

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

JULY 2026 AGENDA PACKET CONTENTS

1. Agenda for the July 22, 2026, Regular Commission Meeting
2. Draft Minutes of the June 17, 2026, Regular Commission Meeting
3. Memo from the Vice Chair on the GM Evaluation Process
4. FY'27 GM Evaluation Timetable
5. Memo from the GM on the Water and Sewer User Regulations
6. Resolution Amending Water and Sewer User Regulations
7. Exhibit A: Draft Water User Regulations
8. Exhibit B: Draft Sewer User Regulations
9. PSD Strategic Goals and Objectives, Adopted 7/23/25
10. 4th Quarter FY'26 Management Report
11. General Manager's Monthly Report
12. PSD Commission Candidate Filing Notice
13. Press Release Regarding Clemson's August 6th Carolina Yards Workshop
14. Charts, Graphs and Water Quality Report



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AGENDA

Hilton Head Public Service District Commission
9 a.m.
July 22, 2026
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 June 17, 2026, Regular Meeting
- VI. FY '27 General Manager Evaluation Timetable Adoption (Action)
- VII. Water and Sewer User Regulations Revisions Adoption (Action)
- VIII. Strategic Goals & Objectives Review
- IX. FY '26 Year-End Management Report
- X. General Manager's Monthly Report
- XI. Executive Session:
 - A. Under S.C. Code 30-4-70 (a) (2) ("Discussion of negotiations incident to proposed contractual arrangements...")
 - i. Advanced Metering Infrastructure
 - ii. WWTP Building Reconfiguration and HVAC Efficiency Study
- XII. Possible Action by Commission Concerning Matters Discussed in Executive Session
- XIII. Adjournment

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



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 JUNE 17, 2026

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 (via phone)	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
Ms. Amy Graybill	Finance Manager
Mr. Bill Davis	Operations Manager
Ms. Sarah Hickman	Water Quality Supervisor
Mr. Lawrence Flynn	Pope Flynn, LLC
Mrs. Connie Whitehead	Commission Recording Secretary

Visitors:

Mr. Randy Pugh	Old House Creek Resident
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III. Pledge of Allegiance

The Pledge of Allegiance was led by Mr. Frank Turano.

IV. Public Hearing on Series 2026 Front Foot Assessments

Key Discussion Points

- Mr. Turano opened the public hearing at 9:01 a.m.
- There was no public comment.
- The public hearing closed at 9:02 a.m.

V. Public Hearing on Capacity Fees

Key Discussion Points

- Mr. Turano opened the public hearing at 9:02 a.m.
- There was no public comment.
- The public hearing closed at 9:03 a.m.

VI. Public Comment on Non-Agenda Items

Key Discussion Points

- There was no public comment.

VII. Adoption of Draft Minutes of May 27, 2026, Commission Meeting

Key Discussion Points

- The draft minutes were revised to reflect that Mr. Bell moved to adopt the resolution authorizing the Series 2026 Front Foot Assessment Roll.

Action

- Mr. Paterno moved to adopt the draft minutes as amended. Mr. Marks seconded. The motion passed unanimously.

VIII. Adoption of Resolution Approving the Series 2026 Front Foot Assessments and Capacity Fees

Action

- Mr. Bell moved to adopt the resolution approving the 2026 Front Foot Assessments and Capacity Fees. Mr. Paterno seconded. The motion passed unanimously.
- Staff will draft a formal response to the three residents who formally objected to the Front Foot Assessments.

IX. Resolution in Appreciation of Sarah Hickman's Service to Hilton Head PSD

Action

- Mr. Nardi presented on behalf of the Board a resolution expressing appreciation of Sarah Hickman's service to Hilton Head PSD.
- Ms. Hickman, who has served as the PSD's water quality supervisor since July 2020, has accepted the position of Water Resources Manager for the City of Florence.

X. Review of General Manager Evaluation Process

Action

- Mr. Cutrer invited feedback on the current general manager evaluation process.
- There are no recommended changes.

XI. Review of Commission Meetings Fiscal Year Pipeline of Activities & Budget Process

Key Discussion Points

- Mr. Nardi presented the Fiscal Year Pipeline of Activities & Budget Process with two updates:
 - The Strategic Goals & Objectives review is listed as a standing item in July.
 - The review of the general manager evaluation process is listed as a standing item in June.
- Mr. Nardi suggested the Board revisit the PSD's participation in the workforce housing initiative at a future workshop.

XII. 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.

XIII. Executive Session

Action

- Mr. Bell moved to enter into executive session for the purpose of discussing contractual matters. Mrs. Soltys seconded. The motion passed unanimously.
- Executive Session began at 9:22 a.m.

XIV. Reconvene Regular Session

Action

- Regular session reconvened at 9:52 a.m.
- No action was taken as a result of executive session.

XV. Adjournment

Action

- Mr. Paterno moved to adjourn the meeting. Mr. Abdul-Malik seconded. The meeting adjourned at 9:59 a.m.



GM Evaluation Process



TO: Hilton Head PSD Board of Commissioners
FROM: Jerry Cutrer
SUBJECT: FY2027 GM Review Process
DATE: July 22, 2026

Section 1 of the Hilton Head PSD By-Laws summarizes the powers and duties of the Commission. The first item listed is to "Employ a General Manager and monitor that person's performance."

The following multi-step process for FY 2027 is recommended for Commission approval at the July 22, 2026 meeting:

1. Review and update the Strategic Goals & Objectives at the July Board meeting as the measure for evaluating the GM's performance.
2. Set a timetable for completing the review process.
3. Solicit Commissioner input and comments.
4. Chairman meet with GM to review prior year's "Attachment A" items for current status, consider ideas for next FY "Attachment A" items, obtain appropriate comparable compensation information, and consider ideas for alternate compensation.
5. Action by Executive Committee
 - a. Review each Commissioner's input and comments.
 - b. Review GM's Third Quarter Management Report and FY Highlights Report.
 - c. Develop a recommendation for GM's evaluation and compensation package.
 - d. Develop a draft evaluation letter to GM.
 - e. Distribute evaluation and compensation package recommendations to full Commission.
6. Full Commission (in Executive Session)
 - a. Review and comment on Executive Committee recommendations and draft GM evaluation letter.
 - b. Approve a final GM compensation package.
 - c. Approve final form of GM evaluation letter.
7. Commission Chairman and Vice Chairman meet with GM to review evaluation letter and compensation package.

A draft FY 2027 GM Evaluation Timetable is attached.

* * * * *

HILTON HEAD PUBLIC SERVICE DISTRICT
DRAFT GM EVALUATION TIMETABLE
FY 2027
FOR DISCUSSION

Adopted _____

Step	Event	Date
1	Review FY 2026 evaluation process and adopt GM Evaluation Timetable	7/22/2026
2	Review and adopt updated Strategic Goals & Objectives	7/22/2026
3	Distribute FM's Third Quarter Management Report, GM's FY Highlights Report & form for Commissioner evaluation comments	4/28/2027
4	Chairman meets with GM to review prior evaluation "Attachment A" items for current status, consider ideas for next FY "Attachment A" items, obtain appropriate comparable compensation information, and other matters	4/30/2027
5	Due date for Commissioner submission of GM evaluation comments	5/5/2027
6	Executive Committee reviews Commissioner comments, GM's Achievement Reports, comparable compensation information, and develops recommendation for GM evaluation and range of compensation package with draft GM evaluation letter	5/19/2027
7	Commission meets in Executive Session to consider Executive Committee recommendations and vote on evaluation letter and GM's compensation package	5/26/2027
8	Chairman and Vice Chairman meet with GM to review evaluation and compensation package	6/2/2027
Dates in BOLD (7/22/26, 4/28/27 and 5/26/27) are Board meeting dates		



Water and Sewer User Regulations



(843) 681-5525

Hhpsd.com

To: All Commissioners
From: Pete Nardi, General Manager
Re: Water and Sewer User Regulations Revisions

July 14, 2026

Dear Commissioners:

Please see attached a resolution adopting amended and restated Water User Regulations and Sewer User Regulations for the PSD, with an effective date of August 1, 2026. These revisions update regulations adopted in September 2024 and are intended to improve clarity, strengthen enforcement authority, address evolving operational needs, and continue the protection of PSD infrastructure.

Discussion:

The revisions align the regulations with current industry practices, South Carolina regulatory requirements, and PSD operational experience gained since the adoption of the 2024 regulations. Legal counsel and PSD staff have reviewed them.

Significant Water Regulation Updates:

- Clarification of ownership and maintenance responsibilities for customer-side service lines, plumbing, irrigation systems, and private water facilities.
- Addition of provisions addressing courtesy repairs performed by PSD personnel and limiting PSD liability for customer-owned facilities.
- Expanded authority to address meter tampering, unauthorized service restoration, unauthorized service connections, and water theft.
- Enhanced provisions governing master-metered facilities and submetering arrangements.
- Authority for the PSD to resize customer meters when warranted by usage patterns, system requirements, or engineering standards.
- Expanded enforcement provisions, including suspension or termination of service for violations, non-payment, unauthorized connections, or refusal of access.
- Additional protections related to fire protection systems, private fire hydrants, cross-connections, backflow prevention, and private water systems.
- New provisions expressly recognizing the PSD's right to interrupt service for maintenance, emergency response, and operational purposes.

Significant Sewer Regulation Updates:

- Clarification of PSD and customer responsibilities for sewer connections and private sewer facilities.
- Stronger authority to address inflow and infiltration sources, including prohibited stormwater and groundwater connections.
- Expanded enforcement tools related to prohibited discharges, industrial wastes, pretreatment requirements, and unauthorized system connections.
- Clarification of suspension and termination authority for violations, unsafe conditions, non-payment, and denial of access.
- Additional authority to recover costs associated with system damage, environmental compliance issues, and enforcement activities.

New Grease Management Program:

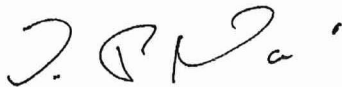
One of the most significant additions is the creation of an entirely new section governing grease interceptors and fats, oils, and grease (FOG) management for food service establishments. The new provisions establish design and installation standards for grease interceptors; maintenance and pumping requirements; inspection and recordkeeping standards; enforcement procedures and cost recovery provisions; requirements intended to reduce sewer blockages, sanitary sewer overflows, and treatment system impacts caused by grease discharges.

Recommendation:

Staff recommends approval of the attached resolution adopting the Amended and Restated Water User Regulations and Amended and Restated Sewer User Regulations, effective August 1, 2026.

As always, please do not hesitate to contact me with any questions.

Best regards,



Pete Nardi
General Manager
Hilton Head PSD
(843) 305-0638
pnardi@hhpsd.com

A RESOLUTION AMENDING AND RESTATING THE WATER USER REGULATIONS OF HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA; AMENDING AND RESTATING THE SEWER USER REGULATIONS; AND OTHER MATTERS RELATED THERETO

WHEREAS, Hilton Head No. 1 Public Service District (the “*District*”) was created as a body politic and corporate pursuant to the provisions of Act No. 596 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1969, as amended by Act No. 686 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1971, by Act No. 1738 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1972, by Act No. 124 of the General Assembly of the State of South Carolina for the year 2003, and by Act No. 93 of the General Assembly of the State of South Carolina for the year 2023;

WHEREAS, the District provides water and sewer service to portions of Hilton Head Island located within the boundaries of the District;

WHEREAS, the Hilton Head No. 1 Public Service District Commission (the “*Commission*”) has determined that formal regulations are essential to the proper operations and management of the District; and

WHEREAS, the Commission previously adopted water user regulations and sewer user regulations that have each been in effect since September 1, 2024. By the terms of this Resolution, the Commission has determined to amend and restate both the water user regulations and the sewer user regulations in their entirety.

