

HILTON HEAD NO.1 PUBLIC SERVICE DISTRICT
21 OAK PARK DRIVE – POST OFFICE BOX 21264
HILTON HEAD ISLAND, SOUTH CAROLINA 29925
TELEPHONE 843-681-5525 – FAX 843-681-5052

MINUTES
COMMISSION MEETING
JANUARY 24, 2017

I. Meeting called to order by the Commission Chairman, Mr. Bob Manne, at 9:00 a.m.

II. Those in attendance were:

Mr. Bob Manne	Chairperson
Mr. Bob Gentzler	Vice Chairperson
Mr. Frank Drehwing	Commissioner
Mr. Herbert Ford	Commissioner
Mr. David McCoy	Commissioner
Mrs. Patti Soltys	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
Mrs. Connie Whitehead	Commission Recording Secretary

Absent:

Mr. Gary Kratz	Treasurer
----------------	-----------

III. Pledge of Allegiance

The Pledge of Allegiance was led by Mr. Bob Gentzler.

IV. Adoption of the Draft Minutes of the December 13, 2016, Regular Meeting

Key Discussion Points

- Mr. Manne stated that since the meeting, he has spoken to Mr. Ford regarding new committee assignments, and Mr. Ford has agreed to serve on the Finance Committee.

Action

- Mr. McCoy moved to adopt the minutes as presented. Mrs. Soltys seconded. The motion passed unanimously.

V. Adoption of the Draft Minutes of the December 13, 2016, Strategic Planning Session

Action

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

VI. Public Comment on Non-Agenda Items

None

VII. Strategic Goals and Directives

Key Discussion Points

- The Planning & Operations Committee presented the draft FY'18 Strategic Goals and Directives.
- The document was revised at the board's December strategic planning session and further revised by the Planning & Operations Committee on Jan. 6.
- The Planning and Operations Committee recommends adoption of the document as presented.

Action

- Mr. Drehwing moved to adopt the document as presented. Mrs. Soltys seconded. The motion passed unanimously.

VIII. FY'17 Second Quarter Financial Report

Key Discussion Points

- Mr. Sapp presented the FY'17 2nd Quarter Financial Report.
- The PSD is anticipating three to four new subdivision projects in the near future, which could result in a significant amount of capacity fees.
- Purchased Water is over budget due to a drier season, as well as additional water purchases during the Hurricane Matthew recovery effort.
- Payroll and Related expenses are up due to Hurricane Matthew recovery efforts, but the payroll, vehicle expense, meals and miscellaneous materials expenses incurred as a result of the storm are reimbursable from FEMA.
- Total water/irrigation service EDUs have increased by 95 since June 30, 2016.
- Sewer service EDUs have increased by 113.
- As of December 31, 2016, the PSD's financial condition is stable.

IX. FY'17 Second Quarter Management Report

Key Discussion Points

- Mr. Nardi presented the FY'17 2nd Quarter Management Report. The top accomplishments are:

Goal 1: Water Services

1. Recovered from Hurricane Matthew, TS Hermine & TS Julia (Multiple Directives).

2. Seabrook Tower drained for interior inspection and cleaning (1.2)
3. RO Plant passed DHEC sanitary survey (1.3)

Goal 2: Recycled Water Services

4. Obtained Yrs. 1 + 2 Town-funded Master Sewer Plan projects bid (2.1)
5. Converted 34 residential units from septic to sewer (2.3)
6. Installed VFD motors on all Recycled Water Plant blowers to reduce energy consumption (2.5, 3.6)

Goal 3: Environmental & Sustainability

7. Implemented “Cal-X” sewer odor abatement program (3.3.)
8. Became charter member of EPA’s Partnership for Clean Water (3.5).

Goal 4: Customer Relations

9. Became Kiwanis corporate member (4.2).
10. GM interviewed on WHHI-TV’s “Talk of the Town” program (4.2)
11. Promoted Project SAFE on WHHI-TV high school football/basketball coverage (4.2)
12. Conducted Recycled Water Plant tours (4.2)
13. Published two columns by General Manager in HH Monthly magazine (4.5)

Goal 5: Financial Responsibility

14. Received \$48,000 sales tax refund from S.C. DOR (5.3)
15. Implemented monthly billing for all customers (5.4)
16. Earned GFOA certificate for FY ’15 CAFR (5.5)
17. FY ’16 CAFR complete with no findings by auditor (5.5)

Goal 6: Organizational Excellence & Leadership

18. Completed Commissioner Election (6.5)

Goal 7: Asset Management

19. Launched new phone system with no capital outlay (7.7)
20. Upgraded servers to allow for faster recovery and cloud protection (7.7)

Goal 8: External Relations

21. Presented Master Sewer Plan update to Town Council (8.1)
22. Recognized by Town on “Imagine a Day Without Water” (8.1)
23. Assisted Town of Bluffton on sewer implementation (8.1)
24. Participated in regional public-information officials group (8.1)

X. Commissioner and Committee Reports

A. Planning & Operations Committee

Key Discussion Points

- The Committee met on January 6.
- This meeting’s Strategic Goals and Directives agenda item adequately covered the Committee’s discussions.

