

HILTON HEAD 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

FEBRUARY 2025 AGENDA PACKET CONTENTS

1. Agenda for the February 26, 2025, Regular Commission Meeting
2. Draft Minutes of the January 22, 2025, Regular Commission Meeting
3. Memo from the GM on the WWTP Screw Pumps Replacement Engineering Services Contract
4. Task Order No. 5 – WWTP Screw Pumps Replacement
5. FY'25 2nd Quarter Financial Report
6. General Manager's Monthly Report
7. River Basin Council Groundwater Update – FYI
8. Charts, Graphs and Water Quality Report



Agenda

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www.hhpsd.com

AGENDA

Hilton Head Public Service District Commission
9 a.m.
February 26, 2025
PSD Community Room
21 Oak Park Drive, Hilton Head Island, SC 29926

- I. Call to Order & Freedom of Information Act Announcement
- II. Pledge of Allegiance
- III. Roll Call of Commissioners
- IV. Public Comment on Non-Agenda Items
- V. Adoption of Draft Minutes of January 22, 2024, Regular Meeting
- VI. Screw Pump Replacement Engineering Services Contract Approval (Action)
- VII. 2nd Qtr. FY '25 Financial Report
- VIII. General Manager's Monthly Report
- IX. PSD Marketing Report & Water Efficiency Outreach Workshop
- X. Adjournment

***Public Comment will be taken before Commission vote on any action item.**



Draft Minutes

EST. NOV. 1969

SOUTH CAROLINA

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 22, 2025

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
Mr. Andy Paterno	Commissioner
Mr. Michael Marks	Commissioner

Present by request:

Mr. Pete Nardi	General Manager
Ms. Amy Graybill	Finance Manager
Ms. Connie Whitehead	Commission Recording Secretary

Visitors

None

Absent

Mrs. Patti Soltys	Secretary
Mr. Ibrahim Abdul-Malik	Commissioner

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 December 18, 2024, Commission Meeting

Action

- Mr. Bell moved to adopt the minutes of the December 18, 2024, meeting as presented. Mr. Marks seconded. The motion passed unanimously.

VI. Change of June 2025 Commission Meeting Date

Key Discussion Points

- The June 2025 board meeting was scheduled for June 25. Since the adoption of the PSD calendar, some commissioners have had conflicts arise on their personal calendars.
- The board reviewed their personal calendars and proposed Tuesday, June 17, as an alternate date.

Action

- Mr. Paterno moved to change the June 2025 board meeting date from Wednesday, June 25, to Tuesday, June 17. Mr. Bell seconded. The motion passed unanimously.

VII. FY'25 2nd Quarter Management Report

Key Discussion Points

- Mr. Nardi presented the FY'25 2nd Quarter Management Report, A copy is included in the agenda packet.
- The Town is interested in scheduling a groundbreaking ceremony for RO Well #4 in February. Staff will update the Board as plans progress.

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.

IX. AMI Presentation

Key Discussion Points

- Mr. Nardi and Ms. Graybill gave a presentation on the PSD's advanced metering infrastructure and customer portal. Copies of the presentation are available upon request.

X. Executive Session

- Mr. Cutrer moved to enter into executive session for the purpose of receiving legal advice on GO bonds. Mr. Paterno seconded. The motion passed unanimously.

- Executive session began at 10:21 a.m.

XI. Reconvene Regular Session

Key Discussion Points

- Regular session reconvened at 11:09 a.m.
- No action was taken as a result of executive session.

XII. Adjournment

Action

- The meeting adjourned at 11:10 a.m.



Screw Pump Replacement



HILTON HEAD PUBLIC SERVICE DISTRICT

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To: All Commissioners
From: Pete Nardi, General Manager
Re: Wastewater Treatment Plant Screw Pumps Replacement Engineering Services Contract

February 18, 2025

Dear Commissioners:

The PSD is the recipient of a \$1.5-million grant from the S.C. Rural Infrastructure Authority (RIA) for the replacement of the Screw Pumps at our Wastewater Treatment Plant. The project is preliminarily estimated to cost approximately \$4.5 million, including Engineering Services. The PSD's 2024 General Obligation Bond proceeds and/or cash on hand are anticipated to be the funding source for the remainder of the project cost.

We are ready to complete the bid package for the project and are requesting Commission approval to enter into a contract for the necessary Engineering Services, in an amount not to exceed \$366,000.

Project Purpose & Estimated Completion Date

The Screw Pumps convey wastewater from the headworks and grit removal sections of the plant to the equalization basins. They are a critical component of the plant, which cannot function effectively without them. The existing pumps have reached a state where their replacement is necessary to ensure no risk to plant operations.

The entire project is estimated to be completed within the next 24 months.

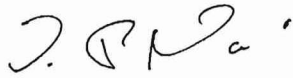
Attached is a Project Description and Scope of Services for the Engineering Services.

Recommendation

Staff recommends the Commission authorize approval of the Engineering Services contract for Screw Pumps Replacement with W.K. Dickson in an amount not to exceed \$366,000.

As always, please do not hesitate to contact me if you have any questions.

All my best,

Handwritten signature of J. Pete Nardi in cursive script.

J. Pete Nardi
General Manager
Hilton Head PSD

TASK ORDER NO. 5
WWTP SCREW LIFT PUMP REPLACEMENT
Hilton Head Public Service District

The following task order shall be in accordance with the Engineering Services for the On Call Contract dated October 27, 2022, between Hilton Head Public Service District (OWNER) and W.K. Dickson & Co., Inc. (CONSULTANT).

PROJECT DESCRIPTION

The OWNER operates a Recycled Water Facility (RWF) with a permitted capacity of 6.4 MGD that was originally constructed in 1989 that utilizes three enclosed screw lift pumps for the transfer of wastewater from the headworks to the aeration basins. These large screw lifts have been repaired and replaced over time with a maintenance frequency and down time that is unacceptable. The CONSULTANT recently evaluated the screw lift pump station and provided recommendations with estimates of probable construction costs that were documented in a technical memorandum dated October 10, 2024. The CONSULTANT also recently assisted the OWNER with obtaining partial funding for the construction / replacement of the three screw lift pumps through the South Carolina Rural Infrastructure Authority (RIA) Grant Program. The OWNER has requested that the CONSULTANT provide engineering services to design, bid and construct the recommended improvements, with exception of any existing building modifications, including the following:

- Structural evaluation of the top concrete screw lift pump supports for repair or replacement;
- Replace three (3) open screw lift pumps with either Evoqua or Lakeside equipment, including gear box assemblies;
- Add one (1) fan to the upper level to improve ventilation;
- Replace motor control center (MCC) inside the lower level of the existing building that is associated with the three screw lift pumps; and
- Control system and SCADA improvements for monitoring the screw lift pump station for lubricant level and temperature of the individual gear boxes and motor failure (overtemperature).

1. SCOPE OF SERVICES

Task 1 – Design

This task includes:

- a. CONSULTANT shall perform one kickoff meeting at the project site, including drafting an agenda and meeting minutes.
- b. Prepare contract drawings and specifications. Contract drawings shall be prepared using the OWNER's record drawings for the existing Screw Lift Pump Station. CONSULTANT's Subconsultant shall survey and verify existing pump station elevations. CONSULTANT's front-

end and technical specifications will be used with Construction Specifications Institute (CSI) format. CONSULTANT's design, drawings and specifications will include the following engineering disciplines: process, structural, and electrical. CONSULTANT shall prepare a process and instrumentation diagram (P&ID), specify process instrumentation and obtain a proposal from the OWNER's preferred SCADA Systems Integrator, which will be added as an Allowance in the construction contract documents.

- c. Prepare project milestone review with OWNER to be held at the 60% and 90% design level. The design review meetings may be held at the OWNER's office or virtually as preferred by the OWNER. An opinion of probable construction cost will accompany each review.
- d. CONSULTANT shall provide administrative services related to the SCRIA Grant Program .
- e. Design assumptions include the following:
 - i. No building modifications are included, but can be performed under a scope change amendment.
 - ii. Deliverables shall include three hard copies and an electronic set (.pdf) of contract documents.
 - iii. No permitting is necessary for this project (considered 'maintenance').
 - iv. No surveying services are needed for this project other than confirming elevations for the existing screw lift pump station from the Owner provided record drawings. Should additional surveying services be needed, they will be performed under a scope change amendment.
 - v. One set of bid documents for one construction contract.
 - vi. An Allowance will be included in the construction contract documents for a third party (approved by OWNER) for materials (i.e. concrete) testing and SCADA design and integration services.

Task 2 – Bidding Assistance

Engineering assistance will be provided for one construction bid. Tasks include the following:

- a. Bid Advertisement - Prepare invitations for construction bid for OWNER's use in its legal advertisement of the project.
- b. Document Distribution – CONSULTANT will provide contract documents to interested contractors and suppliers through the CONSULTANT's Plan Room site.
- c. Bidding Questions - Respond to questions from equipment suppliers, construction contractors and material suppliers during the bid phase of the project and draft up to two Addenda. CONSULTANT will post addenda on CONSULTANT's Plan Room site.
- d. Pre-Bid Meeting – Conduct one pre-bid meeting at the WWTP and draft meeting minutes.
- e. Bid Opening - Attend and participate in the Bid Opening.
- f. Review/Tabulation of Bid submittals - Review and evaluate bid packages, prepare and distribute tabulation of bids received.
- g. Recommendation of Award - Provide recommendation of award based on bids received and information available on the low bidder(s).
- h. Conform Documents - Attach addenda and bid data from the low bidder(s) to the bid documents for contract execution and construction phase purposes.

- i. Assist OWNER with coordination with SC RIA funding agency.