NOW THEREFORE, BE IT RESOLVED, that the Commission hereby adopts the following Amended and Restated Water User Regulations, a copy of which is attached hereto as Exhibit A. The Commission further adopts the following Amended and Restated Sewer User Regulations, a copy of which is attached hereto as Exhibit B (together with the water user regulations, the “*regulations*”). The regulations shall be effective as of August 1, 2026 and the regulations shall apply to all public, private, corporate, residential, commercial, industrial, or governmental properties or owners thereof located within the District and using or having access to its services, and to all persons, households, corporations, entities or organizations of any type whatsoever using or having access to the District’s utility system.

BE IT FURTHER RESOLVED, that all resolutions and other provisions in conflict with this Resolution are hereby repealed in their entirety, including the prior water user regulations and the prior sewer user regulations each dated as of September 1, 2024. To the extent the changes, modifications or restatements herein create or result in any inconsistencies in the structure or application of the regulations, such inconsistencies shall be revised and corrected in the regulations and its provisions shall control.

DONE AND ADOPTED THIS 22nd DAY OF JULY 2026.

HILTON HEAD NO. 1 PUBLIC SERVICE
DISTRICT, SOUTH CAROLINA

(SEAL)

Attest:

Chairman of Commission

Secretary of Commission

EXHIBIT A

AMENDED AND RESTATED WATER USER REGULATIONS OF HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA

Effective as of August 1, 2026

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I. General Provisions

- A. Incorporation of Whereas Clauses - The “whereas” clauses stated in the preamble of this document are hereby incorporated as a material part of these regulations as if they were restated here in their entirety.
- B. Definitions - Unless otherwise indicated in the context, the meaning of the following terms used in these regulations shall be as follows:
1. Backflow– The flow of contaminated water or other liquids, gases or substances into the potable water supply.
 2. Backflow Prevention Assembly – An assembly that prohibits the backflow of water or other liquids, gases or substances into the potable water supply.
 3. Commission – Hilton Head No. 1 Public Service District Commission, as the governing body of the District.
 4. Cross-Connection – Any physical arrangement in a public or private water system or plumbing system where the potable water supply is connected with an actual or potential source of contamination.
 5. District – Hilton Head No. 1 Public Service District, South Carolina.
 6. District Service Area – The area to which the District is authorized to provide water and sewer service, more specifically defined by its Enabling Legislation, and subsequent ordinances of the Beaufort County Council further amending said service area. Any area to which the District provides service and operations by contract with another entity or owners outside of the defined service area may, for the purposes of these regulations, be considered a part of the District Service Area.
 7. Enabling Legislation - Act No. 596 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1969, as amended from time to time.
 8. Engineering Standards – The District’s Engineering Standards, which include minimum requirements for the design and construction of water and sanitary sewer facilities. Reference the District’s Design Specifications Manual, Water and Sewer Use Regulations, and Construction Guidelines, and subsequent or ancillary addendum sheets or bulletins.
 9. Fire Hydrant Assembly – A fire hydrant and the piping and valve connecting it to a Water Main.
 10. Fire Protection System – Any privately-owned and maintained water system used for fire extinguishment only, inclusive of Fire Sprinkler Systems, Private Fire Hydrants, and the water mains and appurtenances feeding such systems.
 11. Fire Sprinkler System – A privately-owned and maintained water system used for fire extinguishment only, including piping and appurtenances inside and outside a building but excluding Fire Hydrant Assemblies.

12. Irrigation Systems – Any means, other than hand-held containers, of applying water to landscaped areas.
13. Private Fire Hydrant – Any fire hydrant (and its appurtenances) located on a specific parcel of private property between a source of water and the base of the rise. A hydrant is considered a Private Fire Hydrant where the hydrant exists for the purpose of providing fire protection solely to the premises upon which the hydrant is located, without regard to whether the District owns or maintains the hydrant. Any hydrant located within a commercial, institutional, or industrial unit development where the traffic lanes immediately adjacent to the hydrant are not owned and maintained by the Town of Hilton Head Island, Beaufort County, or the State of South Carolina as a public thoroughway shall constitute a Private Fire Hydrant.
14. Private Water System – Any part of a Water System that is not part of the Public Water System.
15. Property Owner – Any individual, company, partnership, joint venture, corporation, LLC, LLP, association, society or group that owns or has a contractual interest in the subject property or has been authorized by the owner to act on his/her behalf.
16. Public Water System – All pipes, wells, treatment systems, pump stations, tanks, valves and appurtenances that are owned by the District for the production, treatment, transmission, storage and delivery of potable water. The public water system does not include those facilities located on the customer side of meters, or on the customer side of the property line on meterless fire services serving single-user properties or master-metered multi-user properties, or beyond the point of the District's main line easement on meterless fire services serving individually metered multi-user properties.
17. Service Connection or Water Service Connection – Also called a “service” or “service connection”. The pipe and appurtenances used to provide potable water to an individual building or Irrigation System, including the tap, water service line (the pipe extending from the water main to the meter setter), meter setter, meter box, meter and miscellaneous fittings.
18. SCDES – Shall mean the South Carolina Department of Environmental Services, which is a successor in interest to the South Carolina Department of Health and Environmental Control.
19. Water Emergency – Any situation or period of time during which water is not available or its availability is limited due to shortages in supply, interruptions in the water transmission or distribution systems, contamination of water supplies, or other conditions where use restrictions or prohibitions are necessary in order to efficiently and effectively safeguard the safety and health of the general public and to provide water for essential public uses.
20. Water Facility – Any facility for the production, treatment, conveyance or storage of water, and related appurtenances, whether part of the Public Water System or a Private Water System that is connected to or intended to be connected to the Public Water System.
21. Water Main – A water pipe that is part of the Public or Private Water System used for the transmission and distribution of potable water, excluding service connections, Fire Hydrant Assemblies and Fire Sprinkler Systems.

22. Water System – The entire water system within the District Service Area, comprised of the Public Water System and connected Private Water Systems.

C. Fees and Charges

The Commission has the full authority to establish all fees and charges as granted by its Enabling Legislation and/or any subsequent statute, rule, or regulation. After public notice and public hearing, fees and charges may be adjusted to meet changing costs and circumstances. Any unpaid water charges shall constitute a lien against the property when permitted by law.

D. Capacity Charge

All properties using the Water System shall be subject to payment of appropriate capacity charges as defined in the District's ***Water and Sewer Capacity Regulation***.

E. Developer Fees

The developer of any property within the District Service Area shall be responsible for all costs of system extensions and on-site infrastructure to serve the project, in addition to capacity charges, tap fees, and any other subsequently adopted fees, and will adhere to the District's Design Specifications Manual, Water and Sewer Use Regulations, and Construction Guidelines.

F. Over-sizing of Developer/Customer Projects

If in the District's evaluation of a developer/customer project it becomes apparent that over-sizing of the proposed project's mains and/or other appurtenances will improve the capabilities of the District's existing system and/or the District's ability to serve other properties in the future, the District may require the developer/customer to design and build the proposed project to the District's requested sizing. With prior written design and cost approval by the District, the developer may be reimbursed for design and construction costs in excess of the original proposed project. This evaluation shall be completed by the District's engineer and shall be based upon current master plans, other applicable government plans and generally accepted best management practices.

G. Access

The District shall have the right of reasonable ingress and egress over and through any property connected to the Public Water System as necessary to exercise the rights granted herein, regardless of whether a separate recorded easement or written access agreement exists. Such right of access shall be deemed a condition of receiving water service from the District and shall run with the property for so long as the equipment remains installed or connected to the Public Water System.

H. Fire Sprinkler System and Private Fire Hydrant Charges

Any property served by a Fire Sprinkler System may be charged an established monthly fee as shall be fixed by the District. Such fee shall be for the purpose of defraying the cost of water capacity associated with providing water service to such systems, as well as the cost of providing periodic District inspection of such non-metered connections and appurtenances.

II. Water Use Provisions

A. Application for Service

Any person or organization desiring water service from the District shall make application at the District's administrative offices.

B. Deposit Required

Any person seeking water service from the District may be required to make a deposit based on the schedule of fees approved by the Commission from time to time. The District shall retain the deposit until such time as service at the location is discontinued, at which time any service charges due to the District will be deducted from the amount of the deposit. If a balance remains, it will be refunded to the customer. If a balance remains due to the District, the customer will be billed for it.

All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by such works as permitted by South Carolina law.

C. Responsibility for Service Lines and Plumbing

The District's responsibility for water service shall terminate at the outlet side of the water meter. The District shall own, operate, and maintain the water meter and associated facilities up to the meter.

The customer shall be solely responsible for the installation, maintenance, repair, and condition of all service lines, plumbing, fixtures, and appurtenances located on the customer's side of the meter, including any damage, leaks, or loss of water occurring downstream of the meter. This includes all couplings, fittings, adaptors, and appurtenances that connect the meter to the customer service line.

The District shall not be responsible for any damage to property or for any loss of water occurring on the customer's side of the meter, except to the extent caused by the District's negligence.

D. Courtesy Repairs on Customer-Side Connections

From time to time, District personnel may, at their sole option, perform minor adjustments or repairs to customer-side meter connections as a courtesy. Any such actions are performed for the convenience of the customer and shall not be construed as assuming responsibility for the condition, maintenance, or repair of customer-owned facilities.

The customer shall remain solely responsible for all service lines, connections, couplings, fittings, adaptors, and appurtenances located on the customer's side of the meter, including any leaks, failures, or water loss associated therewith.

The District shall not be responsible for any water loss, damage, or subsequent failure associated with customer-side facilities, whether or not District personnel have performed minor adjustments or courtesy repairs, except to the extent caused by the District's negligence.

E. Condition of Customer-Side Plumbing

The customer shall maintain all service lines, plumbing, and appurtenances located on the

customer's side of the meter in a safe and operable condition sufficient to withstand normal water system pressure; and tolerate routine service activities, including meter installation, replacement, and maintenance performed by the District.

The District shall not be responsible for damage to customer-side service lines, plumbing, or appurtenances that results from the failure, deterioration, or inadequate condition of such facilities during the course of routine and non-negligent meter installation, replacement, or maintenance.

F. Metering

1. All water connections made to the Public Water System shall be metered with the exception of Fire Protection System connections for commercial buildings.
2. Each separate building or premises shall be separately tapped to its own water meter, except that where more than one building or premises is located on the same lot, the District, where it deems to be in its best interest, may elect to permit multiple services from one metered connection. In such cases, the appropriate number of minimum charges will be assessed. Garage structures appurtenant to residential dwelling units are not covered by this provision.
3. For new construction, each residential equivalent unit of a multi-family building shall be individually metered in accordance with the Engineering Standards and any other project-specific or site-specific requirement specified as a result of the development plan review process by the District's engineer. Redevelopment projects shall be subject to this requirement pending a case-specific review by the District's engineer..
4. Submetering of any currently master metered Water Facility for the purpose of subunit billing by or on behalf of any entity other than the District, and/or to facilitate private control or interruption of water service to subunits is prohibited without the express written approval of the District. The District shall be under no obligation to approve the installation or use of such system or device, and service may be suspended or terminated in the sole discretion of the District in the event such a service connection is made and pending any requirement to remediate such impermissible connection.
5. Submetering of any master metered facility where the subunits will become directly billed customers of the District shall be subject to prior written approval from the District and shall be required to comply with the District's specifications for such system or device. Under such arrangement, delinquent payments from subunit customers shall be added to the master meter account unless the subunit meter has remote activated shutoff capability under control of the District. The master meter customer or its agent shall not interrupt water or sewer service to any individually metered subunit without prior written approval from the District.
6. The District reserves the right to upsize or downsize a customer's meter at the time of meter replacement or at other reasonable intervals, when the District determines such adjustment is necessary or appropriate based on applicable criteria, including but not limited to: historical water usage and demand patterns; changes in service demand or property use; fire protection or public safety requirements; system capacity, pressure, or operational considerations; or updated engineering standards or regulatory requirements. The District shall apply these criteria in a reasonable, consistent, and non-discriminatory manner consistent with its obligation to provide safe, adequate, and efficient service. The

customer shall be responsible for any costs associated with upsizing a meter, unless otherwise determined by the District in accordance with its adopted policies or fee schedules.

