

HILTON HEAD NO.1 PUBLIC SERVICE DISTRICT  
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**MINUTES  
COMMISSION MEETING  
OCTOBER 22, 2013**

**I. Meeting called to order by the Chairperson, Mr. Bob Manne, at 9:03 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. John Geisler	Secretary
Mr. Gary Kratz	Treasurer
Mr. Frank Drehwing	Commissioner
Mr. David McCoy	Commissioner
Mr. Herbert Ford	Commissioner

Present via Speakerphone:

Mr. Bob Gentzler	Vice-Chairperson
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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. Tom DeWitt	Robinson Grant Co.
Ms. Amy Graybill	Robinson Grant Co.
Ms. Connie Whitehead	Commission Recording Secretary

Visitors:

None

**III. Pledge of Allegiance**

Mr. Dave McCoy led the Pledge of Allegiance.

#### **IV. Agenda Additions or Changes**

None

#### **V. Public Comment on Non-Agenda Items**

None

#### **VI. Adoption of Draft Minutes of the September 24, 2013 Regular Meeting**

##### Action

- Mr. Drehwing moved to adopt the minutes of the September 24, 2013 regular meeting as presented. Mr. Kratz seconded. The motion passed unanimously.

#### **VII. FY'13 Financial Audit Review**

##### Key Discussion Points

- Ms. Amy Graybill presented the auditor's report. The report has been reviewed by the Finance Committee.
- The item previously listed as "net assets" is now listed as "net position."
- The auditor cannot express an opinion on the PSD's internal controls, but did note that there were no areas of concern.
- The full CAFR will be presented in November or December of this year.

##### Action

- Mr. Geisler moved to adopt the draft audited financial report as presented. Mr. McCoy seconded. The motion passed unanimously.

#### **VIII. FY'14 First Quarter Management Report**

##### Key Discussion Points

- Mr. Cyr presented his list of the PSD's top accomplishments for the first quarter of FY'14. The list includes:
  - ASR No. 1 developed to full capacity
  - Successfully passed DHEC Water System Sanitary Survey and maintained state-approved laboratory status for water testing.
  - Successfully passed annual DHEC wastewater systems inspection.
  - Implemented new website design
  - Implemented opportunities to reduce costs and improve revenues.
  - Timely completed annual Financial Audit.
  - Major equipment upgrades purchased and installed.
- The Baygall pipe construction was budgeted at \$600,000; but the bid came in less than \$500,000. Staff is now working with engineers to expand the project as much as possible within the original budget.

## **IX. Commissioner and Committee Reports**

### **A. Finance Committee**

#### Key Discussion Points

- The Committee met on Friday to discuss the audit, which was discussed earlier in the board meeting.

### **B. Planning and Operations Committee**

#### Key Discussion Points

- The Committee has not met since the last board meeting.

### **C. Long Range Water Supply Planning Committee**

#### Key Discussion Points

- The Committee met on October 1 to discuss various issues, among them is the PSD's water withdrawal permit rights which will be discussed under staff reports.

### **D. Personnel and Community Relations Committee**

#### Key Discussion Points

- The Committee has not met since the last board meeting.

## **X. Staff Reports**

### **A. Community Involvement Report**

#### Key Discussion Points

- The PSD has reserved a 10-person table at the State of the Region Luncheon on November 4. Governor Haley is the keynote speaker. Any commissioner interested in attending should RSVP to Connie Whitehead.

### **B. Water Withdrawal Permit**

#### Key Discussion Points

- On September 16, PSD and DHEC staff met to discuss the PSD's Middle Floridan Aquifer withdrawal rights.
- DHEC informed the PSD that all future withdrawals from the MFA by the PSD would require a corresponding reduction in active Upper Floridan Aquifer allocations.
- Until the issue is resolved, DHEC is:
  1. Holding up renewal of the PSD's current MFA withdrawal; and

2. Holding up the PSD's request for expansion of the MFA withdrawal permits for the RO expansion, which jeopardizes the PSD's loan from the State Revolving Fund for the RO plant expansion.
- After further negotiations, DHEC found the following to be acceptable:
    1. Renewal for the full amount of MFA withdrawals
    2. An additional MFA withdrawal for the proposed RO expansion comparable to the current 1/3<sup>rd</sup> of existing MFA permit amounts
    3. SRF will be notified that the MFA withdrawal permits have been granted and to complete the loan process
    4. The PSD will agree to transfer 325 MG of UFA capacity to an inactive status. The inactive allocation will be kept in reserve for the PSD and can be reactivated later.
  - Staff recommends accepting the proposed agreement.

Action

- The board agreed by consensus to accept the proposed agreement.

## **XI. General Manager's Report**

Key Discussion Points

- The PSD applied to DHEC for a renewal of its ND permit five years ago. DHEC has recently responded:
  - DHEC prefers to use Palmetto Hall as the sentinel monitoring area.
  - DHEC is pleased with the PSD's golf course contracts, though the PSD does not have a formal contract with The Country Club of Hilton Head. DHEC is requiring the PSD's best effort to get the Country Club to sign a contract. Staff has already contacted the Country Club and they are agreeable to a contract.
  - DHEC asked for a map of the PSD's monitoring wells.
- Connie Whitehead's temporary replacement will be training with her soon in preparation for maternity leave.

## **XII. New Business**

Key Discussion Points

- The Commission's strategic planning session will be held Nov. 19 after the regular board meeting. RSVPs from other local utility chairpersons are due Nov. 5.

## **XIII. Adjournment**

Action

- The meeting adjourned at 11:05 a.m.