$ 2,100.00
Gravity Collection System Totals				\$ 727,168.00
Right-of-Way Restoration	LS	1	50%	\$ 363,584.00
General				
Mobilization / General Requirements	LS	1	8%	\$ 87,260.16
Locate Existing Utilities	LS	1	1%	\$ 10,907.52
NPDES Compliance	LS	1	1%	\$ 10,907.52
Indemnification	LS	1	\$100	\$ 100.00
As-built & Record Drawings	LF	6,162	\$ 4.00	\$ 24,648.00
Maintenance of Traffic	LF	6,162	\$ 9.00	\$ 55,458.00
General Totals				\$ 189,281.20
SUBTOTAL				\$ 1,280,033.20
Engineering Design and CEI	%	25%		\$ 320,008.30
CONTINGENCY	%	25%		\$ 320,008.30
TOTAL				\$ 1,920,049.80

B-4b: Blended Sewer System Alternative – Opinion of Probable Cost (Low Pressure Sewer Area)

				
OPINION OF PROBABLE CONSTRUCTION COST				
OWNER:		ESTIMATED BY:		
Sumner Engineering & Consulting, Inc.		J. Sumner		
CLIENT:		CHECKED BY:		
Okeechobee Utility Authority		J. Sumner		
PROJECT TITLE:		PROJECT SEGMENT		
SW 5th AVE - LPSS Alternative (West Residential Area Only)				
PROJECT NUMBER:		DATE:		
20-10		2/7/2022		
DESCRIPTION	UNIT	QUANTITY	UNIT COST	TOTAL COST
Low Pressure Sewer System				
1.5" PVC Low Pressure Sewer Pipe	LF	7,350	\$ 32.00	\$ 235,200.00
2" PVC Low Pressure Sewer Pipe	LF	2,504	\$ 36.00	\$ 90,135.97
Low-Pressure Simplex Grinder Pump Station	EA	46	\$ 7,200.00	\$ 331,200.00
Electrical Service to Grinder Station	EA	46	\$ 5,000.00	\$ 230,000.00
Terminal Flushing Connections	EA	7	\$ 1,000.00	\$ 7,000.00
In-line Flushing Connections	EA	3	\$ 1,200.00	\$ 3,600.00
SS Curb Stip / Check Valve	EA	46	\$ 600.00	\$ 27,600.00
Low Pressure Sytem Totals				\$ 924,735.97
Right-of-Way Restoration	LS	1	15%	\$ 138,710.40
				\$ -
General				
Mobilization / General Requirements	LS	1	8%	\$ 85,075.71
Locate Existing Utilities	LS	1	1%	\$ 10,634.46
NPDES Compliance	LS	1	1%	\$ 10,634.46
Indemnification	LS	1	\$100	\$ 100.00
As-built & Record Drawings	LF	9,854	\$ 4.00	\$ 39,415.11
Maintenance of Traffic	LF	9,854	\$ 3.50	\$ 34,488.22
General Totals				\$ 180,347.96
SUBTOTAL				\$ 1,243,794.33
CONTINGENCY		25%		\$ 310,948.58
Engineering Design and CEI	%	25%		\$ 310,948.58
		TOTAL		\$ 1,865,691.50

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 20

MARCH 17, 2022

SW 5TH AVENUE ENGINEERING AGREEMENT

Please find attached a proposed scope of work and fee schedule included as a Engineering Agreement for the SW 5th Avenue Sewer System Improvements.

This item is presented for discussions purposes since funding has not been identified at this time.

Mr. Sumner will be in attendance to present the findings of the amended report.

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SUMNER ENGINEERING & CONSULTING, INC. Project Number 20-10

SUMNER ENGINEERING & CONSULTING, INC. Project Name: **SW 5th Avenue Low Pressure Sewer System**

CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement (“Agreement”) effective March 17, 2022, is by and between **OKEECHOBEE UTILITY AUTHORITY** (“Client”), and **SUMNER ENGINEERING & CONSULTING, INC.**, a Florida Corporation (“SEC, Inc.” or “Consultant”), referred to individually as (“Party”) and collectively as (“Parties”).

In consideration of the mutual covenants and promises contained herein, the Parties agree as follows:

1 SCOPE OF SERVICES

1.1 SEC, INC. shall perform the services set forth in **EXHIBIT A** (“Services”), incorporated herein by reference.

2 COMPENSATION AND PAYMENT SEC, INC. shall be paid for the performance of the Services in accordance with **EXHIBIT B** (“Compensation and Payment”), incorporated herein by reference.

3 TERM OF AGREEMENT Upon execution by the Parties, this Agreement shall have the effective date set forth above. The terms and conditions of this Agreement are included in **EXHIBIT C** and are incorporated herein by reference.

4 ENTIRE AGREEMENT This Agreement contains all of the promises, representations and understandings of the Parties and supersedes any previous understandings, commitments, proposals or agreements, whether oral or written. This Agreement shall not be altered, changed, or amended except as set forth in a written amendment to this Agreement, duly executed by the Parties.

SUMNER ENGINEERING & CONSULTING, INC.

OKEECHOBEE UTILITY AUTHORITY

Signature Date

Jeffrey M. Sumner, P.E.

Name

President

Title

Address
410 NW 2nd Street
Okeechobee, FL 34972

Signature Date

John R. Creasman

Name

Chairman

Title

Address
100 SW 5th Avenue
Okeechobee, FL 34974

**EXHIBIT A
SCOPE OF SERVICES**

PREPARED FOR: Okeechobee Utility Authority

DATE: March 17, 2022

SUBJECT: SW 5th Avenue Low Pressure Sewer System – Design, Permitting, Bidding and Construction-Phase Services

SCOPE OF SERVICES

SEC, Inc. has completed a Preliminary Evaluation Report (PER) for the SW 5th Wastewater Collection / Pumping System Project ("Project"), in order to determine the need for, and feasibility of, providing municipal wastewater service to the developed area generally shown on the attached map (Figure 1). The PER was also intended to develop and evaluate alternatives for providing wastewater service to the approximately 120 to 150 lots – including developed / undeveloped residential and commercial lots, within the Project area. The PER was completed as SCOPE PART A of our Project No. 20-10 (OUA Purchase Order No. 10711).

Based upon the results of the PER, the OUA Board instructed that portions of the project be advanced for final design, permitting, bidding and construction. Specifically, recognizing the critical nature of providing service to residents within the project area, the Board would like to move forward in the near term with a Low Pressure Sewer System to serve the residential area between SW 7th Avenue and SW 3rd Avenue, and from SW 15th Street to SW 23rd Street. The project area has an estimated 75 – 80 residential lots.

The scope of services for work to be authorized under this agreement is described below.

Task Name
PART B – FINAL DESIGN, PERMITTING AND BIDDING SERVICES
B1 – Design Documents (30%, 60%, 90% & Bid-Ready Documents)
B2 – Bidding Services
PART C – CONSTRUCTION ADMINISTRATION SERVICES
C1 – Construction Administration

SCOPE PART B – DESIGN, PERMITTING, AND BIDDING SERVICES

For the purpose of budgeting the tasks described in Scope Task B1, we have made the following assumptions:

- *The project area is limited to the residential area east of SW 7th Avenue and west of SW 3rd Avenue, from SW 15th Street to SW 23rd Street. We assume no more than 50 low pressure grinder pits to serve this area, with tie-in(s) to existing OUA gravity facilities. If Owner-directed changes (such as an expansion of the project area) are cause for a change in these assumptions, a budget adjustment to the following tasks may be required.*

TASK B1 DESIGN AND PERMITTING

B1.1 30% DESIGN OF FORCE MAIN AND PUMP STATIONS

- Preparation of Project Design / Permitting Schedule and Work Plan.
- Generation of 30% plan view drawings, identifying the construction corridors, preliminary grinder pit locations, and discharge main location(s) and connection point(s).
- Obtain survey information of the proposed project area, as described in Attachment A.
- Obtain information from a Geotechnical Engineering sub-consultant regarding sub-surface soils and their suitability for the proposed construction of the Project. Geotechnical information will be limited to shallow borings within the project routes sufficient to provide average soil and water table conditions for placement of shallow lines and grinder pits. The intent is to provide contractors with bid documents that are sufficiently complete to minimize the discovery of unforeseen conditions.

Deliverable:

Prepare thirty percent (30%) Design including plan-view drawings to indicate the Pump Station Site Plans and Force Main Route. One (1) full size set of drawings, and one (1) pdf format (delivered on USB) are required to be submitted for the thirty percent (30%) Design deliverable. Deliverable will include a Table of Contents of the anticipated specification sections for the project, and 30% Engineering Opinion of Probable Cost (EOPCC).

B1.2 60% DESIGN DOCUMENTS/PERMIT SUBMITTALS

- Meet with OUA to obtain review comments on the thirty percent (30%) Design. Resolve questions and revise documents to address comments while preparing the design for the 60% submittal.
- Prepare a sixty percent (60%) Design for the Pump Stations and Force Main, including detailed drawings and specifications
- Submit applications for the following permits, as may be required:
 - FDEP Wastewater Transmission and Collection System Permits
 - County Road Department Permitting for force main installation within County rights-of-way
- Conduct internal quality assurance/quality control (QA/QC) and constructability reviews.

Deliverable:

60% Design plans (one full-size and pdf), specifications and 60% EOPCC

B1.3 90% DESIGN DOCUMENTS

- Meet with OUA to obtain review comments on the thirty percent (60%) Design. Resolve questions and revise documents to address comments while preparing the design for the 90% submittal.
- Prepare a ninety percent (90%) Design for the Pump Stations and Force Main, including detailed drawings and specifications
- Respond to Permit RFI's as required (assume 2 RFI's per permit application) and update the project design to reflect comments received during permitting.
- Conduct internal quality assurance/quality control (QA/QC) and constructability reviews.

Deliverable:

90% Design plans (one full-size and pdf), specifications and 90% EOPCC

B1.4 BID-READY (100)% DESIGN DOCUMENTS

- Meet with OUA to obtain review comments on the ninety percent (90%) Design. Resolve questions and revise documents to address comments while preparing the design for the Final submittal.
- Prepare a one hundred percent (100%) Design for the Pump Stations and Force Main including detailed drawings and specifications
- Generate 100% EPOCC and Project Bid Form

Deliverable:

- 100% Design plans and specifications
- Bidding Documents to be provided to OUA include drawings, bid form schedule with quantities, and text for inclusion into OUA's Special Conditions, if needed. Provide one USB with electronic drawing files (pdf and AutoCAD) and two (2) copies of final drawings to OUA.
- 100% EOPCC

TASK B2 BIDDING SERVICES

Consultant will provide the following bid-phase service work items. This effort assumes the project is bid as one construction project. For the bid package, Consultant will:

- Assist the OUA with advertising the contract by preparing digital and hard copies of the bid documents and making them available, at Consultant's location, for purchase and pick-up by prospective bidders. It is assumed that OUA will advertise the bids.

- Conduct a pre-bid conference at the OUA's office, or other location to be determined by OUA.
- Receive, record, and issue clarifications to bidders' written questions. Clarifications will be submitted in writing via addendum.
- Prepare up to two addenda to the Contract Documents.
- Prepare bid tabulations, review the bids, review Contractor's credit and performance history, and provide letter of findings for contract award to OUA. Consultant will prepare written letter of findings and bid tabulation, along with a recommendation for award.

SCOPE PART C – PROJECT 1 CONSTRUCTION-PHASE SERVICES

TASK C1 CONSTRUCTION ADMINISTRATION

Construction administration supports the project during construction of the proposed improvements. This task includes periodic site visits by project team members, such as the Project Manager, Project Engineer, Resident Observer, and Contract Administrator, to coordinate activities, help offset potential schedule/construction conflicts, and help track the project documentation required by the construction contract. Based on the project area and our understanding of the work effort needed it is estimated that this project from construction NTP through construction close out will require up to 8 months (including 2 months of submittals, etc. with a 6-month construction duration). The SW 5th Avenue Low Pressure Sewer Project is anticipated to be bid and constructed as a single project.

As part of our construction-administration services, Consultant will:

- Incorporate changes issued via addenda during the Bid Phase into Conformed Contract Documents and provide the OUA with up to two (2) full-size, signed-and-sealed sets of drawings and specifications, and one full-size and one half-size unsigned sets of drawings for its use.
- Receive, log, review, and issue comments for Requests for Information (RFI) as requested by the Contractor.
- Generate and issue Construction Field Orders (CFO) as may be required.
- Generate and issue Proposed Contract Modifications (PCM) as may be required, review PCMs for conformance with the Contract Documents, and make recommendations.
- Generate and issue Change Orders (CO) and review COs for conformance with the Contract Documents and make recommendations.
- Prepare, log and issue Notices of Non-Compliance.

- Conduct one pre-construction meeting and bi-monthly (twice per month) on-site Construction Progress Meetings. Prepare agenda, sign-in sheet, and meeting minutes and distribute meeting minutes to the Contactor and the OUA. Consultant will conduct up to 12 Construction Progress Meetings for this project, based on the estimated 6-month construction period.
- Receive, review, and file field correspondence. Coordinate construction activities and issues with the OUA-assigned project manager.
- Process Pay Applications. Consultant will receive the Pay Applications from the Contractor, log and review them with the Resident Observer and the OUA's assigned project manager, and recommend payment to the OUA. Consultant will provide for SRF requirements on the pay application template, if needed.
- Provide engineering support and site visits by the Project Engineers to review that construction generally complies with the Contract Documents and permit requirements. This Scope includes up to two site visits each for mechanical, electrical and instrumentation technical staff.
- Maintain an Owner's file of project paperwork and provide the file to the OUA at project completion.

C1.1 SUBMITTAL REVIEW

Consultant will receive, review, log all comments and issue comments on project submittals for work designed by Consultant.

Consultant will receive and log submittals which include administrative submittals (e.g., construction schedules, work plans), shop drawings, and product data for the materials to be incorporated into the project, warranties, samples, and operation and maintenance (O&M) manuals. Consultant expects to receive no more than 12 submittals for the portion of the project under their design purview. This Scope includes an initial review and one re-submittal review for each submittal.

C1.2 RESIDENT OBSERVATION

Consultant will provide part-time resident observation during construction to monitor that construction is being completed in general accordance with the Contract Documents, including observing project testing. While on site, the Resident Observer or Contract Administrator will:

- Verify the level of staffing and equipment that the Contractor has on site.
- Witness and document testing as may be required by the Project documents.
- Take photographs of project progress to be included with the observation record.
- Generate an inspector's observation record.
- Verify that materials delivered to the site are consistent with submitted materials.
- Review all progress reports and payment requests against constructed project elements.

