



**Minutes of the Seabrook Island Utility Commission Regular Meeting  
October 17, 2019  
Town Hall**

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

Commissioners Present: Vancini and Smith-Jones.

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

**Upon a motion by Smith-Jones, second by Vancini, the Agenda was taken out-of-order, allowing for Mr. Gimson to address the Commission first, and second for the 2018 Audit to be presented.**

- Mr. Gimson reviewed an incident in early September where a water service was damaged and the Gate House was unable to reach anyone at the emergency number. He recommended SIUC look into a service that could answer emergency phone calls. (See further discussion under New Business below.)
- The 2018 Audit was presented. Erik Glaser reviewed the timing issues experienced with the audit this year, noting that the Auditors were unable to complete the audit until proper entries were completed by SIUC contract personnel. He expressed that SIUC contract personnel had addressed many shortcomings in the finance system allowing a better starting point for 2019. He then went through the audit indicating good results and an unqualified opinion.
- In regards to the current status of SIUC's balance sheet, there was discussion that the now completed 2018 balance sheet could be used to prepare interim balance sheets. There was additional discussion regarding the need to change the current financial software given all the problems with the current system. Both LBH personnel and the Auditors mentioned how much easier QuickBooks is to work with and could help be

implemented anytime during the year. Mr. Houghton indicated that LBH would be submitting a recommendation when prepared.

**Upon a motion by Smith-Jones, second by Vancini, the 2018 Audit was accepted.**

The Commission returned to the regular agenda for the meeting.

- **The minutes of the September 1, 2019 meeting were approved as submitted.**

## **FINANCIAL REPORT**

- The Operating Income and Charges report for September and Year-to-Date were reviewed. Ms. Geiss reported that net income for the month was \$50,244. Adjusting for Bond principal and capital expenditures resulted in a positive cash flow of \$43,693. On a year-to-date basis, net income was \$148,515 and a positive cash flow of \$60,916. Higher revenues than budgeted were attributed to receipt of impact fees from KDP (Cassique), however, expenses were up due to rental of generators and pumps for Hurricane Dorian. The Sewer operation still showed a loss but expected Impact Fees should result in some improvement.
- 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 Smith-Jones, second by Vancini, the September 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 374,000 gallons per day, with the average for the past 12 months of 397,000 gallons per day. He further reported that SIUC delivered 27,580,401 gallons of water for the month compared to 32,324,412 gallons last year. This accounted for 98.23% of the water received from St. John's for the month compared to 93.02% last year. Mr. West also reviewed the more significant work orders completed during the month.

**OLD BUSINESS - none**

## NEW BUSINESS

- Commissioners discussed alternatives for providing better emergency telephone response. Mr. West had prepared a spreadsheet of outside services that could handle after hours phone calls. As suggested by Mr. Gimson, Mr. West wanted to check out other options from Comcast and the Post and Computer store. It was further noted that the emergency number should be noted on Tidelines and listed on the website and on utility bills, noting that emergency calls are for service trouble and not billing matters.

**Upon a motion by Smith-Jones, second by Vancini, Commissioners authorized Mr. West to retain the lowest cost service unless he learns of another lower cost alternative.**

- Commissioners considered a complaint from a resident regarding the loss of screening of the SIUC tanks at the plant site. Hurricane Dorian had damaged trees such that the resident could now see the tanks. Commissioners noted that there was little that could be done to screen tanks and the elevated tank was far more visible to more properties. Chairman Morawski indicated he would discuss the matter with the Mayor.
- Mr. West presented a capital budget for 2020 which contained many large items, along with greater expenditures for routine improvements. After a short discussion, Chairman Morawski requested that Mr. West create a 5 year projection when actual expenditures would be required. Due to the magnitude of the capital requirement, SIUC will need to obtain financing.

## ADJOURNMENT

**There being no further business, upon a motion by Smith-Jones, second by Vancini, the meeting adjourned at 12:13 pm.**

The next regular meeting of the Commission is scheduled for November 13, 2019 at 9:30 am at Town Hall.

Date: November 13, 2019



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Town Clerk