

HILTON HEAD NO.1 PUBLIC SERVICE DISTRICT
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**MINUTES
STRATEGIC PLANNING SESSION
NOVEMBER 19, 2013**

I. Meeting called to order by the Chairperson, Mr. Bob Manne, at 12:19 p.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. John Geisler	Secretary
Mr. Frank Drehwing	Commissioner
Mr. David McCoy	Commissioner

Present by request:

Mr. Richard Cyr	General Manager
Mr. Pete Nardi	Assistant General Manager
Mr. Larry Sapp	Finance Manager
Ms. Connie Whitehead	Commission Recording Secretary
Ms. Nichelle Baker Andino	Acting Commission Recording Secretary

Absent:

Mr. Gary Kratz	Treasurer
Mr. Herbert Ford	Commissioner

Visitors:

Ed Saxon, General Manager	Beaufort Jasper Water & Sewer Authority
Bill Dugle, Vice Chairman	Broad Creek Public Service District Commission
Jim Vaughn, Chairman	South Island Public Service District Commission
George Banino	
Dorothy Law	
Leonard Law	

III. Explanation of PSD Planning Cycle

Key Discussion Points

- Mr. Manne introduced the PSD visitors and Mr. Gentzler explained the PSD's Planning Cycle.
- The cycle begins in November when the PSD Commission holds its annual Strategic Planning Workshop to determine strategic goals for the coming fiscal year, which begins in July. The cycle continues as PSD staff uses the Strategic Plan's directives to develop a Staff Work Plan for the next fiscal year. Each fiscal year concludes in June, at which time the commission evaluates the General Manager's performance over the just-completed fiscal year. Quarterly Management and Financial reports provide progress updates.

IV. Significant Future Challenges and Issues Discussion

Key Discussion Points

- The Commission reviewed the Significant Future Challenges and Issues. Areas of focus were: Island Demographics; Governance; Environment; Financial; and Technology and Science.
- Mr. Bill Dugle noted the trend in rental property in the Palmetto Dunes area, which is increasing, resulting in higher water demands.
- Ms. Dorothy Law noted the decline in the African-American population on Hilton Head Island. She suspects Native Islanders are moving to the mainland due to the economy.
- Mr. Jim Vaughn feels that increasing insurance and property taxes make it prohibitive for many to invest in island property. He also feels advancements in technology are needed to extend sewer service throughout un-served areas of Hilton Head Island. In regards to consolidation, Mr. Vaughn said, "Hilton Head is unique in that it has three utilities, but as a result, these utilities have among the lowest rates in the state." He added that, "If it's right for our rate payers, we're behind it. We aren't looking at it territorially. We are looking at it from a customer standpoint. If it pays our rate payers then we're all for anything that helps our rate payers. At this point, we don't have a situation where any of that pays them... It is something that we at South Island constantly know is out there, and I think as independent districts it's nice to have your own boards and free lunch, but that's not what we are here for. We are here to supply safe water and sewer to our rate payers. Consolidation is one of those things that people are going to look at politically, and we have to know is it the right thing to do or isn't it. At this point, I don't see that it benefits anybody because I think it costs our consumers more." Mr. Dugle agreed with Mr. Vaughn's points on consolidation.
- Mr. Ed Saxon suggested the board consider in its review of challenges that Hilton Head Island has a unique set of demographics. He also stated that residents want green but cost effective service, which is a hard balance to achieve.

V. Hilton Head Strategic Goals Review

Key Discussion Points

- The Board reviewed their eight Strategic Goals to ensure that they are still current and in line with direction of the Board. There were no changes made.

VI. Takeaways

Key Discussion Points

- Mr. Manne opened the floor to board and visitors comments regarding what new knowledge they gleaned from the session.
- Mr. Manne was made more aware of the shift in rental versus owner-occupied properties and the impact it has on water demand.
- Mr. Gentzler was pleased with the participation from outside Boards and felt it was a good exchange of ideas.
- Mr. Dugle stated that wholesale water rate negotiations with BJWSA are approaching and that the Island PSDs need to be aware of how they influence those talks. He also stated that AMI is a topic that should be discussed more in depth.
- Mr. Geisler is pleased by the participation of the other PSDs. It opened his eyes to the similarities among them.
- Mr. Drehwing found it refreshing to have input from the other PSDs.
- Mr. McCoy appreciated this opportunity to meet with the other PSD leaders for the first time.
- Mr. Vaughn found more similarities than difference among the PSDs. He found the session to be a valuable benchmarking opportunity.
- Mr. Cyr appreciated the outside participation from other PSDs.
- Mr. Banino found the session very educational and is impressed by the operations of the PSDs.

VII. Hilton Head PSD Strategic Directives Review

Key Discussion Points

- The Board reviewed and revised the Strategic Goals and Directives. Proposed revisions are:
 - Under “Goal No. 3- Operate in a sustainable manner with high regard for protecting and improving the environment,” Directive 3.7 was added which reads, “Identify and Develop opportunities to reduce operating inputs such as power and chemicals.”
 - Under “Goal No. 6- Organizational excellence and leadership: achieve organizational excellence and leadership,” Directive 6.6 was expanded to read “Celebrate organizational and staff accomplishments.”
- Staff will provide clean copies of the revised documents for a vote at the December meeting.

VIII. Adjournment

Action

- Workshop adjourned at 4:00 p.m.