

# HILTON HEAD NO.1 PUBLIC SERVICE DISTRICT

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## MINUTES COMMISSION MEETING AUGUST 28, 2024

**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
Mr. Lawrence Flynn	Pope Flynn
Ms. Amy Vitner (via Zoom)	First Tryon Advisors
Ms. 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. Adoption of Draft Minutes of the July 24, 2024, Commission Meeting**

### Action

- Mr. Paterno moved to adopt the minutes of the June 26, 2024, meeting as presented. Mr. Cutrer seconded. The motion passed unanimously.

## **VI. Long-Term Financial Planning**

### Key Discussion Points

- Ms. Graybill presented a memo on the PSD's long-term financial planning for review and discussion. A copy is included in the agenda packet.

## **VII. S.C. Infrastructure Investment and American Rescue Plan Act Projects**

### **A. S.C. Drinking Water State Revolving Fund Loan Approval**

#### Key Discussion Points

- During the February board meeting, the board approved applying for a loan from the State Revolving Fund to defray the engineering costs related to the (i) design and expansion of the District's existing reverse osmosis system and aquifer storage and recovery facilities (ASR) number 2, (ii) design and construction of the Leg O Mutton Booster Pump project and (iii) other necessary appurtenances to the projects listed above in an amount not exceeding \$2,589,929.
- Bond counsel and staff have completed all of the application processes and are currently working to close the SRF loan, in the form of the Series 2024A GO Bond, in an amount not exceeding \$2,589,929. The term of the loan is 20 years with an interest rate of 2.10%. Closing is scheduled for Aug. 30, 2024.
- Staff presented for board consideration a draft resolution authorizing the issuance, execution and delivery of the 2024A GO Bond in the amount of \$2,589,929 to fund the projects.

#### Action

- Mr. Cutrer moved to adopt the resolution approving the financing of the water system improvements by Hilton Head PSD through the borrowing of not exceeding \$2,589,929 from the State Revolving Fund as presented. Mr. Bell seconded. The motion passed unanimously.

### **B. Wells and Mains Bid Acceptance**

#### Key Discussion Points

- The PSD is the recipient of a \$10 million grant for two long-term water supply projects: 1) RO plant expansion; and 2) construction of a second ASR well.

- These projects have been separated into two construction contracts for bidding purposes: 1) RO Plant Expansion; and 2) Wells & Mains (which consist of RO Well #4, ASR Well #2, and Transmission Mains).
- There was one low responsible bid for the Wells & Mains Project, which came in from BRW at \$14,953,770.
- Staff recommends acceptance of the low responsible bid pending final S.C. Rural Infrastructure Authority approval of the construction contract documents.

Action

- Mrs. Soltys moved to accept the low responsible of \$14,953,770 from BRW Construction Group, LLC. Mr. Paterno seconded. The motion passed unanimously.

**C. General Obligation Debt Issuance Approval**

Key Discussion Points

- Ms. Amy Vitner of First Tryon Advisors presented a GO bond funding analysis. A copy is included in the agenda packet.

Action

- Mr. Cutrer moved that the Board request the GM and finance manager to work with the PSD’s financial advisors to issue a request for proposals for the sale of GO bonds with banks and report back to the Board with a comparison of bank placement and public offering. Ms. Soltys seconded. The motion passed unanimously.

**VIII. Financial Report**

Key Discussion Points

- Ms. Graybill presented the year-to-date financials. A copy is included in the agenda packet.

**IX. General Manager’s Monthly Report**

Key Discussion Points

- Mr. Nardi presented the GM monthly report. A copy is included in the agenda packet.
- The PSD’s Water Quality Laboratory was once again recognized as a Laboratory of Excellence as part of its annual certification by the S.C. Department of Environmental Services.

**X. Review of GM Evaluation Process**

Key Discussion Points

- Mr. Cutrer presented for board review and discussion a memo on the GM evaluation process, as well as the memo presented in July, the Draft GM

Evaluation Template, and the Draft FY'25 GM Performance Evaluation Comments template.

- Mrs. Soltys suggested the board add “Good” as a Conclusion option on the comments template.
- The Board discussed November as the target date for the Strategic Goals and Directives review.

Action

- Mr. Cutrer moved that the board affirm the GM performance evaluation process outlined in the July 19<sup>th</sup> memo, that the Strategic Goals and Directives be reviewed at the November board meeting, and that “Good” be inserted as a Conclusion option on the evaluation comments template. Mr. Abdul-Malik seconded. The motion passed unanimously.

**XI. New Business**

Key Discussion Points

- Due to commissioner scheduling conflicts, the September board meeting was rescheduled to begin at 8 a.m. on September 18<sup>th</sup>, rather than 9 a.m.

**XII. Adjournment**

Action

- Mr. Paterno moved to adjourn the meeting. Mr. Cutrer seconded. The motion passed unanimously. The meeting adjourned at 11:07 a.m.