Task 3 – Engineering Assistance During Construction

Engineering assistance will be provided during the construction period (12 months) for one construction contract. Once approval from the OWNER is received to proceed with construction, the CONSULTANT will perform the following tasks:

- a. Organize and conduct one Pre-Construction Conference and record minutes for distribution to attendees (including the OWNER, Contractor and RIA).
- b. The OWNER's instructions to the Contractor shall be issued through the CONSULTANT who shall have the authority to act on behalf of the OWNER in dealings with Contractor to the extent provided in this Contract for Services and Construction Contract Standard General Conditions.
- c. Review shop drawings, samples and other data which Contractor is required to submit, but only for conformance with the design concept of the Project and compliance with the information given in the Contract Documents. Such reviews or other action shall not include means, methods, techniques, sequences, or procedures of construction or safety programs and precautions incident thereto.
- d. Conduct progress meetings and site visits during periods of active construction (assumed to be 4 months of the 12 month construction contract) to observe as an experienced and qualified design professional the progress and quality of the Work and to determine in general if the Work is proceeding in accordance with the Contract Documents. However, the CONSULTANT's inspections shall not be intended to involve work beyond the responsibility specifically assigned to the CONSULTANT in this Contract for Services and the Contract Documents. On the basis of on-site observations, the CONSULTANT shall keep the OWNER informed of the progress and quality of the Work and shall alert the OWNER to defects and deficiencies observed in the Work of the Contractor. Up to four (4) meetings / site visits have been budgeted for the Contract. The CONSULTANT shall issue meeting minutes.
- e. Make recommendations to the OWNER concerning the disapproval or rejection of Contractors' Work while it is in progress if the CONSULTANT believes that such Work does not produce a completed Project that conforms to the Contract Documents or that it will prejudice the integrity of the design concept of the Project as reflected in the Contract Documents. The CONSULTANT shall have access to the Work at all times wherever it is in preparation or progress.
- f. The CONSULTANT shall issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of the Work. Such clarifications and interpretations will be consistent with the intent of and reasonably inferable from the Contract Documents. The CONSULTANT may issue Field Orders authorizing minor variations from the requirements of the Contract Documents. Field Orders shall not involve change in Contract Price or Time. The CONSULTANT has budgeted for two (2) responses per month of the construction duration for the Contract.
- g. Act as initial interpreter of the requirements of the Contract Documents, judge the acceptability of the Work and make decisions on all claims of the OWNER and Contractor relating to the

acceptability of the Work or the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of the Work. In rendering such decisions, the CONSULTANT shall be fair and not show partiality to the OWNER or Contractor and not be liable for the results of any such interpretations or decisions rendered in good faith.

- h. Determine the amount owed to the Contractor based on the CONSULTANT's and the OWNER's observations and inspections at the site and the data comprising the Application for Payment, and the accompanying data and schedules, and recommend in writing payments to Contractor in such amounts. Such recommendations of payment will constitute a representation to the OWNER that the Work has progressed to the point indicated and that, to the best of the CONSULTANT's and the OWNER's representative knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents. The issuance of a recommendation will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a recommendation for payment will not be a representation that the CONSULTANT is responsible for construction means, methods, techniques, sequences or procedures or has ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Price. The CONSULTANT has budgeted for review of twelve (12) payment applications for the Contractor, one being the final adjusting payment.
- i. Recommend Change Orders and Work Change Directives to the OWNER as appropriate, and the CONSULTANT shall prepare Change Orders and Work Change Directives as required. The CONSULTANT shall not issue such Change Orders and Work Change Directives until the OWNER has approved and accepted Contractor's cost and schedule change to implement such Change Orders and Work Change Directives. The CONSULTANT has budgeted for preparation of up to one (1) Owner-Directed Change Orders or Work Change Directives and one (1) final adjusting Change Order for the Contractor.
- j. The CONSULTANT shall have a construction observer provide part time construction observation services during active construction (not to exceed ten (10) trips and one hundred (100) total man-hours) to monitor construction by the Contractor.
- k. The construction observer will call to the attention of the Contractor any deficient work noted in the field and, through the assistance of the CONSULTANT's project manager, interpret the plans and specifications when questions arise.
- l. Assist OWNER with SC RIA reporting and funding administration services.
- m. Following notice from Contractor that Contractor considers the entire work ready for its intended use, the CONSULTANT's Observer and the OWNER, accompanied by Contractor, shall conduct a one-day inspection to determine if the work is substantially and satisfactorily complete. If such work is determined by the CONSULTANT to be substantially complete, the CONSULTANT shall provide a notice of substantial completion to the OWNER and Contractor. If work is not deemed suitable, the CONSULTANT shall provide in writing a list of deficiencies to be corrected before the work can be deemed Substantially Complete. The CONSULTANT's Observer shall re-inspect the work one time when the Contractor provides in writing a statement that all deficiencies have been corrected.

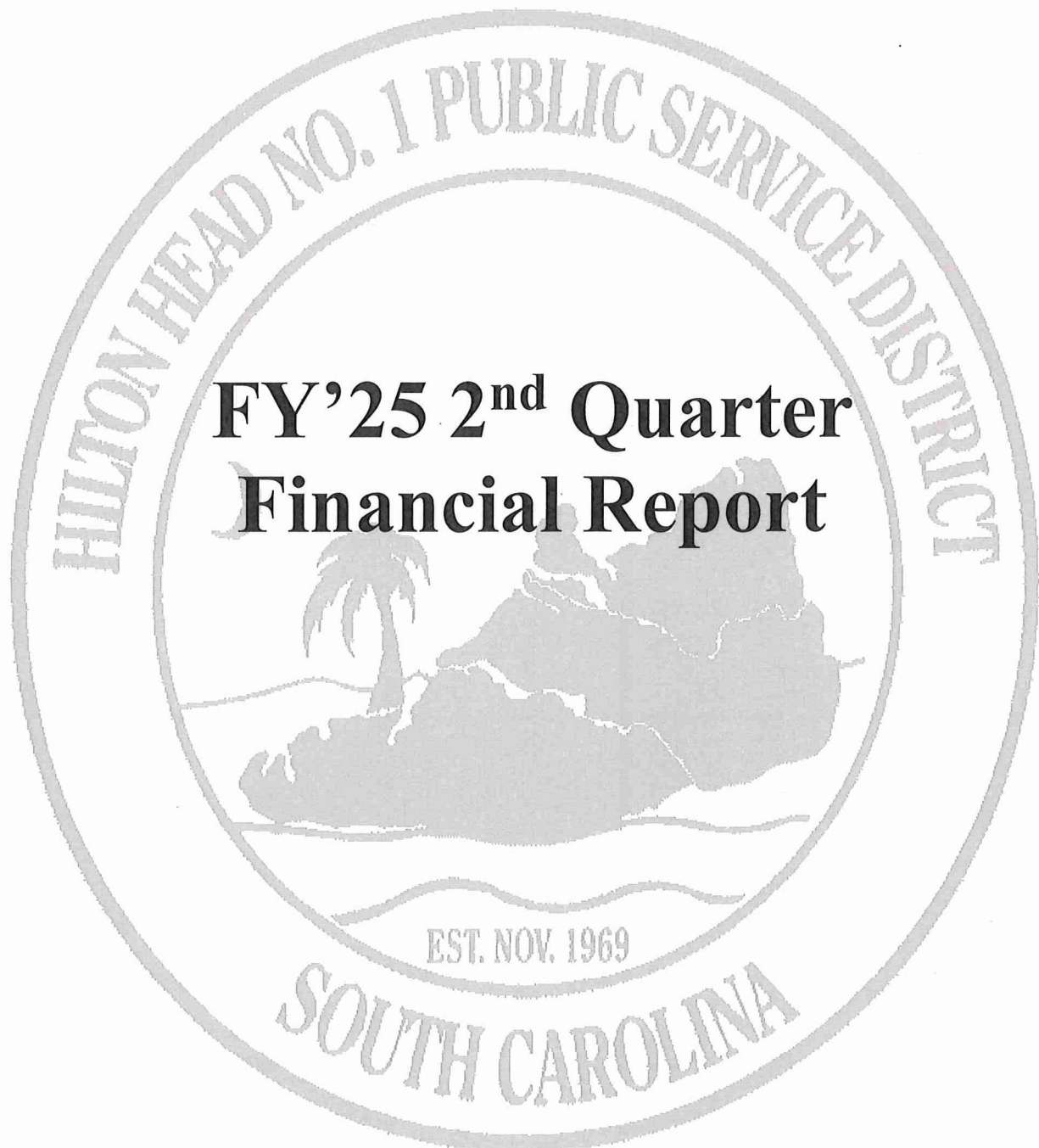
- n. Debrief with the OWNER's and the CONSULTANT's Observer to determine if the completed Work is acceptable to the OWNER so that the CONSULTANT may recommend, in writing, final payment to Contractor and may give written notice to the OWNER and Contractor that the Work is acceptable. Accompanying the recommendation for final payment, the CONSULTANT shall indicate that the work is acceptable to the best of the CONSULTANT's knowledge, information and belief and based on the extent of the services performed and furnished by the CONSULTANT and the OWNER under this Agreement. After determining that the completed Work is acceptable, issue a written Notice of Acceptance to the Contractor. Notice shall establish the completion date.
- o. Receive, review and approve Contractor's final payment request.
- p. Prepare a "Record Drawing" of the completed project using Contractor, OWNER's and construction observer's observation of changes made during construction. These Record Drawings shall be prepared and the electronic files submitted to the OWNER.
- q. Assist OWNER with closeout services with SC RIA.
- r. It is assumed that construction of the Project will not exceed 360 consecutive calendar days.

2. TIME OF PERFORMANCE

TASK	SCHEDULE
Task 1: Design	150 Calendar Days from Notice to Proceed
Task 2: Bidding Assistance	90 Calendar Days from Bid Advertisement
Task 3: Engineering Assistance During Construction	390 Calendar Days from Notice to Proceed to Contractor

3. BASIS OF COMPENSATION

Tasks in the Scope of Services will be compensated on an hourly not to exceed (HNTE) basis as detailed in the CONSULTANT's Rate Schedule for an amount not to exceed three hundred sixty six thousand dollars (\$366,000.00).



**FY'25 2nd Quarter
Financial Report**



21 Oak Park Drive
PO Box 21264
Hilton Head Island, SC 29925
www.hhpsd.com

To: Commissioners
Pete Nardi, General Manager

From: Amy Graybill, Finance Manager

Subject: Financial Highlights – Fiscal Year Unaudited Financial Statements and Results,
Period Ending December 31, 2024

Date: February 26, 2025

Introduction

Staff has prepared the following unaudited financial statements and highlights for December 31, 2024 for discussion at the Commission Meeting on February 26, 2025.

No Commission action is required.

Statement of Revenues, Expenses, and Changes in Net Position

Table A-1 on the following page contains the District's Statement of Revenues, Expenses, and Changes in Net Position as of December 31, 2024 compared to budget.

The change in net position for the period was \$1,523,509, which was \$149,159 higher than the budgeted change in net position of \$1,374,350. Slightly higher operating revenues than budgeted and lower operating expenses to budget across multiple operating expense categories are offsetting a significant overage to budget in purchased water expense. Stronger interest earnings than budgeted (including unbudgeted 2024B bond proceeds fund interest earnings) are offsetting higher unbudgeted interest expense and bond issuance costs related to the 2024B GO Bond Issuance completed in November 2024.

