

HILTON HEAD NO.1 PUBLIC SERVICE DISTRICT

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HILTON HEAD ISLAND, SOUTH CAROLINA 29925
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MINUTES COMMISSION MEETING MAY 24, 2024

I. The meeting was called to order by Chairman Frank Turano at 9:03 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. 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 April 24, 2024, Commission Meeting

Action

- Mr. Paterno moved to adopt the minutes as presented. Mr. Bell seconded. The motion passed unanimously.

VI. FY'25 Draft Budget and Public Notice Memo

Key Discussion Points

- Staff presented a draft budget and 4 cost-of-service scenarios for board consideration at the April board meeting, and recommended Scenario 2. The board adopted Scenario 3:
 - Increase 1st residential tier \$0.06/1,000 gallons from \$1.52 to \$1.58 to continue migration towards the 1st commercial tier.
 - Increase 2nd residential and commercial tier \$0.13/1,000 gallons from \$2.11 to \$2.24 (this increases this tier from 25% higher than the 1st commercial tier to 33% higher).
 - Increase 3rd residential and commercial tier \$0.25/1,000 gallons from \$2.54 to \$2.79 (this increases this tier from 50% higher than the 1st commercial tier to 65% higher).
 - Increase 4th residential and commercial tier \$0.34/1,000 gallons from \$3.38 to \$3.72 (this increases this tier from 100% higher than the 1st commercial tier to 120% higher).
 - Increases both the water and sewer monthly base rate per unit by \$1.00.
- Ms. Graybill presented the revised draft incorporating Scenario 3 and will proceed with public notification.
- No further commission action is necessary at this time.

VII. FY'24 Third Quarter Financial Report

Key Discussion Points

- Ms. Graybill presented the FY'24 Third Quarter Financial Report. A copy is included in the agenda packet.

VIII. General Manager's Monthly Report

Key Discussion Points

- Mr. Nardi presented the General Manager's Monthly Report. A copy is included in the agenda packet.
- PSD Water Quality Supervisor, Sarah Hickman, competed at the World Water Skills Competition in Munich this month. She and her team partner earned some top honors for the USA. Ms. Hickman will be present at the June meeting for recognition by the board.

IX. Audit Engagement Letter

Key Discussion Points

- Ms. Graybill presented the audit engagement letter from Greene Finney for consideration by the board.
- If prepared by the firm, the FY'24 audit would be the third year of a three-year proposal presented to the board in January 2022.
- Staff recommends executing the engagement letter.

Action

- Mr. Bell moved to execute the engagement letter with Greene Finney to conduct the FY'24 financial audit. Mr. Paterno seconded. The motion passed unanimously.

X. GO Bond Resolution

Key Discussion Points

- Mr. Cutrer presented the GO bond authorization resolution for consideration by the board. Mr. Lawrence Flynn was present for discussion.
- The District has received authorization from Beaufort County Council to issue GO debt in an amount not to exceed \$23 million for several large projects in FY 2024 and 2025.
- The District is currently in the process of applying for a low-interest loan of up to \$2,589,929 from the State Revolving Fund for the engineering only portion of the SCIIP Grant and Beaufort County ARPA Leg O Mutton projects, which will be applied toward the \$23 million authorization.
- Staff recommends the board adopt the resolution authorizing the sale and issuance of GO bonds in an amount not to exceed \$20,500,000.

Action

- Mr. Cutrer moved to adopt the bond resolution not to exceed \$20,500,000. Mrs. Soltys seconded. The motion passed unanimously.

XI. Commission Committee Reports

A. Executive Committee

Key Discussion Points

- The Executive Committee met May 15 to discuss the general manager's performance evaluation.
- The committee's recommendations will be discussed today in executive session.

XII. Executive Session to Discuss the Tyco PFAS Settlement

Action

- Mr. Cutrer moved to enter into executive session for the purpose of discussing the Tyco PFAS settlement. Mr. Marks seconded. The motion passed unanimously.
- Executive session began at 10:25 a.m.

XIII. Reconvene Regular Session

Action

- Regular Session reconvened at 10:35 a.m.
- Mr. Bell moved to adopt the Tyco PFAS opt-out resolution. Mr. Abdul-Malik seconded. The motion passed unanimously.

XIV. Executive Session to Discuss the GM's Annual Performance Evaluation

Action

- Mrs. Soltys moved to enter into executive session to discuss the GM's annual performance evaluation. Mr. Paterno seconded. The motion passed unanimously.
- Executive session began at 10:36 a.m.

XV. Reconvened Regular Session

Key Discussion Points

- Regular session reconvened at 10:50 a.m.
- No action was taken as a result of executive session.

XVI. Adjournment

Action

- The meeting adjourned at 10:50 a.m.