Based on the nature of this construction project, Consultant assumes that our Resident Observer will be on site an average of 10 hours per week during the construction period. Consultant will coordinate with the Contractor to determine their schedule for construction. The estimate of Resident Observer's time is 260 hours and is based on the appropriate time needed for a 6-month construction period.

C1.3 CONTRACT CLOSEOUT

When the Contractor provides notice that the project is substantially complete, Consultant will begin contract closeout, which includes the following services:

- The Project Engineer shall visit the site with OUA and the Contractor and generate a punchlist (an initial list of items to be corrected or completed) to the Contractor and OUA.
- Issue a Certificate of Substantial Completion to the OUA and the Contractor for signatures with the final punchlist attached for their engineered portion of the design.
- Visit the site at Final Completion with the OUA and the Contractor and document any remaining deficiencies for their engineered portion of the Design.
- Assist the OUA with preparing, reviewing, and executing final documentation required by the Contract Documents for Final Completion.
- Review the Contractor's mark-ups of the Construction Drawings and produce two full-size signed-and-sealed Record Drawings sets along with two CDs containing electronic versions in pdf and dwg formats.
- Prepare and submit FDEP Certification of Completion and Request to Place In Service, including notification of Receipt of Record Drawings and O&M Manuals from the Contractor.
- Prepare and submit FDEP Funding closeout documentation, as may be required.

COMPENSATION

Consultant proposes to perform the services detailed above in Parts A and B on a Lump Sum basis. Fees for Part C are estimated based on length of construction period, and are to be billed on a time and materials basis – the estimated fees will not be exceeded without written notification to, and approval of, OUA. Additional costs incurred for any work or services not included in the scope above, required by unforeseen circumstances or requested by the OUA that affect the fees in the table below will not be started without written authorization from the OUA.

Task Description	Fee Basis	Fee
PART B – Design, Permitting and Bidding Services		
Task B1 – Design and Permitting	Lump Sum	\$198,500
Task B2 – Bidding Services	Lump Sum	\$13,800
PART C – Construction-Phase Services		
Task C1 – Construction Administration	T&E	\$90,585
Project Total		\$ 302,885

ATTACHMENT A SURVEY SCOPE OF SERVICES

(BSM & Associates, Inc.)

SCOPE OF SURVEYING SERVICES

I. Route Survey

1. Locate all visible above ground improvements within the roadway corridors (see Exhibit A for limits) to 5 feet outside of the right of way. Improvements to be located utilizing the State Plane Coordinate System (North American Datum of 1983, 2011 adjustment, NAD83-11). Elevations will be provided in North American Vertical Datum of 1988 (NAVD88) and no more than 50' apart. Improvements to include but not limited to:
Edge of pavement, mailboxes, signs, driveways, culverts, landscaping, fences, overhead utility facilities, pedestals, sanitary manholes, sanitary cleanouts, water meters, water valves, septic tanks, etc.
2. Locate and elevate any existing drainage structures or gravity sewer systems within the road corridor, including but not limited to rim elevations, pipe sizes & types, inverts and bottom of structure elevations.
3. Existing underground utilities will be flagged by OUA and located by BSM
4. Reconnaissance of right of way monumentation to determine right of ways, property lines and alignments.
5. Location of existing septic tank location or cleanout. Where neither can be located provide a finished floor elevation and grade elevation at the location where the finished floor elevation was taken. This shall be done for approximately **80 homes**
6. Provide existing surface of Route
7. Provide digital electronic drawing in Civil 3D CAD format

EXHIBIT B**COMPENSATION AND PAYMENT**

1 COMPENSATION The Services set forth in **EXHIBIT A** will be performed on the following basis.

Retainer of [N/A]

Retainer is to be applied to the final invoice. Any remainder will be returned to Client within thirty (30) days of receipt of final payment.

Time & Material - See **EXHIBIT B-1** (Schedule of Fees) incorporated herein by reference.

Lump Sum

2 REIMBURSABLE EXPENSES Reimbursable expenses are expenditures made by SEC, INC. for goods, travel expenses (excluding mileage) and vendor services in support of the performance of the Services. Such expenditures will be billed at the actual cost to SEC, INC. plus ten percent (10%) to cover related administrative costs. Mileage costs will be billed at the current IRS rate.

3 CHANGE ORDERS The Parties may at any time and by written agreement make changes in the Services, Project Schedule, Deliverables, Compensation or other terms and conditions in this Agreement. The Parties shall effect such change through the use of a written Change Order. A Change Order form will be provided by SEC, INC.

4 INVOICING/STATEMENTS SEC, INC. may invoice Client on a monthly or other progress-billing basis as set forth herein. If Client disagrees with any portion of an invoice, it shall notify SEC, INC. in writing of the amount in dispute and the specific reason for Client's objection within 10 days of receipt of invoice, and shall pay the undisputed portion of the invoice as set forth below. Documentation supporting the invoice will be made available upon request.

5 PAYMENT

5.1 If services are required beyond those described in Exhibit A and the agreed-upon fee estimate is exceeded, SEC, INC. will stop further Services pending a Change Order to adjust the budget and schedule for the continued performance of the Services.

5.2 Client shall pay all undisputed portions of SEC, INC.'s invoices within 30 days of receipt without holdback or retention. Amounts remaining unpaid 30 days after the invoice date shall bear interest at the rate of 1.5% per month on the unpaid balance, and SEC, INC. shall be entitled to suspend its Services until payment in full, including interest, is received. Should such suspension exceed 60 consecutive days, SEC, INC. may elect to terminate this Agreement in its sole discretion, shall be entitled to immediate payment for all Services performed through the date of termination, and shall bear no liability for additional cost or disruption arising from such termination.

5.3 If the Project is suspended by Client for more than 30 days, SEC, INC. shall be paid for all Services performed prior to the effective date of suspension within 30 days of such suspension. Upon resumption of the Project, SEC, INC. shall be entitled to an equitable adjustment in cost and schedule to compensate SEC, INC. for expenses incurred as a result of the interruption and resumption of the Services.

5.4 To the extent that completion of the Services is delayed beyond the original scheduled completion date and such delay is not the fault of SEC, INC., an equitable adjustment shall be made to SEC, INC.'s Compensation and Project Schedule.

5.5 Except as otherwise specifically provided herein, Client shall pay directly or reimburse SEC, INC., as appropriate, for all categories of taxes including, but not limited to the following: sales, consumer, use, value added, gross receipts, privilege, and local license taxes related to the Services.

5.6 Client shall make invoice payment to SEC, INC. using one of the following methods:

5.6.1 SEC, INC. Office:

SUMNER ENGINEERING & CONSULTING, INC.
410 NW 2nd Street
Okeechobee, FL 34972

5.6.2 ELECTRONIC FUNDS TRANSFER/ACH PAYMENT:

Account Name: Sumner Engineering & Consulting
Bank Name: SouthState Bank
Address1: 2100 South Parrott Avenue
City/State/Zip: Okeechobee, FL 34974
Account Number: 25257429
ABA Routing Number: 063114030

5.6.3 Questions related to payment can be sent to SEC, INC. by phone at (863) 634-9474 or by email at jeff@sumnerengineering.com.

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EXHIBIT B-1**SCHEDULE OF FEES**

Compensation shall be based on the following Schedule of Fees:

HOURLY LABOR RATES

Principal Engineer	\$ 195.00
Professional Engineer / Project Manager	\$ 140.00
Project Engineer	\$ 120.00
Engineering Designer	\$ 110.00
Field Engineer or Field Representative	\$ 100.00
CAD Designer	\$ 95.00
Administrative Staff	\$ 50.00

OTHER LABOR RATES

Labor rates for sub-consultants and sub-contractors will be billed at their standard contract rates plus a 10% mark-up to cover general administrative costs.

If additional services are authorized during the performance of the Agreement, compensation will be based on the Schedule of Fees in effect at the time the Services are authorized.

SCHEDULE OF FEES ANNUAL RATE ADJUSTMENTS

The Schedule of Fees is adjusted each calendar year to reflect updated labor cost categories. Labor cost of Services authorized in subsequent calendar years will be based on current Schedule of Fees for those years.

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EXHIBIT C**STANDARD TERMS AND CONDITIONS**

1 NOTICE All notices, requests, claims, demands and other communications hereunder shall be in writing. Such notices shall be given (i) by delivery in person, (ii) by a nationally recognized commercial courier service; or (iii) by United States Postal Service, registered mail, postage prepaid and return receipt requested. Notices shall be effective upon actual delivery at the following addresses:

TO CLIENT:100 SW 5th Avenue

Okeechobee, FL 34974

Attn: John Hayford, PE

TO SUMNER ENGINEERING & CONSULTING, INC.:410 NW 2nd Street

Okeechobee, FL 34972

Attn: Jeffrey M. Sumner, P.E.

or to which the receiving Party may from time to time give notice to the other Party. Rejection or other refusal to accept or the inability to deliver because of changed address for which no notice was given shall be deemed to be receipt of the notice as of the date of such rejection, refusal to accept, or inability to deliver.

2 SEC, INC.'S RESPONSIBILITIES

2.1 SEC, INC. shall perform the Services in accordance with the degree of professional skill, quality and care ordinarily exercised by members of the same profession currently practicing in the same location under comparable circumstances and as expeditiously as is consistent with professional skill and the orderly progress of the Project. The full extent of SEC, INC.'s responsibility with respect to the Services shall be to perform in accordance with the above standards and to remedy any deficiencies or defects in the Deliverables at SEC, INC.'s own expense, provided that SEC, INC. is notified by Client, in writing, of any such deficiency or defect within a reasonable period after discovery thereof, but in no event later than 90 days after SEC, INC.'s completion or termination of the Services. SEC, INC. MAKES NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, INFORMATIONAL CONTENT OR OTHERWISE.

2.2 SEC, INC. will endeavor, as needed, to obtain from the appropriate authorities their interpretation of applicable codes and standards and will apply its professional judgment in interpreting the codes and standards as they apply to the Project at the time of design. Notwithstanding the above, the Parties agree that, as the Project progresses, such codes or standards may change or the applicability of such codes or standards may vary from SEC, INC.'s original interpretation through no fault of SEC, INC. and that additional costs necessary to conform to such changes or interpretations during or after execution of the Services will be subject to an equitable adjustment in Compensation and Project Schedule.

2.3 SEC, INC. shall be responsible for its performance and that of SEC, INC.'s lower-tier subconsultants and vendors. However, SEC, INC. shall not be responsible for health or safety programs or precautions related to Client's activities or operations or those of Client's other contractors and consultants or their respective subcontractors or vendors (collectively "Contractors"). SEC, INC. shall have no responsibility for (i) construction means, methods, techniques, sequences or procedures; (ii) for the direction of construction personnel; (iii) selection of construction equipment; (iv) co-ordination of construction subcontractors or vendors; (v) for placing

into operation any plant or equipment; (vi) or for Contractors' failure to perform the work in accordance with any applicable construction contract. SEC, INC. shall also not be responsible for Client's pre-existing site conditions or the aggravation of those preexisting site conditions to the extent not caused by the negligence or willful misconduct of SEC, INC. SEC, INC. shall also not be responsible for inspecting, observing, reporting or correcting health or safety conditions or deficiencies of Client or others at project site relating to the Services ("Project Site"). So as not to discourage SEC, INC. from voluntarily addressing health or safety issues while at the Project Site, in the event SEC, INC. does address such issues by making observations, reports, suggestions or otherwise, SEC, INC. shall have no authority to direct the actions of others not under SEC, INC.'s responsibility and control and shall have no liability, responsibility, or affirmative duty arising on account of SEC, INC.'s actions or forbearance.

2.4 Notwithstanding anything contained in this Agreement, SEC, INC. shall have no responsibility for the discovery, presence, handling, removal, transportation, storage or disposal of, or exposure of persons to hazardous materials in any form related to the Project.

3 CLIENT'S RESPONSIBILITIES

3.1 Client shall provide in writing any specific Client requirements and criteria for the Project.

3.2 Client shall furnish to SEC, INC. all information and technical data in Client's possession or control reasonably required for the proper performance of the Services. SEC, INC. shall be entitled to reasonably rely without independent verification upon the information and data provided by Client or obtained from generally accepted sources within the industry, except to the extent such verification by SEC, INC. is expressly required in the Services.

3.3 Client shall arrange for access and make all provisions necessary for SEC, INC. to enter upon public and/or private property as required for SEC, INC. to properly perform the Services. Client shall disclose to SEC, INC. any known or suspected hazards at the Project Site which may pose a threat to human health, property or the environment.

3.4 If any document or inquiry requires Client to approve, comment, or to provide any decision or direction with regard to the Services, such approval, comment, decision or direction shall be provided within a reasonable time within the context of the Project Schedule, or if not identified in the Project Schedule, within a reasonable time to facilitate the timely performance of the Services.

4 **INDEPENDENT CONTRACTOR** Nothing contained in this Agreement shall be construed to create a partnership, joint venture or create a relationship of employer/employee or principal/agent between Client and SEC, INC.

5 DATA RIGHTS

5.1 All Deliverables resulting from the performance of the Services shall become the property of Client upon proper payment. Any modification or reuse of Deliverables without the express written verification or adaptation by SEC, INC. for the specific purpose intended will be at Client's sole risk and without liability or legal exposure to SEC, INC. or others for whom SEC, INC. bears responsibility. Any such verification or adaptation will entitle SEC, INC. to further compensation at rates to be agreed upon by the Parties.

5.2 Notwithstanding the above Section 5.1, SEC, INC.'s proprietary information, including without limitation, work papers, drawings, specifications, processes, procedures, interim or draft documents, methodologies, know-how, software and other instruments of service belonging to or licensed by SEC, INC. and used to develop the Deliverables ("SEC, INC. Data"), shall remain the sole property of SEC, INC.

6 **FORCE MAJEURE** Neither Party shall be responsible for a delay in performance under this Agreement, other than a delay in payment for Services already performed, if such delay is caused by extraordinary weather

conditions or other natural catastrophes, war, terrorist attacks, sabotage, computer viruses, riots, strikes, lockouts or other industrial disturbances, acts of any governmental agencies, discovery of hazardous materials or differing and unforeseeable site conditions, or other events beyond the reasonable control of the claiming Party. SEC, INC. shall be entitled to an equitable adjustment in Compensation, Project Schedule, or both, in the foregoing circumstances.

7 INSURANCE SEC, INC. will provide evidence of insurance coverages and amounts upon request.

8 INDEMNITY SEC, INC. agrees to indemnify Client, its officers, directors and employees, from loss or damage for bodily injury or property damage ("Claims"), to the extent caused by the negligence or willful misconduct of SEC, INC. in the performance of the Services.

