

HILTON HEAD NO.1 PUBLIC SERVICE DISTRICT
21 OAK PARK DRIVE – POST OFFICE BOX 21264
HILTON HEAD ISLAND, SOUTH CAROLINA 29925
TELEPHONE 843-681-5525 – FAX 843-681-5052

**MINUTES
COMMISSION MEETING
SEPTEMBER 23, 2014**

I. Meeting called to order by the Chairperson, Mr. Bob Manne, at 9:01 a.m.

Mr. Manne stated that notice of the meeting has been given in accordance with the Freedom of Information Act.

II. Those in attendance were:

Mr. Bob Manne	Chairperson
Mr. Bob Gentzler	Vice Chairperson
Mr. Gary Kratz	Treasurer
Mr. John Geisler	Secretary
Mr. Frank Drehwing	Commissioner
Mr. Herbert Ford	Commissioner
Mr. David McCoy	Commissioner

Present by request:

Mr. Richard Cyr	General Manager
Mr. Pete Nardi	Assistant General Manager
Mr. Larry Sapp	Finance Manager
Mr. Arnold Ellison	Special Projects Manager
Mr. Lee Odell	CH2M Hill
Ms. Connie Whitehead	Commission Recording Secretary

III. Pledge of Allegiance

Mr. Gary Kratz led the Pledge of Allegiance.

IV. Public Hearing on the 2014 Tax Millage Rate

Key Discussion Points

- The public hearing opened at 9:01 a.m.
- There were no members of the public present.
- The public hearing closed at 9:01 a.m.

V. Adoption of the Draft Minutes of the August 26, 2014 Regular Board Meeting

Action

- On page 3, in the fourth bullet of section IX, the sentence was clarified to read the potential refunding would lower debt service by \$1.2 million and yield \$134,198 annually.

Key Discussion Points

- Mr. Geisler moved to adopt the minutes as amended. Mr. McCoy seconded. The motion passed unanimously.

VI. Public Comment on Non-Agenda Items

None

VII. Tax Millage Rate

Key Discussion Points

- At the time of the adoption of the FY'15 Budget, the millage was set at 4.0 mills based on Beaufort County estimated assessments. Since that time, the estimates have been revised. Revenues are expected to increase from \$1,204,000 to \$1,374,967, increasing the mill to 4.61.
- Staff does not recommend amending the FY'15 ad valorem taxes for tax year 2014.

Action

- Mr. Drehwing moved to adopt staff's recommendation as presented. Mr. Gentzler seconded. The motion passed unanimously.

VIII. Bi-Annual Water and Wastewater Quality Audits

Key Discussion Points

- Mr. Lee Odell presented the bi-annual water and wastewater quality audit.
- The audits focused on the following areas:
 - Water System
 - Regulatory Compliance
 - Water Treatment
 - Distribution Water Quality
 - Customer Water Quality
 - Wastewater System
 - WWTP and Wetlands Discharges
 - WWTP Golf Courses Reuse Discharges
 - Jenkins Island RO Concentrate Discharges
 - Collection System
 - Customer Inquiries
- Mr. Odell's water audit found that:
 - The RO plant is running at peak efficiency.

- ASR is paying very big dividends
- The Lab is very supportive
- The wastewater audit found that:
 - The operations is very well organized
 - Staff is very proactive
 - There is good collaboration between operations and Lab staff
- The water system recommendations are:
 - Modify monthly water quality report to more easily identify trends.
- The wastewater system recommendations are:
 - Continue the operational improvements completed at the WWTP over the past three years, which have improved effluent water quality.
 - Modify the WWTP to remove nitrate from the effluent because of the new reuse permit requirement to monitor and potentially mitigate groundwater at the golf courses.

IX. By-laws Amendment

Key Discussion Points

- The Planning and Operations Committee asked staff to research the ability of Commissioners to vote via electronic means, such as tele- or videoconferencing.
- State law permits the achievement of quorum by electronic means and thereby allows voting by electronic means.
- The current PSD Commission by-laws require a quorum to be physically present at Commission meetings. They also allow for participation by electronic means but are silent on whether voting is allowed.
- Staff discussed voting by electronic means with other local governments. Some allow participation and voting by electronic means, while others allow only participation.
- The Committee recommends amending Article Six, Section 2 of the Commission By-laws to allow Commissioner voting by electronic means.

Action

- Mr. Gentzler moved to adopt the revised by-laws amendment. Mr. Drehwing seconded. The motion passed unanimously.

