



**Brunswick-Glynn County
Joint Water and Sewer Commission
1703 Gloucester Street
Thursday, April 13, 2017 at 2:00 PM**

SPECIAL CALLED MEETING

PUBLIC NOTICE and AGENDA

Call to Order

Invocation

Pledge

APPROVAL:

- 1. Increase to Line of Credit from \$1.5 million to \$5 million to temporarily fund SPLOST improvements – J. Donaghy**

Adjourn Meeting

All citizens are invited to attend
There is a possibility of a quorum of City or County Commissioners being present



**Brunswick-Glynn County Joint Water and Sewer Commission
1703 Gloucester Street, Brunswick, GA 31520
Thursday, April 13, 2017 at 2:00 PM**

**COMMISSION MINUTES
SPECIAL CALLED
MEETING**

PRESENT:

**Donald M. Elliott, Chairman
Clifford Adams, Commissioner
Michael Browning, Commissioner
Cornell L. Harvey, Commissioner
Steve Copeland, Commissioner
Dave H. Ford, Commissioner**

ALSO PRESENT:

**Jimmy Junkin, Executive Director
Charlie Dorminy, Legal Counsel HBS
Thomas A. Boland, Sr., Deputy Director
John D. Donaghy, Director of Administration & Finance
Todd Kline, Senior Engineer
Pam Crosby, Director of Procurement**

ABSENT:

Robert Bowen, Commissioner

Chairman Elliott called the meeting to order at 2:08 PM.

APPROVAL

1. Increase to Line of Credit from \$1.5 Million to \$5 Million to Temporarily Fund SPLOST Improvements – J. Donaghy

John Donaghy presented the background information regarding the current line of credit for BGJWSC through BB&T. The JWSC was previously approved by the Commission to enter into a line of credit with BB&T Bank for \$1.5 Million to provide a cash flow financing for future infrastructure construction projects when necessary. He then added that with the \$15.0 Million of SPLOST projects coming up, the current \$1.5 Million line of credit will not provide enough cash flow to rapidly do the projects which must be done upfront, prior to the SPLOST money becoming available. Staff has requested that BB&T increase the line of credit to \$5.0 Million to facilitate large upfront costs. BB&T has agreed to the requested line of credit increase to \$5.0 Million in order to help the cash flow for the required immediate SPLOST projects. Any money used from the line of credit will then be repaid from the SPLOST funding when it becomes available. Staff recommended that the JWSC increase its line of credit with BB&T for the cash flow funding of infrastructure projects from \$1.5 Million to \$5.0 Million.

Commissioner Ford asked what the cost would be to JWSC to borrow the money. John replied that the cost would be the Libor Rate plus 1.95% on the outstanding balance. As the money gradually comes in from the SPLOST funding, the money would be applied to the loan balance, and this would be a cycle throughout these SPLOST funded projects. Any interest costs would not be paid out of the ratepayers pockets, but would come out of money allocated to infrastructure projects. It was clarified that this is not

a \$5.0 Million loan, but is only a line of credit of which money can be borrowed against. The \$5.0 Million figure was arrived at as a "worst case" scenario for required project cash flow. It will take about 3 years for the \$15 Million to be received through the SPLOST funding. This line of credit would help to ensure that the JWSC does not run short in cash flow to complete these infrastructure projects. It is anticipated to only use any of the line of credit that is absolutely necessary.

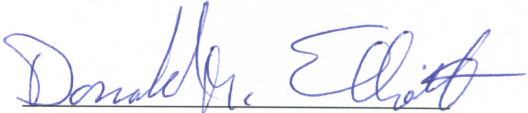
Commissioner Browning made a motion seconded by Commissioner Adams that the JWSC increase its line of credit with BB&T for the cash flow funding of infrastructure projects from \$1.5 Million to \$5.0 Million. Motion approved 6-0-1 (Commissioner Bowen was absent).

Chairman Elliott requested another motion to excuse Commissioner Bowen from the meeting. Commissioner Adams made a motion seconded by Commissioner Harvey to excuse Commissioner Bowen from the meeting. Motion approved 6-0-1 (Commissioner Bowen was absent).

EXECUTIVE SESSION

No Executive Session.

Chairman Elliott adjourned the open meeting at 2:14 pm.


Donald M. Elliott, Chairman

Attest:


Janice Meredith,
Executive Commission Administrator



To: JWSC Commissioners

From: John D. Donaghy, Chief Financial Officer

Cc: Jimmy Junkin, Executive Director

Date: April 18, 2017

Re: Increase of Line of Credit with BB&T Bank

Background:

The JWSC has a line of credit with BB&T Bank in the amount \$1,500,000 to provide cash flow financing of infrastructure projects.

The JWSC desires to proceed with SPLOST projects as rapidly as possible which may require funding in excess of the current \$1.5 million.

Staff has requested that BB&T increase the line of credit to \$5,000,000 to facilitate large up-front costs.

BB&T will approve the increase.

Recommendation:

Staff recommends that the JWSC increase its line of credit with BB&T for the cash flow funding of infrastructure projects from \$1.5 million to \$5.0 million dollars.

Motion:

“I move that the JWSC increase its line of credit with BB&T for the cash flow funding of infrastructure projects from \$1.5 million to \$5.0 million dollars.”