9 CONSEQUENTIAL DAMAGES WAIVER In no event shall either Party be liable to the other for any indirect, incidental, special, consequential or punitive loss or damages whatsoever (including but not limited to lost profits, loss of use or interruption of business) arising out of or related to this Agreement, even if advised of the possibility of such damages.

10 RISK ALLOCATION AND RESTRICTION OF REMEDIES The Parties have evaluated the respective risks and remedies under this Agreement and agree to allocate the risks and restrict the remedies to reflect that evaluation. Client agrees to restrict its remedies under this Agreement against SECI, its affiliates and subcontractors, and their respective directors, officers, shareholders, members, employees and agents ("Consultant Covered Parties"), so that the total aggregate liability of the Consultant Covered Parties shall not exceed the actual paid compensation for the Services, or \$50,000, whichever is less. This restriction of remedies shall apply to all suits, claims, actions, losses, costs (including attorney's fees) and damages of any nature arising from or related to this Agreement without regard to the legal theory under which such liability is imposed. Claims must be brought within one calendar year from performance of the services unless a longer period is required by law. PURSUANT TO FLORIDA STATUTE §558.0035, AN INDIVIDUAL EMPLOYEE OR AGENT MAY NOT BE HELD INDIVIDUALLY LIABLE FOR NEGLIGENCE.

11 GOVERNING LAW & VENUE This Agreement shall be governed by and interpreted under the laws of the State of Florida. Any legal proceeding, whether court proceeding, arbitration, mediation, administrative, or any other proceeding brought to determine any controversy or claim arising out of or related to this Agreement, or the breach thereof, whether in tort, contract, strict liability, or any other legal theory, shall be brought and heard only in Okeechobee County, Florida, which the Parties agree shall be the exclusive and mandatory venue for such proceeding.

12 TERMINATION This Agreement may be terminated for convenience by either Party upon 30 days advance written notice. On termination, SEC, INC. will be paid for all Services performed up to the termination date plus reasonable termination expenses, including without limitation, reassignment of personnel, subconsultant termination costs and related close-out costs.

13 ASSIGNMENT Neither party may assign this Agreement, in part or in whole, without the written consent of the other Party; provided, however, that SEC, INC. shall be entitled without such consent to assign this Agreement to any of its subsidiaries or affiliates upon written notice to Client and to engage subconsultants to perform all or any part of the Services. SEC, INC. shall remain responsible for the performance of the Services.

14 WAIVER Either Party may in writing waive any provisions of this Agreement to the extent such provision is for the benefit of the waiving Party. No waiver by any Party of a breach of any provision of this Agreement shall be construed to be a waiver of any subsequent or different breach.

15 SEVERABILITY AND SURVIVAL The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if any

invalid or unenforceable provision were omitted. Articles 2, 5, 8, 9 and 10 shall survive termination of this Agreement.

16 SIGNATURES Each person executing this Agreement warrants that he/she has the necessary authority to do so on behalf of the respective Party. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

17 ORDER OF PRECEDENCE

EXHIBIT "X"	Change Orders
EXHIBIT C	Terms and Conditions
EXHIBIT B	Compensation & Payment
EXHIBIT B-1	Schedule of Fees (if applicable)
EXHIBIT A	Services
Other contract documents	

18 SPECIAL TERMS & CONDITIONS

Specialized Services Terms and Conditions [] is [x] is not attached to and incorporated by reference into this Agreement.

[SERVICES DURING CONSTRUCTION] If the Services include SEC, INC.'s performance during the construction phase of the Project, Client shall require its Contractors and any vendors working on the Project Site to defend, indemnify and hold harmless SEC, INC. and the Client as follows:

To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Client and SEC, INC. and their agents and employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from the performance of the Work, provided that any such claim, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) including the loss of use resulting therefrom, and (2) is caused in whole or in part by any negligent act or omission of the Contractor, a subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this clause.

In any and all claims against the Client, or SEC, INC. or any of their agents or employees by any employee of the Contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this clause shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor or any Subcontractor under workers' or workmen's compensation acts, disability benefits acts or other employee benefit acts.

The obligation of the Contractor under this clause shall not extend to the liability of SEC, INC., its agents or employees, arising out of (1) the preparation of maps, drawings, opinions, reports, surveys, change orders, design or specifications, or (2) the giving of or the failure to give directions or instructions by SEC, INC., its agents or employees, provided such giving or failure to give is the primary cause of the injury or damage.

In addition, Client shall require the Contractors to add SEC, INC. as an additional insured on the Contractor's Commercial General Liability and Auto Liability insurance policies applicable to the Project.

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DRAFT

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 21

MARCH 17, 2022

SW 5TH AVENUE FUNDING SCENARIOS

Please find attached a letter report defining possible funding scenarios for the SW 5th Avenue Septic to Sewer Project.

As the other agenda items have shared, the OUA FY 22 Budget did not contemplate the SW 5th Avenues expenses as presented today. The OUA will need to obtain additional funding.

Mr. Sumner will be in attendance to present the findings in the attached letter report and OUA staff will seek direction from OUA Board discussions.

March 4, 2022

John F. Hayford, PE
jhayford@ouafl.com
Executive Director
Okeechobee Utility Authority
100 SW 5th Avenue
Okeechobee, FL 34974

RE: Funding Sources and Opportunities Review
SW 5th Avenue Septic-to-Sewer Conversion Project
Prepared for Sumner Engineering & Consulting, Inc.
Jones Edmunds Project No. 19775-002-01

Dear Mr. Hayford:

Jones Edmunds has completed a funding sources and opportunities review and prepared this letter report to inform the Okeechobee Utility Authority (OUA) of our findings and to satisfy the Professional Services Agreement between Jones Edmunds and Sumner Engineering & Consulting, Inc., dated January 24, 2022, for the OUA/Southwest 5th Avenue Project.

BACKGROUND AND TASK SCOPE

The SW 5th Avenue project area is in Okeechobee County, within the municipal limits of the City of Okeechobee, and is predominantly served by on-site treatment and disposal systems (OSTDSs). The area is mostly developed and comprises single-family residences and a commercial corridor along the west side of US Highway 441. Wastewater facilities, including gravity mains and force mains, along SW 3rd Avenue serve some residences and businesses in the project area. However, most of the developed lots (101 residential and 10 commercial) are not currently connected to centralized wastewater service.

OUA is an Independent Special District formed by interlocal agreement in 1995 to acquire, improve, own, and operate water and wastewater utilities within its service area. The OUA service area comprises all of Okeechobee County, which includes the City of Okeechobee, and a portion of Glades County. OUA currently serves the residences and business referenced along SW 3rd Avenue and is evaluating septic-to-sewer (S2S) conversion in the SW 5th Avenue project area due to OSTDS age, recent resident complaints about sewage odor during rainfall events, and the relatively high water table in the area.

OUA has engaged Sumner Engineering & Consulting, Inc. to prepare a Preliminary Evaluation Report (PER) to develop and analyze new wastewater collection alternatives needed to convert OSTDSs in the SW 5th Avenue project area to a new central wastewater collection and transmission system owned and operated by OUA. The PER includes a

preliminary design of each alternative and a preliminary opinion of probable construction cost (POPCC) to assist OUA with its conversion feasibility evaluation.

This letter report provides additional information to assist OUA with decision making to assess S2S conversion in the SW 5th Avenue project area and presents findings from the funding sources review focused on applicable opportunities for the possible project alternatives.

FUNDING SOURCES AND OPPORTUNITIES REVIEW

Funding sources identified in the above-referenced Professional Services Agreement were reviewed and are presented in the table below, including US Department of Agriculture (USDA) Rural Development grants and loans, Federal Clean Water Act grants, State Revolving Fund (SRF) loans and grants, State budget allocations, legislative actions, and economic development alternatives. Additional funding opportunities reviewed include Community Development Block Grant (CDBG) Neighborhood Revitalization grants, State Water Quality Grants, Resilient Florida Grants, Non-Point Source Management Grants (SWAG), and State Housing Initiative Program (SHIP) Funds. The funding opportunities from these sources were identified considering the PER, familiarity with relevant funding sources, and demographics of the proposed population to be served.

Income of the population to be served is relevant to some funding sources. More specifically, the median household income (MHI) relative to the Low- and Moderate-Income (LMI) Area Data can affect funding eligibility. The CDBG program, for example, requires that each CDBG-funded activity must principally benefit LMI persons. In addition, activities may qualify for CDBG assistance if the activity will benefit all the residents of a primarily residential area where at least 51 percent of the residents are LMI persons; in this case, an income survey of the impacted residents would be completed and compared with the MHI of the encompassing census tract.

The SW 5th Avenue project area is within Block Group 5, US Census Tract 9106.01, Okeechobee County, Florida. The MHI for Census Tract 9106.1 was \$56,731 in 2010 and \$58,636 in 2019; the US MHI in 2019 was \$62,843. The MHI for this Census Tract appears to fall outside the US Department of Housing and Urban Development (HUD) LMI data range. Therefore, given the CDBG income requirements, the project would likely not qualify for the CDBG program.

Some funding sources are limited based on the size or designation of the community. Although OUA is a larger utility authority, partnering with the City of Okeechobee may yield additional funding opportunities based on community size (less than 10,000), and partnership with the County may open opportunities because it is a Rural Area of Opportunity (RAO). Outside these specific factors, partnerships between public entities are strongly encouraged. If a partnership opportunity is available, additional funding sources can be leveraged.

Additionally, funding sources are available to the customer for S2S connections on private property.

The table below summarizes the reviewed funding sources with our reasoning and conclusion on its viability as a funding option.

Funding Source	Option?	Reasoning	Important Dates/Deadlines
Utility Funding Options			
Clean Water State Revolving Fund (CWSRF) Loan [through the Florida Department of Environmental Protection (FDEP)] CWSRF Program Florida Department of Environmental Protection	Yes	This is a viable option. Funding through this program is evaluated and awarded on a quarterly basis beginning in August of each year, subject to funding availability.	Public Listing Meeting (PLM) for funding selection: quarterly starting in August, subject to funding availability. Document submittal deadline: 45 days prior to PLM Construction funding documentation: RFI, accepted Facility Plan, plans and specifications, certification that sites have been or will be obtained, and all required permits submitted. Note: Facility Plans are submitted to FDEP for review; environmental review can and should be submitted earlier due to additional multiple agency review process.
Wastewater and Water Quality Grants (through FDEP) Grants Water Quality Dashboard (protectingfloridatogether.gov)	Yes*	Additional wastewater grant funding is intermittently available throughout the calendar year; this project would tentatively qualify pending available funding.	Suggest signing up for the FDEP e-mail listserv; new grant programs and deadlines are announced throughout the year.
Economic Development Alternatives [through Florida Department of Economic Opportunity (FDEO)] Public-Works-Program-1-Pager.pdf (eda.gov)	No	This is tied to job creation and focuses more on commercial versus residential areas.	N/A
USDA Rural Development (RD) Loan/Grant (through USDA) Water & Waste Disposal Loan & Grant Program in Florida Rural Development (usda.gov)	Yes	OUA has already been approved through USDA.	Rolling application submittals reviewed throughout the year.
State Legislative Appropriation	Yes	This source remains an open option, but legislative appropriation	Early bill filing deadline, which changes each session. Typically, ~45 days prior to the start

Funding Source	Option?	Reasoning	Important Dates/Deadlines
(Contact House Representative Tuck’s and Senator Albritton’s Offices for information and support.) 2022 Appropriations Documents Florida House of Representatives (myfloridahouse.gov) Appropriations 2022 - The Florida Senate (flsenate.gov) New forms will be available for the 2023 Session.		allocations can change from year to year and may not be consistently awarded to these types of projects. Note: listed House Representative and Senator may change in the next election cycle.	of the legislative session. Contact your legislative office regarding deadlines.
Collaborative Funding Options			
CWSRF Grant (through FDEP) DWRA SCWCG Fact Sheet Florida Department of Environmental Protection	Yes*	This is a viable option. Grant funding depends on who the applicant is; OUA does not qualify, but the City or the County may qualify for principal forgiveness up to 90 percent of the loan amount.	See CWSRF Loan dates/deadlines above.
Resilient Florida Grant (through FDEP) Grants Water Quality Dashboard (protectingfloridatogether.gov)	Yes*	This funding can be used for resilient infrastructure such as generators and flood hardening. Additional legislation may pass that would allow this funding to be used for design and permitting of eligible activities. Program includes a selection of grants available to counties, municipalities, water management districts, flood control districts, and regional resilience entities.	FY23 funding application deadlines have not yet been announced.
CDBG Neighborhood Revitalization (through FDEO) Florida Small Cities Community Development Block Grant Program – FloridaJobs.org; FY 2021 ACS 5-Year 2011-2015 Low- and Moderate-Income Summary Data – HUD Exchange	TBD	An income survey for the affected residents will need to be completed to determine qualification for this program.	Dependent on annual appropriation, applications are typically due in the Fall.

Funding Source	Option?	Reasoning	Important Dates/Deadlines
American Rescue Plan Act (ARPA) [through the Florida Division of Emergency Management (FDEM)] or the US Treasury American Rescue Plan Act Florida Disaster	Yes*	ARPA funds are disbursed through FDEM to non-entitlement units (NEUs) of local government (serving populations of 50,000 or less). Counties and larger Cities will receive funding directly through the Treasury. This funding can be used for infrastructure improvements.	Funds have been disbursed to NEUs as of May 28, 2021. Encumbrance (funds incurred and obligated) deadline: December 31, 2024 Expenditure deadline: December 21, 2026
<i>Property Owner Funding Options</i>			
State Water-quality Assistance Grants (SWAG) (through FDEP) Nonpoint Source Funds Florida Department of Environmental Protection	Yes	The Lake Okeechobee Basin Management Action Plan (BMAP) has a total maximum daily load (TMDL) set for Total Phosphorus. Funding is available on the customer side of S2S construction.	Solicitation notifications will be sent via the FDEP email listserv in the fall or spring each year.
State Housing Initiative Partnership (SHIP) Grant (through the County) SHIP Housing Okeechobee County Florida Board of County Commissioners	Yes	Grant funding is available to homeowners if their septic system is failing and/or in disrepair.	Rolling application submittals reviewed throughout the year.

* Denotes the project *may* qualify for funding contingent on who the grantee is and whether funding is available.

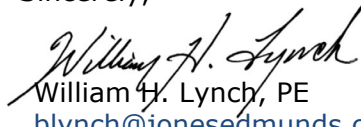
Note: TBD = To be determined.