X. Personnel Policy Manual

Key Discussion Points

- Mr. Nardi presented the draft revisions to the Personnel Policy Manual.
- The PSD's legal counsel has reviewed the manual and finds it to be in "very good shape."
- Noteworthy changes to the PPM are:
 - Policy 4.1 Payment Method/Schedule (8). The PSD now requires employees to be paid by direct deposit. Previously this was optional.
 - Former Policy 5.2.3 Family and Medical Leave Act. This policy has been removed from the revised PPM upon the recommendation of counsel. The

inclusion of this policy was not required by law and because the PSD currently has less than 50 employees, no PSD employee has rights under the Act. It has been removed to avoid potential confusion

- New Policy 6.2 Personal Property and Expectation of Privacy (pg. 17). This policy has been added to summarize and clarify the PSD's position regarding its property and workplace environment as they relate to employee's privacy expectations.
- Policy 6.9 Vehicle Use Policies. (pg. 22-24). A section has been added to this policy addressing GPS Tracking Devices (pg. 23). The new statement anticipates the PSD's use of GPS in its vehicles and clarifies the PSD's position regarding the potential use of GPS data in personnel management situations.
- Policy 6.13 Workstation Policy (pg. 25). This policy has been revised with the input of the IT Manager to reflect current practices.
- The Personnel and Community Relations Committee recommends adoption of the revised PPM.

Action

- Mr. Drehwing moved to adopt the revised Personnel Policy Manual as presented. Mr. Gentzler seconded. The motion passed unanimously.

XI. Commissioner & Committee Reports

A. Finance Committee

Key Discussion Points

- The Committee has not met since the last board meeting.
- The auditor's report is anticipated at the October board meeting.

B. Planning and Operations Committee

Key Discussion Points

- The Committee has not met since the last board meeting.
- The Strategic Planning session will be held in November. Steve Riley has confirmed he will attend.

C. Long Range Water Supply Planning Committee

Key Discussion Points

- The Committee met on Sept. 18.
- Mr. Cyr presented GMA's Saltwater Intrusion Update Report. Well conditions are not improving and the PSD may have only one well remaining by 2020.
- On Monday, the PSD will stop pumping water from the ASR bubble and begin recharging.
- The Bluffton Fly-over water main is now in operation.

- The three contracts for the RO plant expansion have all been awarded. The project, which is progressing under budget, is anticipated to be complete by December 31.
- BJWSA has assigned Margaret Pope the task of drafting a revised Purchased Water Agreement. Mr. Cyr presented the Committee a list of the PSD's proposed changes, and he will forward the list to Attorney Pope.
- The most recent Water Supply Plan called for ASR II to be in operation by 2018. Mr. Eric Neise will begin preparing an impact study, which will involve locating the most ideal area for ASR II. Mr. Sapp suggested that the PSD begin the preliminary engineering report (PER) phase of the project. Doing so will speed the loan process if the PSD chooses to pursue SRF funding. The loan approval would be valid for four years.
- The off-peak purchase period with BJWSA begins on Oct. 1. The rate has increased from \$0.82 to \$0.84 per thousand gallons.

Action

- The board agreed by consensus to move forward with the PER phase of the ASR II project.

D. Community Relations and Personnel Committee

Key Discussion Points

- The Committee met on Sept. 22 to discuss general manager succession planning.
- Until Jan. 1, both Mr. Cyr and Mr. Nardi will retain their current positions. As of Jan. 1, Mr. Nardi will officially transition into the role of General Manager and Mr. Cyr will assist Mr. Nardi as staff support and will continue to work on several PSD projects such as ASR II and the Sewer Master Plan.
- The Committee recommended issuing the evaluation assignments to the commissioners in April, holding an executive session in May, and meeting with Richard for review in June.
- The Committee asked Mr. Nardi to put together for committee review some ideas for what he would like to see as his evaluation criteria. The Committee will review the transition plan in regards to the performance evaluation.

XII. Staff Reports

A. Community Involvement Report

Key Discussion Points

- Nine employees will receive Employee Recognition Awards for the second and third quarters of 2014.
- Five employees will receive special recognition awards for responding and repairing damage to PSD equipment caused by multiple lightning strikes.

- The PSD and Hilton Head IB Elementary are in discussions to bring the entire fourth grade class to the PSD Recycled Water Plant in January 2015 as part of a unit on the island's environment and the water cycle.
- Deep Well used \$881 in Bucks for a Better Island funds to cover six PSD bills in August. The balance of the fund at Deep Well was \$957.53 as of Aug. 31.

XIII. General Manager's Report

Key Discussion Points

- The General Manager has no formal report at this time.

XIV. New Business

None

XV. Adjournment

Action

- The meeting adjourned at 11:04 a.m.