Table A-1
Hilton Head PSD
Budgetary Comparison Schedule
Fiscal Year to Date as of December 31, 2024

	FY 24 Actual to FY 24 Budget			
	Fiscal Year 2024		Comparison	
	Actual	Budget	Dollars Favorable (Unfavorable)	%
Operating Revenues				
Water Service	\$ 4,704,487	\$ 4,673,900	\$ 30,587	0.7%
Sewer Service	3,439,605	3,393,400	46,205	1.4%
Tap In Fees - Water	110,549	93,900	16,649	17.7%
Connection Fees - Sewer	101,882	157,800	(55,918)	-35.4%
Golf Course Irrigation	120,071	125,200	(5,129)	-4.1%
Service Fees	11,173	10,050	1,123	11.2%
Other Operating Revenues	20,615	24,150	(3,535)	-14.6%
Total Operating Revenues	8,508,382	8,478,400	29,982	0.4%
Departmental Expenses				
Payroll & Related	2,588,363	2,661,900	73,537	2.8%
Administrative Expenses	561,768	604,850	43,082	7.1%
Operations	1,689,186	1,715,350	26,164	1.5%
Maintenance	695,229	797,850	102,621	12.9%
Purchased Water	967,413	648,500	(318,913)	-49.2%
Water Tap In Expenses	75,957	70,500	(5,457)	-7.7%
Sewer Connection Expenses	87,920	148,800	60,880	40.9%
Professional Fees	64,679	122,550	57,871	47.2%
Total Departmental Expenses	6,730,515	6,770,300	39,785	0.6%
Depreciation	2,674,828	2,625,000	(49,828)	-1.9%
Total Operating Expenses	9,405,343	9,395,300	(10,043)	-0.1%
Operating income (loss)	(896,961)	(916,900)	19,939	2.2%
Non-operating revenues				
Property taxes-G.O. Debt Levy	665,939	624,600	41,339	6.6%
Property taxes-Operations Levy	486,777	456,900	29,877	6.5%
Rental Income	73,208	73,100	108	0.1%
Tower Lease Income	304,158	302,550	1,608	0.5%
Interest Income - Leases	14,331	16,050.00	(1,719)	-10.7%
Interest Income	559,506	218,100	341,406	156.5%
Gain (Loss) of disposal of equipment	32,340	7,500	24,840	331.2%
Total Non-operating Revenues	2,136,259	1,698,800	437,459	25.8%
Non-operating Expenses				
Interest expense	237,910	131,850	(106,060)	-80.4%
Bond Defeasance Amortization	118,150	118,200	50	0.0%
Bond Issuance Costs	175,243	42,500	(132,743)	0.0%
Total Non-operating Expenses	531,303	292,550	(238,753)	-81.6%
Total Non-operating Revenues/Exp.	1,604,956	1,406,250	198,706	14.1%
Increase (decrease) in net position, before capital contributions	707,995	489,350	218,645	44.7%
Water Capacity Fee	14,520	57,000	(42,480)	-74.5%
Sewer Capacity Fee	65,664	78,000	(12,336)	-15.8%
Capital Grant Income	735,330	750,000	(14,670)	-2.0%
Developer Contributions of Systems	-	-	-	0.0%
Total Capital Contributions	815,514	885,000	(69,486)	-7.9%
Change in net position	\$ 1,523,509	\$ 1,374,350	\$ 149,159	10.9%
Net position, beginning of the fiscal year	\$ 60,544,222			
Net position, December 31, 2024	\$ 62,067,731			

Budget to Actual Highlights

Operating Revenues: Actual operating revenues are \$8,508,382 versus budgeted operating revenues of \$8,478,400 which results in a variance of \$29,982 or 0.4% over budget. The following is a summary of material/selected variances¹ for the Operating Revenue categories:

- Water Service revenues are above budget by \$30,587 or 0.7% and Sewer Service revenues are above budget by \$46,205 or 1.4%. Billed consumption levels were very close to the prior year which is what budgeted consumption levels are based on. Billed water consumption for the first half of fiscal year (FY) 2024 increased 53 million gallons from 1,074 million gallons billed during the first quarter of FY 2024 to 1,127 million gallons billed during the first quarter of FY 2025.

Total Operating Expenses: Total operating expenses are \$10,043 or 0.1 % over budget. It is early in the budget year so some of these line items may come more in line with budget as the year progresses. The following is a summary of material/selected variances for the Operating Expenses categories:

- While Operations expense is currently under budget by \$26,164 or 1.5%, this line item will be affected by the Palmetto Electric rate increases that went into effect January 1st so it is expected that this will come in over budget during the 2nd half of the fiscal year. Preliminary Palmetto Electric estimates indicate a 6% average increase.
- Maintenance expense is currently under budget by \$102,621 or 12.9%. This line item may come closer to budget in the second half of the fiscal year when the PSD often initiates additional sewer preventative maintenance work.
- Purchased Water is over budget by \$318,913 or 49.2% due to more gallons purchased than estimated during budget preparation. Budgeted purchased water is based on prior year purchases. The District purchased 151 million gallons more gallons (net of Broad Creek purchases and water used to fill the ASR) during the first half of FY 2025 than was purchased during the same period last year. This increase was partially attributable to the 53 million gallon increase in billed consumption coupled with a 54 million gallon decrease in RO Plant production for the first half of the year due to repairs being performed at the RO plant. The remaining difference may be related to timing as the PSD's customer billing cycle periods are not based on calendar months while purchased water expense from BJWSA is based on a calendar month end billing cycle. However, the District is also carefully monitoring increases in non-revenue water. While it can be difficult to fully track this metric due to billing timing differences, the District is considering including another leak detection initiative in response to increasing non-revenue water percentages.

¹ In most cases, a variance of more than \$100,000 or 10% constitutes a material variance for quarterly reports. Water and Sewer Variances are typically discussed regardless of their variances given that they are the two main drivers for the District's overall revenue.

Non-Operating Revenues: Actual non-operating revenues are \$2,136,259 versus budgeted non-operating revenues of \$1,698,800 which results in a variance of \$437,459 or 25.8% over budget. This is mostly related to Interest Income which is \$341,406 over budget in line with continued higher market interest rates as well as interest earned on the 2024B Bond Proceed Funds which was not budgeted. Staff endeavors to keep all cash not needed for current operations in the SC Local Government Investment Pool which is still seeing rates over 4.5%. Interest was conservatively budgeted at 3.25%.

Capital Contributions: Capacity fees, capital grant income, and developer contributions of systems came in \$69,486 under budget. These may catch up to budget as the year progresses. This report does not consider the \$1,500,000 budgeted capital contribution related to the US 278 bridge project and associated SCDOT reimbursement as that has not commenced yet.

Statements of Net Position

Table A-2 below and on the following page contains the District's Statement of Net Position as of December 31, 2024, compared to the end of the prior fiscal year, June 30, 2024.

Table A-2
Hilton Head PSD
Statements of Net Position

	December 31	June 30
	2024	2024
Assets		
Current Assets		
Cash and Cash Equivalents Available for Operations	\$ 16,498,451	\$ 13,876,252
Cash and Cash Equivalents in Banks (Restricted)	22,418,844	1,705,042
Cash and Cash Equivalents Held by Beaufort County Treasurer (Restricted)	1,384,844	624,037
Accounts Receivable - Trade, net	1,636,861	1,885,583
Accounts Receivable - Grants	445,830	-
Accounts Receivable - Connection Grants	10,980	126,793
Lease Receivable, due within one year	183,623	465,316
Sewer and Capacity Assessments, due within one year	123,255	208,595
Inventory	498,402	495,589
Prepaid Expenses	501,442	344,453
Total current assets	43,702,532	19,731,660
Noncurrent Assets		
Property, Plant and Equipment		
Nondepreciable Assets	5,310,721	3,405,985
Depreciable Assets, net	59,853,094	61,870,342
Total Property, Plant and Equipment	65,163,815	65,276,327
Lease Receivable, due after one year	1,148,419	1,148,419
Sewer and Capacity Assessments, due after one year	1,913,486	1,897,615
Total Noncurrent Assets	68,225,720	68,322,361
Total Assets	111,928,252	88,054,021
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	722,277	722,277
Deferred Outflows from Refinancing Debt	91,027	209,177
Total Deferred Outflows of Resources	813,304	931,454
Total Assets and Deferred Outflows of Resources	\$ 112,741,556	\$ 88,985,475

Table A-2
Hilton Head PSD
Statements of Net Position (continued)

	December 31	June 30
	2024	2024
Liabilities		
Current Liabilities		
Payable from Unrestricted Assets:		
Accounts Payable-Trade	\$ 542,162	\$ 410,247
Accounts Payable-Construction	194,185	173,974
Finance Purchase Liabilities, due within one year	32,543	80,921
Customer Deposits	134,150	184,696
Unearned Revenue	46,390	15,210
Accrued Payroll & Other Liabilities	550,340	575,379
Total Current Liabilities Payable from Unrestricted Assets	1,499,770	1,440,427
Payable from Restricted Assets:		
Interest Payable	150,516	27,255
Unearned Grant Revenue	710,500	1,000,000
Notes Payable, due within one year	72,190	144,020
Bonds Payable, due within one year	3,390,233	3,390,233
Total Current Liabilities Payable from Restricted Assets	4,323,439	4,561,508
Total Current Liabilities	5,823,209	6,001,935
Noncurrent Liabilities		
Finance Purchase Liabilities, due after one year	-	-
Notes Payable, due after one year	3,909,992	1,642,562
Bonds Payable, due after one year	34,129,862	13,729,862
Net Pension Liability	5,081,463	5,081,463
Total Noncurrent Liabilities	43,121,317	20,453,887
Total Liabilities	48,944,526	26,455,822
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	161,707	161,707
Deferred Inflows Related to Lease Revenue	1,567,592	1,823,724
Total Deferred Inflows of Resources	1,729,299	1,985,431
Total Liabilities and Deferred Inflows of Resources	50,673,825	28,441,253
Net Position		
Net Investment in Capital Assets	43,627,469	46,323,932
Restricted for Debt Service & Grants	2,841,040	1,301,824
Unrestricted	15,599,222	12,918,466
Total Net Position	62,067,731	60,544,222
Total Liabilities, Deferred Inflows of Resources & Net Position	\$ 112,741,556	\$ 88,985,475

Statement of Net Position Highlights

As of December 31, 2024, total assets and deferred outflows of resources are \$112.7 million, exceeding liabilities and deferred inflows of resources by approximately \$62.1 million (See Table A-2, Pages 5-6).

Current Assets/Liabilities/Debt

The large increase in unrestricted cash is mainly related to the 2024A GO SRF loan reimbursements of previously incurred SCIIP/ARPA project preliminary engineering costs and the large increase in restricted cash in banks is mainly related to the receipt of the 2024B GO Bond proceeds. Other increases/decreases in current assets and current liabilities are mainly timing related. The decrease in current lease receivable is due to the scheduled receipt of several current year tower lease payments in the first half of the fiscal year and the increase in prepaid expenses is related to the filling of the ASR which is recorded as prepaid water.