B. Community and Personnel Relations Committee

Key Discussion Points

- The Committee met on January 17, 2017, to discuss the proposed GM Performance Review process.
- The current process is as follows:
 - The Chairman assigns each commissioner a strategic goal and asks that they review the GM's performance in accomplishing that particular goal after the fiscal year is completed.
 - Those individual reports are incorporated into a single report prepared by the Chairman.
 - The board meets in executive session to review the report and decide on compensation.
 - The Chairman relays the results to the GM.
 - The final results are placed in the GM's personnel file.
- The new process would be as follows:
 - The GM and the Community & Personnel Relations Committee would meet following the June board meeting to review the process.
 - Mr. Nardi would submit a summary of his accomplishments and expectations.
 - All commissioners would complete a GM review survey by no later than the July board meeting.
 - The Community & Personnel Relations Committee reviews and assembles the survey results, and then develops a recommendation on base compensation and bonus to the full board.
 - The Chairman of the board or the Committee chair will relay the final results to the GM and offer him an opportunity to respond to the full board, if desired, either in person or in writing.
 - The final results will be placed in the GM's personnel file.
- The proposed process is intended to streamline and expedite the review.
- Mr. Ford would like to see the proposed document show areas for potential growth.
- Mr. Ford recommended several items be removed from the survey document because they are not within the board's scope to evaluate.
- Mr. McCoy would like to see two to three bullets directly referencing the Strategic Goals and Directives.
- Mr. Gentzler suggested the board align the General Manager's evaluation with the Strategic Goals and Directives.
- Mrs. Soltys drafted a proposed cover sheet which summarized the review results and acts as a cover to the final evaluation report.
- The Committee will meet in February to review the proposal further, and will make a recommendation to the full board by April.
- The Committee also discussed the PSD potentially establishing a trade name. That discussion was tabled until March.
- Mr. McCoy stated that with the newer, more sophisticated irrigation technologies now available, it may be a good idea to discuss with Town the possibility of revising the Town's irrigation ordinance.

XI. General Manager's Report

Key Discussion Points

- Mr. Nardi presented the General Manger's report.
- Scott Moffatt will give a presentation on biological oxygen demand analysis in the Laboratory track at the 2017 S. C. Environmental Conference in March.
- Mr. Ryan Lewis is participating in a Geographic Information Systems administrators group consisting of utility and local government GIS administrators.
- A dozen members of the Leadership Hilton Head-Bluffton Class of 2017 toured the Recycled Water Plant with Pete Nardi this month. This year's class includes attorneys, realtors, hospitality and financial professionals, among others.
- Beaufort County has invoiced the PSD \$3,000 for the cost of our November 2016 Commission general election.
- Both the employee and employer contribution rates for the S.C. Retirement System will increase 0.5% effective July 1, 2017, per a Dec. 13 decision of the State Fiscal Accountability Authority. The employee rate will be 9.16% and the employer rate will be 12.06%.
- Purchased water averaged 3.6 mgd.
- The ASR recharge to date is 175 mg.
- The RO Plant passed the DHEC sanitary survey.
- Union Cemetery Tower repair and maintenance is completed.
- The sole bid was received for the Years 1-2 Master Sewer Plan Town-funded collector main projects this morning. Sole bidder was R.H. Moore/Jordan Construction and breaks down as follows:
 - Year 1
 - Oakview Area = \$1,160,105
 - Dillon Rd. Area = \$1,031,171
 - Year 2
 - Marshland Rd. Area = \$2,601,364
 - Total = \$4,792,640
- Using our standard procedure, the PSD will now review the bid summary, negotiate any savings with the bidder, review the bid with Town staff, and subsequently prepare a Repayment Agreement Contract for the Town to approve.
- Reform of the S.C. Retirement System is expected to be a key item during this legislative session.

XII. New Business

Key Discussion Points

- Mr. Nardi informed the board that the new federal administration has suspended all new EPA rule-making until further notice.

XIII. Adjournment

Action

- Mr. Gentzler moved to adjourn the meeting. Mr. Drehwing seconded. The meeting adjourned at 10:30 a.m.