G. Improperly Turning Water on; Meter Tampering

1. No unauthorized person shall turn on the water to any premise or tamper with or disturb any water meter or meter box, to include any appurtenance of the Water System except with written authority from the District.
2. No unauthorized person shall (i) install or operate any device to bypass a water meter, (ii) move an existing meter, (iii) create an obstruction that prohibits or limits access to a meter or functionality of remote reading technology, or (iv) permits or creates an unauthorized service tap or Cross-Connection.
3. No Property Owner or other person shall interfere with the efforts of a duly authorized District employee to discontinue water service to a premises.
4. Any unauthorized meter tampering or obstruction shall constitute a violation of these regulations and shall subject the customer and/or Property Owner to: (a) payment of all applicable reconnection charges, administrative fees, and estimated usage charges; (b) reimbursement to the District for all costs associated with investigation, repair, replacement, or enforcement; (c) potential penalties authorized by applicable law or District policy; and (d) suspension or termination of water service.

H. Charge When Meter Placed Back in Service

1. No customer or other unauthorized person shall restore, reconnect, reactivate, or otherwise place into service any water meter or water service connection that has been disconnected, locked, removed, shut off, or otherwise taken out of service by the District without prior written authorization from the District. Any unauthorized restoration of service shall constitute a violation of these regulations and shall subject the customer and/or Property Owner to: (a) payment of all applicable reconnection charges, administrative fees, and estimated usage charges; (b) reimbursement to the District for all costs associated with investigation, repair, replacement, or enforcement; (c) potential penalties authorized by applicable law or District policy; and (d) suspension or termination of water service.
2. The District reserves the right to require inspection of the service connection and payment of all outstanding amounts prior to restoration of authorized service.

I. Charges When Meter Malfunctions

Whenever any water meter malfunctions or otherwise delivers what is known by the District to be an inaccurate report of actual use, the usage charge to the customer shall be estimated according to pertinent available data, using best management practices. Where sufficient data is not available, the customer shall be responsible for payment of all applicable base charges.

J. Unauthorized Use of Water from Hydrants

Except for a duly chartered firefighting organization or other entity approved in writing by the District, no person or company may access or use water from any Fire Hydrant Assembly. Contractors who wish to obtain water from any Fire Hydrant Assembly near work sites must request permission from District to do so through written application. If such use is permitted, the permittee must pay all associated costs. The penalty for a violation of this section shall be the greater of (i) \$100.00 per occurrence or whatever other amount has been approved by the Commission under the then applicable fee schedule.

K. Unprotected Cross-Connections Not Permitted

In accordance with the requirements of the South Carolina Safe Drinking Water Act (S.C. Code 1976, Section 44-55-10) and State Primary Drinking Water Regulations promulgated and enforced by SCDES, unprotected Cross-Connections shall not be permitted. The appropriate Backflow Prevention Assembly, installed at the owner's expense following the District's approval, shall protect all actual and potential Cross-Connections to the Water System. The owner will subsequently be responsible for paying an annual inspection and testing fee for the device and for maintaining it in proper working order.

L. Water Shortage Contingency Plan

The District shall develop, maintain and implement as directed by South Carolina law, a water shortage contingency plan to respond to anticipated or actual water supply shortages resulting from weather conditions, regional water system failure, local public water system failure, or other precipitating conditions. The District is authorized to implement the water shortage contingency plan at such times as the District's water supply is threatened by or experiencing a water supply shortage. Within the framework for the water shortage contingency plan, the District may impose restrictions and or limitations on the use of water by type of use, customer class (commercial, institutional, residential, etc.) or geographic area depending upon the nature and extent of the water supply shortage. The Commission may implement Water Emergency conservation rate surcharges as it deems necessary to protect remaining water supplies and the public health.

M. Fire Protection Systems

1. All Fire Protection Systems of less than or equal to 2" connected with the Public Water System shall protect the Public Water System with an approved double-check valve assembly as a minimum requirement. All Fire Protection Systems using additives or booster pumps shall protect the Public Water System with an approved reduced pressure principal detector assembly at the main service connection.
2. All Fire Protection Systems of greater than 2" connected with the Public Water System shall protect the Public Water System with an approved double-check detector assembly as a minimum requirement.
3. All existing Backflow Prevention Assemblies 2-1/2" and larger installed on Fire Protection Systems that were initially approved by the District shall be allowed to remain on the premises, as long as they are being properly maintained, tested and repaired as required by SCDES regulations. However, if the existing assembly must be replaced (once it can no longer be repaired), or in the event of proven water theft through an unmetered source, the consumer shall be required to install an approved double-check detector assembly or

reduced pressure principal detector assembly as required by SCDES regulations.

N. Private Fire Hydrants

1. The District requires that all Private Fire Hydrants stay in a state of readiness. By implementing this policy, all Private Fire Hydrants shall be inspected, maintained, tested and documented as provided herein.
 2. Each Private Fire Hydrant shall be maintained at the sole expense of the owner. To ensure functionality, all Property Owners with a Private Fire Hydrant are required to have a qualified company perform all inspections, maintenance, and testing. Under this policy, each Private Fire Hydrant must be inspected and maintained by a qualified company at least one-time per calendar year, and must be tested (measuring flow) by a qualified company at least one-time every three calendar years. Accurate records and report of all inspections, maintenance, and testing shall be maintained by the Property Owners and provided to the District within 30 days of such inspection or testing. Additionally, the Property Owner may be required to provide copies of such reports to the Town of Hilton Head Island Fire Department and any applicable homeowners or Property Owners association, as applicable. The District shall maintain a listing of companies qualified to perform such inspections, maintenance and testing, and shall make the list available upon request.
 3. All Private Fire Hydrants shall be painted "Safety Yellow" with a steel grey bonnet, and visible from the street or other public right of way. The Private Fire Hydrant shall be visible from all directions of travel to responding fire apparatus. The nearness of shrubs, plants, fences, posts, etc. shall not prevent access to the hydrant for proper operation. A 3-foot clear space shall be maintained around the circumference of each Private Fire Hydrant. A 6-foot, 8-inch clear space from the top of the hydrant vertically to the bottom of any tree, limbs, hedges, or bushes shall be maintained. The center of the 5-inch hose outlet shall be not less than 18 inches above grade.
 4. The following publication shall govern this program: American Water Works Association (AWWA), M17 installation, Field Testing, and Maintenance; and National Fire Protection Association (NFPA 25, 2023), and subsequent editions or ancillary addendum sheets or bulletins.
 5. Failure to perform maintenance, inspections, or testing, or failure to otherwise conform to the standards described in this policy may, in the sole discretion of the District, result in termination of service by the District to the Private Fire Hydrant. Such termination will be implemented following written notice to the Property Owner from the District regarding any planned termination of service.
 6. The provisions of II(J) hereof shall also be applicable to any Private Fire Hydrant.
- L. The District reserves the right to interrupt service at any time for maintenance, repairs, emergencies, or operational purposes and shall not be liable for damages resulting from temporary interruptions, pressure variations, or water quality fluctuations, except to the extent caused by gross negligence or willful misconduct.
- M. Each Property Owner or customer shall be solely responsible for the cost to operate and maintain

any Private Water System, irrigation system, Private Fire Lines, and any leaks or other service disruptions on the customer's side of the meter. Owners of any Private Water System, or any customer with a Cross-Connection shall indemnify and hold harmless the District from claims arising or resulting from any connection to the Public Water System.

III. Inspection & Notification

A. Authority of District Inspectors

1. The District or its duly authorized representatives bearing proper credentials shall be permitted reasonable access to customers' premises for the purposes of inspection, observation, measurement, sampling and testing in accordance with provisions contained herein.
2. While performing necessary work on private property referred to in Section III(A)(1) above, the District or its duly authorized representatives shall observe all safety rules applicable to the premises, established by the discharger and properly communicated to the District, and, to the extent permitted by law and within the parameters of the District's insurance coverage, the discharger shall be held harmless for any injury or death of the District's representatives, except as such may be caused by negligence or failure of the discharger to maintain safe conditions.
3. Where access to the premises is restricted or impeded in any way, the District may, in its sole discretion, suspend or terminate any service connection pending confirmation of necessary access rights or privileges.

B. Notification Protocol

1. Except where immediate corrective action is required in accordance with the terms and conditions of this and other applicable regulations, the customer or person in charge of any installation found not to be in compliance with the provisions of these regulations shall be notified in writing with regard to the corrective action(s) to be taken.
2. Such notice must explain the infraction and give the time period within which the infraction must be corrected. The time period set to correct an infraction shall not exceed 30 days after receiving notice unless a written variance request is approved by the District's General Manager or his agent. If the infraction has been determined by the District to be an imminent hazard, the customer shall be required to correct the infraction immediately.

C. Suspension of Service

1. The District may suspend water service when in the District's opinion such suspension is necessary to stop an actual or potential backflow or an excessive usage that presents or may present an imminent or substantial endangerment to the health or welfare of persons or may cause violation of any drinking water quality regulation or standard. In case of suspension of water service to any master-metered multi-family facility, the District shall immediately notify SCDES, the Town of Hilton Head Island, and individuals served by the multi-family service.
2. The District may terminate any non-metered connection where the owner or owner's agent fails to take immediate action to correct a line break or leak or to authorize the District to

make repairs at the owner's expense. The District shall in such case give immediate notice to the fire department holding jurisdiction and to the facility owner or owner's apparent agent on site.

3. The District shall reinstate water service upon receiving proof that the non-complying or adverse condition has been satisfactorily remedied and upon payment receipt of all applicable fees and penalties.
4. Service may be suspended, terminated, or denied for any of the following reasons: (i) fraud, (ii) violations of these regulations, (iii) unsafe conditions, (iv) unauthorized or impermissible service connections, (v) refusal of access or inspections, (vi) non-payment of fees and charges, or (vii) other reasonable grounds determined in the discretion of the District.

D. Penalties

1. Failure to comply with the provisions of these regulations shall constitute a violation and may result in one or more of the following enforcement actions:
 - (a) issuance of notices of violation or administrative compliance orders;
 - (b) assessment of fines, penalties, administrative charges, inspection fees, and cost recovery charges as authorized by the District's rate resolutions, policies, or applicable law (subject to subsection (D)(2) below);
 - (c) recovery by the District of all costs incurred as a result of the prohibited discharge or connection, including engineering fees, inspection costs, cleanup expenses, legal fees, contractor expenses, repair costs, and costs associated with damage to the sewer system or regulatory violations;
 - (d) discontinuance or suspension of water and/or sewer service until the violation has been corrected to the satisfaction of the District;
 - (e) denial of new or continued water and/or sewer service, permits, inspections, or certificates of occupancy related to the property; and
 - (f) referral of the violation to applicable governmental or regulatory authorities for additional enforcement action.
2. Any person who willfully or negligently fails to comply with any provision set forth herein may be deemed to be in violation of these regulations and, therefore, subject to civil penalty not to exceed \$2,000.00 for each day of violation, in accordance with South Carolina Code Ann. Section 6-11-285.

IV. Severability

In the event that any section or portion of these regulations is deemed to be invalid for any reason of legality or technicality, all remaining sections and terms of these regulations shall remain in full force and effect.