Based on the findings from the funding sources reviewed, we conclude that five possible opportunities are in the best interest of OUA alone or in partnership with the City, County, or other entity:

1. CWSRF Loan/Grant.
2. Wastewater and Water Quality Grants.
3. State Legislative Appropriations.
4. Resilient Florida Grant.
5. ARPA Funding.

Our Team would like the opportunity to meet with OUA to review this report and discuss the funding options described. Please contact either of us.

Sincerely,



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Senior Consultant

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OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 22

MARCH 17, 2022

OKEE-TANTIE ENGINEERING AGREEMENT

The selected engineering team has provided the attached scope of work, schedule and fee for the Okee-Tantie project.

Mr. Jeff Sumner of Sumner Engineering & Consulting, Inc. will be in attendance to discuss, review and answer questions concerning the attachment.

SUMNER ENGINEERING & CONSULTING, INC. Project Number 21-11

SUMNER ENGINEERING & CONSULTING, INC. Project Name: **Okee-Tantie Utility System Improvements**

CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement (“Agreement”) effective March 17, 2022, is by and between **OKEECHOBEE UTILITY AUTHORITY** (“Client”), and **SUMNER ENGINEERING & CONSULTING, INC.**, a Florida Corporation (“SEC, Inc.” or “Consultant”), referred to individually as (“Party”) and collectively as (“Parties”).

In consideration of the mutual covenants and promises contained herein, the Parties agree as follows:

1 SCOPE OF SERVICES

1.1 SEC, INC. shall perform the services set forth in **EXHIBIT A** (“Services”), incorporated herein by reference.

2 COMPENSATION AND PAYMENT SEC, INC. shall be paid for the performance of the Services in accordance with **EXHIBIT B** (“Compensation and Payment”), incorporated herein by reference.

3 TERM OF AGREEMENT Upon execution by the Parties, this Agreement shall have the effective date set forth above. The terms and conditions of this Agreement are included in **EXHIBIT C** and are incorporated herein by reference.

4 ENTIRE AGREEMENT This Agreement contains all of the promises, representations and understandings of the Parties and supersedes any previous understandings, commitments, proposals or agreements, whether oral or written. This Agreement shall not be altered, changed, or amended except as set forth in a written amendment to this Agreement, duly executed by the Parties.

SUMNER ENGINEERING & CONSULTING, INC.

OKEECHOBEE UTILITY AUTHORITY

Signature Date

Jeffrey M. Sumner, P.E.

Name

President

Title

Address
410 NW 2nd Street
Okeechobee, FL 34972

Signature Date

John R. Creasman

Name

Chairman

Title

Address
100 SW 5th Avenue
Okeechobee, FL 34974

**EXHIBIT A
SCOPE OF SERVICES**

PREPARED FOR: Okeechobee Utility Authority

DATE: March 17, 2022

SUBJECT: Preliminary and Final Design, Permitting, Bidding and Construction Management of The Okee-Tantie Wastewater System Improvements Project (SWSA Project 3)

SCOPE OF SERVICES

The Okee-Tantie Wastewater System Improvements Project ("Okee-Tantie Project") is the third phase (Project 3) of the Southwest Wastewater Service Area (SWSA) Project. Previous work within the SWSA Project include Project 1 (Master Pump Station / Force Main and SE-2 Diversion Force Main) and Project 2 (a vacuum collection system and two vacuum stations, serving between 500 and 600 existing residential lots). The Okee-Tantie Project includes extension of a wastewater force main down SW 16th Boulevard, then west along State Road 78 to the County-owned Okee-Tantie property at the Kissimmee River, where OUA currently owns and operates an existing wastewater treatment facility (package plant). The project will also include multiple pump stations. OUA has successfully obtained State funding for this project.

The SEC, Inc. team was selected by OUA to prepare preliminary and final designs, assist in securing permits, preparing bidding documents, and providing construction-phase services for the Okee-Tantie Project. Per your request, we have broken the project into three phases – a Preliminary Design Services; Final Design, Permitting and Bidding Services; and, Construction Administration Services. The scope of services for work to be authorized under this agreement is described below.

Task Name
PART A – PRELIMINARY DESIGN SERVICES
A1 – System Modeling and Technical Memorandum
A2 – Initial Route Survey & Preliminary (10%) Design
A3 – Regulatory Pre-Application Meetings and Summary Memorandum
PART B – FINAL DESIGN, PERMITTING AND BIDDING SERVICES
B1 – Design Documents (30%, 60%, 90% & Bid-Ready Documents)
B2 – Bidding Services
PART C – CONSTRUCTION ADMINISTRATION SERVICES
C1 – Construction Administration

This agreement seeks authorization for scope Parts A, B and C. Budgets have been developed for Parts B and C based upon certain assumptions as defined further in the scope of work that follows. If those assumptions change during the completion of the Preliminary Design Services authorized under Part A, appropriate budget adjustments may be required.

The scope of services is described in more detail below:

SCOPE PART A – PRELIMINARY DESIGN SERVICES

TASK A1 PRELIMINARY MODELING AND BASIS OF DESIGN MEMORANDUM

Consultant will perform modeling to assess potential flows associated with proposed and existing development along the State Road 78 corridor from the Okee-Tantie property to the OUA's SWSA Master Pump Station. Our analysis will include estimating proposed flows from the planned Big Cedar Lodge (Bass Pro) project on the Okee-Tantie property, and existing wastewater flows from commercial developments along the project route (most of which are existing RV developments being served by on-site systems). The modeling will also address the potential for additional inflows from existing commercial developments on State Road 78 east of SW 16th Boulevard. We propose to conduct the modeling effort in three steps:

- Step 1 will involve assessing the proposed and existing flows described above, in order to determine the most appropriate option for design of pump stations along the project route. Our initial assumptions are that a pump station will be needed at the Okee-Tantie property, with a mid-route pumping station at the OUA property along SW 16th Boulevard. Our modeling effort will be utilized in the placement and type of pump stations for this design.
- Step 2 will involve analysis of potentially extending the wastewater system into Glades County to connect existing customers in the Buckhead Ridge area, and other planned developments of which the OUA may be aware. We will assess the impact on the proposed State Road 78 corridor force main, and the currently proposed Master Pump Station and Force Main, of adding the anticipated potential flows from Glades County.
- If requested, Step 3 will involve analyzing options related to use of existing OUA piping in the State Road 78 right-of-way. If the modeling analysis described above indicates that the appropriate size pipe already exists (OUA has both 6" and 8" water mains in place), we will explore the option of converting existing water main piping to the sanitary force main, including the likely need for up-sizing the other water main. *(If this task is requested, a change of scope and fee to this Agreement will be presented to OUA for approval).*

Upon completion of the modeling effort, Consultant will prepare a basis of design Technical Memorandum (TM) summarizing the findings. Our scope of work includes submitting a draft TM to OUA for review and comment; meeting with OUA staff to review the comments, and; preparing and submitting a Final TM, which will form the basis of the preliminary design described in Scope Part A1 and final design described in Scope Part B, below.

TASK A2 ROUTE SURVEY AND PRELIMINARY (10%) DESIGN

Consultant shall perform a route survey of the known project route (State Road 78 from Okee-Tantie to the OUA SWTP, and SW 16th Boulevard from State Road 78 to Durrance

Road). Work performed under this task are described in the attached survey scope document (Attachment A, parts I and II).

The preliminary (10%) design will identify the project route, pump station locations and types, and force main size(s) based upon the modeling results described in Task A1.

TASK A3 REGULATORY PRE-APPLICATION MEETINGS AND SUMMARY MEMORANDUM

Consultant shall schedule and conduct pre-application meetings with State and Federal regulatory agencies whose permit processes may affect project design and schedule. In particular, we will meet with South Florida Water Management District (SFWMD), Army Corps of Engineers (ACOE), and Florida Department of Transportation (FDOT) to discuss the proposed project and force main route. Of particular interest is the proposed force main installation just east of Okee-Tantie, where the main will be along the FDOT roadway but will cross the ACOE right-of-way for the Herbert Hoover Dike. We believe that this installation will likely require Federal 404 Permit authorization. Following those meetings, we will prepare a Summary Memorandum outlining potential regulatory challenges, and the likely timeline to secure permit authorizations. Note that we believe Florida Department of Environmental Protection (FDEP) permitting to be very straightforward for this project, and FDEP pre-application meetings are not proposed.

SCOPE PART B – DESIGN, PERMITTING, AND BIDDING SERVICES

For the purpose of budgeting the tasks described in Scope Task B1, we have made the following assumptions:

- *The force main element of the project will include a force main from Okee-Tantie to the proposed connection point of the SWSA Project 2 Vacuum Station #4 discharge main. The anticipated route is within the State Road 78 right-of-way, the SW 16th Boulevard right-of-way, and the Durrance Road right-of-way. The project may also include a small force main or low-pressure main within the State Road 78 right-of-way east of SW 16th Boulevard.*
- *We are anticipating design of two OUA standard duplex pump stations, one at Okee-Tantie and one mid-route on the OUA property on SW 16th Boulevard.*

If the results of the TM described above are cause for a change in these assumptions, a budget adjustment to the following tasks may be required.

TASK B1 DESIGN AND PERMITTING

B1.1 30% DESIGN OF FORCE MAIN AND PUMP STATIONS

- Preparation of Project Design / Permitting Schedule and Work Plan.
- Meeting with OUA, and incorporation of OUA comments on the preliminary (10%) design.

- Generation of 30% plan view drawings, identifying the construction corridor, Pump Station sites, and Project Force Main.
- Obtain additional survey information, including "soft digs" of subsurface utilities at locations critical to the project design. Work performed under this task are described in the attached survey scope document (Attachment A, part III).
- Obtain information from a Geotechnical Engineering sub-consultant regarding sub-surface soils and their suitability for the proposed construction of the Project. Provide geotechnical engineering services including field exploratory work, laboratory and field testing, and professional guidance in tests to be made at locations based on drawings and designs. Services shall include geotechnical exploratory work such as soil borings and penetration tests, as well as any laboratory tests that may be required to provide information for design. The design engineer shall assist in defining the required depths and locations of geotechnical services. Particular attention shall be given to borings at proposed pump station locations. The intent is to provide contractors with bid documents that are sufficiently complete to minimize the discovery of unforeseen conditions. Specific geotechnical engineering activities to be provided are included as Attachment B.
- The geotechnical firm will provide a geotechnical report interpreting the data obtained from the exploratory work and laboratory testing, and describing the subsurface conditions that can be anticipated during construction.
- Conduct environmental surveys on OUA properties proposed for pump station siting or other improvements. This will include surveying for wetlands and other surface waters, and for the likely presence of any listed threatened or endangered species.

Deliverable:

Prepare thirty percent (30%) Design including plan-view drawings to indicate the Pump Station Site Plans and Force Main Route. One (1) full size set of drawings, and one (1) pdf format (delivered on USB) are required to be submitted for the thirty percent (30%) Design deliverable. Deliverable will include a Table of Contents of the anticipated specification sections for the project, and 30% Engineering Opinion of Probable Cost (EOPCC).

B1.2 60% DESIGN DOCUMENTS/PERMIT SUBMITTALS

- Meet with OUA to obtain review comments on the thirty percent (30%) Design. Resolve questions and revise documents to address comments while preparing the design for the 60% submittal.
- Prepare a sixty percent (60%) Design for the Pump Stations and Force Main, including detailed drawings and specifications
- Submit applications for the following permits, as may be required:
 - FDEP Wastewater Transmission and Collection System Permits
 - SFWMD ROW and ERP (if required) Permits
 - FDOT ROW / Utility Permits

- County Site Plan (Administrative) Approval for pump stations (it is assumed that contractor will submit all required building permit applications, if any)
- County Road Department Permitting for force main installation within County rights-of-way
- Army Corps of Engineers Permits as may be required (this will be determined during the pre-application meetings described in Task A3 above)
- Prepare sketches and descriptions for easements specific to tracts that may need to be acquired, as well as any permanent or temporary easements that may need to be obtained by OUA. The scope of this work will include identification of the necessary acquisitions by OUA, as well as providing a drawing and legal description in sufficient detail to support title research and acquisition. Additional easements that may be needed for the convenience or benefit of the Contractor (i.e. – material storage yards, etc.) will be the responsibility of the Contractor.
- Conduct internal quality assurance/quality control (QA/QC) and constructability reviews.

Deliverable:

60% Design plans (one full-size and pdf), specifications and 60% EOPCC

B1.3 90% DESIGN DOCUMENTS

- Meet with OUA to obtain review comments on the thirty percent (60%) Design. Resolve questions and revise documents to address comments while preparing the design for the 90% submittal.
- Prepare a ninety percent (90%) Design for the Pump Stations and Force Main, including detailed drawings and specifications
- Respond to Permit RFI's as required (assume 2 RFI's per permit application) and update the project design to reflect comments received during permitting.
- Conduct internal quality assurance/quality control (QA/QC) and constructability reviews.

Deliverable:

90% Design plans (one full-size and pdf), specifications and 90% EOPCC

B1.4 BID-READY (100)% DESIGN DOCUMENTS

- Meet with OUA to obtain review comments on the ninety percent (90%) Design. Resolve questions and revise documents to address comments while preparing the design for the Final submittal.
- Prepare a one hundred percent (100%) Design for the Pump Stations and Force Main including detailed drawings and specifications
- Generate 100% EPOCC and Project Bid Form

Deliverable:

- 100% Design plans and specifications
- Bidding Documents to be provided to OUA include drawings, bid form schedule with quantities, and text for inclusion into OUA's Special Conditions, if needed. Provide one USB with electronic drawing files (pdf and AutoCAD) and two (2) copies of final drawings to OUA.
- 100% EOPCC

TASK B2 BIDDING SERVICES

Consultant will provide the following bid-phase service work items. This effort assumes the project is bid as one construction project. For the bid package, Consultant will:

- Assist the OUA with advertising the contract by preparing digital and hard copies of the bid documents and making them available, at Consultant's location, for purchase and pick-up by prospective bidders. It is assumed that OUA will advertise the bids.
- Conduct a pre-bid conference at the OUA's office, or other location to be determined by OUA.
- Receive, record, and issue clarifications to bidders' written questions. Clarifications will be submitted in writing via addendum.
- Prepare up to three addenda to the Contract Documents.
- Prepare bid tabulations, review the bids, review Contractor's credit and performance history, and provide letter of findings for contract award to OUA. Consultant will prepare written letter of findings and bid tabulation, along with a recommendation for award.

