

HILTON HEAD NO.1 PUBLIC SERVICE DISTRICT
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**MINUTES
COMMISSION MEETING
JULY 22, 2014**

I. Meeting called to order by the Chairperson, Mr. Bob Manne, at 9:00 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
Ms. Connie Whitehead	Commission Recording Secretary

III. Pledge of Allegiance

Mr. John Geisler led the Pledge of Allegiance.

IV. Public Hearing on 2014A Front Foot Assessment

Key Discussion Points

- The public hearing opened at 9:01 a.m.
- There was no public present.
- The public hearing closed at 9:01 a.m.

V. Public Hearing on 2014A Financing of Capacity Fees

Key Discussion Points

- The public hearing opened at 9:02 a.m.

- There was no public present.
- The public hearing closed at 9:02 a.m.

VI. Adoption of the Draft Minutes of the June 24, 2014 Regular Board Meeting

Action

- Mr. Gentzler moved to adopt the minutes as presented. Mr. Kratz seconded. The motion passed unanimously.

VII. Public Comment on Non-Agenda Items

None

VIII. Front Foot Assessment Resolution

Key Discussion Points

- Staff presented the resolution to finalize the roll for the Series 2014A Front Foot Assessment Revenue Bond that closed on April 23, 2014. This is the final step that must be taken by the commission in order that the assessments shall constitute liens on the affected parcels.
- Homeowners were informed of the proposed assessment by certified letter.
- There was no public comment at the public hearing.

Action

- Mr. Geisler moved to adopt the resolution as presented. Mr. Drehwing seconded. The motion passed unanimously.

IX. Series 2014B SRF Revenue Loan Resolution

Key Discussion Points

- During the September 2013 meeting, the board adopted a resolution authorizing staff to apply for an SRF loan to defray the cost of (1) certain remote read water meters; and (2) other necessary improvements associated therein.
- Staff is now presenting a resolution approving the loan from the State Revolving Fund which will close on July 23, 2014 and will not exceed \$3 million.

Action

- Mr. Drehwing moved to adopt the resolution as presented. Mr. Gentzler seconded. The motion passed unanimously.

X. Series 2014 SRF GO Loan Resolution

Key Discussion Points

- During the September 2013 meeting, the board approved the SRF GO Bond resolution authorizing the District to apply to the Drinking Water State Revolving Fund for a loan to defray the cost of (1) Expanding the RO plant; (2) Upgrading

existing MFA wells; (3) Constructing a New Water Booster Station; (4) Relocating a water transmission main; and (5) other improvements associated therewith.

- The total estimated cost of the projects listed is \$3,750,000.
- The proposed interest rate on the loan is 2.0% and the annual debt service is estimated to be \$227,955. Overall millage will increase from 4.0 to 4.76 mills.
- Staff is presenting a resolution approving the loan, but does not anticipate a closing until DHEC has signed off on the bids. This is anticipated in August or September.

Action

- Mr. Gentzler moved to adopt the resolution as presented. Mr. Drehwing seconded. The motion passed unanimously.

XI. FY'14 Management Report

Key Discussion Points

- Mr. Cyr presented the FY'14 Fourth Quarter Management Report.
- Among the top accomplishments are:
 - AA+ with Stable Outlook bond rating
 - Mid-Spanish Wells and Baygall Sewer Projects completed
 - New web page implemented
 - Audit and CAFR timely completed
 - Facilities Aesthetic Improvement Program completed
 - Audio/visual capabilities upgraded in the Community Room
 - Successfully passed annual DHEC water and wastewater systems inspection and maintained state-approved laboratory status for wastewater testing.
 - Town sewer capacity transferred to the SAFE program to assist low/moderate income customers connect to sewer service.
 - Analyzed and implemented opportunities to reduce costs and improve revenues
 - Completed IT Audit and IT Safeguard Program

XII. Commissioner & Committee Reports

A. Finance Committee

Key Discussion Points

- The Committee has not met since the last board meeting and has no formal report at this time.
- The Year-end Financial Report will be presented in August.

B. Planning and Operations Committee

Key Discussion Points

- The Committee met on July 21 to discuss the Strategic Planning Session, the RO plant expansion, Town project updates, Bluffton Fly-over, mobile work

stations, GPS vehicle tracking systems, remote commissioner voting, and ND and NPDES permit renewal.

- Mr. Gentzler asked that any commissioners with ideas for the Strategic Planning Session forward them to any Planning and Operations Committee member as soon as possible.
- New bids for the RO plant expansion well work will be opened Wednesday.
- The Bluffton Fly-over water main reconstruction is complete and passed the pressure and leakage test.
- Remote commissioner voting will be placed on the August agenda. The Freedom of Information Act is silent on the issue of voting remotely, so the board could legally choose to operate either way.
- Six years after the application was submitted, DHEC has renewed the PSD's ND permit which allows the PSD to sell water to golf courses. The PSD is still awaiting a response regarding the NPDES permit.
- The owner of Ola & Sunday Ford Mobile Home Park has contacted the PSD to request sewer service to the park. The PSD has agreed and the project design is underway.

C. Long Range Water Supply Planning Committee

Key Discussion Points

- The Committee has not met since the last meeting and has no formal report at this time.

D. Community Relations and Personnel Committee

Key Discussion Points

- The Committee met recently to finalize the General Manager contract.
- The Personnel Policy Manual review will take place in August.
- Other matters discussed will be covered in executive session today.

XIII. Staff Reports

A. Community Involvement Report

Key Discussion Points

- The PSD has received 185 survey responses to date. Of those customers who responded, 99% rate the PSD as either excellent or good, 86% rate the PSD's water quality as either excellent or good and 88% believe the PSD's rates are reasonable.
- The Baygall Sewer Pump Station is fully operational. All current Project SAFE connections have been made.
- The Community Room was used by 12 different community groups in June. Community Room Bucks for a Better Island donations year-to-date total \$402.

- Mr. Manne distributed the general manager appraisal assignments and instructed the commissioners to hold on to their copies of the Management Report.

XIV. General Manager's Report

Key Discussion Points

- The Bluffton Fly-over water main reconstruction has been completed with Hussey Gay Bell and DeYoung on site throughout the process. The reconstructed line has passed the pressure and leak tests.

XV. New Business

None

XVI. Executive Session

Action

- Mr. Drehwing moved to enter executive session to discuss personnel matters. Mr. Geisler seconded. The motion passed unanimously.

XVII. Reconvene Regular Session

Action

- Mr. Manne moved to reconvene regular session. Mr. Geisler seconded. The motion passed unanimously.
- Mr. Drehwing moved to extend the finalized general manager contract to Mr. Pete Nardi, and that if signed, it would make Mr. Nardi General Manager effective January 1, 2015. Mr. Gentzler seconded. The motion passed unanimously.
- Mr. Nardi signed the general manager contract.

XVIII. Adjournment

Action

- Mr. Drehwing moved to adjourn the meeting. Mr. Gentzler seconded. The motion passed unanimously. The meeting adjourned at 10:42 a.m.