EXHIBIT B

AMENDED AND RESTATED SEWER USER REGULATIONS OF HILTON HEAD NO. 1 PUBLIC SERVICE DISTRICT, SOUTH CAROLINA

Effective as of August 1, 2026

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I. GENERAL PROVISIONS

- A. Incorporation of Whereas Clauses – The “whereas” clauses stated in the preamble to this document are hereby incorporated as a material part of these regulations as if they were restated here in their entirety.
- B. Definitions – Unless otherwise indicated in the context, the meaning of the following terms used in these regulations shall be as follows:
1. BOD: Denoting biochemical oxygen demand shall mean the quantity of oxygen required to oxidize organic matter under standard laboratory procedure, five days at 20 degrees centigrade, expressed in milligrams per liter and as further defined in Standard Methods.
 2. Building Drain: Means that part of the lowest horizontal piping in a drainage system that receives the discharge from soil waste and other drainage pipes inside the walls of the building and conveys it to the Building Sewer, beginning five feet outside the inner face of the building wall.
 3. Building Sewer: Means the extension from the Building Drain to the Public Sewer or other place of disposal.
 4. Commission – Hilton Head No. 1 Public Service District Commission, as the governing body of the District.
 5. District: Shall mean the Hilton Head No. 1 Public Service District.
 6. District Service Area – The area to which the District is authorized to provide water and sewer service, more specifically defined by its Enabling Legislation, and subsequent ordinances of the Beaufort County Council further amending said service area. Any area to which the District provides service and operations by contract with another entity or owners outside of the defined service area may, for the purposes of these regulations, be considered a part of the District Service Area.
 7. Enabling Legislation - Act No. 596 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1969, as amended from time to time.
 8. FOG: Fats, oils, grease, waxes, petroleum products, and other similar substances that are generated, used, or discharged from food preparation, cooking, processing, manufacturing, cleaning, or related operations, and which may accumulate, solidify, congeal, or otherwise cause obstruction, interference, or damage within the Public Sewer or the Wastewater Treatment Plant.
 9. Garbage: Shall mean solid waste from domestic and commercial preparation, cooking and/or dispensing of foodstuffs.
 10. Industrial Wastes: Shall mean the liquid waste from industrial manufacturing processes, trade or business, as distinct from sanitary sewage.
 11. PH: Shall mean the logarithm of the reciprocal of weight of hydrogen ions in grams per liter of solution.

12. Properly Shredded: Shall mean the waste from the preparation and/or dispensing of foodstuffs that has been shredded to such a degree that all particles will be carried freely under flow conditions normally prevailing in Public Sewers with no particle greater than three-eighths of an inch in any dimension.
13. Public Sewer: Shall mean a Sewer in which all owners of abutting property have equal rights and is controlled by the District.
14. SCDES: Shall mean the South Carolina Department of Environmental Services, which is a successor in interest to the South Carolina Department of Health and Environmental Control.
15. Sanitary Sewer: Shall mean a Sewer, which carries Sewage to which no storm, surface and ground waters are intentionally admitted.
16. Sewage: Shall mean a combination of water-carried wastes from residences, commercial businesses, institutions and industrial establishments.
17. Sewage Treatment Plant: Shall mean any arrangement of the devices and structures used for treating Sewage.
18. Sewage Works: Shall mean all facilities for collecting, pumping, treating and disposing of Sewage or Industrial Waste.
19. Sewer: Shall mean a pipe or conduit for carrying Sewage.
20. Sludge: Shall mean any discharge of water, Sewage or Industrial Waste which in concentration of any given constituent or in quantity of flow exceeds for any period longer than fifteen minutes, more than five times the average concentration occurring during normal operation.
21. Standard Methods: Shall mean the examination and analytical procedures set forth in the most recent edition of Standard Methods for the Examination of Water and Wastewater published jointly by the American Public Health Association, the American Water Works Association and the Water Pollution Control Federation.
22. Street: Shall mean streets, avenues, drives, boulevards, roads, alleys, lanes and viaducts and all other public highways in the sanitary area.
23. Suspended Solids: Shall mean solids that either float on the surface of or are in suspension in water, Sewage or other liquids which are removable by laboratory filtering and as further defined in Standard Methods.

All other words shall be interpreted as having the meaning defined in the glossary of Water and Sewage Control Engineering, published by the Water Pollution Control Federation, Washington, D.C., or by their general usage.

C. Sewer Capacity Charge

All properties using the District's Sewage Works shall be subject to payment of appropriate capacity charges as defined in the District's ***Water and Sewer Capacity Regulations***.

D. Developer Fees

The developer of any property within the District Service Area shall be required to incur all costs of system extensions and on-site infrastructure to serve the project, in addition to capacity charges, tap fees, and any other subsequently adopted fees, and will adhere to the District's Administrative Procedures and Guidelines for Water and Sanitary Sewer System Design, 1998 et seq.

E. Sewer Charges

The Commission has the full authority to establish all fees and charges as granted by its Enabling Legislation and/or any subsequent statute, rule, or regulation. After public notice and public hearing, fees and charges may be adjusted to meet changing costs and circumstances. Any unpaid sewer charges shall constitute a lien against the property when permitted by law.

F. Over-sizing of Developer/Customer Projects

If in the District's evaluation of a developer/customer project it becomes apparent that over-sizing of the proposed project's mains, lift stations or other required appurtenances will improve the overall capabilities of the District's existing system and/or the District's ability to serve other properties in the future, the District may require the developer/customer to design and build the proposed facilities to the District's requested sizing. With prior design and cost approval by the District, the developer/customer may be reimbursed for additional design and construction costs in excess of the original proposed project. This evaluation shall be completed by the District's engineer and shall be based upon current master service plans, other applicable government plans and generally accepted best management practices.

G. Low Pressure Sewer Systems

1. The District will provide gravity Sewer service unless, in the discretion of the District, the construction of a conventional gravity Sewer system would:
 - Be unduly cost prohibitive to the ultimate end user of the Sewage Works,
 - Severely inconvenience a neighborhood and their quality of life,
 - Severely damage existing neighborhood roads, trees and landscaping,
 - Be limited by high water table or other environmental sensitivities,
 - Serve a low population density, and/or
 - Be technically or operationally restrictive to the District.
2. In situations where conventional gravity service is not feasible as determined under G(1) above, the District may authorize the implementation of low-pressure sewer facilities installed at the customer's sole expense by a plumber authorized to do business within the Town of Hilton Head Island, South Carolina. In such event, the customer will be responsible for and shall provide all necessary equipment including, pressure mains, pressure service lines, low pressure grinder pump unit, and an adequate power source consistent with the District's specifications. System design, sizing, installation and specifications shall be at the sole discretion of the District, but meeting or exceeding SCDES standards.
3. Ownership of all on-site low-pressure equipment will be conveyed to the District prior to the commencement of service. The District will assume all future costs of operation (with the exception of power costs), maintenance, and replacement.

H. Access

The District shall have the right of reasonable ingress and egress over and through any property connected to Public Sewer as necessary to exercise the rights granted herein, regardless of whether a separate recorded easement or written access agreement exists. Such right of access shall be deemed a condition of receiving sewer service from the District and shall run with the property for so long as the equipment remains installed or connected to the Public Sewer.

I. Private Sewage Disposal

1. Where a Public Sewer is not available, the Town of Hilton Head Island, as the permitting agency for all construction projects within the District, may allow the Building Sewer to be connected to a private on-site disposal system that meets standards established and administered by SCDES. When and where permitted by the Town of Hilton Head Island, the District will allow for private disposal.
2. At such time as a Public Sewer becomes available to a property served by a private system, SCDES may require the owner to connect at his expense to the Public Sewer system. In such case, all normally applicable resolutions, regulations, guidelines, fees and charges of the District shall continue to be applicable and enforceable by the District.
3. Nothing in this section shall be construed to nullify or supersede any additional requirements that may be imposed by the appropriate State, county or other applicable regulatory agency.

II. **BUILDING SEWERS AND CONNECTIONS**

A. Connections

No person shall uncover, make any connection with opening into, use, alter or disturb any Public Sewer appurtenances thereof without first obtaining written permission from the District.

B. Customer Classes

1. There shall be three classes of Sewer customers: (a) Residential Service; (b) Commercial Service; and (c) Industrial Service.
2. For all classes of customers, the owner or agent shall apply in writing to the District, using the appropriate District form, for a Sewer connection. All applicable fees, inclusive of capacity, tap, plan review, and inspection fees shall be paid to the District at the time the application is filed. All connections are subject to requirements set forth in the District's Administrative Procedures and Guidelines for Water and Sanitary Sewer System Design, 1998 et seq, as may be amended from time to time. To the extent any additional fees or charges are due and payable, all such fees or charges shall be paid in full prior to service being made available by the District.
3. For Industrial Service connections, an industrial pre-treatment application shall be required in addition to the above-noted requirements. Nothing herein shall obligate the District to accept or to continue to accept industrial strength wastes that the District deems as detrimental to its Sewer Works or treatment process.

C. Costs; Indemnification

All costs and expenses incidental to the installation and connection of the Building Sewer to the property line shall be borne by the owner. The owner shall indemnify the District and hold it harmless from any loss or damage that may directly or indirectly be caused by the installation.

D. Separate Connections Required

A separate and independent Building Sewer shall be provided for every building. Where one building stands to the rear of another on a single lot and no private Sewer is provided, the District may grant permission for Building Sewer from the front building to be extended to serve the rear building, provided the applicant for service has demonstrated to the District's satisfaction that the parcel may never be further subdivided such that the two buildings so connected might ultimately be on separate lots.

E. Specifications

The size, slope, alignment, materials of construction of a Building Sewer and the methods used in excavation, placing of the pipe, jointing, testing and backfilling trench shall all conform to the requirements of District, and in no case shall the size of the pipe installed be less than the nominal diameter specified by the District's Administrative Procedures and Guidelines for Water and Sanitary Sewer System Design, 1998 et seq, as may be amended from time to time.

F. Elevation; Grade

The Building Sewer shall be brought to the building at an elevation below the ground floor. Where the Building Sewer is terminated at a grade above any sub-ground level floors, appropriate Sewer check valves shall be installed, and the owner shall indemnify and hold harmless the District against liability for any subsequent damages to the building or property that may result from Sewer system back ups. In the sole discretion of the District, no Building Sewer shall be made parallel to or within three feet of any load bearing wall that might thereby be weakened or that may superimpose an unacceptable load on the Building Sewer. The depth shall be sufficient to afford protection from live loads that may be superimposed. The Building Sewer shall be made at uniform grade and in straight alignment insofar as possible. The Building Sewer shall be constructed to such point as directed by the District. The District may require disconnection, rehabilitation, repair, replacement, or abandonment of defective private sewer laterals contributing inflow or infiltration.

G. Connection to Storm Drain System Prohibited

No person shall maintain or make a connection of roof, downspouts, exterior foundation drains, areaway drains, or other sources of surface runoffs or groundwater to a Building Sewer or Building Sewer or Building Drain, which in turn is connected directly or indirectly to a public Sanitary Sewer. If the District determines that a prohibited connection exists or that stormwater or groundwater is entering the Public Sewer from a property, the property owner shall, upon written notice from the District, promptly investigate and eliminate the prohibited connection at the owner's sole expense within the time period specified by the District. The District may require dye testing, smoke testing, video inspection, plumbing inspections, or other investigative measures to confirm compliance.

H. Qualified Personnel to Perform Work

A professionally qualified and bonded plumber shall perform the installation and connection of the Building Sewer to the property line.

I. Inspections

Before any underground portions thereof are covered, each applicant for Building Sewer service shall notify District when the Building Sewer is ready for inspection and connection to the Public Sewer. The District shall make the inspection within ten business days of the receipt of notice. Upon receipt of written notice from the District of a favorable inspection, connection may then be made to the Public Sewer and the underground portions may then be covered.