SCOPE PART C – PROJECT 1 CONSTRUCTION-PHASE SERVICES**TASK C1 CONSTRUCTION ADMINISTRATION**

Construction administration supports the project during construction of the proposed improvements. This task includes periodic site visits by project team members, such as the Project Manager, Project Engineer, Resident Observer, and Contract Administrator, to coordinate activities, help offset potential schedule/construction conflicts, and help track the project documentation required by the construction contract. Based on the project area and our understanding of the work effort needed it is estimated that this project from construction NTP through construction close out will require up to 12 months. The Okee-Tantie Utility System Improvements Project is anticipated to be bid and constructed as a single project.

As part of our construction-administration services, Consultant will:

- Incorporate changes issued via addenda during the Bid Phase into Conformed Contract Documents and provide the OUA with up to two (2) full-size, signed-and-sealed sets of drawings and specifications, and one full-size and one half-size unsigned sets of drawings for its use.
- Receive, log, review, and issue comments for Requests for Information (RFI) as requested by the Contractor.
- Generate and issue Construction Field Orders (CFO) as may be required.
- Generate and issue Proposed Contract Modifications (PCM) as may be required, review PCMs for conformance with the Contract Documents, and make recommendations.
- Generate and issue Change Orders (CO) and review COs for conformance with the Contract Documents and make recommendations.
- Prepare, log and issue Notices of Non-Compliance.
- Conduct one pre-construction meeting and bi-monthly (twice per month) on-site Construction Progress Meetings. Prepare agenda, sign-in sheet, and meeting minutes and distribute meeting minutes to the Contractor and the OUA. Consultant will conduct up to 24 Construction Progress Meetings for this project, based on the estimated 12-month construction period.
- Receive, review, and file field correspondence. Coordinate construction activities and issues with the OUA-assigned project manager.
- Process Pay Applications. Consultant will receive the Pay Applications from the Contractor, log and review them with the Resident Observer and the OUA's assigned project manager, and recommend payment to the OUA. Consultant will provide for SRF requirements on the pay application template, if needed.
- Provide engineering support and site visits by the Project Engineers to review that construction generally complies with the Contract Documents and permit requirements. This Scope includes up to two site visits each for mechanical, electrical, structural, and instrumentation technical staff. Engineering support for geotechnical oversight of the Contractor's soil grouting is also included in this task.
- Maintain an Owner's file of project paperwork and provide the file to the OUA at project completion.

C1.1 SUBMITTAL REVIEW

Consultant will receive, review, log all comments and issue comments on project submittals for work designed by Consultant.

Consultant will receive and log submittals which include administrative submittals (e.g., construction schedules, work plans), shop drawings, and product data for the materials to be incorporated into the project, warranties, samples, and operation and maintenance

(O&M) manuals. Consultant expects to receive approximately 40 submittals for the portion of the project under their design purview. This Scope includes an initial review and one re-submittal review for each submittal.

C1.2 RESIDENT OBSERVATION

Consultant will provide part-time resident observation during construction to monitor that construction is being completed in general accordance with the Contract Documents, including observing project testing. While on site, the Resident Observer or Contract Administrator will:

- Verify the level of staffing and equipment that the Contractor has on site.
- Witness and document testing as may be required by the Project documents.
- Take photographs of project progress to be included with the observation record.
- Generate an inspector's observation record.
- Verify that materials delivered to the site are consistent with submitted materials.
- Review all progress reports and payment requests against constructed project elements.

Based on the nature of this construction project, Consultant assumes that our Resident Observer will be on site an average of 15 hours per week during the construction period. Consultant will coordinate with the Contractor to determine their schedule for construction. The estimate of Resident Observer's time is 780 hours and is based on the appropriate time needed for a 12-month construction period.

C1.3 CONTRACT CLOSEOUT

When the Contractor provides notice that the project is substantially complete, Consultant will begin contract closeout, which includes the following services:

- The Project Engineer shall visit the site with OUA and the Contractor and generate a punchlist (an initial list of items to be corrected or completed) to the Contractor and OUA.
- Issue a Certificate of Substantial Completion to the OUA and the Contractor for signatures with the final punchlist attached for their engineered portion of the design.
- Visit the site at Final Completion with the OUA and the Contractor and document any remaining deficiencies for their engineered portion of the Design.
- Assist the OUA with preparing, reviewing, and executing final documentation required by the Contract Documents for Final Completion.
- Review the Contractor's mark-ups of the Construction Drawings and produce two full-size signed-and-sealed Record Drawings sets along with two CDs containing electronic versions in pdf and dwg formats.

- Prepare and submit FDEP Certification of Completion and Request to Place In Service, including notification of Receipt of Record Drawings and O&M Manuals from the Contractor.
- Prepare and submit any other needed agency certifications as required (SFWMD, ACOE, FDOT, etc.)
- Attend and document a start-up test of the two project pump stations.
- Prepare and submit FDEP Funding closeout documentation, as may be required.

COMPENSATION

Consultant proposes to perform the services detailed above in Parts A and B on a Lump Sum basis. Fees for Part C are estimated based on length of construction period, and are to be billed on a time and materials basis – the estimated fees will not be exceeded without written notification to, and approval of, OUA. Additional costs incurred for any work or services not included in the scope above, required by unforeseen circumstances or requested by the OUA that affect the fees in the table below will not be started without written authorization from the OUA.

Task Description	Fee Basis	Fee
PART A – Preliminary Design Services		
Task A1 – Preliminary Modeling and Technical Memorandum	Lump Sum	\$36,100
Task A2 – Route Survey and Preliminary (10%) Design	Lump Sum	\$129,050
Task A3 – Pre-Application Meetings and Summary Memorandum	Lump Sum	\$5,850
PART B – Design, Permitting and Bidding Services		
Task B1 – Design and Permitting	Lump Sum	\$319,944
Task B2 – Bidding Services	Lump Sum	\$13,765
PART C – Construction-Phase Services		
Task C1 – Construction Administration	T&E	\$181,370
Project Total		\$ 686,079

SCHEDULE

Consultant anticipates completion the services detailed above based on the following schedule:

Task Description	Days from Notice to Proceed	Completion Date
PART A – Preliminary Design Services		
Task A1 – Preliminary Modeling and Technical Memorandum	90	June 15, 2022
Task A2 – Route Survey and Preliminary (10%) Design	125	July 20, 2022
Task A3 – Pre-Application Meetings and Summary Memorandum	45	May 1, 2022
PART B – Design, Permitting and Bidding Services		
Task B1 – Design and Permitting	224	October 27, 2022
Task B2 – Bidding Services	304	January 15, 2023
PART C – Construction-Phase Services		
Task C1 – Construction Administration	730	March 17, 2024

CLARIFICATIONS AND ASSUMPTIONS

1. Based on a 1":20' scale, the preliminary sheet count for the proposed project is 90 sheets. The following are the anticipated drawings that will be required for this project:
 - a. Cover Sheet and General Notes
 - b. Demolition Plans.
 - c. Horizontal Control and Alignment Sheets.
 - d. Key Sheet.
 - e. Plan Sheets.
 - f. Profile Sheets for conflict areas
 - g. Sewage pumping station plan sheets and details, including mechanical and electrical sheets.
 - h. Sewer details.
 - i. Other utility conflict resolution and restoration plans.
 - j. Roadway and right-of-way restoration plans: Roadways and rights-of way will be reconstructed or repaired in accordance with County and FDOT standards.

OUA will provide, if available, as-built data within the proposed project site and existing infrastructure within one month of date of notice to proceed. Consultant will request relevant as-built data from other entities (including Okeechobee County, FDOT, SFWMD and ACOE) for their facilities within the Project area.

2. Permitting services beyond those specifically included in the Scope of Services identified in the 60% design deliverable are excluded. It is assumed that the contractor will prepare and submit Maintenance of Traffic (MOT) plans as may be required, NPDES permit applications, Storm Water Pollution Prevention Plan (SWPPP), and a Hurricane Preparedness Plan.
3. Our scope of work and associated fees includes design, planning and permitting to decommission the existing WWTF at Okee-Tantie. Our fees do not include costs for environmental monitoring or testing that **may** be required by FDEP in the closure process.
4. All permit fees, plan review fees, or other regulatory fees are excluded from this Scope of Services and are assumed to be paid by OUA.
5. The Consultant will provide responses to two (2) request of additional information (RAIs) to permitting agencies. The responses to RAIs will be submitted to OUA for review and approval prior to submittal to permitting agencies.
6. Schedule impacts due to permitting requirements may occur and are beyond our control.
7. Archaeological surveying and permitting are not anticipated, and are excluded from this Scope of Services.

8. The overall project schedule assumes OUA will provide review comments within 2 weeks for the 30% submittal, and 1 week for the remaining 60%, 90% and 100% submittals.
9. Driveways to be replaced within the project site will be replaced in-kind.
10. The project site is assumed to be free of soil and groundwater contamination. A contamination study or remediation planning is not included in this scope of services.
11. Hazardous materials (asbestos, metals, PCBs) investigation, testing, analysis, and abatement design are excluded.
12. Environmental services not described herein (such as wetland or species mitigation activities) are not included in this scope of services or associated fee. If these services are determined to be required, a change in scope will be prepared.

End of EXHIBIT A

ATTACHMENT A SURVEY SCOPE OF SERVICES

(BSM & Associates, Inc.)

I. Initial Compilation of Records *(Included in Contract Task A2)*

1. Obtain latest relevant Subdivision Plats, Deeds and Easements of Record
2. Prepare Calculations for field work
3. Establish Horizontal Control on North American Datum of 1983, Florida State Plane Coordinates East Zone (NAD83, 2011 Adjustment)
4. Field Reconnaissance of Survey Control and Boundary Monumentation
5. Establish-Determine location of Public Right of Ways and Easements
6. Review and Quality Control
7. Provide digital electronic drawing in CAD and PDF format

II. Design-Route Survey *(Included in Contract Task A1)*

1. Establish additional Horizontal Control (NAD83) and Vertical Control (NAVD88)
2. Review-Identify limits of design survey with designer
3. Collecting Topographic Survey data along pre-determined routes.
-Topographic Survey to Include:
 - Location of all above ground improvements within Right of Way and extending 10' outside both right-of-way lines
 - Storm Drainage- Pipe sizes, rim elevations, inverts elevations, etc.
 - Elevations to be no more than 75' apart
4. Location of underground utilities flagged by utility owners or their representatives via 811, if provided
5. Drafting and preparation of CAD file to be provided to the designer
6. Incorporate Record data provided by the utility owners as needed
7. Review-Quality Control
8. Provide digital electronic drawing in CAD and PDF format

III. Underground Utility Locations and Final Document Preparation *(Included in Contract Tasks B1.1 – 30% Design)*

1. Identify utility conflicts with designer
2. Mobilize and soft dig conflict areas requested by the designer (**50 soft dig locations assumed**)
3. Incorporate soft dig locations and depths into the design survey file
4. Incorporate locations and elevations of geotechnical borings into the survey file
5. Prepare Sketch & Legal Descriptions for Right of Way dedications and or easements and any required acquisition areas
6. Prepare Final Deliverables
7. Review and Quality Control

ATTACHMENT B
GEOTECHNICAL SCOPE OF SERVICES

(Andersen Andre Consulting Engineers)

(Included in Contract Task B1.1 – 30% Design)

PROJECT UNDERSTANDING

Based on our conversations and our review of the provided project information, our current understanding is that the Okeechobee Utility Authority (OUA) is currently planning to construct a force main and multiple pump stations to serve the Okee-Tantie property, and other existing developments along the proposed force main route, in Okeechobee County, Florida.

FIELD EXPLORATION PROGRAM

Based on our understanding of the project, our experience with subsurface conditions in the site vicinity, and on your request, we propose to perform twenty (20) Standard Penetration Test (SPT) borings [ASTM D1586] to depths of about 10 feet and two (2) SPT borings to depths of about 40 feet below the existing grades.

We understand that these borings will be performed from within Public right-of-way and that only limited Maintenance of Traffic (MOT) will be required (i.e. one flagman, trucks with flashing lights, cones, signs, etc., as needed). In addition, we have budgeted for the assistance of an Okeechobee County Sheriff's Deputy and patrol car for 2 days for any work along the larger traffic corridors within the study area.

General Comments

The proposed field work will be completed using truck-mounted drill rigs in addition to hand-carried equipment and support trucks. An AACE field engineer will coordinate and oversee all drilling/field work operations.

AACE will take reasonable efforts to reduce damage to property, such as rutting of the ground surface. However, it should also be understood that in the normal course of our work some such disturbance could occur. We have not budgeted to restore the site beyond backfilling our boreholes with accumulated soil cuttings. If there are any restrictions or special requirements regarding this site or exploration, these should be known prior to commencing the field work.

Safety

AACE has a commitment to safety of all its employees. As such, and in accordance with our safety culture, we will prepare a "Pre-Task Plan" to identify the potential site safety and job hazards associated with the proposed scope of

work. Prior to commencement, and during on-site activities, we will re-evaluate potential job hazards and appropriate safe working procedures. At this time, we anticipate that a United States Occupational Safety and Health Administration (OSHA) Level D work uniform consisting of hard hats, traffic vests, safety glasses, protective gloves, and steel-toed boots will be required by all personnel in the work area.

Underground Utility Location Services

Florida Statute 240, Section 556.101 through 556.111 established a state-wide service, whereby persons or companies who plan to excavate the earth may advise Sunshine 811 of the location, date and other operation particulars, to allow affected utility companies the opportunity to mark the location of their buried lines prior to excavation. The statute provides for fines and other sanctions to be imposed in the event that such notification is not given. To comply with this statute, if deemed necessary, representatives of AACE will notify Sunshine 811 of our proposed explorations. In addition, non-participating utility companies, as identified by us, will be notified of our proposed explorations. This service will require a lead time of between 2 and 5 business days, prior to the mobilization of exploration equipment, to comply with Sunshine 811 operation procedures.

LABORATORY TESTING PROGRAM

AACE's project engineer will perform visual classification on the recovered samples and will coordinate a suitable laboratory testing program of select samples. Laboratory testing may include grain size, Atterberg limits, organic content, moisture content, etc.

ENGINEERING ANALYSIS & REPORT

AACE will perform engineering analysis of all data obtained to evaluate general subsurface conditions and to develop engineering recommendations to guide the proposed utility design and construction project. Our recommendations will be presented in a written report upon conclusion of the study, along with all data developed during the exploration and our laboratory testing.

EXHIBIT B**COMPENSATION AND PAYMENT**

1 COMPENSATION The Services set forth in **EXHIBIT A** will be performed on the following basis.

Retainer of [N/A]

Retainer is to be applied to the final invoice. Any remainder will be returned to Client within thirty (30) days of receipt of final payment.

