



Brunswick-Glynn County Joint Water & Sewer Commission
1703 Gloucester Street, Brunswick, GA 31520
Commission Meeting Room
Tuesday, February 16, 2016 at 2:00 PM

FINANCE COMMITTEE MINUTES

PRESENT: Donald Elliott, Chairman
John Cason, Commissioner
John Donaghy, Chief Financial Officer

ABSENT: Ronald E. Perry, Commissioner

ALSO PRESENT: Pam Crosby, Director of Purchasing

Chairman Elliott called the meeting to order at 2:00 PM.

PUBLIC COMMENT PERIOD

There being no citizens who wished to address the Commission, Chairman Elliott closed the Public Comment Period.

APPROVAL

1. **Minutes of the January 19, 2016 Finance Committee Meeting.**
Commissioner Cason made a motion seconded by Commissioner Elliott to adopt the minutes of the January 19, 2016 Finance Committee meeting. Motion carried 2-0-1 (Commissioner Perry was absent for the vote).

2. **Canal Road Water & Sewer Force Main Improvements Award – P. Crosby**
Pam Crosby presented the Canal Road Bid Results and Award Recommendations to the Committee. Mrs. Crosby explained the invitation to bid was advertised on Monday, January 4, 2016. The timeline was discussed and it was noted that the Water Main Improvements needs to be completed no later than 8/1/2016 and the Sanitary Sewer Force Main Improvements needs to be completed by 10/1/2016. The staff recommends this project be awarded to Woodard Construction Company residing in Waycross, GA. The references and projects have been reviewed.

Commission Cason made a motion seconded by Commissioner Elliott to award the Canal Road Water & Sewer Force Main Improvements to Woodard Construction Company in the amount of \$1,045,382.00 and forward to the full Commission. Motion approved 2-0-1 (Commissioner Perry was absent for the vote).

3. **Property & Casual Insurance – Fred McGinty, McGinty-Gordon & Associates**

APPROVAL CONTINUED

Fred McGinty presented to the Committee a preliminary proposal. Mr. McGinty stated he previously presented several options to the Facilities Committee and it was suggested changing the property coverage from Lloyds of London to Ace with significant savings. The crime coverage was in the liability coverage with Trident Insurance but they were unable to offer Wire Transfer Fraud as an options. Mr. McGinty stated they went to Travelers and Hartford to receive competitive bids. They found that Travelers had the most competitive bid of the two. Their policy now includes Wire Transfer Fraud and Computer Fraud. The other options not available at the Facilities Committee was to increase the Excess Liability, General Liability and Public Liability. Trident includes all of these coverages. The recommendations were discussed of the mixture of Trident, Ace, and Travelers. Lloyds, Ace.

Commissioner Cason made a motion seconded by Commissioner Elliott to go with the recommended Property, Liability, and Casualty Insurance for of 299,470.90 and forward to the full Commission. Motion approved 2-0-1 (Commissioner Perry was absent for the vote).

4. Academy Creek Former DAF Facility Remediation Proposal Review – P. Crosby
Pam Crosby presented to the Committee regarding the remediation for Academy Creek. Three remediation providers were contacted to diagnose the situation. Savannah Analytical & Consulting Services (SACS) was used as a third party consulting service and provided a protocol plan. Mrs. Crosby stated the staff invited both companies, Servpro of Brunswick and Paul Davis Emergency Services to provide presentations and details of project work. The DAF facility was noted to be the previous dewatering area where the sludge thickening tanks used were and is now empty and kept locked. Pam stated there are plans to use this facility for storage, warehouse space, storm support or classrooms. Kirk explained the habitants were evacuated without harm. It was stated that the Paul Davis Company was most comprehensive and experienced.

Commissioner Boland made a motion seconded by Commissioner Adams to the full Commission. Motion approved 2-0-1 (Commissioner Perry was absent for the vote).

