

**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**  
**FEBRUARY 28, 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. David McCoy	Secretary
Mr. Gary Kratz	Treasurer
Mr. Frank Drehwing	Commissioner
Mr. Herbert Ford	Commissioner
Mrs. Patti Soltys	Commissioner

Present by request:

Mr. Pete Nardi	General Manager
Mr. Larry Sapp	Finance Manager
Mr. Bill Davis	Operations Manager
Mrs. Connie Whitehead	Commission Recording Secretary

Visitors:

Mr. Donald Arboe	6 Country Club Court
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**III. Pledge of Allegiance**

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

**IV. Adoption of the Draft Minutes of the January 24, 2017, Regular Meeting**

Key Discussion Points

- Under the adoption of the minutes, the action was revised to reflect that Mr. Kratz seconded the motion.
- In the Community and Personnel Relations Committee report, a bullet was added under the current GM review process outline to state that the final results are placed in the GM's personnel file.

Action

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

**V. Public Comment on Non-Agenda Items**

Key Discussion Points

- Mr. Donald Arboe addressed the board and asked that they consider leveled billing. He feels the change would be beneficial to customers on fixed incomes, and those who ordinarily experience higher bills during the summer months.
- Mr. Manne said that leveled billing could be discussed as part of the upcoming Rates and Charges Analysis.

**VI. Rate Analysis Request for Proposals**

Key Discussion Points

- The PSD has prepared a Request for Proposals (RFP) for a Rates and Charges Analysis by a third-party consultant in FY'18.
- The anticipated cost is \$40,000 to \$50,000.
- The last third-party rate review was in 2004.
- The PSD will send the RFP to five vendors.
- The board drafted some changes, including a condition that there will be no swapping of principle consulting personnel after award.

Action

- Mr. Kratz moved to adopt the RFP as revised. Mr. McCoy seconded. The motion passed unanimously.

**VII. Commissioner and Committee Reports**

**A. Community and Personnel Relations Committee**

Key Discussion Points

- The Committee met on February 17 to review the proposed GM performance evaluation process.
- The Committee will continue to review and revise the proposed process and bring it before the board for a vote in April.
- Commissioners should forward any suggestions to the Committee.
- Mr. Manne also presented for informational purposes the PSD staff demographics, which Mr. Nardi provided to the Committee.

**B. Finance Committee**

Key Discussion Points

- The Committee met on February 17, 2017, to discuss the FY'18 Budget Assumptions, Break Even Analysis, Financial Ratio Overview, and Rates and Charges RFP.

- The budget objectives are to:
  - Maintain current service level
  - Include all strategic planning objectives
  - Plan and report by primary businesses – water, sewer and investment
  - Provide employee compensation adequate for responsibilities and competitive for area
  - Continue improving Operational efficiency
  - Maintain the District’s Bond Covenants debt coverage ratio
- The PSD’s Break Even Point Analysis shows the PSD’s Actual EDUs at 17,976, and the break-even point at 17,630 EDUs.

## **VIII. General Manager’s Report**

### Key Discussion Points

- Mr. Nardi presented the General Manger’s report.
- The PSD completed calendar year 2016 with zero worker’s compensation claims.
- The Town reimbursed the PSD \$544,000 for its outstanding balance related to Master Sewer Plan construction and engineering to date.
- Thirty-two employees and spouses participated in this year’s annual health screening.
- Hilton Head and Broad Creek PS and BJWSA’s free chlorine treatment period will be 2/24/ - 3/10. Joint news releases were sent out.
- Vermell Scott chaired the S.C. AWWA Customer Service Committee and its annual workshop in Lexington.
- The Town renewed the lease for its 911 Dispatch Center on the PSD’s second floor through January 2019.
- Mr. Nardi will speak on sewer expansion efforts at the League of Women Voter’s March 8<sup>th</sup> meeting in the PSD Community Room.
- The PSD was recognized at the USCB groundbreaking ceremony for its Hilton Head campus. The PSD was a partner in the Tax Increment Finance District that funded the building.
- R.H. Moor/Jordan was the sole bidder for the Years 1-2 Master Sewer Plan Town-funded collector main projects. The bid amount is \$4,792,640.

## **IX. New Business**

None

## **X. Executive Session**

### Action

- Mr. Manne moved to enter into executive session for the purpose of receiving legal advice related to Medical Pavilion billing. Mr. Gentzler seconded. The motion passed unanimously.
- Lawrence Flynn of Pope Flynn was also present. Staff present were Pete Nardi, Larry Sapp, and Bill Davis.
- Executive session began at 10:05 a.m.

## **XI. Reconvene Regular Session**

### Key Discussion Points

- Regular session reconvened at 10:45 a.m.
- No action was taken as a result of executive session.

## **XII. Adjournment**

### Action

- The meeting adjourned at 10:45 a.m.