Time & Material - See **EXHIBIT B-1** (Schedule of Fees) incorporated herein by reference.

Lump Sum

2 REIMBURSABLE EXPENSES Reimbursable expenses are expenditures made by SEC, INC. for goods, travel expenses (excluding mileage) and vendor services in support of the performance of the Services. Such expenditures will be billed at the actual cost to SEC, INC. plus ten percent (10%) to cover related administrative costs. Mileage costs will be billed at the current IRS rate.

3 CHANGE ORDERS The Parties may at any time and by written agreement make changes in the Services, Project Schedule, Deliverables, Compensation or other terms and conditions in this Agreement. The Parties shall effect such change through the use of a written Change Order. A Change Order form will be provided by SEC, INC.

4 INVOICING/STATEMENTS SEC, INC. may invoice Client on a monthly or other progress-billing basis as set forth herein. If Client disagrees with any portion of an invoice, it shall notify SEC, INC. in writing of the amount in dispute and the specific reason for Client's objection within 10 days of receipt of invoice, and shall pay the undisputed portion of the invoice as set forth below. Documentation supporting the invoice will be made available upon request.

5 PAYMENT

5.1 If services are required beyond those described in Exhibit A and the agreed-upon fee estimate is exceeded, SEC, INC. will stop further Services pending a Change Order to adjust the budget and schedule for the continued performance of the Services.

5.2 Client shall pay all undisputed portions of SEC, INC.'s invoices within 30 days of receipt without holdback or retention. Amounts remaining unpaid 30 days after the invoice date shall bear interest at the rate of 1.5% per month on the unpaid balance, and SEC, INC. shall be entitled to suspend its Services until payment in full, including interest, is received. Should such suspension exceed 60 consecutive days, SEC, INC. may elect to terminate this Agreement in its sole discretion, shall be entitled to immediate payment for all Services performed through the date of termination, and shall bear no liability for additional cost or disruption arising from such termination.

5.3 If the Project is suspended by Client for more than 30 days, SEC, INC. shall be paid for all Services performed prior to the effective date of suspension within 30 days of such suspension. Upon resumption of the Project, SEC, INC. shall be entitled to an equitable adjustment in cost and schedule to compensate SEC, INC. for expenses incurred as a result of the interruption and resumption of the Services.

5.4 To the extent that completion of the Services is delayed beyond the original scheduled completion date and such delay is not the fault of SEC, INC., an equitable adjustment shall be made to SEC, INC.'s Compensation and Project Schedule.

5.5 Except as otherwise specifically provided herein, Client shall pay directly or reimburse SEC, INC., as appropriate, for all categories of taxes including, but not limited to the following: sales, consumer, use, value added, gross receipts, privilege, and local license taxes related to the Services.

5.6 Client shall make invoice payment to SEC, INC. using one of the following methods:

5.6.1 SEC, INC. Office:

SUMNER ENGINEERING & CONSULTING, INC.
410 NW 2nd Street
Okeechobee, FL 34972

5.6.2 ELECTRONIC FUNDS TRANSFER/ACH PAYMENT:

Account Name: Sumner Engineering & Consulting
Bank Name: SouthState Bank
Address1: 2100 South Parrott Avenue
City/State/Zip: Okeechobee, FL 34974
Account Number: 25257429
ABA Routing Number: 063114030

5.6.3 Questions related to payment can be sent to SEC, INC. by phone at (863) 634-9474 or by email at jeff@sumnerengineering.com.

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EXHIBIT B-1**SCHEDULE OF FEES**

Compensation shall be based on the following Schedule of Fees:

HOURLY LABOR RATES

Principal Engineer	\$ 195.00
Professional Engineer / Project Manager	\$ 140.00
Project Engineer	\$ 120.00
Engineering Designer	\$ 110.00
Field Engineer or Field Representative	\$ 100.00
CAD Designer	\$ 95.00
Administrative Staff	\$ 50.00

OTHER LABOR RATES

Labor rates for sub-consultants and sub-contractors will be billed at their standard contract rates plus a 10% mark-up to cover general administrative costs.

If additional services are authorized during the performance of the Agreement, compensation will be based on the Schedule of Fees in effect at the time the Services are authorized.

SCHEDULE OF FEES ANNUAL RATE ADJUSTMENTS

The Schedule of Fees is adjusted each calendar year to reflect updated labor cost categories. Labor cost of Services authorized in subsequent calendar years will be based on current Schedule of Fees for those years.

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EXHIBIT C**STANDARD TERMS AND CONDITIONS**

1 NOTICE All notices, requests, claims, demands and other communications hereunder shall be in writing. Such notices shall be given (i) by delivery in person, (ii) by a nationally recognized commercial courier service; or (iii) by United States Postal Service, registered mail, postage prepaid and return receipt requested. Notices shall be effective upon actual delivery at the following addresses:

TO CLIENT:

100 SW 5th Avenue

Okeechobee, FL 34974

Attn: John Hayford, PE

TO SUMNER ENGINEERING & CONSULTING, INC.:

410 NW 2nd Street

Okeechobee, FL 34972

Attn: Jeffrey M. Sumner, P.E.

or to which the receiving Party may from time to time give notice to the other Party. Rejection or other refusal to accept or the inability to deliver because of changed address for which no notice was given shall be deemed to be receipt of the notice as of the date of such rejection, refusal to accept, or inability to deliver.

2 SEC, INC.'S RESPONSIBILITIES

2.1 SEC, INC. shall perform the Services in accordance with the degree of professional skill, quality and care ordinarily exercised by members of the same profession currently practicing in the same location under comparable circumstances and as expeditiously as is consistent with professional skill and the orderly progress of the Project. The full extent of SEC, INC.'s responsibility with respect to the Services shall be to perform in accordance with the above standards and to remedy any deficiencies or defects in the Deliverables at SEC, INC.'s own expense, provided that SEC, INC. is notified by Client, in writing, of any such deficiency or defect within a reasonable period after discovery thereof, but in no event later than 90 days after SEC, INC.'s completion or termination of the Services. SEC, INC. MAKES NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, INFORMATIONAL CONTENT OR OTHERWISE.

2.2 SEC, INC. will endeavor, as needed, to obtain from the appropriate authorities their interpretation of applicable codes and standards and will apply its professional judgment in interpreting the codes and standards as they apply to the Project at the time of design. Notwithstanding the above, the Parties agree that, as the Project progresses, such codes or standards may change or the applicability of such codes or standards may vary from SEC, INC.'s original interpretation through no fault of SEC, INC. and that additional costs necessary to conform to such changes or interpretations during or after execution of the Services will be subject to an equitable adjustment in Compensation and Project Schedule.

2.3 SEC, INC. shall be responsible for its performance and that of SEC, INC.'s lower-tier subconsultants and vendors. However, SEC, INC. shall not be responsible for health or safety programs or precautions related to Client's activities or operations or those of Client's other contractors and consultants or their respective subcontractors or vendors (collectively "Contractors"). SEC, INC. shall have no responsibility for (i) construction means, methods, techniques, sequences or procedures; (ii) for the direction of construction personnel; (iii) selection of construction equipment; (iv) co-ordination of construction subcontractors or vendors; (v) for placing

into operation any plant or equipment; (vi) or for Contractors' failure to perform the work in accordance with any applicable construction contract. SEC, INC. shall also not be responsible for Client's pre-existing site conditions or the aggravation of those preexisting site conditions to the extent not caused by the negligence or willful misconduct of SEC, INC. SEC, INC. shall also not be responsible for inspecting, observing, reporting or correcting health or safety conditions or deficiencies of Client or others at project site relating to the Services ("Project Site"). So as not to discourage SEC, INC. from voluntarily addressing health or safety issues while at the Project Site, in the event SEC, INC. does address such issues by making observations, reports, suggestions or otherwise, SEC, INC. shall have no authority to direct the actions of others not under SEC, INC.'s responsibility and control and shall have no liability, responsibility, or affirmative duty arising on account of SEC, INC.'s actions or forbearance.

2.4 Notwithstanding anything contained in this Agreement, SEC, INC. shall have no responsibility for the discovery, presence, handling, removal, transportation, storage or disposal of, or exposure of persons to hazardous materials in any form related to the Project.

3 CLIENT'S RESPONSIBILITIES

3.1 Client shall provide in writing any specific Client requirements and criteria for the Project.

3.2 Client shall furnish to SEC, INC. all information and technical data in Client's possession or control reasonably required for the proper performance of the Services. SEC, INC. shall be entitled to reasonably rely without independent verification upon the information and data provided by Client or obtained from generally accepted sources within the industry, except to the extent such verification by SEC, INC. is expressly required in the Services.

3.3 Client shall arrange for access and make all provisions necessary for SEC, INC. to enter upon public and/or private property as required for SEC, INC. to properly perform the Services. Client shall disclose to SEC, INC. any known or suspected hazards at the Project Site which may pose a threat to human health, property or the environment.

3.4 If any document or inquiry requires Client to approve, comment, or to provide any decision or direction with regard to the Services, such approval, comment, decision or direction shall be provided within a reasonable time within the context of the Project Schedule, or if not identified in the Project Schedule, within a reasonable time to facilitate the timely performance of the Services.

4 **INDEPENDENT CONTRACTOR** Nothing contained in this Agreement shall be construed to create a partnership, joint venture or create a relationship of employer/employee or principal/agent between Client and SEC, INC.

5 DATA RIGHTS

5.1 All Deliverables resulting from the performance of the Services shall become the property of Client upon proper payment. Any modification or reuse of Deliverables without the express written verification or adaptation by SEC, INC. for the specific purpose intended will be at Client's sole risk and without liability or legal exposure to SEC, INC. or others for whom SEC, INC. bears responsibility. Any such verification or adaptation will entitle SEC, INC. to further compensation at rates to be agreed upon by the Parties.

5.2 Notwithstanding the above Section 5.1, SEC, INC.'s proprietary information, including without limitation, work papers, drawings, specifications, processes, procedures, interim or draft documents, methodologies, know-how, software and other instruments of service belonging to or licensed by SEC, INC. and used to develop the Deliverables ("SEC, INC. Data"), shall remain the sole property of SEC, INC.

6 FORCE MAJEURE Neither Party shall be responsible for a delay in performance under this Agreement, other than a delay in payment for Services already performed, if such delay is caused by extraordinary weather conditions or other natural catastrophes, war, terrorist attacks, sabotage, computer viruses, riots, strikes, lockouts or other industrial disturbances, acts of any governmental agencies, discovery of hazardous materials or differing and unforeseeable site conditions, or other events beyond the reasonable control of the claiming Party. SEC, INC. shall be entitled to an equitable adjustment in Compensation, Project Schedule, or both, in the foregoing circumstances.

7 INSURANCE SEC, INC. will provide evidence of insurance coverages and amounts upon request.

8 INDEMNITY SEC, INC. agrees to indemnify Client, its officers, directors and employees, from loss or damage for bodily injury or property damage ("Claims"), to the extent caused by the negligence or willful misconduct of SEC, INC. in the performance of the Services.

9 CONSEQUENTIAL DAMAGES WAIVER In no event shall either Party be liable to the other for any indirect, incidental, special, consequential or punitive loss or damages whatsoever (including but not limited to lost profits, loss of use or interruption of business) arising out of or related to this Agreement, even if advised of the possibility of such damages.

10 RISK ALLOCATION AND RESTRICTION OF REMEDIES The Parties have evaluated the respective risks and remedies under this Agreement and agree to allocate the risks and restrict the remedies to reflect that evaluation. Client agrees to restrict its remedies under this Agreement against SECI, its affiliates and subcontractors, and their respective directors, officers, shareholders, members, employees and agents ("Consultant Covered Parties"), so that the total aggregate liability of the Consultant Covered Parties shall not exceed the actual paid compensation for the Services, or \$50,000, whichever is less. This restriction of remedies shall apply to all suits, claims, actions, losses, costs (including attorney's fees) and damages of any nature arising from or related to this Agreement without regard to the legal theory under which such liability is imposed. Claims must be brought within one calendar year from performance of the services unless a longer period is required by law. PURSUANT TO FLORIDA STATUTE §558.0035, AN INDIVIDUAL EMPLOYEE OR AGENT MAY NOT BE HELD INDIVIDUALLY LIABLE FOR NEGLIGENCE.

11 GOVERNING LAW & VENUE This Agreement shall be governed by and interpreted under the laws of the State of Florida. Any legal proceeding, whether court proceeding, arbitration, mediation, administrative, or any other proceeding brought to determine any controversy or claim arising out of or related to this Agreement, or the breach thereof, whether in tort, contract, strict liability, or any other legal theory, shall be brought and heard only in Okeechobee County, Florida, which the Parties agree shall be the exclusive and mandatory venue for such proceeding.

12 TERMINATION This Agreement may be terminated for convenience by either Party upon 30 days advance written notice. On termination, SEC, INC. will be paid for all Services performed up to the termination date plus reasonable termination expenses, including without limitation, reassignment of personnel, subconsultant termination costs and related close-out costs.

13 ASSIGNMENT Neither party may assign this Agreement, in part or in whole, without the written consent of the other Party; provided, however, that SEC, INC. shall be entitled without such consent to assign this Agreement to any of its subsidiaries or affiliates upon written notice to Client and to engage subconsultants to perform all or any part of the Services. SEC, INC. shall remain responsible for the performance of the Services.

14 WAIVER Either Party may in writing waive any provisions of this Agreement to the extent such provision is for the benefit of the waiving Party. No waiver by any Party of a breach of any provision of this Agreement shall be construed to be a waiver of any subsequent or different breach.

15 SEVERABILITY AND SURVIVAL The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if any invalid or unenforceable provision were omitted. Articles 2, 5, 8, 9 and 10 shall survive termination of this Agreement.

16 SIGNATURES Each person executing this Agreement warrants that he/she has the necessary authority to do so on behalf of the respective Party. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

17 ORDER OF PRECEDENCE

EXHIBIT "X"	Change Orders
EXHIBIT C	Terms and Conditions
EXHIBIT B	Compensation & Payment
EXHIBIT B-1	Schedule of Fees (if applicable)
EXHIBIT A	Services
Other contract documents	

18 SPECIAL TERMS & CONDITIONS

Specialized Services Terms and Conditions [] is [x] is not attached to and incorporated by reference into this Agreement.

[SERVICES DURING CONSTRUCTION] If the Services include SEC, INC.'s performance during the construction phase of the Project, Client shall require its Contractors and any vendors working on the Project Site to defend, indemnify and hold harmless SEC, INC. and the Client as follows:

To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Client and SEC, INC. and their agents and employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from the performance of the Work, provided that any such claim, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) including the loss of use resulting therefrom, and (2) is caused in whole or in part by any negligent act or omission of the Contractor, a subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this clause.

