

**OKEECHOBEE UTILITY AUTHORITY**

**JUNE 14, 2021**

**PROPOSED FY21 BUDGET AMENDMENT #1**

**The proposed Budget Amendment to the Okeechobee Utility Authority fiscal year 2021 budget incorporates the following:**

**I. Financial Impact on Operations & Maintenance Expenses:**

Uses of Operating Funds

1. Government lobbying services at Federal level	\$ 22,750
2. Renewal of permit at WWTP	8,025
3. Additional cost of five-year financial forecast	32,850
4. Replenish contingency funds	<u>147,507</u>
Total	\$211,132

Sources of Operating Funds

FEMA operating grant	\$ 40,872
Reduction in engineering fees expense budget	10,000
Reduction in bad debt expense budget	50,000
Reduction in Covid-19 expense budget	23,000
Reduction in meter and meter boxes budget	25,000
Reduction in sand removal (digesters/clarifiers) budget	33,680
Gain on sale of assets	<u>28,580</u>
Total	\$211,132

**II. Financial Impact on Capital Projects:**

Uses of Capital Funds

5. Additional cost of six-inch mobile pump package	\$ 9,927
6. 2021 Chevrolet 1-ton Silverado, net of insurance proceeds	22,670
7. Electrical cabinets at Lakeview Estates	35,460
8. Board room technology improvements	19,964
9. Mini-excavator Kubota model: KX080-4S2R3	4,235
10. Purchase of new administrative vehicle	49,000
11. SW 5 <sup>th</sup> Ave WW collection/pumping system	<u>46,588</u>
Total	\$187,844

### Sources of Capital Funds

Reduction in manhole replacement budget	\$ 57,118
Savings on SE 8 <sup>th</sup> Ave water main replacement in project	53,432
Savings on 3M gallon SWTP storage tank project	<u>77,294</u>
Total	\$ 187,844

### Detailed Explanation

1. The FY21 budget did not contemplate the need for Federal lobbying. Thorn Run Partners has been engaged to help fund/support sewer to septic projects.
2. Cost to renew the WWTP permit exceeded the budget allocation of \$7,500.
3. Additional cost associated with Raftelis preparing a 5-year financial forecast that exceeded the existing budget of \$25,000.
4. Contingency funds have been used to pay for part of the price to replace the truck that was totaled (\$22,670), electrical cabinets at Lakeview Estates (\$35,460), permit renewal (\$8,025), SW 5<sup>th</sup> Ave preliminary engineering report (\$46,588), Board room improvements (\$19,964) and installation of new well at Cemetery Road / wastewater treatment plant (\$14,800).
5. BBA Pumps, Inc. of South Carolina was a responsive bidder from the Florida Sheriff's Association Cooperative Purchase Program at \$36,613. The BBA pump package includes cutter heads to guarantee free wastewater flow capability. Cost of mobile pump package exceeded the budget allocation of \$26,686.
6. A 2013 Chevrolet truck with dual rear wheels and utility body was "totaled" by the insurance company. A replacement truck was purchased from Gilbert Chevrolet for \$40,670.
7. Replacement of two very old electrical cabinets at Lakeview Estates was not included in the WWTF construction work being funded by a FDEP grant. The engineer Kimley-Horn recommends that they be replaced.

8. Business Information Systems, Inc. dba BIS Digital, Inc. of Fort Lauderdale supplied and installed the video/audio compiler, cameras, television monitors, microphones, etc. for recording Board meetings and posting them on-line.

9. Ridge Equipment Co. of Sebring was the low bidder from the Florida Sheriff's Association Cooperative Purchase Program at \$45,749. Cost of the hydraulic mini-excavator exceeded the budget allocation of \$41,514.

10. Contingency estimate of cost to purchase a new administrative SUV.

11. Sumner Engineering is preparing a preliminary evaluation report (PER) that will include a probable construction cost, allowances for contingencies, estimated total costs of design and other related services.

The proposed net increase to OUA's Operating Budget is \$196,332 and the proposed net increase to the budget for Capital Projects is \$187,844.

OUA staff recommends that the OUA Board adopt Resolution 21-01 to approve the FY21 Budget Amendment #1.