

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 24, 2015

I. Meeting called to order by the Committee Chairperson, Mr. Bob Manne, at 9:00 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. Pete Nardi	General Manager
Mr. Larry Sapp	Chief Financial Officer
Mr. Bill Davis	Operations Manager
Mr. Richard Cyr	Special Projects Manager
Mr. Arnold Ellison	Special Projects Manager
Ms. Connie Whitehead	Commission Recording Secretary

III. Pledge of Allegiance

The Pledge of Allegiance was led by Mr. Frank Drehwing.

IV. Draft Minutes of the January 27, 2015

Action

- Mr. Gentzler moved to adopt the minutes of the January 27, 2015 regular meeting as revised. Mr. Kratz seconded. The motion passed unanimously.

V. Public Comment on Non-Agenda Items

None

VI. FY'15 Second Quarter Management Report

Key Discussion Points

- Mr. Cyr presented the FY'15 Second Quarter Management Report. Among the top accomplishments are:
 - Bi-annual water system and wastewater system audits completed
 - RO Plant NPDES permit received
 - Series 2004B front foot assessment loan pay-off completed
 - SEC MCDC self-reporting process completed
 - FY'14 Financial Audit and CAFR completed
 - GM succession and transition completed
 - Annual preventative maintenance programs completed
 - Training programs provided to improve and/or maintain professional skills
 - Water and recycled water systems operated to meet state/federal regulatory standards and state-certified laboratory status maintained
- Major projects underway to be completed in FY'15:
 - Automated AMI system installation
 - RO plant expansion
 - Windmill Harbour Booster installation
 - FY'16 Operating & Capital Budgets
 - Energy saving projects
- PSD staff has been in touch with BJWSA staff and legal counsel to discuss the PSD's proposed revisions to the off-peak purchased water agreement. Negotiations are ongoing.

VII. Year-to-Date Financial Report

Key Discussion Points

- Mr. Sapp presented the year-to-date financial report.
- Total Operating Revenues are \$7,443,158, versus the budget of \$7,462,707, representing a variance of (\$199,549).
- Total departmental expenses are \$8,076,488 including depreciation. This is \$144,003 below budget.
- Total Non-operating Revenues are \$154,193 above budget due in part to the change in the GO debt levy.
- Total Non-operating Expenses are \$74,140 above budget, due mostly to closing costs associated with the revenue and GO debt loans that closed during the first quarter of 2015.
- The increase in net assets before capital contributions is \$875,671.
- Total water/irrigation service EDUs have increased by 81 since June 30, 2014.
- Total sewer service EDUs have increased by 104 since June 30, 2014.
- Total combined unrestricted and restricted cash has increased \$1,206,899 since June 30, 2014.
- The PSD's financial condition is stable.

VIII. FY'16 Budget Calendar

Key Discussion Points

- Mr. Sapp presented the FY'16 Budget Calendar.
- The Finance Committee will review the draft budget in April, and the full board will review it at the April board meeting.
- Staff anticipates running a public notice in the paper beginning May 13 and a board vote on the budget at the May board meeting.

IX. Commissioner and Committee Reports

A. Finance Committee

Key Discussion Points

- The Committee has no formal report at this time.

B. Planning and Operations Committee

Key Discussion Points

- The Committee met this month to discuss plans for Sewer Summit IV which will be held in April.
- A Sewer Summit IV discussion will be held later in the meeting.

C. Long Range Water Supply Planning Committee

Key Discussion Points

- The Committee has no formal report at this time.

D. Community Relations and Personnel Committee

Key Discussion Points

- The Committee has not met since the last board meeting.
- Mr. Manne distributed general manager appraisal assignments in preparation for Mr. Cyr's appraisal to take place as a March workshop.

X. General Manager's Report

Key Discussion Points

- The PSD completed 2014 with no workplace safety accidents or injury claims. The team will be recognized with a luncheon in March.
- Ms. Renee White and Ms. Connie Whitehead represented the PSD at the annual Hilton Head High School Reality Store on Feb. 19.
- Pete Nardi was introduced as the new GM and spoke briefly to members of the Hilton Head Plantation POA on Feb. 19 at the monthly "Coffee with Peter".
- PSD staff met with Steve Riley and his key staff to update them on the Master Sewer Plan revision.

- Mr. Manne and Mr. Nardi met with Broad Creek Chair Bill Dugle and new GM, Mike Allen, to discuss hurricane planning, purchased water, recycled water and sewer extension, among other topics.
- Vermell Scott is now Chair of the SC AWWA's Customer Service Committee. Vermell has been with the PSD 14 years and has served on the committee for 11 years.
- Water Services Technicians Alex Martinez and Doug Nice on Feb. 13 rescued a pair of stray dogs that were stuck in the PSD's recycled water lagoon. The strays were delivered to the Humane Association for adoption.

XI. New Business

None

XII. Master Sewer Plan Discussion

Key Discussion Points

- The Master Sewer Plan is currently being updated.
- The Town funding will cover the installation of sewer mains in various locations, but the funding will not cover infrastructure to connect homes. PSD staff will explore other methods of financing the additional costs, such as the possibility of SRF funding.
- Sewer Summit IV will be held in April. PSD staff will contact Town staff to inquire about their availability to hold the summit on the week of April 5.
- The Board will review the Sewer Summit IV agenda and packet at the March board meeting. PSD staff will forward a copy of the packet to Mr. Steve Riley in advance of the Summit.

XIII. Adjournment

Action

- The meeting adjourned at 11:45 a.m.