In any and all claims against the Client, or SEC, INC. or any of their agents or employees by any employee of the Contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this clause shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor or any Subcontractor under workers' or workmen's compensation acts, disability benefits acts or other employee benefit acts.

The obligation of the Contractor under this clause shall not extend to the liability of SEC, INC., its agents or employees, arising out of (1) the preparation of maps, drawings, opinions, reports, surveys, change orders, design or specifications, or (2) the giving of or the failure to give directions or instructions by SEC, INC., its agents or employees, provided such giving or failure to give is the primary cause of the injury or

damage.

In addition, Client shall require the Contractors to add SEC, INC. as an additional insured on the Contractor's Commercial General Liability and Auto Liability insurance policies applicable to the Project.

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OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 23

MARCH 17, 2022

ADVANCED METERING INFRASTRUCTURE UPDATE

OUA staff have met with four different suppliers of advance metering infrastructure (AMI) systems.

- Core & Main (Sensus)
- Empire Pipe (Master Meter)
- Mueller (AMI Systems)
- SUEZ (Smart Meter Program)

Each vendor conducted onsite presentations of their respective products as well as actual site visits to see the product “in use”.

Holtz Consulting Engineers, Inc. is the engineer of record for this project. HCE has submitted a State Revolving Fund application package for a loan/grant package to install an AMI system. As noted in an earlier notification. The OUA was awarded a total loan amount of \$2,318,844, with a loan forgiveness amount of \$457,796, leaving a net repayment of \$1,861,048. In addition to these monies, the SFWMD also awarded the OUA \$100,000 to assist in this project.

Depending upon the vendor presentations, a final cost estimate will be prepared as OUA staff prepares SRF paperwork. At the next OUA Board meeting, OUA staff will present a complete presentation of the AMI project, with cost estimate and SRF application for review and discussion.

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION											
DRINKING WATER SRF PRIORITY LIST FY 2022										DRAFT FOR:02/23/2022	
FUNDABLE PORTION TIER 1											
TIER	PRIORITY SCORE	APPLICANT/ PROJECT NBR	PROJECT TYPE	PROJECT DESCRIPTION	ADOPTION DATE	APPLICATION DEADLINE	AGREEMENT DEADLINE	AUTHORIZED LOAN AMT	PRINCIPAL FORGIVENESS AMT	AMOUNT TO BE REPAID	UNADOPTED FUNDS
Tier1	656	Moore Creek-Mt. Carmel Utilities, Inc. * 57100	DW/Con	Source (Construction of 2 Wells)	08/11/2021	12/09/2021	AWARDED 02/22/2022	\$62,839	\$0	\$62,839	\$0
Tier1	561	Haines City 53045	DW/Con	Treatment (WTPs Upgrades)	11/10/2021	03/10/2022	06/08/2022	\$1,962,591	\$0	\$1,962,591	\$0
Tier1	421	Polk Regional Water Cooperative 53200	DW/Plan/Des	Source, Treatment, Distribution (SE Wellfield, RO and Transmission)	02/23/2022	06/23/2022	09/21/2022	\$20,000,000	\$0	\$20,000,000	\$0
Tier1	414	Stuart 43045	DW/Con	Treatment and Disposal (RO WTP and DIW Mod and reject)	02/23/2022	06/23/2022	09/21/2022	\$4,888,901	\$0	\$4,888,901	\$0
Tier1	401	Hollywood 06049	DW/Con	Treatment (Water Main Replacement)	08/11/2021	12/09/2021	AWARDED 10/25/2021	\$668,257	\$0	\$668,257	\$0
Tier1	389	Big Bend Water Authority* 15052	DW/Plan/Des	Distribution (Water Main Improvements)	02/23/2022	06/23/2022	09/21/2022	\$36,000	\$0	\$36,000	\$0
Tier1	383	Sanford 59019	DW/Con	Treatment (Main WTP Improvements)	08/11/2021	12/09/2021	AWARDED 01/26/2022	\$6,457,000	\$0	\$6,457,000	\$0
Tier1	303	Hollywood 0604D	DW/Con	Treatment (DIW Pump Station & RO Effluent Removal)	08/11/2021	12/09/2021	AWARDED 11/23/2021	\$19,331,743	\$0	\$19,331,743	\$0
Tier1	178	Carrabelle* 19042	DW/Con	Distribution (Extend water to Lighthouse subd)	02/23/2022	06/23/2022	09/21/2022	\$1,320,000	\$0	\$1,320,000	\$0
Tier1	155	Palatka 54022	DW/Con	Distribution (Phase III Water Supply Upgrade)	11/10/2021	03/10/2022	AWARDED 01/26/2022	\$3,114,862	\$0	\$3,114,862	\$0
Tier1	133	Mascotte* 35121	DW/Des	Treatment (WTP Improvements Phase 1A)	02/23/2022	06/23/2022	09/21/2022	\$1,757,800	\$878,900	\$878,900	\$0
Tier1	100	Bonita Springs Utilities, Inc. 36071	DW/Con	Distribution (Meter Replacement)	11/10/2021	03/10/2022	06/08/2022	\$1,014,409	\$0	\$1,014,409	\$0
TOTAL AWARDED SEGMENTS:								\$29,634,701	\$0	\$29,634,701	\$0
TOTAL UNAWARDED SEGMENTS:								\$30,979,701	\$878,900	\$30,100,801	\$0
TOTALS:								\$60,614,402	\$878,900	\$59,735,502	\$0

*Small community <=10,000 (based on the 2010 Census for projects Listed after 6/30/2011)

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
 DRINKING WATER SRF PRIORITY LIST FY 2022
 FUNDABLE PORTION TIER 2 & 3

DRAFT FOR:02/23/2022

TIER	PRIORITY SCORE	APPLICANT/ PROJECT NBR	PROJECT TYPE	PROJECT DESCRIPTION	ADOPTION DATE	APPLICATION DEADLINE	AGREEMENT DEADLINE	AUTHORIZED LOAN AMT	PRINCIPAL FORGIVENESS AMT	AMOUNT TO BE REPAID	UNADOPTED FUNDS
Tier2	564	Opa-Locka* 13038	DW/Plan/Des	Distribution (Miami Gardens)	02/23/2022	06/23/2022	09/21/2022	\$152,600	\$76,300	\$76,300	\$0
Tier2	511	Mobile Manor, Inc* 36087	DW/Con	Distribution (Water Line and Meter Replacement)	08/11/2021	12/09/2021	AWARDED 02/03/2022	\$2,315,728	\$2,084,155	\$231,573	\$0
Tier3	483	American Beach Water and Sewer District* 45051	DW/Con	Distribution (Connecting to Existing Water System)	08/11/2021	12/09/2021	03/09/2022	\$2,523,500	\$2,064,825	\$458,675	\$0
Tier3	480	Fellsmere* 31031	DW/Con	Distribution (AMR Meter Replacement)	02/23/2022	06/23/2022	09/21/2022	\$605,981	\$545,383	\$60,598	\$0
Tier3	464	Opa-Locka* 13038	DW/Con	Distribution (Miami Gardens)	02/23/2022	06/23/2022	09/21/2022	\$1,581,996	\$1,423,796	\$158,200	\$0
Tier3	452	Arcadia* 14013	DW/Con	Distribution (Water System Improvements)	08/11/2021	12/09/2021	03/09/2022	\$6,135,100	\$2,250,000	\$3,885,100	\$0
Tier3	442	Eagle Lake* 53091	DW/Des	Treatment (Green Acres WTP Improvements)	02/23/2022	06/23/2022	09/21/2022	\$286,586	\$143,293	\$143,293	\$0
Tier3	439	Parker* 03072	DW/Con	Distribution (Water System Improvements)	08/11/2021	12/09/2021	03/09/2022	\$2,951,441	\$1,287,271	\$1,664,170	\$0
Tier3	436	Bellevue* 42077	DW/Con	Treatment (WTP#3 Upgrades Ph1)	02/23/2022	06/23/2022	09/21/2022	\$6,072,651	\$2,250,000	\$3,822,651	\$0
Tier3	422	Lake Wales 53037	DW/Con	Distribution (NW Water Main Extension)	02/23/2022	06/23/2022	09/21/2022	\$2,549,100	\$501,630	\$2,047,470	\$0
Tier3	421	Orange City* 64204	DW/Con	Treatment & Distributioo (Pipe Rehabilitation & Looping)	08/11/2021	12/09/2021	AWARDED 01/28/2022	\$17,250,898	\$2,250,000	\$15,000,898	\$0
Tier3	414	Stuart 43045	DW/Con	Treatment (RO WTP, WRF DIW Mod, RO Concentrate Pipe)	08/11/2021	12/09/2021	03/09/2022	\$17,319,799	\$893,319	\$16,426,480	\$0
Tier3	389	Big Bend Water Authority* 15052	DW/Des	Distribution (Water Distribution Replacement & Meters)	08/11/2021	12/09/2021	AWARDED 11/15/2021	\$333,526	\$166,763	\$166,763	\$0
Tier3	371	Bowling Green* 25028	DW/Plan	Distribution (Water main improvements Ph1)	02/23/2022	06/23/2022	09/21/2022	\$60,000	\$30,000	\$30,000	\$0
Tier3	364	Bonifay* 30014	DW/Con	Distribution (Water Distribution Replacement)	08/11/2021	12/09/2021	03/09/2022	\$2,804,503	\$2,236,374	\$568,129	\$0
Tier3	360	Holt Water Works, Inc.* 46032	DW/Des	Source, Treatment, Storage (Well, WTP and EST)	02/23/2022	06/23/2022	09/21/2022	\$525,000	\$262,500	\$262,500	\$0
Tier3	353	Mulberry* 53122	DW/Plan	Distribution (Water main improvements)	02/23/2022	06/23/2022	09/21/2022	\$67,000	\$33,500	\$33,500	\$0
Tier3	338	Springfield* 03051	DW/Con	Treatment (Water System Rehabilitation)	08/11/2021	12/09/2021	03/09/2022	\$2,038,000	\$1,236,633	\$801,367	\$0
Tier3	337	Gulf County 23022	DW/Con	Treatment (Booster Station)	02/23/2022	06/23/2022	09/21/2022	\$932,200	\$393,625	\$538,575	\$0

Tier3	320	Dania Beach 06123	DW/Con	Source (Capacity Purchase in C51 Reservoir)	08/11/2021	12/09/2021	03/09/2022	\$4,600,000	\$0	\$4,600,000	\$0
Tier3	320	Newberry 01081	DW/Plan	Storage (Water tank replacement)	02/23/2022	06/23/2022	09/21/2022	\$150,000	\$0	\$150,000	\$0
Tier3	318	Davenport* 53073	DW/Plan	Source (AWS Well)	02/23/2022	06/23/2022	09/21/2022	\$80,000	\$40,000	\$40,000	\$0
Tier3	300	Village of Tequesta 50270	DW/Con	Distribution (Water main replacement 1 & 4)	02/23/2022	06/23/2022	09/21/2022	\$2,631,932	\$0	\$2,631,932	\$0
Tier3	152	Palatka 54025	DW/Con	Treatment (Install Granular Activated Carbon Filter)	08/11/2021	12/09/2021	03/09/2022	\$1,470,000	\$0	\$1,470,000	\$0
Tier3	122	Okeechobee Utility Authority 47013	DW/Con	Distribution (AMI Meter Installation)	02/23/2022	06/23/2022	09/21/2022	\$2,318,844	\$457,796	\$1,861,048	\$0
Tier3	111	Pompano Beach 06248	DW/Con	Source (Capacity Purchase in C51 Reservoir)	02/23/2022	06/23/2022	09/21/2022	\$9,200,000	\$0	\$9,200,000	\$0
Tier3	100	Venice 58048	DW/Con	Treatment (WTP Switchgear Replacement)	08/11/2021	12/09/2021	AWARDED 01/14/2022	\$17,461,565	\$0	\$17,461,565	\$0
TOTAL AWARDED NEW PROJECTS:								\$37,361,717	\$4,500,918	\$32,860,799	\$0
TOTAL UNAWARDED NEW PROJECTS:								\$67,056,233	\$16,126,245	\$50,929,988	\$0
TOTALS:								\$104,417,950	\$20,627,163	\$83,790,787	\$0

*Small community <=10,000 (based on the 2010 Census for projects Listed after 6/30/2011)

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
DRINKING WATER SRF PRIORITY LIST FY 2022

DRAFT FOR:02/23/2022

WAITING PORTION

PRIORITY SCORE	APPLICANT/ PROJECT NBR	PROJECT TYPE	PROJECT DESCRIPTION	ESTIMATED UNFUNDED COST
421	Polk Regional Water Cooperative 53200	DW/Plan/Des	Source, Treatment, Distirbution (SE Wellfield, RO and Transmission)	\$7,046,516
303	Hollywood 0604D	DW/Con	Treatment (DIW Pump Station & RO Effluent Removal)	\$19,007,507
UNCOMMITTED WAITING PORTION TOTAL:				<hr/> \$26,054,023

*Small community <=10,000 (based on the 2010 Census for projects Listed after 6/30/2011)

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
 DRINKING WATER SRF PRIORITY LIST FY 2022 DRAFT FOR:02/23/2022
 PLANNING PORTION

PRIORITY SCORE	APPLICANT/ PROJECT NBR	PROJECT TYPE	PROJECT DESCRIPTION	ESTIMATED PROJECT COST
0	Hallandale Beach 06171	DW/Con	Treatment (Disinfection System Improvements)	\$750,000
100	Lake Wales 53037	DW/Con	Distribution (Pipe Replacement and NW Line Extension)	\$2,153,950
410	Palm Bay 05077	DW/Con	Construction	\$6,858,000
348	Riverwood CDD* 08050	DW/Con	Distribution (Water Main Line Installation)	\$762,000
PLANNING PORTION TOTAL:				\$10,523,950

*Small community <=10,000 (based on the 2010 Census for projects Listed after 6/30/2011)

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 24

MARCH 17, 2022

CONNERS GABLE WM IMPROVEMENTS NTP

The contractor has supplied the necessary agreement, insurance and bonds to satisfy the requirements of the project documents. The engineer (Holtz Consulting Engineers, Inc.) has recommended approval to execute the Notice to Proceed.

Staff is requesting the OUA Board authorize the OUA Board Chairman to approve and issue the Notice to Proceed to PRP Construction Group, LLC for the Conners Gables WM Improvements project.