Of the \$1,000,000 allocation of ARPA funds from Beaufort County for the Leg-O-Mutton Booster Pump Station and RO Generator project, \$710,500 remains on these statements as restricted cash in banks and restricted unearned grant revenue. During the 2nd quarter of FY 2025, \$289,500 was spent on the RO Generator project and recognized as Grant income on these statements. The remaining generator and LOM Booster Pump funds will be recognized as revenue when those actual construction expenditures are made. The District expects to expend these funds in upcoming quarters. Additionally, these statements reflect a new Accounts Receivable – Grants line item for SCIIP grant expenditures incurred in November and December that were reimbursed in January 2025.

Long term notes payable increased by the reimbursements made through December 31, 2024, on the 2024A SRF GO Loan. Long-term bonds payable increased due to the issuance of the 2024B GO bonds.

Net Position

Changes in net position resulting from operating and non-operating revenues, expenses and capital contributions increased \$1,523,509 since June 30, 2024. Net position invested in capital assets has decreased \$2,696,463 due to asset activity (including depreciation) and related debt activity, while net position restricted for debt service and grants has increased \$1,523,216 related to the timing of debt payments. Unrestricted net position has increased \$2,680,756.

Capital Assets

Table A-3 on the following page presents a comparison of capital expenditures to date against the FY 2025 capital budget. The table only shows work for which the District has been invoiced through December. Planning and preliminary work has been started on many of these projects that will be completed, invoiced, and reported in upcoming quarters.

Net property, plant and equipment has decreased by \$112,512 during the first half of FY 2025. Total additions and transfers of \$2,562,316 were offset by depreciation of \$2,674,828.

Table A-3

CIP Projects - Capital

		Expended as of 12/31/2024	2025 Approved Amount	Remaining/ Variance
WWTP				
WWTP Switch Gear for generator	Replace generator switch gear	-	\$ 350,000	\$ (350,000)
Reuse Water System	Upgrades/improvements to reuse system	5,894	100,000	(94,106)
Return Activated Sludge Building	Install new isolation valve	-	75,000	(75,000)
Transfer Pump Building	Electrical repairs and improvements	-	89,500	(89,500)
Filter Building Blowers	Replace 1 of 2 filter blowers	5,274	55,500	(50,226)
Nutrient Monitoring	Ammonia & Nitrate Probes-Aeration basin	59,052	55,000	4,052
Grit Chamber	Sandblast & Coat Bridge #2	-	35,000	(35,000)
RAS Pumps	Replace 2 RAS building pumps	23,005	86,000	(62,995)
Clarifier	Coating/Refurb-Clarifier #1 Gear bx/arm	10,559	30,000	(19,441)
Paint Buildings and Tank	Paint buildings and tanks	-	50,000	(50,000)
Influent Screen	Backup to band screen	-	\$ 750,000	\$ (750,000)
System Rehab	Replace equipment, valves and actuators	101,076	200,000	(98,924)
Band Screen	New chain & rehab of existing screen	39,960	40,000	(40)
Sludge Building	Repair metal shed sludge handling bldg	6,538	65,000	(58,462)
(RAS) Pump Actuators	Replace 2 actuators	-	60,000	(60,000)
TOTAL WWTP		251,358	2,041,000	(1,789,642)
Collection System				
Gravity Main Refurbishment	Gravity main line repairs and relining	620,957	660,000	(39,043)
Lift Stations - Control Panels	Replace lift station control panels	21,310	150,000	(128,690)
Lift Stations - Rehab	Rehab and pumps - 112054600	123,083	350,000	(226,917)
District Funded MSP Projects	District Funded MSP Projects	12,240	75,000	(62,760)
System Rehab	Replace pipes, manholes, laterals, etc.	-	200,000	(200,000)
LPS Changeouts	LPS Changeouts	23,247	-	23,247
TOTAL COLLECTION SYSTEM		800,837	1,435,000	(634,163)
Distribution System				
RO Plant	Replace actuator-booster pump #3	-	40,000	(40,000)
Fire Hydrants	New and replacement hydrants	-	115,000	(115,000)
US 278 Bridge Relocation Project	Engineering for relocation of 24" main	-	1,500,000	(1,500,000)
Metering System	Changing out meters & base stations	345,416	550,000	(204,584)
Ground storage tanks, wells, BPS	VFD's, PLC's	-	75,000	(75,000)
System Rehab	Replace valves, equipment, RO membranes etc	71,705	100,000	(28,295)
TOTAL DISTRIBUTION SYSTEM		417,121	2,380,000	(1,962,879)
Facilities and Equipment				
SCADA Improvements	Wildhorse, Seabrook, & Ashmore upgrades	6,074	169,000	(162,926)
Admin Building	Building improvements, furniture, etc.	4,456	30,000	(25,544)
Technology	General computer equipment	17,515	30,000	(12,485)
Vehicles	Fleet replacements	-	250,000	(250,000)
Operations Equipment - Water	Line locator equipment	-	25,000	(25,000)
Operations Equipment - Sewer	Camera to inspect gravity sewer lines	-	35,000	(35,000)
Operations Equipment	Shoring and well points	-	25,000	(25,000)
Bypass Pumps	Pumps to bypass lift stations, etc.	36,058	50,000	(13,942)
TOTAL FACILITIES AND EQUIPMENT		64,103	614,000	(549,897)
TOTAL NON ARPA RATE FUNDED CIP PROJECTS		\$ 1,533,419	\$ 6,470,000	\$ (4,936,581)
ARPA Projects - See recap on following page		\$ 1,028,897	6,000,000	
Less: Projects carried over from FY 2024			\$ (1,175,000)	
Total FY 2024 Additions/Budgeted Amount		\$ 2,562,316	\$ 11,295,000	

Capital Assets(continued)

SCIIP/ARPA Projects

The District is also moving forward with capital projects that will utilize the Beaufort County ARPA allocation and the SCIIP Grant. Please find below a recap of the status of those projects through December 31, 2024 as well as a recap of the project totals and funding sources to date. Staff will update the schedules below for any necessary change orders or miscellaneous project costs necessary as the projects progress. District staff will also be monitoring bond proceed funds for potential arbitrage earnings and may make recommendations to use bond proceeds for larger rate funded budgeted items such as the gravity sewer relining and influent screen projects depending upon the timing of grant project invoicing.

SCIIP/ARPA Projects	External Funding	Spent As Of 06/30/2024	FY 2025 to date	Grand Total	Project Total	Remaining/ Variance
LOM Booster Pump	Bft Cnty ARPA	\$ 205,030	\$ 33,641	\$ 238,671	\$ 2,337,336	\$ (2,098,665)
RO Plant Expansion	SCIIP	659,291	847,793	1,507,084	12,242,000	(10,734,916)
RO Wells	SCIIP	368,181	83,348	451,529	10,322,843	(9,871,314)
ASR 2	SCIIP	666,361	64,115	730,476	7,441,448	(6,710,972)
Grand Total		\$ 1,898,863	\$ 1,028,897	\$ 2,927,760	\$ 32,343,627	\$ (29,415,867)

Projects	Misc. Admin, Esmt, Legal, Etc. Expenses	Preliminary Engineering Contract	Construction Engineering Contract	Construction Contract	Construction C/O Contracts	Project Total
LOM Booster Pump	\$ 150	\$ 197,000	\$ 140,000	\$ 1,999,807	\$ 379	\$ 2,337,336
Water Supply Planning	226,126	-	-	-	-	226,126
RO Plant Expansion	-	693,000	1,026,000	10,523,000	-	12,242,000
RO Wells	26,005	401,000	799,450	9,096,388	-	10,322,843
ASR 2	516	723,000	860,550	5,857,382	-	7,441,448
Total	\$ 252,796	\$ 2,014,000	\$ 2,826,000	\$ 27,476,577	\$ 379	\$ 32,569,752
Funding Sources						
SRF Loan, net	(252,796)	(2,011,204)	(296,429)	-	-	(2,560,429)
SCIIP Grant	-	-	-	(10,000,000)	-	(10,000,000)
BC ARPA	-	-	-	(1,000,000)	-	(1,000,000)
Net of Grants/SRF	\$ -	\$ 2,796	\$ 2,529,571	\$ 16,476,577	\$ 379	\$ 19,009,323
2024B Bond Proceeds, net of closing costs						(20,268,791)
Remaining available for Screw Pumps, Change Orders, ASR Purchase Water, Etc.						\$ (1,259,468)

Statement of Cash Flow

The cash flow statement presents cash flows from operating, investing and financing activities. The statement of cash flows provides the preparers and users of the statements the following:

- ✓ Enables the assessment of the amounts, timing and uncertainty surrounding future cash flows.
- ✓ Furnishes reconciliation between net income and cash flows from operations.
- ✓ Indicates the impact on the District's financial status of its investing, debt, and financing transactions.
- ✓ Provides information about the District's cash receipts and cash payments for the period.
- ✓ Provides the change in cash and cash equivalents for the period.
- ✓ Ties to page 5, Statements of Net Position under current assets and restricted assets.

Unrestricted cash available for operations increased \$2,622,199 from \$13,876,252 as of June 30, 2024 to \$16,498,451 as of December 31, 2024.

Restricted cash in banks for grants and debt service has increased \$901,670 from \$705,042 as of June 30, 2024, to \$1,606,712 as of December 31, 2024, in accordance with revenue debt payment activity.

Restricted cash held at the SC Local Government Investment Pool has increased from the restricted \$1,000,000 Beaufort County allocation of ARPA funds that was deposited at the SC Local Government Investment Pool during November 2022 to \$20,812,132 which includes the unspent 2024B GO bond funds (including interest) and the remaining \$710,500 of unspent Beaufort County ARPA funds.

Restricted cash held by Beaufort County has increased \$760,807 from \$624,037 on June 30, 2024, to \$1,384,844 as of December 31, 2024, in accordance with GO debt activity.

Total combined unrestricted and restricted cash has increased \$24,096,808 since June 30, 2024.