J. Excavations

All excavations for Building Sewer installations shall be guarded by the owner or his agent with barricades and lights, as applicable, so as to protect the public from hazards. The owner shall restore Streets, sidewalks, parkways and other public property disturbed in the course of the work to their original condition. The owner shall indemnify and hold the District harmless from any and all liabilities arising in connection with said excavations.

K. Record-keeping

The District shall keep a permanent and accurate record of the location, depth and direction of flow of all new Sewer connections, including such landmarks as may be necessary to make an adequate description.

III. USE OF PUBLIC SEWERS

A. Prohibited Discharges

1. Except as permitted herein (with pretreatment and the advance written approval of the District), no person shall discharge or cause to be discharged any of the following to any Public Sewer:
 - a. Gasoline, benzene, naphtha, fuel oil, motor oil or other flammable or explosive liquid, solid or gas;
 - b. Any waste containing toxins or poisons in solid liquid or gaseous form in sufficient quantity, either singly or in combination with other wastes to injure or interfere with any Sewage treatment process or constitute a health hazard to humans or animals, to create a public nuisance, or to create any hazard in receiving waters or the Sewage treatment works.
 - c. Any waste having a PH less than 6.5 or greater than 8.5 or containing a heavy concentration of salts or having any other corrosive property capable of causing damage or hazard to structures, equipment and personnel of the Sewage plant;
 - d. Solids or viscous waste in quantities or of such size capable of causing obstruction in the flow of Sewage or other interference to the proper operation of the Sewage works such as, but not limited to, ashes, cinders, sand, straw, mud, shavings, metal,

glass, rags, feathers, tar, plastics, wood, textile products, hair and fleshing or entrails, either whole or ground by garbage grinders;

- e. Any pollutants, including oxygen demanding pollutants, released at a flow rate and/or concentration that a user knows or has reason to believe will cause interference with the Sewage system. In no case shall a Sludge load have a flow rate or concentration that exceeds for any time period longer than fifteen minutes the quantities or flows during normal operation, or more than five times the average twenty-four hour concentration;
 - f. Any liquid or vapor which will inhibit biological activity at the Wastewater Treatment Plant;
 - g. Any waste containing FOG, whether emulsified or not in excess of 100 mg/L or containing substances, which may solidify or become viscous at temperatures between 32° F and 150° F, or 0 and 65°C;
 - h. Garbage that has not been Properly Shredded. The installation and operation of any garbage grinder equipped with a motor of three-fourths horsepower or greater shall be subject to the review and approval of the District;
 - i. Wastes containing strong acids, iron pickling residues or concentrated plating solutions, whether neutralized or not;
 - j. Substances discharged in excess of the amount set forth in their discharge permit;
 - k. Wastes containing phenols or other taste or odor producing substances in such concentrations exceeding limits which may be established by the District as necessary after treatment of the composite Sewage to meet requirements of the state, federal, or other public agencies of jurisdiction of such discharge or the receiving waters;
 - l. Radioactive wastes or isotopes of such half-life or concentration as may exceed limits of state and federal regulations; or
 - m. Materials which exert or cause:
 - 1) Unusual concentration of inert Suspended Solids, such as but not limited to lime residues, sodium chloride, sodium sulfate and various slurries;
 - 2) Excessive discoloration, such as dye wastes, vegetable tanning solutions and the like;
 - 3) Unusual BOD, chemical oxygen demand or chlorine requirements in such as to constitute a significant load on the Sewage treatment works; or
 - 4) Unusual volumes of flow or concentration of wastes constituting Sludge.
2. If any waters or wastes containing the substances or possessing the characteristics enumerated in this section are discharged or are proposed to be discharged to the Public Sewers, and in the judgment of the District such water or wastes may have a deleterious

effect upon the Sewage works, processes, equipment, or receiving waters, or may otherwise create a hazard to life or constitute a public nuisance, the District may:

- a. Reject the waste and/or suspend Sewage service;
 - b. Require pretreatment to reduce the waste to an acceptable condition in accordance with 40 Code of Federal Regulations (CFR) Part 403, as may be amended from time to time, prior to discharge to the Public Sewers, in which case the design and installation of the plant equipment shall be subject to the review and approval of the District and to the requirements of all applicable codes, ordinances and laws;
 - c. Require control over the quantities and rates of discharge; and/or
 - d. Require payment to cover the added cost of handling and treating the wastewater not covered by existing fees or Sewer charges under the provisions of this regulation;
3. In no case will waste be permitted in the Sewage system where such waste may cause a violation of the District's National Pollutant Discharge Elimination System (NPDES) permit or where such waste does not comply with local, state or federal pretreatment requirements.

B. Accidental Discharges; Notification Required

Persons responsible for accidental spills or discharges of any substance into the treatment works, which may adversely affect operation of the treatment works, shall immediately notify the District of the discharge.

C. Maintenance of Treatment Facilities

Where preliminary treatment for flow equalizing facilities is provided for any waters or wastes, the owner, at his expense, shall maintain such facilities continuously in satisfactory and effective operation.

D. Manholes Required

1. The owner of any property served by a Building Sewer carrying Industrial Wastes shall install a suitable control manhole. When deemed necessary, the District may require additional waste metering devices and other appurtenances in the Building Sewer to facilitate preservation, sampling and measurement of the waste.
2. Control manholes shall be (i) readily accessible for representatives of the District, (ii) safely located and (iii) constructed in accordance with plans approved by the District. Control manholes shall be maintained by the owner so as to be safe and accessible at all times. The District shall have the right of reasonable ingress and egress over the property as necessary to exercise the rights granted herein, regardless of whether a separate recorded easement or written access agreement exists. Such right of access shall be deemed a condition of receiving sewer service from the District and shall run with the property for so long as the control manhole is serviceable.

E. Testing Standards

1. On samples taken at the control manhole, all measurements, tests and analysis of the characteristics of water and wastes to which reference is made herein shall be determined in accordance with the latest edition of Standard Methods for the Examination of Water and Wastewater.
2. To facilitate proper evaluation of the effect of wastes on the Sewage Works, industrial dischargers must submit written reports summarizing the maximum, minimum and average wastewater characteristics for the reporting period. Specific parameters and frequency of monitoring and reporting shall be established by the District.

F. Agreements Permitted

Nothing contained herein shall be construed as preventing an agreement between the District and any user whereby the District, subject to payment, may accept for treatment a waste of unusual design, strength or character from the discharger.

G. Pretreatment Standards

Upon the promulgation of any federal or state categorical pretreatment standards or individual standard, that standard, if more stringent than those contained herein, shall immediately take precedence. The District shall notify all affected users of the applicable reporting requirements under 40 CFR, Section 403.12 or other requirements, as may be amended from time to time. [LF1][LF2]

H. Removal, Transportation and Disposal of Scavenger Wastes

1. No person shall be allowed to discharge solid or liquid waste or surface water into the Sanitary Sewer system unless the standards of acceptable waste established in these regulations are met and the discharge is made through approved connections.
2. No material shall be discharged into the Sewer system through a manhole without the written permission of the District, which will permit such action only in an emergency involving public health or safety.
3. Normal septic tank waste shall be deposited only in an approved location and with the express permission of the District. It shall be unlawful for any septage hauler to deposit septic tank waste into the treatment plant without payment of associated fees to the District.

IV. INSPECTION OF WASTEWATER FACILITIES

A. Inspections on Private Property

1. The District or its duly authorized representatives bearing proper credentials shall be permitted reasonable access to enter customer's properties for the purpose of inspection, observation, measurement, sampling and testing in accordance with provisions contained herein.
2. While performing necessary work on private property referred to in subsection (A)(1) above, the District or its duly authorized representatives shall observe all safety rules

applicable to the premises established by the discharger and properly communicated to the District, and, to the extent permitted by law and within the parameters of the District's insurance coverage, the discharger shall be held harmless for any injury or death of the District's representatives, except as such may be caused by negligence or failure of the discharger to maintain safe conditions.

3. Where access to the premises is restricted or impeded in any way, the District may, in its sole discretion, suspend or terminate any service connection pending confirmation of necessary access rights or privileges.

B. Suspension of Service

1. The District may suspend wastewater service when in the District's opinion such suspension is necessary to stop an actual or threatened discharge which presents or may present an imminent or substantial endangerment to the health or welfare of persons, to the environment, or causes the violation of any NPDES permit condition. Any person notified of a suspension of treatment service shall immediately stop or eliminate the contribution.
2. In the event of a failure of the user to comply voluntarily with the suspension order, the District shall take such steps as deemed necessary, including immediate severance of the Sewer connection, to prevent or minimize damage to the system or endangerment to any individuals. In the case of severance or plugging of the Sewer connection, the District shall immediately notify SCDES and the Town of Hilton Head Island.
3. The District shall authorize reinstatement of the wastewater condition upon receiving proof that the non-complying factor has been eliminated and upon receipt of all fees and penalties.
4. Service may be suspended, terminated, or denied for any of the following reasons: (i) fraud, (ii) violations of these regulations, (iii) unsafe conditions, (iv) unauthorized or impermissible service connections, (v) refusal of access or inspections, (vi) non-payment of fees and charges, or (vii) other reasonable grounds determined in the discretion of the District. [AH3]

C. Penalties

1. Failure to comply with the provisions of these regulations shall constitute a violation and may result in one or more of the following enforcement actions:
 - (a) issuance of notices of violation or administrative compliance orders;
 - (b) assessment of fines, penalties, administrative charges, inspection fees, and cost recovery charges as authorized by the District's rate resolutions, policies, or applicable law (subject to subsection C(2) below);
 - (c) recovery by the District of all costs incurred as a result of the prohibited discharge or connection, including engineering fees, inspection costs, cleanup expenses, legal fees, contractor expenses, repair costs, and costs associated with damage to the sewer system or regulatory violations;
 - (d) discontinuance or suspension of water and/or sewer service until the violation has been corrected to the satisfaction of the District;

(e) denial of new or continued water and/or sewer service, permits, inspections, or certificates of occupancy related to the property; and

(f) referral of the violation to applicable governmental or regulatory authorities for additional enforcement action.

2. Any person who willfully or negligently fails to comply with any provision set forth herein may be deemed to be in violation of these regulations and, therefore, subject to civil penalty not to exceed \$2,000.00 for each day of violation, in accordance with South Carolina Code Ann. Section 6-11-285.

V. GREASE TRAPS

A. Purpose and Intent

The introduction of FOG, sand, and other insoluble materials into the Public Sewer System contributes to sewer line blockages, sanitary sewer overflows, pump station failures, and increased operation and maintenance costs. The purpose of this Section is to establish uniform requirements for the design, installation, operation, maintenance, inspection, and enforcement of grease interceptors and related pretreatment facilities in order to protect the District's wastewater collection and treatment systems and to promote compliance with applicable federal, state, and local requirements.

B. Applicability

This Section shall apply to all Food Service Establishments ("FSEs"), whether new or existing, including restaurants, cafeterias, bakeries, grocery stores, caterers, institutional kitchens, bars, and any other commercial or institutional facility engaged in the preparation, processing, or serving of food that may discharge FOG into the Public Sewer System. The District may also require grease-handling facilities for any commercial or industrial user determined by the District to contribute excessive FOG or other obstructive materials to the sewer system.

C. General Requirements

1. All FSEs shall install, operate, and maintain grease-handling facilities of a type, size, and capacity approved by the District.
2. Grease-handling facilities shall be installed at the sole expense of the property owner or sewer user and shall remain accessible at all times for inspection, sampling, cleaning, and maintenance.
3. Any FSE operating without approved grease-handling facilities, or with facilities deemed inadequate by the District, shall comply with a corrective action schedule established by the District. Unless otherwise approved in writing by the District, the compliance period shall not exceed six (6) months from written notice.
4. The District reserves the right to determine the adequacy, sizing, location, and operational condition of all grease-handling facilities.