HOLTZ CONSULTING ENGINEERS, INC

February 8, 2022

Mr. John Hayford, PE
Executive Director
Okeechobee Utility Authority
100 SW 5th Avenue
Okeechobee, FL 34974

**Subject: OUA Conners Gables Water Main Extension
Recommendation of Award to PRP Construction Group, LLC**

Dear Mr. Hayford,

On February 7, 2022 at 3:30 PM bids were opened for the referenced project. There were (3) three bids accepted for the project as follows:

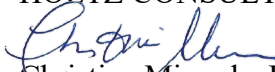
Bidder	Total Bid Amount	Acknowledged Addenda?	Included Bid Security?
PRP Construction Group, LLC	\$141,472.00	Y	Y
Johnson-Davis, Inc.	\$151,000.00	N	Y
Hinterland Group, Inc.	\$218,700.00	Y	Y

The bids were reviewed by Holtz Consulting Engineers, Inc. (HCE) to evaluate whether the bids were responsive to the bid submittal requirements. The apparent low bidder was PRP Construction Group, LLC. with a Total Bid Amount of \$141,472.00. Bid security in the form of a bid bond in the amount of five percent of the total base bid was provided. They acknowledged receipt of the addenda on the bid form. The other forms and information required to be submitted with their bid appear to be in order. We therefore consider the bid submitted by PRP Construction Group, LLC to be responsive.

PRP Construction Group, LLC has recently successfully completed a similar water main project in which HCE served as the engineer-of-record. They also have recently completed a water main project for Okeechobee Utility Authority. PRP Construction Group, LLC is a corporation in good standing with the Florida Department of State Division of Corporations. We therefore consider PRP Construction Group, LLC to be a responsible bidder.

Based on the above information, Holtz Consulting Engineers, Inc. considers PRP Construction Group, LLC to be the low responsive and responsible bidder and recommends that they be awarded the contract for the Conners Gables Water Main Extension project in the Total Bid Amount of \$141,472.00.

Sincerely,
HOLTZ CONSULTING ENGINEERS, INC.


Christine Miranda, PE
Principal Engineer

CONNERS GABLES WATER MAIN EXTENSION

Bid Tabulation

February 7, 2022

				PRP Construction Group, LLC		Johnson-Davis, Inc.		Hinterland Group, Inc.		Engineer's Estimate	
ITEM NO.	ITEM	QUANTITY	UNIT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
1	MOBILIZATION/DEMobilIZATION (INC. GC'S, MOT, AND SAFETY)	1	LS	\$10,000.00	\$10,000.00	\$7,000.00	\$7,000.00	\$25,000.00	\$25,000.00	\$12,100.50	\$12,100.50
2	MAINTENANCE OF TRAFFIC	1	LS	\$1,000.00	\$1,000.00	\$3,500.00	\$3,500.00	\$7,000.00	\$7,000.00	\$3,630.15	\$3,630.15
3	PRECONSTRUCTION VIDEO DOCUMENTATION	1	LS	\$1,850.00	\$1,850.00	\$1,640.00	\$1,640.00	\$3,280.00	\$3,280.00	\$820.00	\$820.00
4	RECORD DRAWINGS	1	LS	\$5,750.00	\$5,750.00	\$9,840.00	\$9,840.00	\$9,840.00	\$9,840.00	\$3,280.00	\$3,280.00
5	8" PVC WATER MAIN (OWNER WILL FURNISH 1,000 LF OF C900 PVC AND SIXTEEN (16) MEGALUG 2008PV JOINT RESTRAINTS), SIXTEEN (16) MECHANICAL JOINT BOLT AND GASKET PACKS (LESS GLAND), AND SIX (6) 1608 RESTRAINTS)	970	LF	\$23.00	\$22,310.00	\$30.00	\$29,100.00	\$32.00	\$31,040.00	\$32.00	\$31,040.00
6	2" POLYETHYLENE WATER MAIN TO BE INSTALLED VIA OPEN-CUT OR HDD AS DIRECTED ON ENGINEERING PLANS (OWNER WILL FURNISH 700 LF OF 2" SDR 11 HDPE)	670	LF	\$32.00	\$21,440.00	\$17.00	\$11,390.00	\$52.00	\$34,840.00	\$18.00	\$12,060.00
7	8-INCH GATE VALVE WITH VALVE BOX (OWNER WILL FURNISH FOUR (4) 8" GATE VALVES AND VALVE BOXES)	4	EA	\$220.00	\$880.00	\$800.00	\$3,200.00	\$1,500.00	\$6,000.00	\$1,500.00	\$6,000.00
8	2-INCH BALL VALVE AND VALVE BOX (OWNER WILL FURNISH ONE (1) 2" BALL VALVE AND VALVE BOX)	1	EA	\$180.00	\$180.00	\$500.00	\$500.00	\$780.00	\$780.00	\$750.00	\$750.00
9	FIRE HYDRANT ASSEMBLY WITH 6-INCH GATE VALVE AND VALVE BOX (OWNER WILL FURNISH TWO (2) FIRE HYDRANTS, TWO (2) 6" GATE VALVES AND VALVE BOXES, TWELVE (12) MECHANICAL JOINT BOLT AND GASKET PACKS (LESS GLAND), AND FOUR (4) 6" ANCHOR COUPLINGS)	2	EA	\$1,850.00	\$3,700.00	\$1,750.00	\$3,500.00	\$3,050.00	\$6,100.00	\$4,500.00	\$9,000.00
10	8" X 8" MJ DUCTILE IRON TEE (OWNER WILL FURNISH ONE (1) 8" X 8" MJ TEE)	1	EA	\$550.00	\$550.00	\$400.00	\$400.00	\$780.00	\$780.00	\$250.00	\$250.00
11	8" 45 DEG MJ DUCTILE IRON BEND (OWNER WILL FURNISH TWO (2) 8" 45 DEG MJ BENDS)	2	EA	\$425.00	\$850.00	\$375.00	\$750.00	\$780.00	\$1,560.00	\$100.00	\$200.00
12	8" X 8" MJ DUCTILE IRON CROSS (OWNER WILL FURNISH ONE (1) 8" X 8" MJ CROSS)	1	EA	\$600.00	\$600.00	\$500.00	\$500.00	\$780.00	\$780.00	\$300.00	\$300.00
13	8" X 6" MJ DUCTILE IRON TEE (OWNER WILL FURNISH ONE (1) 8" X 6" MJ TEE)	1	EA	\$425.00	\$425.00	\$400.00	\$400.00	\$780.00	\$780.00	\$225.00	\$225.00
14	8" MJ DUCTILE IRON PLUG (OWNER WILL FURNISH ONE (1) 8" MJ PLUG)	1	EA	\$200.00	\$200.00	\$200.00	\$200.00	\$780.00	\$780.00	\$100.00	\$100.00
15	8" MJ DUCTILE IRON LONG SLEEVE (OWNER WILL FURNISH ONE (1) 8" MJ SLEEVE)	1	EA	\$425.00	\$425.00	\$400.00	\$400.00	\$780.00	\$780.00	\$150.00	\$150.00
16	8" MJ DUCTILE IRON PLUG W/ 2" TAP (OWNER WILL FURNISH ONE (1) 8" PLUG WITH 2" TAP)	1	EA	\$200.00	\$200.00	\$200.00	\$200.00	\$780.00	\$780.00	\$100.00	\$100.00
17	8" x 6" MJ DUCTILE IRON REDUCER (OWNER WILL FURNISH ONE (1) 8" X 6" REDUCER)	1	EA	\$400.00	\$400.00	\$300.00	\$300.00	\$780.00	\$780.00	\$200.00	\$200.00
18	CONNECT NEW 8-INCH WATER MAIN TO EXISTING 8-INCH WATER MAIN	1	EA	\$850.00	\$850.00	\$5,000.00	\$5,000.00	\$4,600.00	\$4,600.00	\$3,500.00	\$3,500.00
19	CONNECT NEW 2-INCH WATER MAIN TO EXISTING 2-INCH WATER MAIN	1	EA	\$800.00	\$800.00	\$2,000.00	\$2,000.00	\$3,050.00	\$3,050.00	\$1,750.00	\$1,750.00
20	FILL & FLUSHING ASSEMBLY	2	EA	\$4,950.00	\$9,900.00	\$2,400.00	\$4,800.00	\$4,150.00	\$8,300.00	\$2,150.00	\$4,300.00
21	SAMPLE POINT	4	EA	\$450.00	\$1,800.00	\$1,200.00	\$4,800.00	\$1,950.00	\$7,800.00	\$500.00	\$2,000.00
22	CHLORINATING/TESTING	1640	LF	\$5.00	\$8,200.00	\$2.00	\$3,280.00	\$1.50	\$2,460.00	\$2.00	\$3,280.00
23	SINGLE SHORT SERVICE	1	EA	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$2,100.00	\$2,100.00	\$600.00	\$600.00
24	SINGLE LONG SERVICE	1	EA	\$1,420.00	\$1,420.00	\$1,600.00	\$1,600.00	\$2,500.00	\$2,500.00	\$900.00	\$900.00
25	DOUBLE SHORT SERVICE	1	EA	\$1,840.00	\$1,840.00	\$2,000.00	\$2,000.00	\$3,000.00	\$3,000.00	\$1,000.00	\$1,000.00
26	DOUBLE LONG SERVICE	2	EA	\$2,476.00	\$4,952.00	\$2,500.00	\$5,000.00	\$3,750.00	\$7,500.00	\$1,500.00	\$3,000.00
27	SODDING	1	LS	\$1,850.00	\$1,850.00	\$12,000.00	\$12,000.00	\$5,500.00	\$5,500.00	\$5,000.00	\$5,000.00
28	ASHPHALT DRIVEWAY REPLACEMENT	20	SY	\$110.00	\$2,200.00	\$70.00	\$1,400.00	\$87.00	\$1,740.00	\$40.00	\$800.00
29	CONCRETE DRIVEWAY REPLACEMENT	20	SY	\$155.00	\$3,100.00	\$100.00	\$2,000.00	\$110.00	\$2,200.00	\$60.00	\$1,200.00
30	SHELLROCK DRIVEWAY REPLACEMENT	60	SY	\$45.00	\$2,700.00	\$35.00	\$2,100.00	\$45.00	\$2,700.00	\$25.00	\$1,500.00
31	MISCELLANEOUS RESTORATION	1	LS	\$2,000.00	\$2,000.00	\$4,000.00	\$4,000.00	\$6,750.00	\$6,750.00	\$5,000.00	\$5,000.00
32	ASHPHALT PAVEMENT RESTORATION	20	SY	\$145.00	\$2,900.00	\$100.00	\$2,000.00	\$130.00	\$2,600.00	\$90.00	\$1,800.00
33	CONTINGENCY	1	LS	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00
Total Bid Amount				\$141,472.00		\$151,000.00		\$218,700.00		\$140,835.65	

NOTICE OF AWARD

DATED: February 14, 2022

BIDDER: PRP Construction Group, LLC

ADDRESS: 8300 Springhaven Ave., Indiantown, FL 34956

PROJECT: CONNERS GABLES WATER MAIN EXTENSION

You are notified that your Bid dated February 7 _____, 2022 for the above Project has been considered. You are the successful bidder and have been awarded a contract for the CONNERS GABLES WATER MAIN EXTENSION.

Four (4) copies of each of the proposed Contract Documents accompany this Notice of Award. Four (4) sets of the Drawings will be delivered separately or otherwise made available to you immediately.

You must comply with the following conditions precedent within fifteen days of the date of this Notice of Award that is by March 1 _____, 2022 .

1. You must deliver to the ENGINEER four (4) fully executed counterparts of the Agreement including all of the Contract Documents. Each of the Contract Documents must bear your signature on the cover of each of the documents and on Page A-5 of the Agreement.

2. You must deliver with the executed Agreement the Public Construction Bond as specified in the Bid Form and the Agreement (paragraph 7.3) in accordance with Florida Statutes 255.05, as amended.

3. You must deliver with the executed Agreement the Certificates of Insurance as specified in Article 5 of the General Conditions.

4. (The following are additional conditions precedent).

Failure to comply with these conditions within the time specified will entitle OWNER to consider your bid abandoned, to annul this Notice of Award and your Bid Security will become property of OWNER.

Within ten (10) days after you comply with those conditions, ENGINEER will return to you one fully signed counterpart of the Agreement with the Contract Documents attached.

OWNER: OKEECHOBEE UTILITY AUTHORITY

By: _____
John R. Creasman, Chairman

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 25

MARCH 17, 2022

PUBLIC COMMENTS

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 26

MARCH 17, 2022

ITEMS FROM THE ATTORNEY

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 27

MARCH 17, 2022

ITEMS FROM THE EXECUTIVE DIRECTOR

Southwest Wastewater Service Area

- Project 1 Design of the pump station & force main
 - Master Pump Station (MPS)
 - MPS Site Civil bids were received on 12/15.
 - Notice to Proceed: January 24, 2022
 - Substantial: March 10, 2022 (45 calendar days)
 - Final: March 25, 2022 (60 calendar days)
 - Gopher Tortoise Relocation: Permit was issued by GFC, onsite work began to either confirm presence or absence of Tortoise in the burrows. The burrows were confirmed as abandoned so relocation is not required.
 - MPS Construction bids were received on 12/22.
 - Notice of Award: January 24, 2022
 - Notice to Proceed: February 17, 2022 (?)
 - Substantial: TBD (365 calendar days)
 - Final: TBD (425 calendar days)
 - Master Force Main (MFM)
 - Bids for material received February 9, 2022. Purchase approved 2/17
 - Advertisement for construction set for 1st week of March 2022
 - Force Main SE2 Interconnect
 - Continuing

Pine Ridge Park WWTP Demolition

- This project was recently advertised on March 2nd, a pre-bid conference was set for 10AM, March 9th and bid opening scheduled for 3PM, March 29th.

Pine Ridge Park Utility Improvements

- This project was recently advertised (2/23/2022). A pre-bid conference was set for 10AM, March 16th and a bid opening date is set for 3PM, April 5th.

SW 5th Ave Wastewater System Improvements

- Final report presented Feb 2022 with modification presented this month

AMI Project

- An award notice was received by the OUA from FDEP SRF. The total loan amount is \$2,318,844, with a loan forgiveness amount of \$457,796, leaving a net repayment of \$1,861,048. There will be an agenda item this month to discuss this project in detail.

Meetings Attended

- Okeechobee County Economic Development Corporation, February 11, 2022

OKEECHOBEE UTILITY AUTHORITY

AGENDA ITEM NO. 28

MARCH 17, 2022

ITEMS FROM THE BOARD