5. Legal Services Contract Renewal – P. Crosby
Pam Crosby presented to the Committee the Legal Services Contract for renewal. The memorandum provided explained the contract agreement from April 6, 2015 as one (1) initial year term with four (4) one year options available for renewal. It was noted that Hall, Booth, & Smith, P.C. has provided various legal services as outlined in the Contract Section 3 Scope of Work throughout the term of the initial agreement. There was discussion on the amount spent and it was noted that we are in line and close to the threshold. Mrs. Crosby stated the current annual fee has been evaluated by BGJWSC staff and HBS. Determination has been made that the current fee schedule is appropriate and does not require modification.

Commissioner Cason made a motion seconded by Commissioner Elliott to forward to the full Commission for approval be granted to enter into a renewal on the current agreement with Hall, Booth, & Smith, P.C. for an additional 12-month period beginning April 6, 2016. Motion approved 2-0-1 (Commissioner Perry was absent for the vote).

6. PS2030 / Popco Change Order – H. Patel
Harry Patel discussed the Change orders for PS2030 Force Main & Water Main Improvements; *Change Order for Water Main Installation* memorandum was read and explained. The staff has reviewed the options and found it is advantages and beneficial to the JWSC water to complete the work at this time. The pricing and plan provided by the Contractor is reasonable and consistent with other work and the

APPROVAL CONTINUED

time constraints placed on this portion of the project. It was asked if the new costs reflects the change in supplies and project and Mr. Patel stated he believed it did. It was noted that this finalizes everything regarding the water main with Popco, Inc.

Commissioner Cason made a motion seconded by Commissioner Elliott to accept the proposal presented by Popco, Inc. and forward to the full Commission to install the water main on Sea Island Road in the manner described to be processed as a Contract Change Order for the additional amount of \$197,536.00. Motion approved 2-0-1 (Commissioner Perry was absent for the vote).

Change Order for Pump Station Control Panel Modification memorandum was read and explained. Hydrogen Sulfide (H₂S) is a colorless gas with the characteristic foul odor of rotten eggs. This is a natural byproduct that is released when wastewater become turbulent. It is heavier than air, very poisonous, corrosive and flammable. Mr. Patel continued stating the pumpstation control panels are typically sealed from atmospheric hydrogen sulfide. Typically the method for sealing this connection has been with "duct seal" putty sealants and problems occur where direct connections from wet well to control panel exist. A major portion of this project is the total replacement of the control panel for Pumpstation 2030. At the time of the project design, BGJWSC Construction Standards did not include cable junction boxes. These junction boxes would add another distinct layer of protection from wet well to control panel transfer. A secondary benefit is the ability to more quickly and safely change out of service the pumps and controls. The plan is to revise our standards and include these in all pumpstations going forward. Staff has reviewed and found it advantageous and beneficial to the longevity and reliability of the new Pumpstation 2030 control panel to complete the work at this time. It was questioned how long these have been changed and it was stated that this is the first to update SCADA.

Commissioner Cason made a motion seconded by Commissioner Elliott to accept the proposal presented by Popco, Inc. and forward to the full Commission to install cable junction boxes in the manner described to be processed as a Contract Change Order for the additional amount of \$28,188.00. Motion approved 2-0-1 (Commissioner Perry was absent for the vote).

Change Order for Force Main Receiving Manhole Top Replacement memorandum was read and explained. The new Pumpstation 2030 force main will discharge to an existing receiving manhole at the southern entrance to Dunbar Creek WWTP. The existing ring and cover have failed to the extent that SP&M staff have temporarily shored the cover in place. Mr. Patel stated this manhole is located approximately ten feet from the shoulder of Sea Island Rd and presents a distinct hazard to the traveling public and the personnel entering the WWTP. Repair of this manhole will require replacement of the entire precast top. The staff as reviewed and found it is advantageous and beneficial to have the Contractor replace the manhole top at this time while they are mobilized. The safety hazard alone warrants this action. Mr. Donaghy stated the bulk of the money will come from the Repair and Replacement Reserve.

Commissioner Cason made a motion seconded by Commissioner Elliott to accept the proposal presented by Popco, Inc. and forward to the full Commission to install a new pre-cast top in the manner described as a Contract Change for the additional amount of \$9,620.00. Motion approved 2-0-1 (Commissioner Perry was absent for the vote).