TABLE A-4
Hilton Head PSD
Statement of Cash Flows

	December 31	June 30
	2024	2024
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 8,801,755	\$ 15,002,135
Cash Paid to Suppliers	(5,298,254)	(8,861,278)
Cash Paid to Employees	(1,485,187)	(3,172,271)
Other Revenues	20,615	29,628
Net Cash Provided by Operating Activities	2,038,929	2,998,214
Cash Flows from Investing Activities		
Interest Income	559,506	900,541
Net Cash Provided by Investing Activities	559,506	900,541
Cash Flows from Noncapital Financing Activities:		
Property Taxes Collected - Operations Levy	486,777	1,305,973
Rental and Tower Lease Income	448,438	736,682
Sewer Assessments Collected	63,232	163,281
Sewer Assessments Financed	(20,592)	(120,362)
Net Cash Provided by Noncapital Financing Activities	977,855	2,085,574
Cash Flows from Capital and Related Financing Activities:		
Capacity Fees	80,184	1,381,832
Capacity Fee Assessments	26,829	73,856
Property Taxes Collected - G.O. Debt Levy	665,939	1,793,252
Interest Paid	(114,648)	(284,689)
Proceeds from Series 2024A GO SRF Loan	2,267,430	-
Proceeds from Series 2024B GO Bonds	20,400,000	-
Bond Issuance Costs	(175,243)	-
Principal Payments on Financed Purchase, Bonds and Notes	(120,208)	(3,729,765)
Proceeds from Capital Grant	-	-
Proceeds from Sale of Property, Plant and Equipment	32,340	50,826
Purchases of Property, Plant and Equipment	(2,542,105)	(3,653,586)
Net Cash Used by Capital and Related Financing Activities	20,520,518	(4,368,274)
Net Increase (Decrease) in Cash	24,096,808	1,616,055
Cash and Cash Equivalents at Beginning of Year	\$ 16,205,331	\$ 14,589,276
Cash and Cash Equivalents at End of Year	40,302,139	\$ 16,205,331

TABLE A-4
Hilton Head PSD
Statement of Cash Flows

Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	December 31 2024	June 30 2024
Operating Income (Loss)	\$ (896,961)	\$ (2,232,789)
<i>Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:</i>		
Depreciation	2,674,828	5,215,476
Decrease in Allowance for Doubtful Accounts	-	-
Difference Between GASB 68 and Actual Contributions	-	(112,579)
<i>Changes in Assets and Liabilities</i>		
Accounts Receivable - Trade	248,721	810
Accounts Receivable - Project SAFE	115,813	(87,483)
Inventories	(2,813)	89,736
Prepaid Assets	(156,989)	(21,125)
Accounts Payable - Trade	131,915	47,361
Customer Deposits	(50,546)	(52,671)
Other Accrued Liabilities	(25,039)	151,479
Net Cash Provided by Operating Activities	\$ 2,038,929	\$ 2,998,214

Schedule of Cash and Cash Equivalents

Available for Operations

Demand Deposits (interest and non-interest bearing)	\$ 1,452,743	\$ 1,657,454
Certificate of Deposit Cash Equivalent	3,000,000	-
SC Local Government Investment Pool	11,473,798	12,135,350
Held by Beaufort County Treasurer	571,910	83,448
Total Available for Operations	\$ 16,498,451	\$ 13,876,252

Restricted

Cash in Banks	\$ 1,606,712	\$ 705,042
SC Local Government Investment Pool	20,812,132	1,000,000
Held by Beaufort County Treasurer	1,384,844	624,037
Total Restricted	\$ 23,803,688	\$ 2,329,079

Total Cash and Cash Equivalents	40,302,139	\$ 16,205,331
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Supplemental Disclosures

Noncash Financing Activities:

Developer Contribution of Systems	\$ -	\$ 863,172
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Financial Ratio Analysis

The analysis of financial statement ratios can be a useful tool when evaluating the financial performance of a business entity. Specifically, ratio analysis can identify a business's strengths and weaknesses.

The following table contains ratio benchmarks as determined by the District's financial advisors and the District's financial ratios for the current fiscal year, prior fiscal year to date, and the end of the past fiscal year. The ratios examined below are some of the metrics most commonly examined by the District's rating agencies.

Financial Ratios					
	Benchmarks	Dec 2024 to Dec 2023	December 2024	December 2023	June 2024
Current Ratio	> 6.00	Benchmark Met	13.27	12.93	12.08
Operating Ratio	< 0.60	Benchmark not met	0.81	0.78	0.80
Days Cash on Hand	>120	Benchmark Met	472	421	416
Accounts Receivable (days of revenue)	< 35	Benchmark Met	21	25	27
Long-Term Debt to Net Position	< 0.75	Benchmark Met	0.61	0.33	0.25
Debt Coverage Ratio Projection	>150%	Complies with Bond Covenants	245%	251%	303%

Liquidity Ratios

Liquidity ratios indicate the ability of a company to meet current financial obligations as they become due. As calculated in this section, a higher ratio indicates more of an ability to meet these obligations.

The Current Ratio

The Current Ratio (current non-restricted assets over current liabilities to be paid from non-restricted assets) was 13.27 at December 31, 2024 which is greater than the benchmark of 6.0. Current non-restricted assets increased by \$3,136,276 and current liabilities to be paid from non-restricted assets increased by \$203,496 since December 31, 2023. The increase in current assets is mostly related to increases in cash due to 2024A SRF GO loan reimbursements and higher interest income than budgeted during FY 2025. This ratio would be expected to decrease if cash reserves decrease.

The Operating Ratio

The operating ratio, total operating expenses less depreciation to operating revenues, indicates a company's level of operating expenses in comparison to operating revenue. As calculated in this section, a higher ratio indicates a higher level of expense in comparison to operating revenue. The current operating ratio is 0.81 compared to the December 31, 2023 ratio of 0.78 and is higher than the established benchmark of less than 0.60. Total operating expenses less depreciation increased \$1,005,108 while total operating revenues increased \$777,082. While this benchmark has not been met, any value less than 1.0 indicates that operating expenses less depreciation are being fully covered by operating revenues. Movement towards the benchmark would allow more operating funds on an annual basis to fund CIP projects.

Days Cash on Hand

The days cash on hand ratio measures how many days a company can pay its expenses. The formula for this ratio is current unrestricted cash and investments plus any restricted cash and investments available for general system purposes divided by operating expenditures minus depreciation, divided by 365. A higher days of cash on hand ratio is more desirable as it indicates that an entity has more cash to cover its expenses. The days cash on hand ratio exceeds its benchmark and is 472 as of December 31, 2024, compared to 421 as of December 31, 2023. As noted for the current ratio, this would be expected to decrease should cash reserves be decreased.

The Accounts Receivable (Days of Revenue) Ratio

The Accounts Receivable (Days of Revenue) ratio indicates the level of accounts receivable in comparison to the level of revenues being collected over a 12-month period (last 12 months or LTM). As calculated in this section, a higher ratio may indicate that receivables are growing in disproportion to revenues. The ratio is calculated by dividing accounts receivable by the average days' operating revenues.² This ratio decreased to 21 at December 31, 2024 compared to 25 at December 31, 2023. Both years meet the benchmark of lower than 35 and indicate that the District is carrying less than one month's worth of receivables which is in line with its monthly billing schedule.

Leverage Ratios

The following leverage ratio indicates how much debt the District has in relationship to its net position. As calculated in this section, a higher ratio indicates a higher level of debt in comparison to the net position.

The Long-term Debt to Net Position Ratio

The Long-term Debt to Net Position ratio, long term debt divided by the net position, is 0.61 and has increased from the December 31, 2023, ratio of 0.33. While the issuance of the new 2024 GO debt increased this ratio, it still meets the benchmark of less than 0.75. Long-term debt was increased by \$19,052,256 while the net position has increased by \$3,973,982.

Debt Coverage

Bond covenants require that the District maintain and collect rates and charges that together with income are reasonably expected to yield annual net earnings equal to at least the sum of one hundred twenty percent (120%) of annual principal and interest requirements for all revenue bonds outstanding. As of December 31, 2024, the debt service projection calculation is 245% which exceeds the fiscal year 2025 budgeted debt coverage ratio of 228%, the required ratio of 120%, and the target rate of 150%.

² For purposes of this analysis, accounts receivable is defined as those trade receivables excluding extraordinary receivables, unbilled revenue, tower lease revenue, and notes receivable. This ratio is derived using the LTM revenues.

Customer Growth

Total water/irrigation service EDUs have increased by 74 since June 30, 2024, for a total of 19,840 EDUs. This is a 0.37% increase for fiscal year 2025 compared to the 0.24% increase experienced during last fiscal year. The current EDUs include 18,724 water service units, 1,035 irrigation service units, and 81 miscellaneous water units such as dock meters, hydrants, pool meters, and golf course water coolers.

<i>Water / Sewer Connection Growth 12/31/24</i>						
<u>Date</u>	<u>Water & Irr. EDU's</u>	<u>Only Water EDU's</u>	<u>Change in Water EDU's</u>	<u>Sewer EDU's</u>	<u>Change in Sewer EDU's</u>	<u>% Sewer to Water EDU's</u>
06/30/24	19,766	18,653	N/A	17,863	N/A	95.76%
09/30/24	19,808	18,691	42	17,915	52	95.85%
12/31/24	19,840	18,724	32	17,953	38	95.88%
Change in EDU's			<u>74</u>		<u>90</u>	

Sewer service EDUs have increased by 90 since June 30, 2024, for a total of 17,953 EDUs. This is a 0.50% increase for fiscal year 2024 compared to 0.34% for fiscal year 2024. As shown in the above table, the sewer to water customer percentage has increased to 95.88%.

Fiscal Outlook

As of December 31, 2024, the District's financial condition is stable.

Staff looks forward to discussing the second quarter fiscal year 2024 review of the District's financial condition at the February 26, 2025 Commission Meeting.



GM Monthly Report



To: Hilton Head PSD Commission
From: Pete Nardi, General Manager
Re: PSD Updates

February 18, 2025

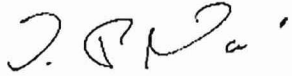
Dear Commissioners, please see below the following updates:

- We are experiencing demand of approx. 6 million gallons a day (mgd), which is normal for this time of year and prevailing weather conditions, and includes Aquifer Storage & Recovery recharge.
- S.C. Infrastructure Investment Program (SCIIP) Projects Update:
 - **RO Plant Expansion**
 - Finalizing shop drawings.
 - Preparing for equipment delivery/storage at plant.
 - Mobilization moved up to July 2025.
 - **RO Well #4, ASR Well #2, and Transmission Mains**
 - Town building permit received for RO Well #4 project.
 - Mobilization is underway at RO Well #4 site.
 - News release sent to urge driver caution in the vicinity of RO Well #4.
 - Monitoring well at RO Well #4 site will be drilled first.
 - Town building permit application submitted for ASR #2.
 - **Leg O'Mutton Water Booster Station**
 - Town building permit received.
 - Silt fence installed.
 - Prepping for asphalt demolition.
- **Pipeline Relocation:**
 - I have attended workshops of County Council and Town Council related to the bridge project. Frank Turano, Jerry Cutrer, Andy Paterno and I attended a joint County Council-Town Council workshop on Feb. 12.
 - Beaufort County has allocated \$6.5 million for the pipeline relocation. This amount is in addition to the approximately \$9 million that 4.5% of the revised transportation project cost estimate would generate for the pipeline relocation. It is very important to note that the 4.5% will be based on "the original construction bid amount of the transportation improvement project," per state law.
 - We received a high-level estimate of \$15.2 million for the pipeline relocation. Preparing for construction bids in the \$20-million range appears to remain appropriate.
 - At its Feb. 18 meeting, Town Council stated that it would make the "PSD being made whole" as its top priority for a joint resolution between itself and County Council on the transportation project.
- Frank Turano and I met this month with Tom Hopkins, the new chair of the Broad Creek PSD Commission.