5. The use of enzymes, emulsifiers, solvents, biological additives, or other chemicals intended to dissolve or disperse grease is prohibited unless expressly authorized in writing by the District.

D. Operational and Maintenance Requirements

1. Grease interceptors shall be maintained in efficient operating condition at all times.
2. Grease interceptors shall be completely pumped, cleaned, and serviced at intervals necessary to prevent pass-through of grease into the sewer system, but in no event less frequently than once every thirty (30) days unless the District approves an alternate maintenance frequency in writing.
3. During servicing: (a) the interceptor shall be fully evacuated, (b) no removed wastewater or waste material shall be returned to the interceptor, and (c) all accumulated grease, solids, sludge, and floating material shall be removed.
4. Grease interceptors shall be operated to maintain adequate hydraulic retention time and effective treatment capacity, including sufficient volume for grease accumulation and solids settlement.
5. Interceptors shall be kept free of excessive inorganic materials including, but not limited to, grit, rocks, gravel, sand, rags, towels, utensils, cigarettes, shells, plastics, and other debris that may impair operation.
6. The combined grease cap and sludge accumulation shall not exceed twenty-five percent (25%) of the interceptor's effective liquid capacity.
7. All waste removed from grease interceptors shall be disposed of in accordance with applicable federal, state, and local laws and regulations.
8. Cleaning and hauling performed by third parties shall be conducted only by properly licensed and authorized waste disposal contractors.

E. Recordkeeping Requirements

1. Owners and operators shall maintain complete records of interceptor maintenance, pumping, cleaning, inspections, repairs, and waste disposal for a minimum period of two (2) years.
2. Maintenance records shall include: (a) date and time of service; (b) name of person or company performing the service; (c) volume of waste removed; (d) disposal location; (e) hauler permit or license number, if applicable; and (f) description of any repairs or preventive maintenance performed.
3. All records required under this subsection shall be made available to the District upon request during normal business hours.

F. Construction and Design Standards

1. General Standards

- a. Domestic sewage lines, including restrooms and handwashing sinks, shall not discharge through grease interceptors.
- b. Garbage disposals and commercial dishwashers shall not discharge through grease interceptors unless specifically approved by the District.
- c. All grease interceptors shall be designed and installed to permit complete access for inspection, cleaning, sampling, and maintenance.

2. New Facilities

- a. All newly constructed FSEs shall install an outdoor grease interceptor approved by the District.
- b. Grease interceptors shall be sized in accordance with the District's approved sizing criteria and shall have a minimum capacity of one thousand (1,000) gallons unless otherwise approved by the District.
- c. Plans and specifications for grease interceptors shall be prepared by a licensed professional engineer and submitted to the District for review and approval prior to installation.
- d. Grease interceptors shall: (i) be installed level, (ii) include a minimum of two compartments, (iii) provide adequate separation and retention of grease and settled solids, (iv) include properly designed inlet and outlet sanitary tees or baffles, (v) include access manholes over each compartment and sanitary tee, (vi) be watertight and structurally sound, and (vii) be installed outside the building in a location readily accessible for maintenance and inspection.
- e. Where required grease interceptor capacity exceeds one thousand five hundred (1,500) gallons, multiple units installed in series may be required.
- f. No new FSE shall commence operations until all required grease-handling facilities have been installed, inspected, and approved by the District.

3. Existing Facilities

- a. Existing FSEs shall maintain grease-handling facilities approved by the District.
- b. Where existing facilities are determined by the District to be undersized, improperly maintained, defective, or otherwise inadequate, the owner shall complete all required corrective actions within the compliance period established by the District, not to exceed six (6) months unless extended in writing.

- c. Where installation of an outdoor interceptor is physically impractical, the District may approve an automatic grease removal unit or other alternative pretreatment technology subject to such conditions as the District deems appropriate.
- d. All proposed alternative systems shall be submitted to the District for review and written approval prior to installation.

G. Inspections and Monitoring

- 1. The District may enter upon any property served by the sewer system at reasonable times for purposes of inspection, observation, measurement, sampling, testing, and review of records related to compliance with this Section.
- 2. Inspections may include evaluation of: (a) accessibility of grease-handling facilities; (b) structural and operational condition of interceptors; (c) grease and sludge accumulation levels; (d) maintenance records and manifests; and (e) evidence of prohibited discharges or improper maintenance.
- 3. The District may issue written inspection reports identifying deficiencies, corrective actions, and required compliance deadlines.

H. Liability for Damages and Costs

In addition to the other penalties recited in these regulations, any user whose discharge causes or contributes to blockages, backups, overflows, damage to District facilities, or interference with wastewater operations shall be liable to the District for all associated costs, including labor, equipment, materials, engineering, legal fees, cleanup expenses, and administrative costs. Failure to reimburse the District for such costs may constitute grounds for discontinuance of water and/or sewer service.

I. Enforcement and Remedies

- 1. Failure to comply with this Section shall constitute a violation of these regulations and may subject the user to: (a) notices of violation, (b) administrative orders; (c) civil penalties, (d) recovery of damages and response costs, (e) termination or suspension of sewer and/or water service, (f) revocation or denial of permits, and (g) any other remedy authorized by law.
- 2. Repeated violations, including three (3) consecutive unsatisfactory inspections or evaluations, may result in escalated enforcement action.
- 3. The District may report violations to the DES or other applicable regulatory agencies for further enforcement action.

VI. SEVERABILITY

In the event that any section or portion of these regulations is deemed to be invalid for any reason of legality or technicality, all remaining sections and terms of these regulations shall remain in full force and effect.



Strategic Goals & Objectives Review

HILTON HEAD PUBLIC SERVICE DISTRICT STRATEGIC GOALS & OBJECTIVES

Adopted: July 23, 2025

1. Goal No. 1 – Water Services: Provide for all of our customers’ water supply needs with the highest quality water possible in a cost-effective manner

- 1.1. Ensure water supply, quality, and regulatory compliance, through regular monitoring, reporting, and optimal production and distribution system performance.
- 1.2. Utilize best available technologies where economically feasible.
- 1.3. Maintain an evergreen Long Range Water Supply Plan to assure supply and quality.
- 1.4. Proactively emphasize efficient use of water in all activities internally and with customers, particularly in regard to landscape irrigation.
- 1.5. Negotiate a new Purchased Water Agreement with Beaufort-Jasper Water & Sewer Authority.
- 1.6. Manage construction and grant administration of the S.C. Infrastructure Improvement Program and American Rescue Plan Act Long Range Water Supply projects.
- 1.7. Manage the funding and relocation of the Hilton Head PSD-Broad Creek PSD treated drinking water pipeline, resulting from the U.S. 278 Corridor Project.

2. Goal No. 2 – Recycled Water Services: Provide for all of the District’s wastewater collection, treatment, and recycled water distribution services in a cost-effective manner while enhancing and protecting the Island’s environment.

- 2.1. Continue to create access to the public sewer system for all properties seeking access, including the use of external funding, and assessment programs.
- 2.2. Adhere to all regulatory standards and timely delivery of complete and accurate applications and reports.
- 2.3. Utilize best available technologies where economically feasible.
- 2.4. Identify and reduce odors from our collection and treatment processes

3. Goal No. 3 – Environmental and Sustainability: Operate in a sustainable manner with high regard for protecting and improving the environment.

- 3.1. Consider the creation of programs that inform the public proactively of new areas of environmental concern regarding water and wastewater.
- 3.2. Introduce sustainable environmental initiatives as appropriate.
- 3.3. Explore applying new methods (models) dealing with global climate change impact to

our specific situation.

3.4. Identify and develop opportunities to reduce operating inputs such as power and chemicals.

4. Goal No. 4 – Customer Relations: Direct all activities to achieve a consistently high level of customer satisfaction.

4.1. Respond to, resolve and monitor customer concerns promptly while minimizing public disruptions.

4.2. Develop and execute programs that enhance the District's brand equity and maintain positive relationships between the District and its customers and the community.

4.3. Inspire every employee to make customer service an integral part of his or her job performance.

4.4. Research and evaluate new customer-focused areas of interest and value-added services utilizing best available technologies where economically feasible.

4.5. Review and/or develop policies detailing positions on various customer service issues, such as water leaks, remediation of water issues, etc.

4.6. Celebrate District and Staff accomplishments.

5. Goal No. 5 – Financial Responsibility: Conduct all District activity in a fiscally responsible manner.

5.1. Ensure fair, adequate, sufficient and equitable rates, fees and charges through cost-of-service rate methodology.

5.2. Plan and use debt prudently.

5.3. Identify and implement opportunities to reduce operating costs, without sacrificing high-quality products and services.

5.4. Identify and develop opportunities that enhance the District's revenue and improve its cash flow.

5.5. Review internal controls and policies regularly to ensure security of District assets and the integrity of District reports. Conform to the state and federal mandates regarding annual audits.

5.6. Monitor and report on operating ratios, goals and benchmarks to maintain/improve performance and maintain a high credit rating.

5.7. Develop and manage business and operational plans and prepare budgets that support those plans.

6. Goal No. 6 – Organizational Excellence and Leadership: Achieve organizational excellence and leadership.

- 6.1. Promote, monitor and support safety in all workplaces and activities.
- 6.2. Attract and retain a professional, diverse, motivated, customer-oriented staff, at a level consistent with meeting the District's goals, while considering novel approaches to recruitment.
- 6.3. Define and implement organizational succession planning.
- 6.4. Provide educational opportunities for Commissioners on governance and utility operations.

7. Goal No. 7 – Asset Management: Acquire, maintain, protect and secure the District's property, databases, plant and equipment assets (investment in the future).

- 7.1. Maintain and execute a system preventative maintenance program that minimizes the number, severity and duration of loss of service incidents.
- 7.2. Prepare an asset inventory and 5-year replacement plans for the water/wastewater systems.
- 7.3. Maintain a current comprehensive security infrastructure/disaster preparedness and recovery plan.
- 7.4. Exercise oversight over new construction projects to ensure construction complies with District standards and appropriate documentation is provided. In addition, ensure that new construction is compatible with the existing system and service can be extended to nearby properties.
- 7.5. Maintain adequate and comprehensive insurance coverage of District assets.
- 7.6. Maintain and protect confidential information through technology systems to ensure integrity of operations and information security.
- 7.7. Maintain physical security of property and equipment.
- 7.8. Utilize best available technologies were economically feasible.

8. Goal No. 8 – External Relations: Develop, expand and leverage the District's positive relationships with external organizations, utilities and governments.

