

HILTON HEAD NO.1 PUBLIC SERVICE DISTRICT
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HILTON HEAD ISLAND, SOUTH CAROLINA 29925
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**MINUTES
COMMISSION MEETING
FEBRUARY 25, 2014**

I. Meeting called to order by the Chairperson, Mr. Bob Manne, at 9:02 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. 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 Project Manager
Ms. Connie Whitehead	Commission Recording Secretary

Absent:

Mr. Herbert Ford	Commissioner
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Visitors:

Mr. Steve Riley	Town of Hilton Head Island
Ms. Susan Simmons	Town of Hilton Head Island
Mr. Tom Barton	The Island Packet

III. Pledge of Allegiance

Mr. Gentzler led the Pledge of Allegiance.

IV. Agenda Additions or Change

None

V. Adoption of Draft Minutes of the January 28, 2014 Regular Meeting

Action

- Mr. Drehwing moved to adopt the minutes of the January 28, 2014 regular commission meeting as presented. Mr. Geisler seconded. The motion passed unanimously.

VI. Public Comment on Non-Agenda Items

None

VII. TIF Extension

Key Discussion Points

- Mr. Steve Riley, Town Manager, and Ms. Susan Simmons, Town Director of Finance, gave a presentation of the proposed TIF Extension.
- The Town proposes to extend the TIF, retaining the same partners, for 10 years or to \$115 million, whichever comes first.
- The other TIF partners are favorable to the extension, and PSD staff feels the PSD has benefited greatly from the TIF partnership. Staff recommends the board agree to the extension.
- The board will discuss the proposed extension at the March board meeting.

VIII. Commissioner & Committee Reports

A. Finance Committee

Key Discussion Points

- The Committee met on Feb. 21 to discuss the FY'15 budget cycle.
- The budget assumptions and calendar are included in the packet for board review. The assumptions are basically the same as last year's with a few revisions.
- The full budget package will be presented to the full board at the April meeting.

B. Planning and Operations Committee

Key Discussion Points

- The Committee met on February 14, 2014 to review the draft FY'15 Staff Work Plan. Among the plan highlights are:
 - Bring a fourth RO skid into production by Thanksgiving
 - Minimize the use of BJWSA water sources
- The plan is 90% complete and will be presented to the full board in March.

- CH2M Hill identified a potential for \$200,000 in annual energy savings through an energy savings contract. The scenario will be presented to the full board in March or April.
- The PSD's water pipeline relocation for the Bluffton Fly-over has not started yet. Since there is no reimbursement agreement in place between the County and the PSD, Mr. Cyr feels the PSD should withhold payment until the Fly-over construction is completed and the PSD has had an opportunity to inspect the water main to ensure it is not damaged.
- The Sewer Master Plan will be updated in the next fiscal year.
- CH2M Hill will present the Draft IT Audit Report to the board in March.
- The PSD has the permits to demolish the Royal James lab in FY'14. Depending on the bids, the work may include removal of the concrete as well.
- Four vendors have bid for the AMI project. The bid opening is Thursday at 3 p.m. Staff will present its recommendation to the board in March.
- The rain gardens on the left and right sides of the Administrative building are complete.
- Customer growth since July 1 is 132 new water EDUs and 149 new sewer EDUs.
- Community Room audio visual updates will be completed this month.

C. Long Range Water Supply Planning Committee

Key Discussion Points

- The Committee has not met this month.
- The engineering work on the 1 MGD RO skid is in progress.

D. Community Relations and Personnel Committee

Key Discussion Points

- The Committee met recently and the personnel matters discussed during that meeting will be discussed in executive session.

IX. Staff Reports

A. Community Involvement Report

Key Discussion Points

- The PSD Customer Handbook has been updated and is available online at www.hhpsd.com.
- The Town, PSD and Community Foundation have all signed the agreement granting 50 sewer capacity rights to Project SAFE for use in sewer connections grants.
- The sewer connection interest is high in the Baygall area. Project SAFE has approved seven grant applications in this project area.

- Water Service Technicians Alex Martinez and Johnny Haines passed the S.C. DHEC examination to become Certified Backflow Assembly Inspectors.
- Mr. Gentzler has prepared a talk on water issues to present to a church group. It is available for use by other commissioners.

B. Legislative Update

Key Discussion Points

- House Bill H4410 would require political subdivisions to provide notice in additional ways such as telephone, texts or emails regarding budget and meetings. It has been referred to the House Committee on Judiciary.

X. General Manager's Report

Key Discussion Points

- Beaufort-Jasper Water and Sewer Authority has resolved the water quality issue affecting northern Beaufort County.

XI. New Business

Key Discussion Points

- The ASR well will be fully operational this week.

XII. Executive Session

Action

- Mr. Manne moved to enter into Executive Session for the purpose of discussing personnel matters. Mr. Kratz seconded. The motion passed unanimously.
- Executive Session began at 10:25 a.m.

XIII. Adjournment

Action

- The meeting adjourned at 11:32 a.m.