

HILTON HEAD NO.1 PUBLIC SERVICE DISTRICT

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MINUTES COMMISSION MEETING APRIL 26, 2023

I. The meeting was called to order by Chairman Frank Turano at 9:00 a.m.

II. Those in attendance were:

Mr. Frank Turano	Chair
Mr. Jerry Cutrer	Vice Chair
Mr. Stuart Bell	Treasurer
Mrs. Patti Soltys	Secretary
Mr. Andy Paterno	Commissioner
Mr. Ibrahim Abdul-Malik	Commissioner
Mr. Michael Marks	Commissioner

Present by request:

Mr. Pete Nardi	General Manager
Mr. Bill Davis	Operations Manager
Ms. Amy Graybill	Finance Manager
Ms. Sarah Hickman	Water Quality Supervisor
Mr. Brian Fedorick	WWTP Supervisor
Mr. Pete Schuelke	District Projects Manager
Mr. Lawrence Flynn (via phone)	Pope Flynn
Mrs. Connie Whitehead	Commission Recording Secretary

Visitors:

None

III. Pledge of Allegiance

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

IV. Public Comment on Non-Agenda Items

None

V. Staff Introductions

Key Discussion Points

- Mr. Nardi introduced to the board Mr. Brian Fedorick, the PSD’s wastewater treatment plant supervisor, and Mr. Pete Schuelke, the PSD’s District projects manager.
- Mr. Fedorick earned the Wastewater Operator of the Year Award from the Water Environment Association of S.C.
- Mr. Schuelke earned the Kelly A. Hunsucker System Protection Award from the S.C. American Water Works Association.
- These awards were announced in March at the South Carolina Environmental Conference.

VI. Adoption of Draft Minutes of the March 29, 2023, Commission Meeting

Key Discussion Points

- On page 2, Section IX, “Mr. Soltys” was corrected to read “Mrs. Soltys”.

Action

- Mr. Cutrer moved to adopt the minutes of the March 29, 2023, regular meeting as amended. Mr. Marks seconded. The motion passed unanimously.

VII. Series 2023 Front-Foot Assessment Resolution Authorizing Assessment Roll and Public Hearing

Key Discussion Points

- Ms. Graybill presented the Series 2023 front foot assessment resolution authorizing the assessment roll and public hearing.
- Mr. Lawrence Flynn was present by phone to discuss the resolution and answer questions from the board.

Action

- Mr. Bell moved to adopt the resolution as presented. Mr. Abdul-Malik seconded. The motion passed unanimously.

VIII. Lead and Copper Rule Revision

Key Discussion Points

- Ms. Sarah Hickman gave a presentation on the U.S. EPA’s revised Lead & Copper Rule and the PSD’s compliance measures.
- A copy of the PowerPoint is included in the agenda packet.

IX. FY'24 Draft Budget

Key Discussion Points

- Ms. Graybill presented an overview of the FY'24 draft budget, including four cost-of-service scenarios:
 - Scenario 1 – Continuation of the 4th year of the Willdan volumetric increases to tier blocks 2-4, increase 1st residential tier \$0.05 per 1,000 gallons, increase sewer volumetric rate \$0.16 per 1,000 gallons. This option presents a budget which projects a deficit of \$312,100. This deficit would be funded by unrestricted cash reserves which increased by \$3,007,900 in FY'22.
 - Scenario 2 – Finalization of the Willdan volumetric tier increases to tier blocks 2-4, increase 1st residential tier \$0.05 per 1,000 gallons, increase sewer volumetric rate \$0.16 per 1,000 gallons. This option presents a projected deficit of \$208,900. This reduces the amount of the projected deficit by \$103,200 from Scenario 1 while encouraging water efficiency by completion of the plan that brings the highest tier to double the lowest tier.
 - Scenario 3 – Finalization of the Willdan volumetric increases to tier blocks 2-4, increase 1st residential tier \$0.05 per 1,000 gallons, increase sewer volumetric rate \$0.16 per 1,000 gallons, \$1.00 sewer base charge increase. This option presents a projected surplus of \$5,000.
 - Scenario 4 – No change. This option presents the cost of service if no rate increases are implemented for FY'24 and shows a deficit of \$639,200.
- Staff recommends adoption of Scenario 2.
- As part of the District's Cost of Service Analysis, staff has reviewed fees and charges to ensure they are still relevant and provide sufficient revenue to cover their related expenses. Staff is proposing the following updates to the sewer connection and backflow inspection fees:
 - Increase in the sewer connection fee from \$100 to \$150
 - Increase in Backflow inspection fee from \$100 to \$175

Action

- Mr. Bell moved to incorporate Scenario 2 into the final draft budget. Mr. Cutrer seconded. The motion passed unanimously.
- Mr. Bell moved to increase the sewer connection fee from \$100 to \$150 and the backflow inspection fee from \$100 to \$175 as recommended by staff. Mr. Abdul-Malik seconded. The motion passed 6-0. Mr. Turano was not present for the vote.

X. FY'23 3rd Quarter Management Report

Key Discussion Points

- Mr. Nardi presented the FY'23 Third Quarter Management Report and General Manager's Annual Highlights Memo. Copies are included in the agenda packet.

XI. General Manager's Monthly Report

Key Discussion Points

- Mr. Nardi presented the General Manager's Monthly Report. A copy is included in the agenda packet.
- The PSD is negotiating a consent order with S.C. DHEC due to a failed toxicity test and anticipates a civil penalty. Testing has shown no persistent toxicity. The PSD has some concern that third-party lab testing methods may have resulted in the failed test. The PSD has nonetheless taken multiple measures to ensure compliance and completed a biological monitoring in the reclaimed water wetlands to demonstrate that there are no adverse conditions present.

XII. New Business

None

XIII. Adjournment

Action

- The meeting adjourned at 11:30 a.m.