- 8.1. Develop and expand cooperative and mutually beneficial relationships with the Town of Hilton Head, county, state, and federal elected representatives, local and state public service districts, public agencies and associations, the media and communities within the District.
- 8.2. Monitor and evaluate the impacts of federal, state and local legislation and regulations that impact the District's current and future operations



**4th Qtr FY'26
Mgmt Report**



**HILTON HEAD PUBLIC SERVICE DISTRICT
STRATEGIC GOALS & OBJECTIVES
Adopted: July 2025**

4th Qtr. Fiscal Year '26 Management Report:

- 1. Goal No. 1 – Water Services: Provide for all of our customers’ water supply needs with the highest quality water possible in a cost-effective manner**
 1. PSD tap water is in compliance with all state and federal regulations.
 2. Construction of the Reverse Osmosis Plant Expansion is substantially complete.
 3. We are under construction of RO Well #4:
 - a. Site prep and concrete pad work beginning.
 - b. Install of emergency generator, Oct. 12.
 - c. Current RO Well #4 Project Finish Date: Oct. 16, 2026.
 4. We are under construction of Aquifer Storage & Recovery (ASR) Well #2:
 - a. Well development completed.
 - b. Demobilization of drill rig and 24-hour pump test on track for late July/early August, respectively.
 - c. Site work on track for late August.
 - d. Current ASR #2 Project Finish Date: Dec. 9, 2027* (*We are working with the general contractor and equipment suppliers to try to move this date up.)
 5. Interim Purchased Water Agreement signed by boards of Hilton Head PSD, BJWSA, and Broad Creek PSD in May.
 6. U.S. 278 Corridor Project:
 - a. Preliminary engineering design for water/sewer relocations submitted to S.C. DOT. We are proposing boring a new waterline under the creek beds. A meeting with the DOT to review is planned for July 28.
- 2. Goal No. 2 – Recycled Water Services: Provide for all of the District’s wastewater collection, treatment, and recycled water distribution services in a cost-effective manner while enhancing and protecting the Island’s environment.**
 7. Requisitioning for Screw Pump Replacement project continuing. Project on track for completion in summer 2027.
 8. Completed project to remove sediment from equalization basins.
 9. We received four (4) responses to a Request for Proposals to study options for renovating our warehouse, garage, and Admin Building chiller unit. Staff is evaluating the responses as we would like to perform the study this fiscal year with a goal of executing the project in Fiscal Year '28.

3. Goal No. 3 – Environmental and Sustainability: Operate in a sustainable manner with high regard for protecting and improving the environment.

- 10. Held public ribbon-cutting for Native Plant Demonstration Garden on May 30 with about 50 guests in attendance, including some from as far as Sun City!

4. Goal No. 4 – Customer Relations: Direct all activities to achieve a consistently high level of customer satisfaction.

- 11. Monthly e-newsletters sent.
- 12. Summer bill insert newsletter sent.
- 13. News releases sent on PSD earning Laboratory of Excellence recognition; customers requested to suspend irrigation due to RO Plant temporary shutdown; and PSD Commission candidate filing notice.

5. Goal No. 5 – Financial Responsibility: Conduct all District activity in a fiscally responsible manner.

- 14. FY '27 Operations & Maintenance and Capital Improvement Programs budgets, and associated rates and fees adjustments, adopted by Commission
- 15. Series 2026 Front-Foot Assessment completed and filed with Beaufort County.
- 16. Multiple Indefinite Delivery Contracts (IDCs) signed with consulting firms as result of Request for Qualifications (RFQ) for On-Call Water and Wastewater Consulting Services.
- 17. Three (3) responses received from Request for Proposals (RFP) to study options for reconfiguration of PSD warehouse and garage. Staff is evaluating next steps.
- 18. Non-revenue water for FY '26 completed was 12.4%, which is a 4.6% decrease from FY '25. The decrease can be attributed to our ongoing meter replacement program and to repair of a utility-side leak.

6. Goal No. 6 – Organizational Excellence and Leadership: Achieve organizational excellence and leadership.

- 19. One (1) workplace injury to date in FY '26.
- 20. Assistant Finance Manager Angie Hughes achieved Certified Government Finance Officer designation.
- 21. License exams passed this quarter: Brent Durden passed his "C" and "B" Biological Wastewater license exams.
- 22. License upgrades achieved this quarter: Alfred Young, "D" Distribution.
- 23. Eleven (11) PSD team members earned Employee Recognition during the 4th Qtr.: Kiefer Clear; Shaun Chisolm; TyShon Hogan; Jake Ambrosia; Danny Schrock; Brent Durden; Arthur Washington; Gavin Blocker; Rakeem Riley; Ethan Ducharme; and Shadasha Holmes.
- 24. Training programs this quarter included: S.C. Assoc. of CPAs; Government Finance Officers Assoc.; AWWA ACE '26.

7. Goal No. 7 – Asset Management: Acquire, maintain, protect, and secure the District's property, databases, plant and equipment assets (investment in the future).

- 25. Wastewater Collections and Wastewater Treatment Plant teams are now using our "Llumin" Computerized Maintenance Management System (CMMS).
- 26. We are integrating our warehouse inventory system into the new CMMS.

27. New security access system added to Wastewater Treatment Plant gate.

8. Goal No. 8 – External Relations: Develop, expand and leverage the District’s positive relationships with external organizations, utilities and governments.

28. S.C. General Assembly and federal legislation we are tracking, including assessments of some of the bills from the S.C. Water Quality Association (SCWQA):

- a. **H 3768.** The General Assembly passed **H. 3768**, extension of the **Utility Relocation Act** provision that provides up to 4.5 percent of the total transportation project budget for water and sewer relocations, extending the current sunset provision for the utility relocation law from July 1, 2026, to July 1, 2032. Governor signed into law. Outreach to members of the Beaufort County Legislative Delegation, including Rep. Bill Herbkersman and Rep. Weston Newton, was instrumental in helping the bill move to passage before the session ended.
- b. No other bills of significance to the PSD were passed during the session.



GM Monthly Report



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

July 15, 2026

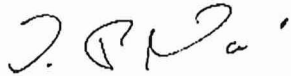
Dear Commissioners, please see below the following updates:

- We are experiencing current demand of approximately 8 million gallons a day (mgd). Recent rainfall has helped shave peak demand.
- S.C. Infrastructure Investment Program (SCIIP) Projects Update:
 - **RO Plant Expansion:**
 - Project is substantially complete. We are completing relatively minor punch-list items.
 - Current RO Plant Expansion Project Finish Date: Nov. 2, 2026.
 - **RO Well #4:**
 - Site work for permanent equipment installation has begun.
 - Current RO Well #4 Finish Date: October 16, 2026.
 - **ASR Well #2:**
 - Well drilling is complete. 24-hour test of well is pending this month.
 - Current ASR #2 Finish Date: Dec. 9, 2027.* (*The general contractor is working with equipment manufacturers to move up the completion update.)
- **U.S. 278 Corridor Project:**
 - We are proposing a relocation of the water transmission pipeline due to construction and demolition information recently provided by the SCDOT. We are hosting a staff meeting with the DOT on July 28 to discuss our proposal.
- **WWTP Buildings/Admin Building Chiller RFP Responses:**
 - We received four (4) responses to our Request for Proposals to study options for renovating our warehouse, garage, and Admin Building chiller unit. Staff is recommending acceptance of one of the proposals this month in order to have the study performed this fiscal year and plan for the future project.
- **Garrett Whitt is new Water Quality Supervisor:**
 - Garrett Whitt has joined the PSD as Water Quality Supervisor to manage our on-site water and wastewater quality laboratory. Garrett has more than 20 years of experience managing quality assurance laboratories for Celanese Acetate in Virginia. He has extensive experience in regulatory compliance and in complex laboratory processes and equipment.
- **Commission Candidate Filing Opens:**
 - The filing period for Commission candidates for the 2026 General Election is open. The deadline to file is noon on August 17. The commission seats in PSD Voting Districts 1, 5, and 7 will be up for election. The attached announcement was sent out.
- **PSD to host Carolina Yards Workshop:**

- We are planning to host a Carolina Yards Workshop at 10 a.m. on Aug. 6 in the Community Room. Clemson Extension Agent Ellen Sturup Comeau will lead the workshop, which teaches water-efficient, sustainable landscape practices. The attached news release was sent.

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

All my best,

A handwritten signature in black ink, appearing to read "P. Nardi".

Pete Nardi
General Manager
Hilton Head PSD

HILTON HEAD PUBLIC SERVICE DISTRICT

www.hhpsd.com

Hilton Head PSD Commission candidate filing notice

The Hilton Head Public Service District (PSD) Commission will have three seats up for election during the general election on Tuesday, Nov. 3, 2026. One seat each in PSD Voting Districts 1, 5, and 7, will be up for election. Commissioners are elected to four-year terms.

The filing period begins July 13 and ends at noon on August 17, 2026. All candidates must reside in and be currently registered to vote in the PSD Voting District for which they are seeking office. Candidates' voter registration must match their current residence at the time of the election.

Citizens who are interested in filing for candidacy must do so in person at the PSD Customer Service Center at 21 Oak Park Drive off Mathews Drive, between the hours of 8:30 a.m. and 4 p.m. Monday through Friday, by arranging to sign the Statement of Intention of Candidacy – Nonpartisan form in the presence of the PSD's General Manager or authorized representative. The filing form is available at the PSD or may be downloaded from the S.C. Election Commission website:

<https://scvotes.gov/wp-content/uploads/2022/08/SEC-FRM-1008-200912-Statement-of-Intention-of-Candidacy-Nonpartisan.pdf>

Candidates are required to file a Statement of Economic Interests and a Campaign Disclosure online with the State Ethics Commission at <https://ethics.sc.gov/>. Failure to file these documents may result in a candidate fine but will not disqualify a candidate from the election. Contact the State Ethics Commission for more information.

Filing questions can be directed to the PSD General Manager at (843) 681-5525 or info@hhpsd.com. More information about the Commission is available at: <https://hhpsd.com/commission/>.

HILTON HEAD PUBLIC SERVICE DISTRICT

www.hhpsd.com

Contact: Pete Nardi
Hilton Head PSD
(843) 681-0525
pnardi@hhpsd.com

FOR IMMEDIATE RELEASE

Hilton Head PSD to host Clemson's Carolina Yards, Aug. 6

HILTON HEAD ISLAND, S.C. (July 13, 2026) – Hilton Head Public Service District (PSD) will host Clemson Extension Service's "Carolina Yards" workshop from 10 a.m. to noon on Thursday, Aug. 6 in the PSD Community Room at 21 Oak Park Drive off Mathews Drive. Clemson Extension's Carolina Yards program teaches how simple and effective landscaping methods can create a low-maintenance yard that works with nature rather than against it. Join Clemson Extension Agent Ellen Sturup Comeau to learn how choose landscaping that works with your property's soil, water wisely, and reduce runoff from your home landscape to protect our island environment.

