

ECUA GENERAL RESOLUTION NO. GR20-69

A GENERAL RESOLUTION AUTHORIZING A FINAL BUDGET AMENDMENT FOR FISCAL YEAR 2020.

BE IT RESOLVED BY THE EMERALD COAST UTILITIES AUTHORITY:

- WHEREAS, the Emerald Coast Utilities Authority (hereinafter "ECUA"); and
- WHEREAS, as a routine procedure, we monitor revenues and expenditures throughout the fiscal year to make sure we are meeting the budgeted revenue projections and keeping within the total expenditures allowed by the approved budgets; and
- WHEREAS, the recommended adjustments provided in Exhibit A delineate the budget adjustments to revenues and expenditures to reflect actual experiences for fiscal year 2020; and
- WHEREAS, the recommended adjustments are necessary to align the changes in the budget based on actual amounts for the water and wastewater systems and the sanitation and Materials Recycling Facility (MRF) systems.

NOW THEREFORE, be it resolved by the Emerald Coast Utilities Authority:

- SECTION 1. ECUA hereby authorizes the FY 2020 budget amendment per Exhibit A; and
- SECTION 2. ECUA authorizes the Executive Director to record that amendment; and
- SECTION 3. This General Resolution shall take effect upon adoption.

Approved as to form:

Adopted on:

ECUA General Counsel

ATTEST:

Amanda Miller, Administrative Coordinator

Board Chairman

Date: November 17, 2020
Account Number: Various
Amount:
Type of Resolution: General Resolution

EXPLANATION TO ECUA BOARD

Originating Department: Finance

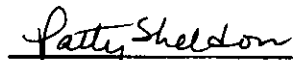
PURPOSE: As a routine procedure, we monitor revenues and expenditures throughout the fiscal year to make sure we are meeting the budgeted revenue projections and keeping within the total expenditures allowed by the approved budgets. The recommended adjustments are necessary to align the changes in the budget based on actual amounts for the water and wastewater systems and the sanitation and Materials Recycling Facility (MRF) systems.

REMARKS: The total actual revenues in the water and wastewater system overall were slightly more than budget projections, with some line items under budget and others over budget. Water/wastewater revenue increased 3.9% over budget, partly due to more residents staying at home during the early months of the COVID-19 pandemic and partly due to the dry weather in the early part of the summer. ECUA received some large settlements in FY 2020 that were not budgeted, namely, the settlement with A.E. New, the liquid aluminum sulfate litigation, and the Hawkshaw settlement. Non-operating income such as capital contributions, and impact fees realized 33% more than budgeted.

The sanitation system revenues were mostly on target with the original budget, however, expenses were higher in a number of line items than actual revenues realized. This necessitates an interfund borrowing from the water/wastewater fund as an offsetting revenue source. Tipping fees were higher than anticipated due to the increased volume of household waste during COVID-19 lockdowns. Repair and maintenance costs in the sanitation system continued to be high expense items. Due to these increased costs, the tipping fee paid by the Escambia sanitation system to the MRF was reduced.

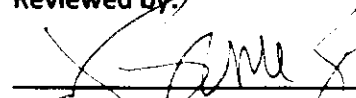
Revenues for the MRF were significantly lower than estimated due to the volatility in the average price per ton for the recyclable commodities. Tipping fee revenue was greater than budgeted due to the contract amendments that were put in place during FY 2020. The MRF did receive an insurance reimbursement for the revenue loss experienced last fiscal year, which helped offset the drop in anticipated revenue for commodity sales. Because expenses were higher than budgeted, this necessitates an interfund borrowing from the water/wastewater fund as an offsetting revenue source. The MRF is not in a financial position to make a payment this year to the water/wastewater fund for the existing interfund loan for the construction of the MRF.

Submitted by:



Patty Sheldon, CPA
Director of Finance
969-3392

Reviewed by:



J. Bruce Woody, P.E., M.P.A.
Executive Director

Attachment: Exhibit "A" – FYE 2020 Budget Amendment

Exhibit "A"
FYE 2020 Budget Amendment
(in amounts not to exceed)

	<u>Water/Waste- water System</u>	<u>Sanitation</u>	<u>MRF</u>
Sources:			
Monthly Charges-Water	\$ 3,801,000	\$ 0	\$ 0
Monthly Charges-Wastewater	140,000	0	0
Sanitation	0	97,000	0
Recycling Sales & Fees	0	0	(487,000)
Connection Charges	531,000	0	0
Sewer Improvement Fee	42,000	0	0
Capital Improvement Fee	231,000	(97,000)	0
Settlements	1,113,000	0	483,000
Impact Fees	2,330,000	0	0
Interest Income	858,000	4,600	0
Other Revenues	39,000	(26,000)	0
Capital Contributions	2,636,000	0	0
Non-Operating Sources	(5,241,000)	690,000	239,000
Total Sources	\$ 6,480,000	\$ 668,600	\$ 235,000
Uses:			
Operating expenses	\$ (6,376,000)	\$ 1,240,600	\$865,000
Debt Service	46,000	(300,500)	(500,000)
Unrestricted reserves	0	(271,500)	(130,000)
Carryforward balance	12,810,000	0	0
Total Uses	\$ 6,480,000	\$ 668,600	\$ 235,000