



**Minutes of the Seabrook Island Utility Commission Regular Meeting
November 13, 2019
Town Hall**

The meeting was called to order by Chairman Morawski at 9:30 AM.

Commissioner: Present: Vancini.

Others Present: Tommy West, Beth Geiss, and Chris Houghton of Louis Berger Hawthorne Services, Inc. (LBH)

- There were no comments from the public.
- Upon a motion by Vancini second by Morawski, minutes of the October 17, 2019 meeting were amended to include “noted in Tidelines and” in the paragraph under New Business discussing SIUC’s Emergency Number. The minutes were approved as amended.

Election of Officers

- Upon a motion by Vancini second by Morawski, the election was postponed until December's meeting to allow the full Commission to be present.

FINANCIAL REPORT

- The Operating Income and Charges report for October and Year-to-Date were reviewed. Ms. Geiss reported that net income for the month was \$23,752. Adjusting for Bond principal and capital expenditures resulted in a positive cash flow of \$28,896. On a year-to-date basis, net income was \$172,215 and a positive cash flow of \$128,643. The Sewer operation still shows a loss.

- No Balance Sheet was available as LBH personnel must now bring entries up-to-date with the completion of the 2018 audit.
- The Accounts Payable Check Register report was submitted to Commissioners.

Upon a motion by Vancini, second by Morawski, the October payables, as submitted electronically to Commissioners were approved.

OPERATIONS REPORT

- Mr. West reported that September wastewater plant performance was in compliance with all permit parameters. Wastewater flows for the month averaged 366,000 gallons per day, with the average for the past 12 months of 399,000 gallons per day. He further reported that SIUC delivered 35,470,019 gallons of water for the month compared to 24,198,027 gallons last year. This accounted for 95.38% of the water received from St. John's for the month compared to 89.53% last year. This brings the year-to-date water accounted for to 93.69% compared to 92.87% last year
- Mr. West also reported pump failures at Pump Station #16. The consequence of the failures presents unbudgeted cost impacts. The pumps can be replaced with similar pumps for approximately \$10,000, but would not be the preferred solution. Currently, the Station is served by grinder pumps, but given the extent of homes served by the station, solids-handling pumps should be installed which requires additional changes at an estimated total cost of \$45,000. (See further discussion and action under New Business.)
- Mr. West also reported on the failure of the SCADA system. Since SCADA allows remote monitoring and control of various SUIC operations, it is critical that the hardware and software be replaced soon. The current temporary fixes could fail at any time. As a result, Mr. West is working to replace the items as soon as possible. There is currently sufficient funds on the Capital Budget to cover this expense.

OLD BUSINESS

- Mr. West reported that he is in the process of finalizing an agreement with a call center to handle after hours calls and expects to have it in place this week. His investigation with IT service firms did not offer any better solutions.
- Mr. West reported that the SUIC FEMA grant application for emergency generators has been denied. While it may be possible to apply again based on Hurricane Dorian, SIUC would have to incur additional expense for the application, and would further delay

installation of the emergency generators. Commissioners expressed concern with another delay. (See further discussion and action under New Business.)

- Mr. West reported that St. Johns Water Company is inquiring whether SIUC would be willing to participate in legal action regarding the Hydrant fees charged to St. Johns Fire District. Commissioners expressed the need to resolve the matter, but were not interested in St. Johns Water Company's proposed solution. No action was taken.

NEW BUSINESS

- Mr. Morawski reported the results of the Auditor Selection Panel, determining Maudlin & Jenkins as the best responsive proposal. Town Administrator Cronin will be working with Maudlin & Jenkins to finalize a one year contract with up to 4 additional one year extensions at the option of the Town.
- Mr. West submitted a draft 2020 budget for Commissioners to consider. He reviewed details of both the Operation and Capital budgets. The Capital Budget contains several large expenses which Commissioner Vancini requested some items be evaluated for possible delay. The budget will be considered and approved next month. Commissioner Morawski requested proformas of Water and Sewer be prepared to allow Commissioners to realize potential rate impact.
- Mr. Houghton informed the Commission of changes to the benefit package for LBH personnel to bring them in line with their parent company. While SIUC's contract with LBH has a set management fee, the proposed change may result in an increase to payroll which would increase SIUC's costs. This is for information at this point since it is too early to know the impact.
- Mr. Houghton also indicated that LBH had retained a consultant at their cost to assist in selecting new Accounting and Billing software, however, they have not concluded their work to make any recommendations.
- In response to the pump failure of Pump Station #16, Commissioners discussed how to fund the needed replacement. Since the current budget contained \$150,000 for emergency generators that had been on-hold pending the FEMA grant, and because only one generator can still be installed this year, it was determined that sufficient funds were available to cover the one generator and the desired pumps and equipment for Pump Station #16.

Upon a motion by Vancini, second by Morawski, Commissioners authorized Mr. West to proceed with the purchase and installation of one emergency generator, and the proposed pumps and equipment for Pump Station #16.

- Ms Geiss reported that they will review fees at the December meeting.

ADJOURNMENT

**There being no further business, upon a motion by Vancini, second by Morawski,
the meeting was adjourned at 11:13 am.**

The next regular meeting of the Commission is scheduled for December 11, 2019 at 9:30 am at Town Hall.

Date: December 11, 2019

Gayle Albritton

Town Clerk