- The consultants working on our wholesale rate agreement with Beaufort-Jasper Water & Sewer Authority presented preliminary findings to staff this month. Our key concerns are being addressed. We are awaiting the consultants' first draft for Commission discussion.
- Bid opening for the Old House Creek subdivision low-pressure sewer project is set for Feb. 27. Three contractors appear to be interested.
- PSD staff is completing CPR/AED/Choking Response training with Hilton Head Fire Rescue this month.

As always, please do not hesitate to contact me if you have any questions.

All my best,

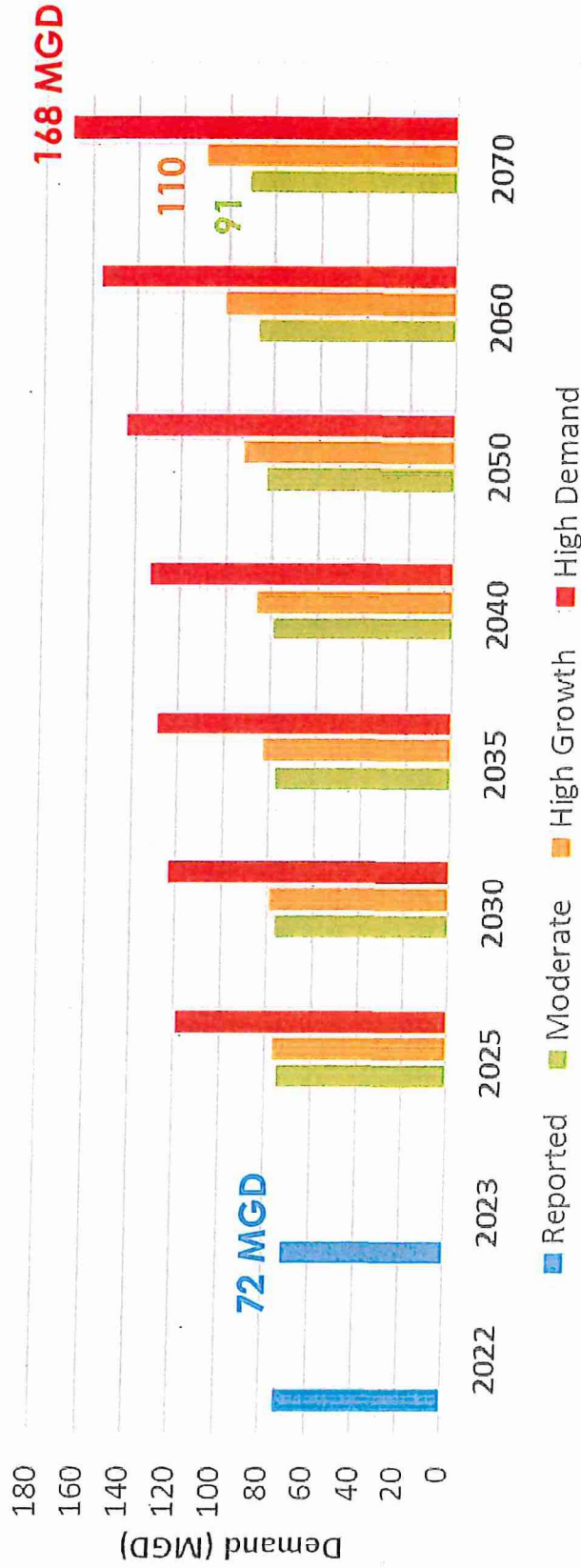


Pete Nardi
General Manager



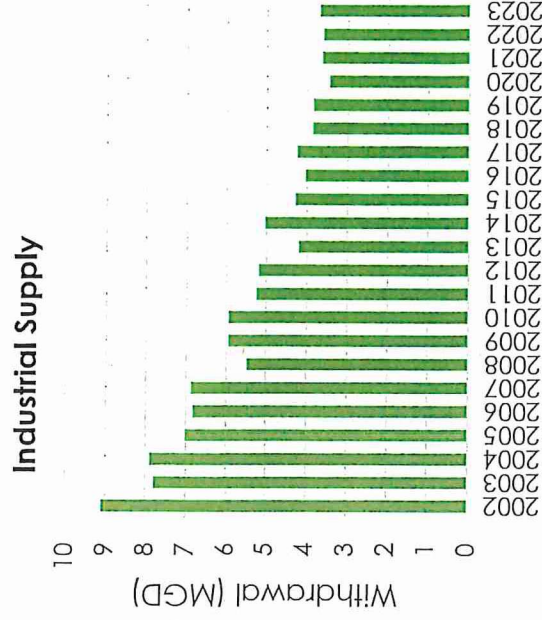
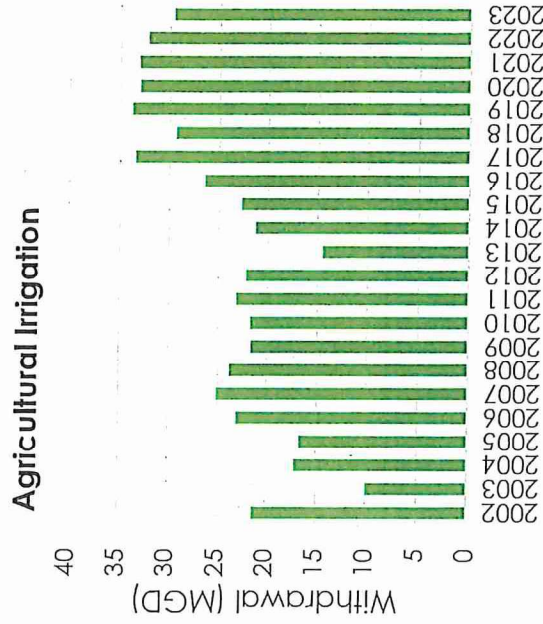
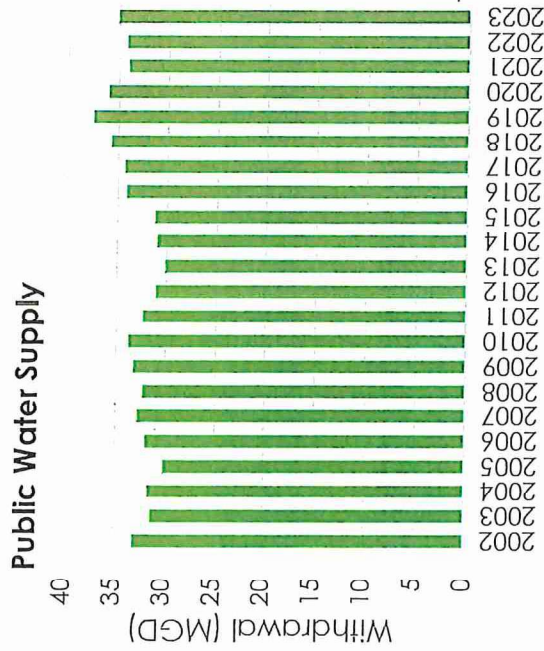
Groundwater Projections Lower Savannah and Salkehatchie Combined

GW Demand Projections - All Sectors



Moderate Demand Scenario: 26% Increase
High Growth Scenario: 53% Increase
High Demand Scenario: 133% Increase

Reported Groundwater Withdrawal Lower Savannah-Salkehatchie Basins

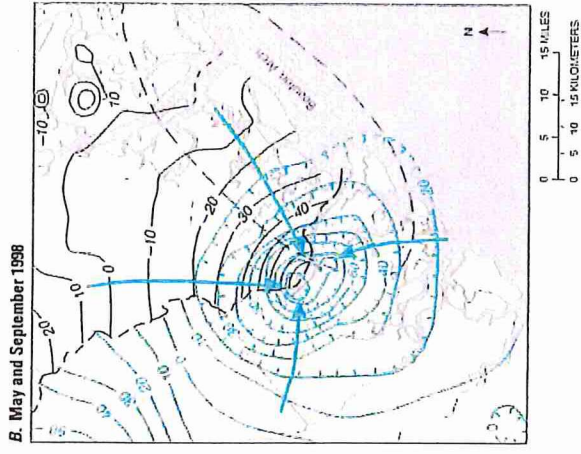
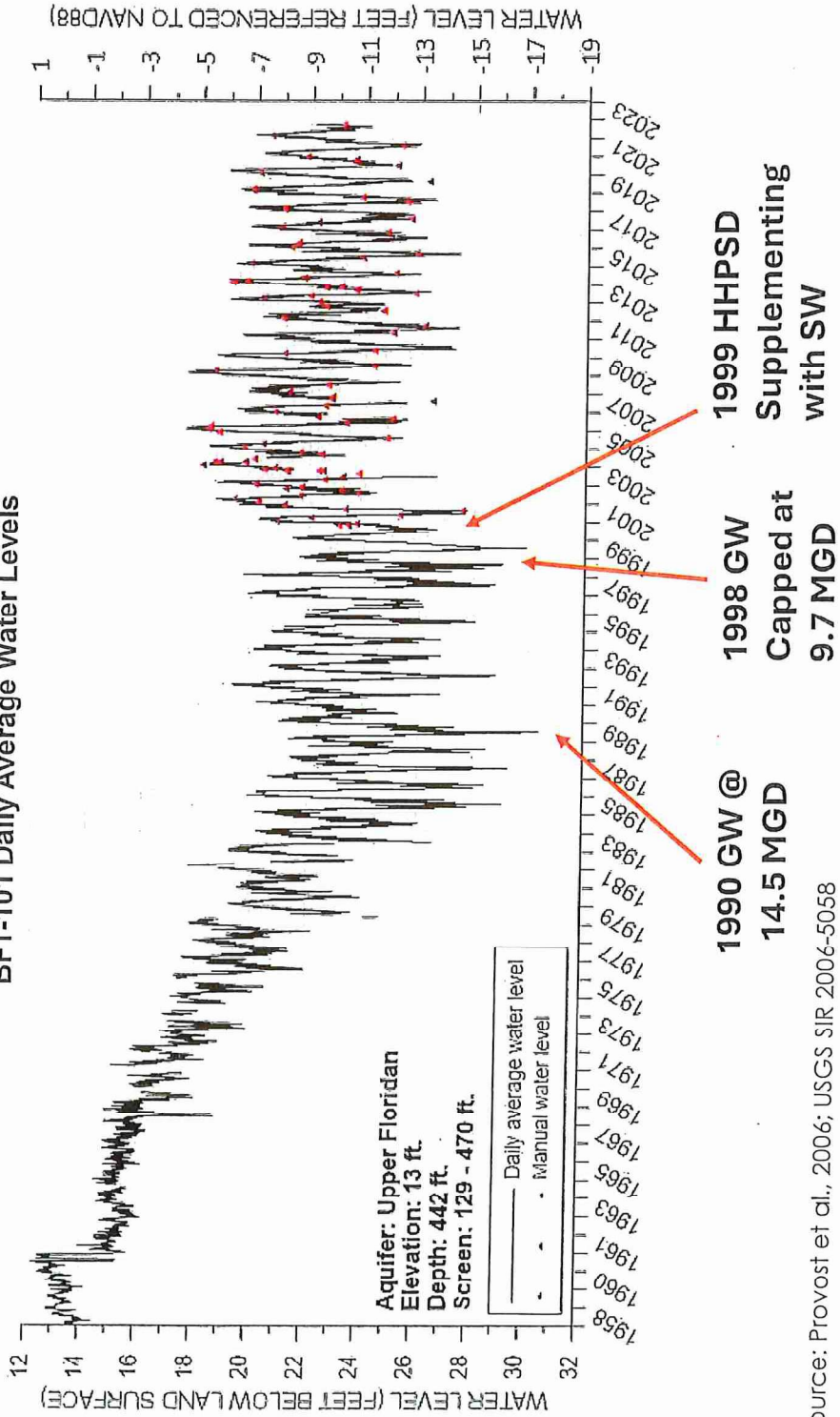


