

HILTON HEAD NO.1 PUBLIC SERVICE DISTRICT
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MINUTES
COMMISSION MEETING
JUNE 23, 2015

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

II. Those in attendance were:

Mr. Bob Manne	Chairperson
Mr. Bob Gentzler	Vice-Chairperson
Mr. Gary Kratz	Treasurer
Mr. John Geisler	Secretary
Mr. Frank Drehwing	Commissioner
Mr. David McCoy	Commissioner (via Skype)
Mr. Herbert Ford	Commissioner

Present by request:

Mr. Pete Nardi	General Manager
Mr. Larry Sapp	Chief Financial Officer
Mr. Bill Davis	Operations Manager
Mr. Richard Cyr	Special Projects Manager
Mr. Arnold Ellison	Special Projects Manager
Ms. Connie Whitehead	Commission Recording Secretary

Visitors:

Mr. Jack Burke	BJWSA Board Member
Dr. Steve Borgianini	USC Beaufort

III. Pledge of Allegiance

The Pledge of Allegiance was led by Mr. Dave McCoy.

IV. Draft Minutes of the May 28, 2015

Key Discussion Points

- Mr. Gentzler moved to adopt the minutes of the May 28, 2015, minutes as presented. Mr. Ford seconded. The motion passed unanimously.

V. Public Comment on Non-Agenda Items

Key Discussion Points

- Mr. Burke, former Hilton Head PSD commissioner and current BJWSA board member, told the board that he has a strong interest in the working relationship between the Hilton Head PSD and BJWSA boards. He invited PSD commissioners and staff to attend BJWSA monthly meetings and take advantage of the resources BJWSA has to offer.
- In honor of Mr. Cyr's retirement, Mr. Burke commended Mr. Cyr on the outstanding leadership he has provided the PSD over the past 12 years and credited Mr. Cyr for improving the PSD's image and operations.

VI. Special Resolution

Key Discussion Points

- Mr. Manne thanked Mr. Cyr for his 12 years of service to the PSD and presented him with a resolution renaming the Community Room the "Richard Cyr Community Room" in his honor. A plaque was also presented that will hang in the Community Room marking the occasion.

VII. Master Sewer Plan Revision Adoption

Key Discussion Points

- Mr. Nardi presented the Master Sewer Plan for a vote by the board.
- If adopted, the plan will be a useful tool in discussing sewer extension with the Town.
- The board made some minor revisions, such as the insertion of a Town memo and the Town's Sewer Summit IV minutes in the appendices.
- Mr. Drehwing voiced concern over the PSD adopting the MSP without a Town commitment in place. Mr. Ford disagreed, stating that the PSD must take ownership of the issue of sewer expansion and not rely on any other entity to fund it. Mr. Ford stressed that the environmental concerns should take precedence over any financial concerns.

Action

- Mr. Gentzler moved to adopt the Master Sewer Plan with the minor revisions as a reference document. Mr. Ford seconded. The motion passed unanimously.

VIII. Water Demand Management Report Acceptance

Key Discussion Points

- Mr. Peter Mayer reviewed the Water Demand Management Report in great detail at the Planning & Operations Committee meeting, which most of the commissioners attended.
- Staff presented the report for acceptance by the board as a planning tool.

Action

- Mr. Drehwing moved to adopt the Water Demand Management Report as a planning tool. Mr. Gentzler seconded. The motion passed unanimously.

- Mr. Manne assigned the report to the Long Range Water Supply Planning Committee for further review.

IX. Commissioner and Committee Reports

A. Finance Committee

Key Discussion Points

- The Committee has no formal report at this time.
- The Committee will meet in July to discuss bond refunding and Master Sewer Plan implementation financial issues.

B. Planning and Operations Committee

Key Discussion Points

- The Committee met this month as a follow-up to Sewer Summit IV.
- Dr. Steve Borgianini was there to present additional soil quality ranking data compiled by him and Mr. Ryan Lewis.
- On Thursday, June 25, Town and DHEC staff will meet to discuss sewer funding options.
- Mr. Ford urged the board to handle the issue of sewer extension with a sense of urgency, emphasizing that the threat to public health should not be overshadowed by financing issues.

C. Long Range Water Supply Planning Committee

Key Discussion Points

- The Committee has no formal report at this time.

D. Community and Personnel Relations Committee

Key Discussion Points

- The Committee has no formal report at this time.

X. General Manager's Report

Key Discussion Points

- The three PSD general managers met on June 18 to discuss the 2015 hurricane season and utility evacuation and recovery plans. The three PSDs will work under a unified command structure during disaster operations, as established under the shared Business Continuity Plan.
- Staff will hold its retirement celebration for Richard Cyr at noon on June 26.
- The Gumtree Road Sewer Project Open House was held on June 4. About 12 property owners attended, as well as Commissioners Herbert Ford and John Geisler. Construction began June 8.
- Summer 2015 "On the Waterfront" was mailed this month.

- The PSD has the opportunity to partner with the “Soldier for Life” program that provides new veterans with experience in the water/wastewater sector. Pete Nardi is a member of the national AWWA committee working with the Army on this program.
- Current estimates show \$1.4 million in present-value savings can be achieved by refunding the Series 2006 Revenue Bonds. The refunding also will lower the PSD’s maximum annual debt service amount by \$260,000. Staff also is reviewing refunding of several other revenue and front-foot assessment borrowings in conjunction with the Series 2006. Finance Committee will meet in July to bring forward a refunding recommendation to the full Commission.
- AMI Project meter conversions are 99.1% complete. This completes the contracted installation project. The remaining meters are large meters that will be converted to AMI as part of an in-house meter change-out.
- Commissioner Frank Drehwing’s paper entitled “Hilton Head Public Service District: ‘A Light at the End of the Tunnel’ Total Replacement of Groundwater Supply with New RO & Aquifer Storage Reserve Facilities” has been accepted for presentation at WEFTEC in September.

XI. New Business

None

XII. Executive Session to Discuss Personnel Matters in Regards to Executive Compensation

Action

- The board entered into executive session at 10:54 a.m. to discuss personnel matters in regards to executive compensation.
- No staff was present.

XIII. Reconvene Regular Session

Action

- The board reconvened regular session at 11:20 a.m.
- The board reached a consensus to provide Mr. Cyr with specific compensation as discussed in executive session to complete his employment contract with the PSD.

XIV. Adjournment

Action

- The meeting adjourned at 11:20 a.m.