7. Mansfield St. Sewer Replacement Change Order – H. Patel

Harry Patel explained the project as a cooperative effort between the City of Brunswick and the Brunswick-Glynn Joint Water and Sewer Commission. The contract is between the City of Brunswick and J.H. Stone Construction. It was stated the BGJWSC will reimburse the City per an MOU previously

APPROVAL CONTINUED

set in place. The current scope of work for the sewer portion of the Mansfield Project extends to existing Pumpstation 4002 on Reynolds St. The memorandum states that upon demolition of the manhole adjacent to PS4002 it was discovered that the existing 15" gravity sewer upstream to Monck St. is in severe need of replacement. Investigation from the SP&M crews showed the sewer main to be constructed of cast iron rather than the typical materials more suited to convey wastewater (clay, coated ductile iron, PVC, etc.). Mr. Patel continued stating that Tuberculation over time and the corrosive effects of the wastewater has resulted in the reduction of the inside diameter of the pipe causing compromising structural instability of the main. The Contractor provided a proposal to replace this 330 ft. of gravity main showing on the map. The change order was signed/approved by Mr. Swan (Exec. Director at that time) and processed by the City per the contract document. Once the Contractor remobilized to perform the work it was discovered that the 16" force main from PS4002 did not follow the route as shown in BGJWSC records. The force main's actual location is within 5' or less of the gravity main along the entire route. In order to replace the gravity main, this section of force main will also require relocation. The staff has reviewed the options and found it to be advantageous and beneficial to have the Contractor replace the failing 15" gravity main at this time while they are mobilized. The map showing the sewer main and sewer force main was discussed. BGJWSC will be bearing the full cost of the repairs on Reynolds Sewer Replacements due to this is all sewer repairs. The staff as reviewed and found it is advantageous and beneficial to have the Contractor to replace the failing 15" gravity main at this time while they are mobilized.

Commissioner Cason made a motion seconded by Elliott to accept both proposals presented by J.H. Stone, Inc. and forward to the full Commission to be processed as Contract Change Orders for the total additional amount of \$160,924,42. Motion approved 2-0-1 (Commissioner Perry was absent for the vote).

8. Debt Acquisition / OREMC – J. Donaghy

John Donaghy presented to the Committee the Debt Acquisition Compliance. Mr. Donaghy explained the steps necessary that the Commission needs to approve when taking on debt. This is for the State Route 99 project for 750K on a 10 year interest free loan. The memorandum highlighted the BGJWSC Policy Statement, Conditions for Using Debt, and Sound Financing of Debt.

Commissioner Cason made the motion seconded by Commissioner Elliott to forward to the full Commission that BGJWSC affirmatively determine that a loan from the Okefenokee REMC for the State Route 99 project is in accordance with the adopted BGJWSC Financial Policy and that the conditions for using debt and the sound financing of that debt have been satisfied. Motion approved 2-0-1 (Commissioner Perry was absent for the vote).

DISCUSSION

1. January End of Month Financial Comparative – J. Donaghy

John Donaghy updated the Committee on the Balance Sheet as of January 31st, 2016 and explained the projects and the Administration Building balances. The current assets have increased by 1.1M and accounted for. Restricted assets have decreased by 4M due to reserves and repair and replacement and on-going projects. Capital assets and fixed assets have increased by 1M primarily due to the completion of the Admin Building. The remaining increase is the projects currently in process. Unrestricted fund balances were discussed. Ms. Donaghy discussed the general checking account, restricted reserves, capital reserves, and tap fee reserves. The Expansion reserve was set up in 2014-2015 and there was discussion on possibly using these funds. The Summary Commission Report was discussed.

2. 2016-2017 Budget/Department Level Execution – J. Donaghy

The detailed budget and revenues were discussed with the Committee. Mr. Donaghy explained that the actuals are about 150K in revenues and still short of what is needed. The budgets of the divisions were reviewed and explained. The discussion of time use studies through Georgia Power and there is plan to set up a meeting. Pam Crosby is working closely with GP. The need to review employee over-time was discussed.