*note the y-axis of Industrial Supply

Upper Floridan Aquifer Hilton Head Island and Savannah, GA

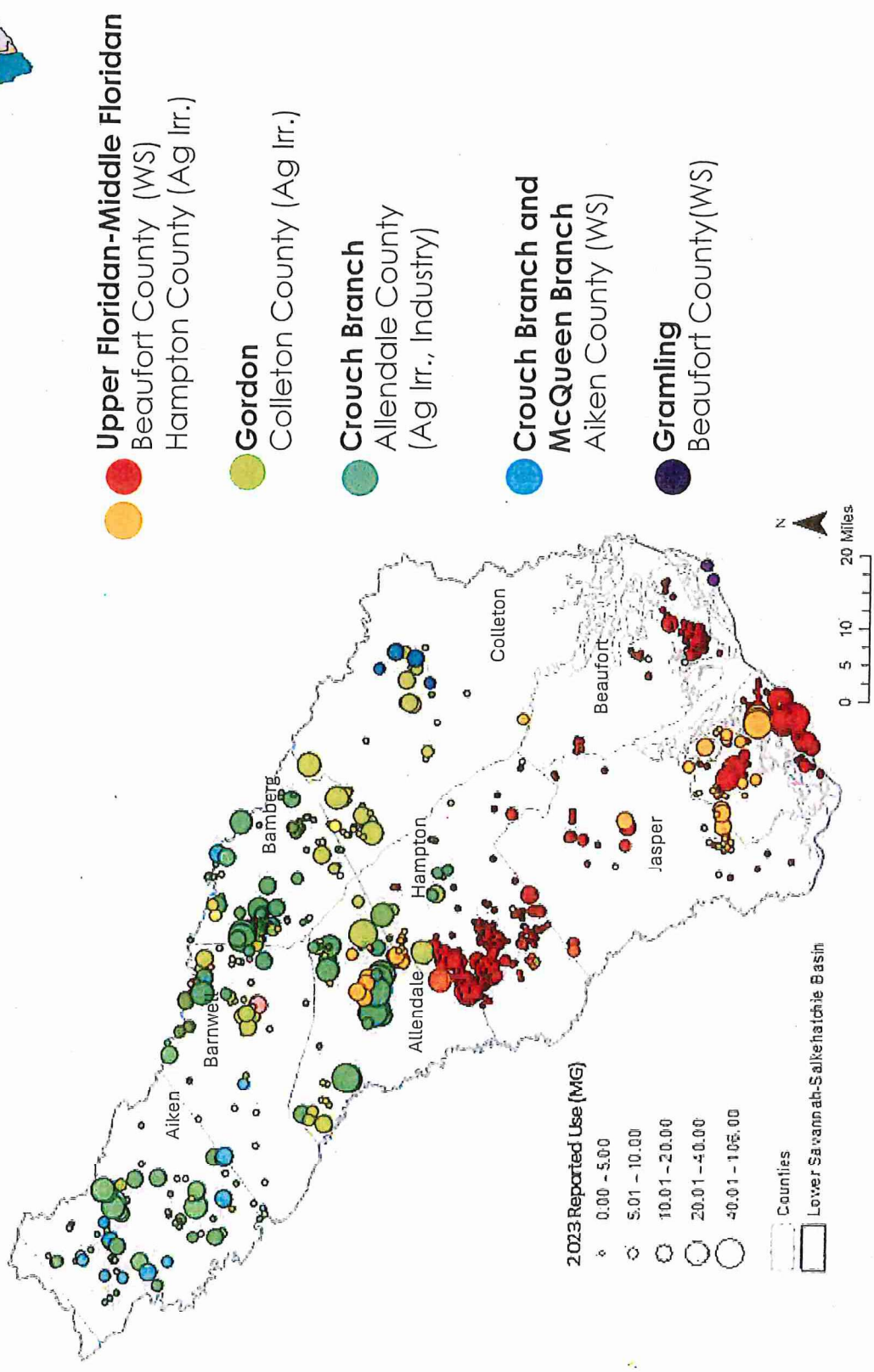


BFT-101 Daily Average Water Levels



**Reversal of flow and
loss of head drives
saltwater intrusion**

2023 Reported Groundwater Use by Aquifer in the Lower Savannah-Salkehatchie Basin



Aquifer(s)

- Surficial
- Upper Three Runs
- Upper Floridan
- Upper Floridan-Middle Floridan
- Middle Floridan
- Middle-Floridan-Gordon
- Gordon
- Floridan
- Gordon-Crouch Branch
- Crouch Branch
- Crouch Branch-McQueen Branch
- McQueen Branch
- Charleston
- Gramling
- Bedrock
- Unavailable

- **Upper Floridan-Middle Floridan**
- Beaufort County (WS)
- Hampton County (Ag Irr.)

- **Gordon**
- Colleton County (Ag Irr.)

- **Crouch Branch**
- Allendale County (Ag Irr., Industry)

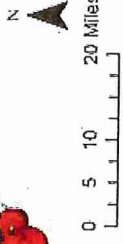
- **Crouch Branch and McQueen Branch**
- Aiken County (WS)

- **Gramling**
- Beaufort County (WS)

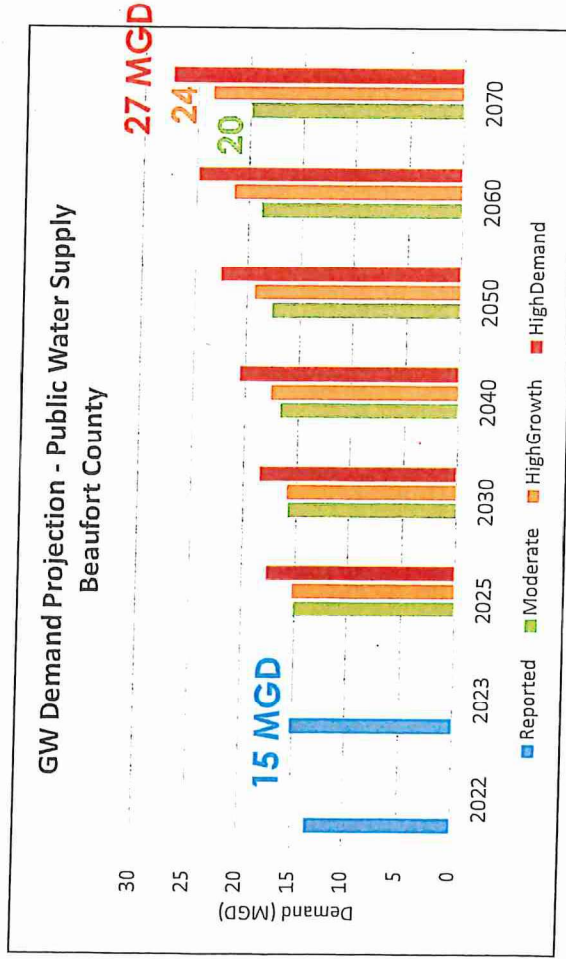
2023 Reported Use (MG)

- 0.00 - 5.00
- 5.01 - 10.00
- 10.01 - 20.00
- 20.01 - 40.00
- 40.01 - 105.00

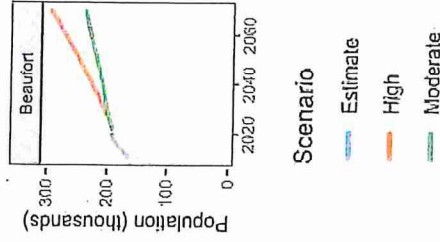
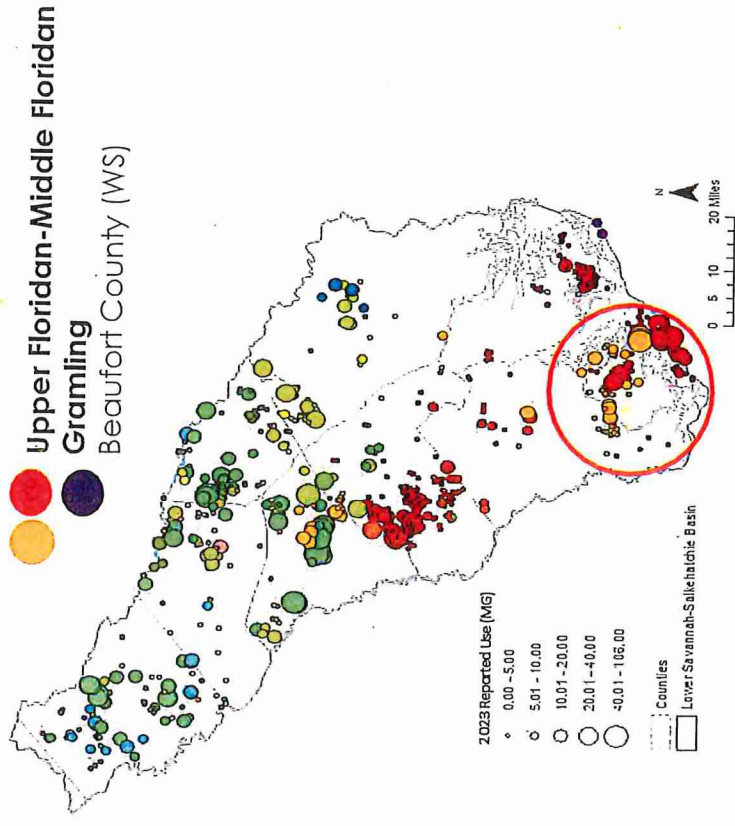
- Counties
- Lower Savannah-Salkehatchie Basin



