

HILTON HEAD NO.1 PUBLIC SERVICE DISTRICT
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HILTON HEAD ISLAND, SOUTH CAROLINA 29925
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MINUTES
COMMISSION MEETING
NOVEMBER 17, 2015

I. Meeting called to order by the Vice Chairperson, Mr. Bob Gentzler, at 9:00 a.m.

II. Those in attendance were:

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. Pete Nardi	General Manager
Mr. Larry Sapp	Finance Manager
Mr. Bill Davis	Operations Manager
Mr. Arnold Ellison	Special Projects Manager
Ms. Connie Whitehead	Commission Recording Secretary

Absent:

Mr. Bob Manne	Chairperson
Mr. Herbert Ford	Commissioner

III. Pledge of Allegiance

The Pledge of Allegiance was led by Mr. Pete Nardi.

IV. Draft Minutes of the October 27, 2015

Action

- Mr. Geisler moved to adopt the minutes as revised. Mr. McCoy seconded. The motion passed unanimously.

V. Public Comment on Non-Agenda Items

None

VI. September Financial Report

Key Discussion Points

- Mr. Sapp presented the September Financial Report.
- Total Operating Revenues are 3.2% below budget due to decreased water sales resulting from high rainfall.
- Total Operating Expenses (excludes depreciation) are 0.08% under budget.
- Total Non-Operating Revenues are 17% below budget, but this line item will be closer to budget as more GO and Operations levies are realized during the next few months.
- Total Non-Operating Expenses are 29% below budget due to the bond refinancing that closed September 3, 2015.
- The implementation of GASB 68 as of June 30, 2015, resulted in a reduced unrestricted net position.
- The debt coverage ratio is projected at 1.42, versus the FY'16 budgeted projection of 1.38. This increase is related to the bond refinancing which closed September 3, 2015.
- Cash for operations decreased \$417,280 during the first quarter of FY'16. This decrease relates to funds expended and not yet reimbursed as of June 30, 2015. Unrestricted cash for operations is projected to improve over the next few months with the reimbursement of funds and GO and Operation levies.
- Restricted cash in the bank for capital activity and debt service decreased by \$1,894,696 during the first quarter of FY'15. This decrease is related to debt service payments and cash expended during the refinancing of bonds that closed September 3, 2015.
- The board recommends the Finance Committee and staff review financial ratio benchmarks and draft revised goals.
- The PSD's financial condition is stable.

VII. Proposed 2016 Commission Meeting Calendar

Key Discussion Points

- Staff presented the proposed 2016 commission meeting calendar for review by the board. A vote will be taken in December.
- The proposed calendar maintains the fourth-Tuesday-of-the-month meeting schedule, with three exceptions: the September meeting would be held on the third Tuesday due to the WEFTEC conference dates, and the November and December meetings would be held on the third Tuesdays due to the holidays.

VIII. Nominations for Commission Officers

Key Discussion Points

- Mr. Drehwing nominated the current slate of officers to continue in their current seats.
- A vote on the nomination will be taken at the December meeting.

IX. Commissioner and Committee Reports

A. Finance Committee

Key Discussion Points

- The Committee has not met since the last board meeting but will meet Dec. 8 to review the draft audit and CAFR.

B. Planning and Operations Committee

Key Discussion Points

- The Committee has not met since the last board meeting.
- Mr. Gentzler and Mr. Nardi met with Dr. Steve Borgianini to review the final version of Dr. Borgianini's white paper on septic systems. Mr. Nardi prepared an executive summary for the document.
- Mr. Nardi will forward copies of the white paper to the Town, Community Foundation of the Lowcountry, and Russell Berry of DHEC.

C. Long Range Water Supply Planning Committee

Key Discussion Points

- The Committee has not met since the board meeting but will meet in December to review water supply issues.

D. Community and Personnel Relations Committee

Key Discussion Points

- The Committee has not met this month and has no formal report at this time.

X. General Manager's Report

Key Discussion Points

- Town Council affirmed its support for its 5-Year Sewer Plan at its Nov. 6 planning retreat, though no formal votes are taken at the retreat.
- Todd Ballantine conducted his dormant wetland monitoring Nov. 12 and 13.
- To date, the 2015 Customer Survey results show an 83% tap water approval rating and a 91% overall PSD approval rating.
- New security cameras were installed at the Customer Service Center this month. This was an FY'16 Staff Work Plan item.
- PSD financial auditor toured the RO Plant, ASR facility and Recycled Water Plant with Pete Nardi this month.
- The design, permitting and easement identification for Master Sewer Plan Areas #10 and #5 have been initiated.
- Gumtree customer sewer connections have begun.
- Bayshore Assisted Living paid capacity fees of \$288,000.
- The S.C. General Assembly will reconvene in January 2016.

XI. New Business

Key Discussion Points

- Mr. Nardi will be attending the Water Coalition Managers' meeting in Mt. Pleasant on Thursday.

XII. Adjournment

Action

- The meeting adjourned at 10:11 a.m.