3. FY 2016-2017 Operating Budget Draft – J. Donaghy

John Donaghy discussed the plan to meet with Andy Burnham on Monday next week. This meeting will help with the numbers and the model to discuss the rate increase and budget. The question was asked how much of the current budget is capital purchases? Ms. Donaghy explained that the 2016 budget allowed \$484,700 for capital purchases and it will increase to \$727,700 for next year. Commission Elliott requested that the superintendents provide their capital purchase requests to Matt Lemke and he will then provide to Commissioner Elliott. The VanCon leasing vs. purchasing options were discussed.

4. Arco Grant Update – H. Patel

Harry Patel updated the committee on the Glynn County Community Development Grant for Arco Sewer Improvements. Mr. Patel stated that Glynn County has approached BGJWSC to partner and apply for the Georgia Department of Community Affairs Community Development Plot Grant. The County has identified the Arco residential area as a good candidate for public sewer system improvements and wishes to move forward as the grant applicant with the JWSC providing the required the cash match and engineering support. Monica Hardin, Glynn County Grants Coordinator, has provided a brief synopsis of the product and how they wished for the JWSC to participate. It was stated this is a very competitive grant through the Georgia Department of Community Affairs which provides grant amounts for single projects which can be up to 500K and for two of more up to 800K. The grant is intended to help or assist low to moderate income areas. The grant does require the minimum of 10K cash match. However, in order for this project to be competitive it would require BGJWSC to provide a 40K cash match. The grant deadline is April 1st and would require JWSC to move expeditiously since there are multiple requirements to fulfill. The largest concern at this point is the 40K cash match and it was asked if BGJWSC will be able to contribute to this project financially? The County is willing to serve as the fiscal agent and do all of the procurement requirements in addition to having staff assisted in all needed areas. The BGJWSC staff recommends for Glynn County to move forward with the grant application. The map of the area was presented and discussed. It was stated that BGJWSC could provide 40K and provide the sewer lines and the county to provide and pay for the road replacement. Tap fees were also discussed and should be noted in the memorandum. The rate resolution will need to address the possible forgiveness of tap fees when BGJWSC is helping older established neighborhoods convert from septic to sewer. It was stated that the majority of the properties are used as rentals. It has been a pattern where tenants do not pay their bills and there is no recourse to collect from the landlord / tenant. There was additional discussion to work on phases in this area in which it would be possible to apply for the same grant the following year(s) in order to complete the area. Once the grant is applied for and approved the money won't be available until 10/1/2016. It was recommended by the Committee to forward to the full Commission for review and provide a letter to the County. It was recommend to have Monica Hardin come to a meeting and present.

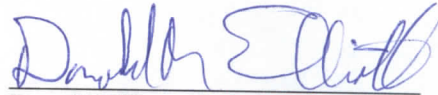
5. Upcoming Contract Renewals – P. Crosby

Pam Crosby updated the Committee on the upcoming contracts that will be due in the next three months. Mrs. Crosby began with **Yates Astro** and explained they are used for pest control/exterminating on all facilities. This contract was set at 6 months to evaluate the need and if a contract would be the best option. It is set at \$2,300 annually and will have a preliminary hearing with options of renewing. The next contract was **Jones-Edmunds**, the program used with Cityworks. The basic contract is the implementation period and expires mid-April. At the end of the contract there is a reference for on-going

support with an annual licensing fee for approx. \$30,000. The next item under this discussion is the **Mobile Phone Verizon** contract. The renewal deadline is June 30th, 2016 with an initial 18 month term and five (5) one year renewals. There was a business review with Verizon in November last year based on the usages. At the end of next month there will be another business review to analyze the service and re-evaluate. Included with the Verizon costs is the internet availability available through the cell phones that connects to the computer systems. Service with previous supplier, Southern Link, was discussed.

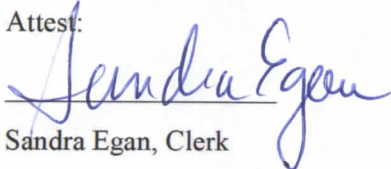
Director's Update

Meeting adjourned at 3:33 pm.



Donald Elliott, Chairman

Attest:



Sandra Egan, Clerk