Groundwater Projections – Public Water Supply Beaufort County



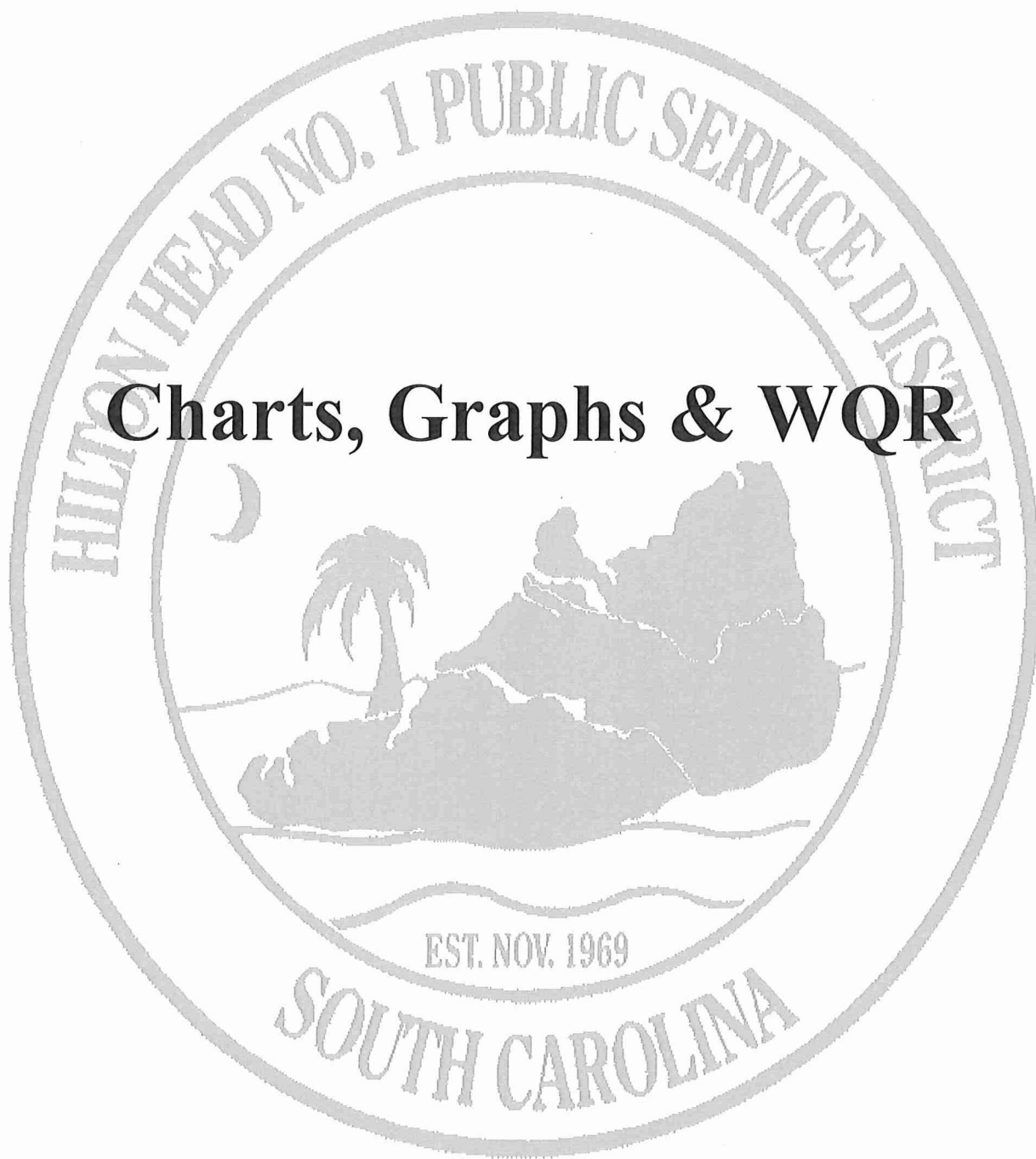
2023 Reported Groundwater Use by Aquifer in the Lower Savannah-Salkehatchie Basin



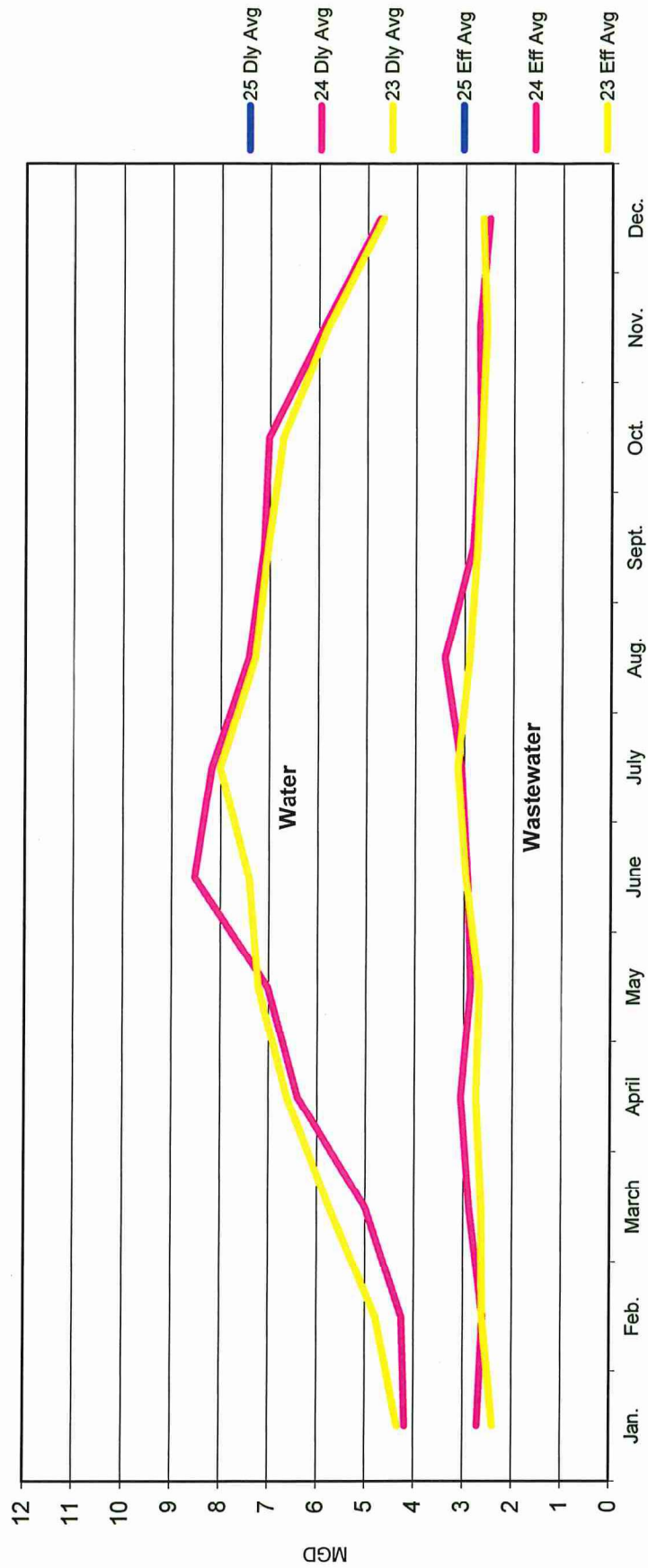
Observations

- Under current demand, aquifer levels are generally stable across most aquifers, declines are associated with past drought conditions (middle to upper basin) and both in, and out of basin demand (central coastal regions and Savannah, GA pumping).
- The largest water users in the LSS Basins are public water supply in Beaufort and Aiken Counties, water demand is expected to increase; supply side management should be continued to meet water supply demand and slow saltwater intrusion at the coast.
- Agricultural irrigation is expected to increase in counties located mid-basin; monitoring wells with continuous records are spatially limited to estimate potential future impacts.

Charts, Graphs & WQR



Water and Wastewater Average Flows



Water and Wastewater Peak Flow





Jan-25
Monthly Water Quality Report

Water Supply Source	MG Per Month:												% of Supply YTD	
	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.		YTD
Purchased	4.25												4.25	3.0%
RO Plant	119.26												119.26	84.0%
UFA Wells	18.28												18.28	13.0%
ASR Recovery	0.00												0.00	
Total	141.79												141.79	100.0%

System-wide Water Quality Testing

Type of Test	Results by Month												
	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Bacteriological	PASS												
Chlorine (avg)	2.2												
Ph (avg)	N/A												
Disinfection By-products (DBPs) (qtrly.)	In Compliance			In Compliance			In Compliance			In Compliance			
Hardness (range)	11 - 121 (WINTER - NO WELLS)			14 - 260 (SUMMER - WELLS/ASR ON)						(WINTER)			

Supply-specific Water Quality Ranges for This Month

Supply	Average Chlorine Residual	Within Acceptable Range? (Y/N)	Average Chloride Level (ppm)	Average Hardness (ppm)
BJWSA (supply)	2.24	Y		
RO Raw Water MFA Wells (range)	n/a	Y	160 - 459	98 - 204
Finished RO Water	2.47	Y		
Fire Station UFA	2.08	Y	61	135
Leg O' Mutton UFA	2.59	Y	128	221
Wild Horse UFA	2.10	Y	71	174
Seabrook UFA	2.37	Y	147	265
Union Cemetery UFA	1.86	Y		
ASR (recharge)	2.52	Y	46	63

Customer Inquiries

Type of Inquiry	Number of Inquiries	Resolved?	Comments
Low Pressure	5	y	
Customer break/leak	30	y	
PSD break/leak	11	y	
Water Outage	7	y	
Odor/Taste/Color	2	y	
Miscellaneous	96	y	
Sewer issues & Inspections	55	y	
Total	206		

Other Water Quality Notes for This Month
 1/15/2025 - Changed cartridge filters