



**Minutes of the Seabrook Island Utility Commission
January 16, 2018
Town Hall**

The meeting was called to order by Vice-Chairman Morawski at 9:35 AM.

Commissioners Present: Vancini and Smith-Jones.

Others Present: Tommy West and Carmella Montgomery of Hawthorne Services, and Chris Houghton of Louis Berger.

The minutes of the December 13, 2018 meeting were approved as submitted.

Upon a motion by Vancini, second by Smith-Jones, Commissioner Morawski was elected Chairman.

The financial report for December was reviewed. Ms. Montgomery reported that net income for the month was a loss of \$3,642, however net income was a positive \$35,974 for the year. Adjusting for Bond principal and capital expenditures shows a reduction in cash of \$128,985 for the year.

Miss Montgomery also informed the Commission that due to bank processing error, a number of customer payments had been rejected due to missing signatures on bank issued checks. The bank had indicated they would pay the late fees for customers affected. Commissioners requested that the approximate 130 customers so affected be sent a letter explaining both the problem and corrective action.

Miss Montgomery also informed the Commission of a year-end problem with the Harris software, incorrectly booking payment dates. She has discussed the matter with Harris and is doing a work around to complete the year end entries.

Commissioner Vancini requested an updated 5 year financial projection reflecting the new rates effective January 1, 2019 and unaudited 2018 results.

Mr. West reported that December wastewater plant performance was in compliance with all permit parameters. Wastewater flows for the month averaged 529,000 gallons per day, and the average for the year of 416,000 gallons per day. Much of the increase in flow reflects December's significant rainfall (11.24 inches). He further reported that

SIUC delivered 15,628,333 gallons of water for the month and 269,357,378 gallons for the year. This accounted for 95.22% of the water received from St. John's for the month and 93.35% for the year. He also reviewed the more significant work orders completed during the month. Lastly, Mr. West informed the Commission that the elevated tank was taken out-of-service last week for inspection. Everything was in good shape.

Under Old Business, Chris Houghton updated the Commission regarding Louis Berger's proposal to The Beach Company (developers of Kiawah River) to provide Wastewater Treatment management. Their proposal would allow support by Hawthorne Services employees normally serving SIUC provided there is no negative consequence to SIUC. SIUC could realize a savings through a reduction in labor costs. If SIUC equipment was utilized, SIUC would be compensated. This is all contingent on approval by the Commission. The Commissioners discussed the need to update pricing of SIUC equipment. The Commission also requested they be provided a copy of the proposal for their review. In response to an inquiry by Commissioner Smith-Jones, Mr. Houghton indicated a willingness to evaluate the Management fee if there was significant use of Hawthorne Services employees that normally served SIUC.

Also under Old Business, the Commissioners discussed the current Fire Protection Fee that remains unpaid by St. Johns Fire District. Currently, there is no penalty for non-payment inconsistent with all other SIUC services. Commissioners requested that a penalty similar to that applied for Availability Fees be adopted at the next meeting after the appropriate documentation has been prepared.

Also under Old Business, Mr. West updated the Commission regarding a proposed engineering study for the 300 acres being considered for development within the SIUC service area. W. K. Dixon has submitted a proposal to do the study at a cost of \$30,000. Commissioners requested they get a copy of the proposal prior to approval. Mr. West indicated there was no immediate need to undertake the engineering, so a delay of one month was not a problem. He also indicated some of the ongoing development was also delayed.

Lastly under Old Business, Mr. Houghton updated the Commissioners on the Purchase of Louis Berger by WSP of Canada. Louis Berger will be a wholly owned subsidiary with no impact to SIUC. Mr. Houghton indicated he would keep the Commission informed of any future changes.

There was no new Business for the Commissioners to consider.

There being no further business, upon a motion by Vancini, second by Smith-Jones, the meeting adjourned at 11:00 am. The next regular meeting of the Commission is scheduled for February 20, 2019 at 9:30 AM at Town Hall.



Date: February 20, 2019

Town Clerk