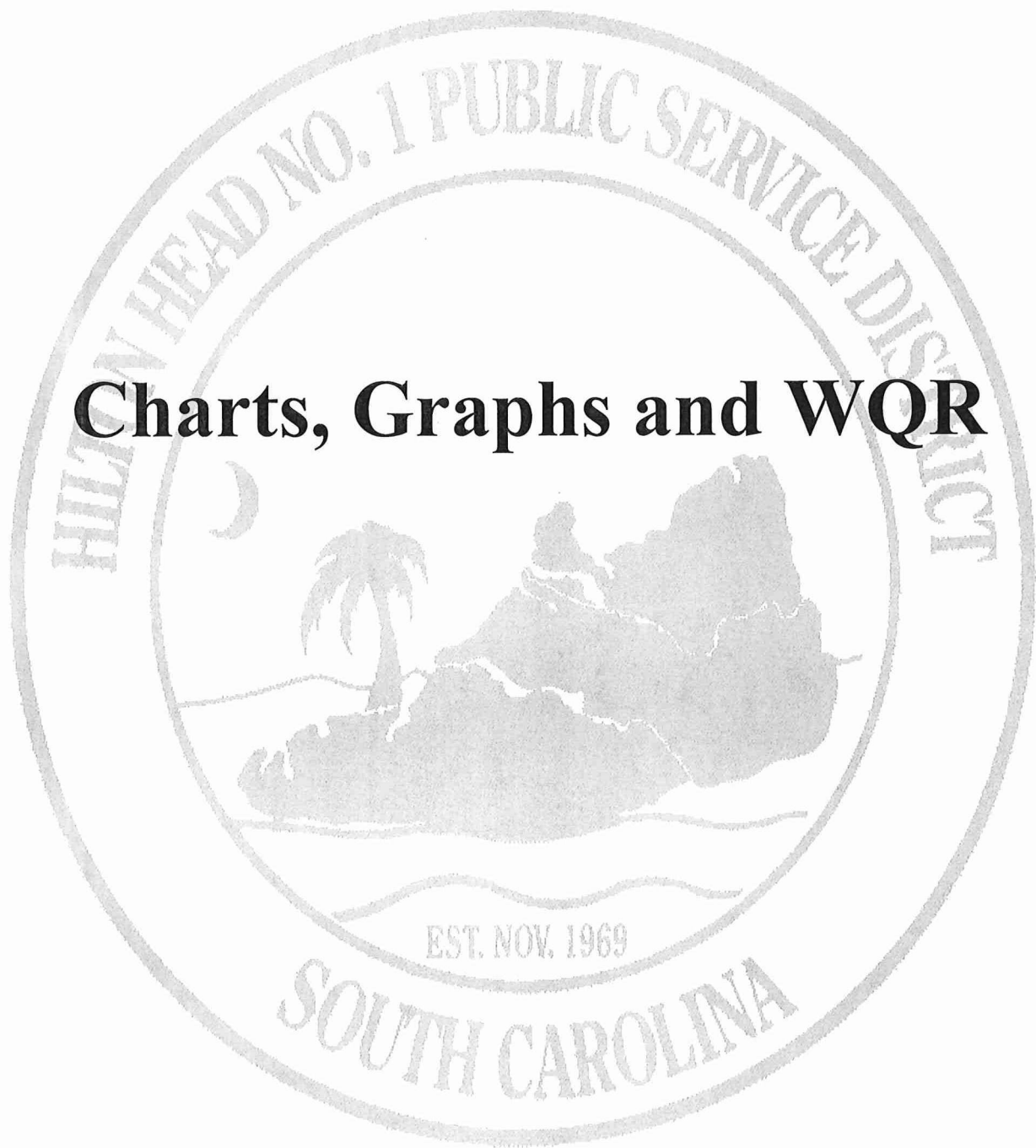
Hilton Head Island can annually experience 40 to 60% of the demand for treated drinking water being used to irrigate residential turf and landscape. Carolina Yards teaches you how to water wisely and incorporate South Carolina native vegetation into your landscape to reduce your need to irrigate with drinking water.

About Hilton Head PSD:

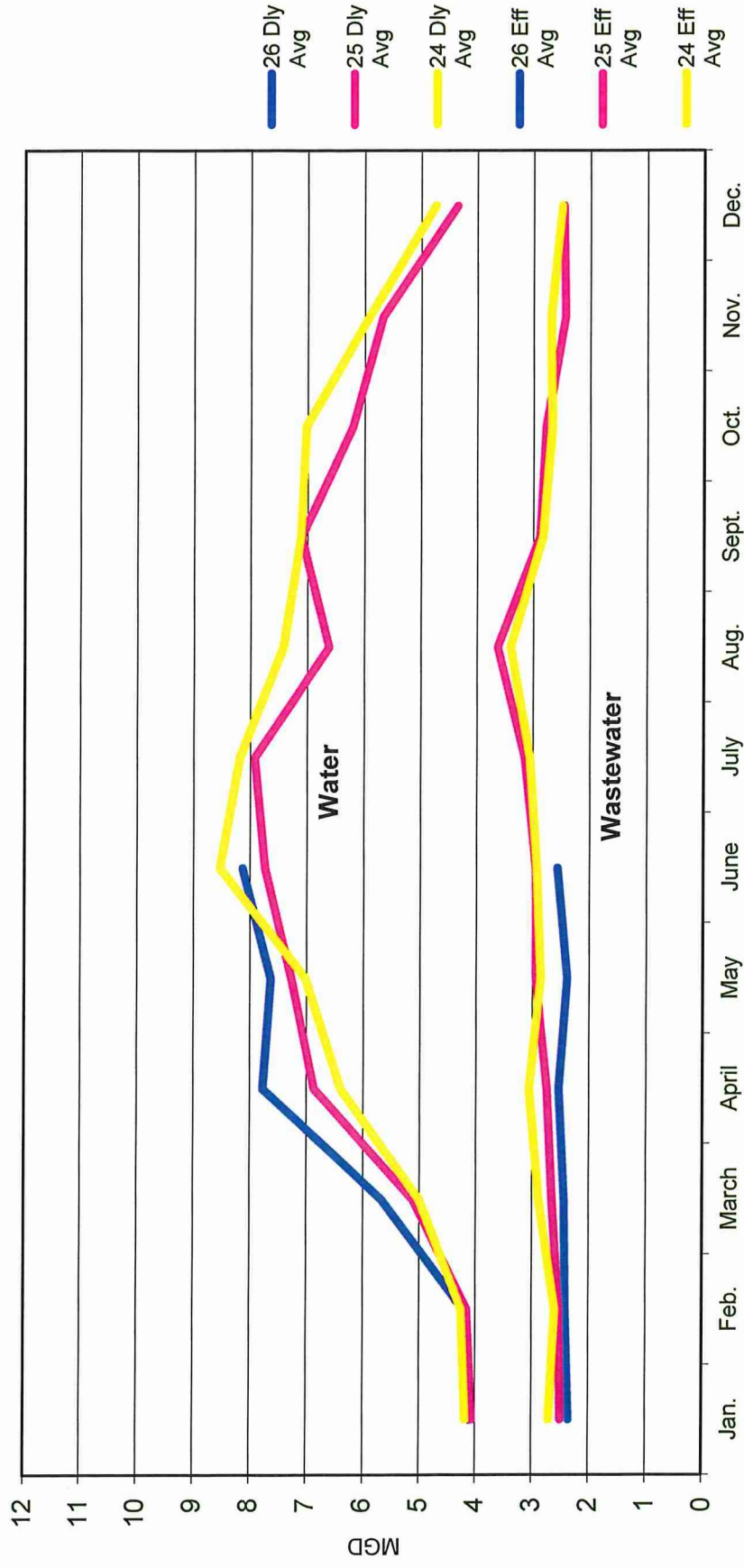
The Hilton Head PSD is the water, sewer, and recycled water public utility that serves more than 25,000 customers in the north- and mid-island areas. For more information, visit hhpsd.com

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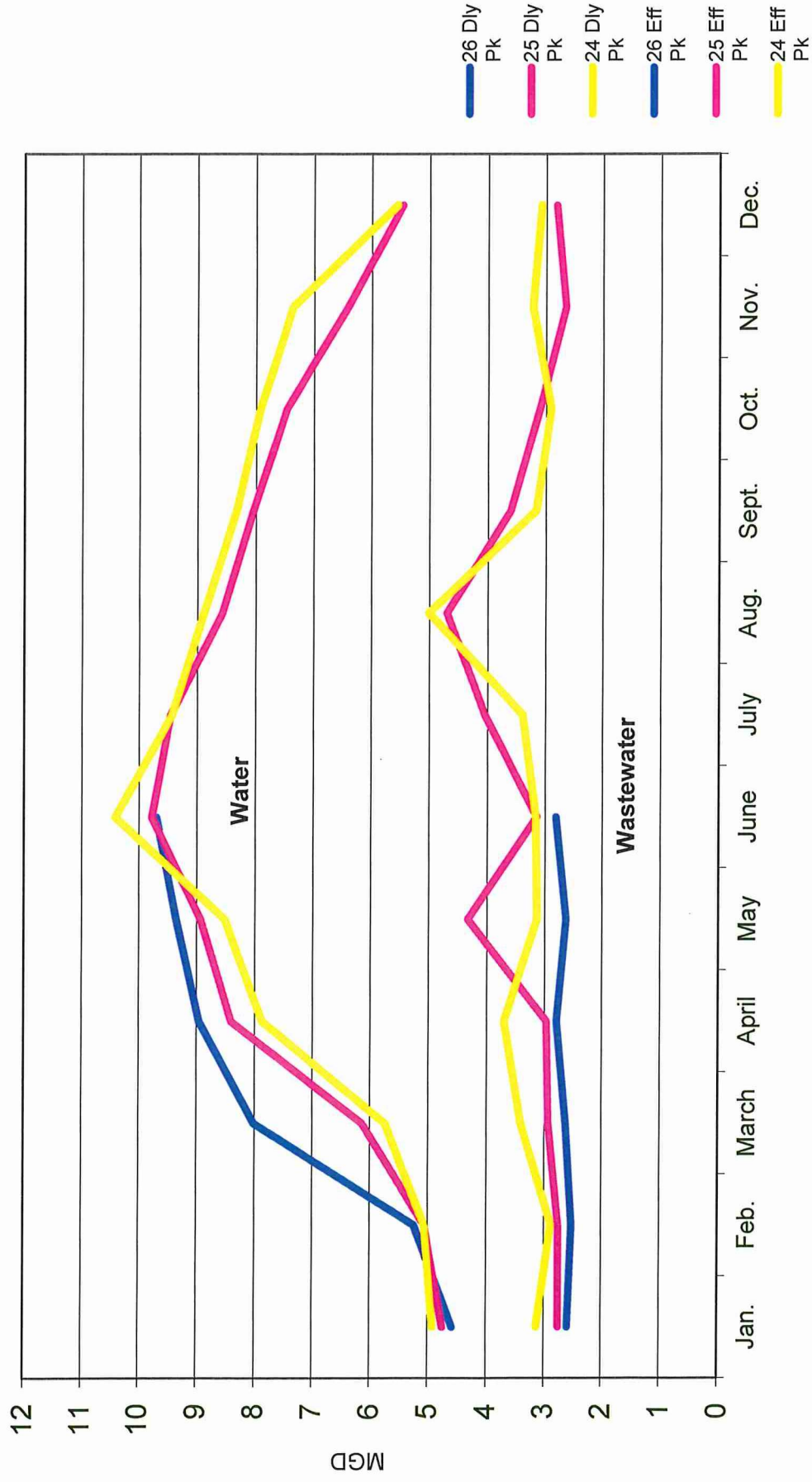
Charts, Graphs and WQR



Water and Wastewater Average Flows



Water and Wastewater Peak Flow





Jun-26
Monthly Water Quality Report

Water Supply		MG Per Month												
Source		Jan.	Feb.	March	April	May	June	July	Aug.	Oct.	Nov.	Dec.	YTD	% of Supply YTD
Purchased		0.00	2.42	40.80	64.28	37.44	49.15						194.09	18.0%
RO Plant		110.92	104.11	97.90	86.82	116.57	112.78						629.10	57.0%
UFA Wells		14.05	14.18	26.93	36.72	33.73	34.95						160.56	14.0%
ASR Recovery		0.00	0.00	5.60	35.97	42.51	40.32						124.40	11.0%
Total		124.97	120.71	171.23	223.79	230.25	237.20						1108.15	100.0%

System-wide Water Quality Testing

Type of Test	Results by Month											
	Jan.	Feb.	March	April	May	June	July	Aug.	Oct.	Nov.	Dec.	
Bacteriological	PASS	PASS	PASS	PASS	PASS	PASS						
Chlorine (avg)	2.1	2.26	2.35	1.97	2.10	1.44						
Ph (avg)	N/A	N/A	N/A	N/A	N/A	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)	1.20			
RO Raw Water MFA Wells (range)	n/a			
Finished RO Water	2.50			
Fire Station UFA	1.75			
Leg O' Mutton UFA	2.00			
Wild Horse UFA	1.90			
Seabrook UFA	1.70			
Union Cemetery UFA	1.71			
ASR (recharged)	2.15			

Customer Inquiries

Type of Inquiry	Number of Inquiries	Resolved?	Comments
Low Pressure	10	y	
Customer break/leak	17	y	
PSD break/leak	22	y	
Water Outage	4	y	
Odor/Taste/Color	0	y	
Miscellaneous	94	y	
Sewer issues & Inspections	41	y	
Total	188		

Other Water Quality Notes for This Month
6/18/2026 - Changed cartridge filters