

HILTON HEAD NO.1 PUBLIC SERVICE DISTRICT
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HILTON HEAD ISLAND, SOUTH CAROLINA 29925
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MINUTES
COMMISSION MEETING
OCTOBER 28, 2014

I. Meeting called to order by the Committee Chairperson, Mr. Bob Manne, at 9:02 a.m.

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
Mr. Herbert Ford	Commissioner

Present by request:

Mr. Richard Cyr	General Manager
Mr. Pete Nardi	Assistant General Manager
Mr. Larry Sapp	Chief Financial Officer
Mr. Bill Davis	Operations Manager
Mr. Arnold Ellison	Special Projects Manager
Mr. Tom DeWitt	Robinson Grant Co.
Ms. Connie Whitehead	Commission Recording Secretary

III. Pledge of Allegiance

The Pledge of Allegiance was led by Ms. Connie Whitehead.

IV. Public Comment on Non-Agenda Items

None

V. Adoption of Draft Minutes of September 23, 2014

Key Discussion Points

- The last bullet of the Planning and Operations Committee report was revised to clarify that the Committee will review the general manager transition plan in regards to the performance evaluation plan for both Mr. Nardi and Mr. Cyr.

Action

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

VI. FY'14 Audited Financial Statements

Key Discussion Points

- Mr. Tom DeWitt presented the FY'14 audited financial statement.
- Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America.
- The auditor's responsibility is to express opinions on the financial statements based on the audits.
- The auditor's opinion is that the financial statements present fairly, in all material respects, the financial position of Hilton Head PSD as of June 30, 2014 and 2013.
- Operating Revenues are 2.9% less than budget, due in large part to a decrease in irrigation water sales as a result of cooler weather and increased rainfall.
- Total Departmental Expenses are 6.2% under budget due in part to decreased purchased water, power and chemical costs.
- Total assets at the end of FY'14 were approximately \$87.8 million.
- Long Term Project SAFE accounts receivable represent amounts due from the Community Foundation of the Lowcountry (CFLC) were moved from Current Assets to Non-current Assets.
- Fiscal year 2014's net position was \$982,140 vs. FY'14 Budget deficit of \$836,970 which represents a variance of \$1,819,100 above budget.

VII. FY'15 First Quarter Management Report

Key Discussion Points

- Mr. Cyr presented the FY'15 First Quarter Management Report.
- Among the top accomplishments are:
 - Bi-annual Water System and Recycled Water System Audits
 - Successfully passed all Water and Recycled Water System regulatory inspections and
 - Maintained state-certified laboratory status.
 - Operated Water and Recycled Water Systems within all state and federal regulatory limits.
 - Customer Satisfaction Survey completed with a 98 percent positive customer satisfaction rating
 - Non-Discharge (ND) Permit for recycled water application on golf courses received after six years. New permit valid for ten years.
 - Completed early pay-off of the 2004B Front Foot Assessment Bond for Folly Field, saving the District over \$61,000 in future interest expense.
 - Updated Personnel Policy Manual
 - Completed annual preventative maintenance programs.
 - Completed annual review of insurance and coverage levels.

VIII. Commissioner and Committee Reports

A. Finance Committee

Key Discussion Points

- The focus of the Committee's most recent meetings was the audit which was covered thoroughly during the audit presentation.
- Staff is working on the CAFR which is expected to be presented in December.

B. Planning and Operations Committee

Key Discussion Points

- The Committee met on October 23 to discuss the Sewer Master Plan update, Water Efficiency Study, GPS and Mobile Work Force update and the Strategic Planning Session.
- Phil Waters of Lowcountry Engineering Services is preparing an update of the Sewer Master Plan.
- Mr. Cyr and Mr. Nardi met with three consultants recently to discuss rewriting the PSD's Water Efficiency Study.
- The Commission will hold its Strategic Planning Session in November. Session materials were included in the agenda packet for early review.

C. Long Range Water Supply Planning Committee

Key Discussion Points

- The Committee will meet soon to discuss the ASR II Project.

D. Community Relations and Personnel Committee

Key Discussion Points

- The Committee met on Oct. 14 to discuss the general manager transition plan.
- Mr. Cyr presented the proposed transition plan drafted by him, and the Committee reviewed the memo, as well as the General Manager's Goals and Incentives. The Committee will review the documents with the full board in an executive session during the October board meeting.
- Mr. McCoy compiled a list of Skype session tips to assist commissioners who use this method of remote meeting attendance.

IX. Staff Reports

A. Community Involvement Report

Key Discussion Points

- Mr. Bill Davis has organized a SCADA training session for operations staff from all three PSDs on the island. The session will be led by M/R Systems.

- The PSD is participating in two Ebola webinars, one sponsored by WEF and the other sponsored by AWWA.
- Scott Moffatt, has earned an “A” Water Treatment license. Mr. Moffatt earned a perfect score on the math portion of the exam.
- Members of the leadership Hilton Head-Bluffton Class of 2015 toured the Recycled Water Plant on Oct. 17.
- The Junior Leadership Class of 2015 held its Communication Day in the PSD Community Room on Oct. 23.
- The Deep Well project used \$559.86 in Bucks for a Better Island funds to cover three PSD bills in September. The balance of the fund at Deep Well was \$397.67 as of Sept. 30.

X. General Manager’s Report

Key Discussion Points

- RO Skids arrived yesterday.
- The delivery of the large well pumps will be delayed by six weeks.
- Staff will be meeting with contractors tomorrow to discuss ASR II plans.
- The EPA has revised its list of required monitoring requirements.

XI. New Business

None

XII. Executive Session to Discuss Personnel Matters

Action

- Mr. Manne moved to enter into executive session to discuss legal and personnel matters.
- Executive session began at 10:31 a.m.

XIII. Reconvene Regular Session

Action

- Regular session reconvened at 12:10 p.m.

XIV. Adjournment

Action

- The meeting adjourned at 12:10 p.m.