

# W on the Waterfront

A Publication of the Hilton Head Public Service District

2013 Annual Report

## PSD, Town bring sewer to Baygall and Mid-Spanish Wells areas



*The PSD's new sewer pump station near the Spanish Wells Business Center brings sewer service to the mid-Spanish Wells Road area, including Bluebell Lane. The project included sewer line installation and was jointly funded by the Town of Hilton Head Island.*



*Construction workers install concrete for the PSD's new sewer pump station that will serve the Baygall neighborhood.*

The PSD and Town of Hilton Head Island's partnership to extend sewer service to previously unserved areas is going strong.

Work is underway to complete a sewer pump station and main installation project in the Baygall neighborhood along Mitchellville and Fish Haul roads. The Town and PSD have jointly funded the project, which is expected to be completed in March. The work is being coordinated with Beaufort County's paving of Fish Haul Road.

Work recently was completed on a sewer pump station and main installation project in the mid-Spanish Wells area near the Spanish Wells Business Center and Bluebell Lane. The project was jointly funded by the Town and PSD.

The Town of Hilton Head Island has committed more than \$3 million to help fund sewer installation in the PSD's north- and mid-island service area in the past three years, bringing sewer access to hundreds of properties.

Customers interested in connecting to the public sewer system are urged to contact the PSD at (843) 681-5525 or drop us a line at [info@hhpsd.com](mailto:info@hhpsd.com).

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PSD Commission Chair Bob Manne, right, accepts the Certificate of Achievement for Excellence in Financial Reporting from Kevin Yokim of the South Carolina Chapter of the Government Finance Officers Association. The certificate is for the PSD's 2012 Comprehensive Annual Financial Report (CAFR).

## Utility earns financial reporting award

Hilton Head Public Service District (PSD) has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the third year in a row. The award, which is the highest form of recognition awarded by the association, is for the PSD's 2012 Comprehensive Annual Financial Report (CAFR). The PSD's CAFR was judged to demonstrate a spirit of full disclosure and to have effectively communicated the utility's "financial story," according to the association. The CAFR can be viewed at [www.hhpsd.com](http://www.hhpsd.com) by clicking on the Newsroom tab and selecting the Publications web page.

The Government Finance Officers Association is a nonprofit association for financial officers in the United States and Canada.



Parker Liggett, right, a sophomore at Hilton Head Island High School, is completing an internship in the PSD Water Quality Lab under the guidance of PSD Water Quality Analyst Scott Moffatt, left. Liggett is a member of Ms. Nancy Clouse's 10th grade Honors Chemistry class. The internship is Liggett's Honors Enrichment Project for the course.

## PSD moving forward with expansion of RO Plant

The treatment capacity of the PSD's Reverse Osmosis (RO) Water Treatment Facility will be expanded in 2014 to provide 4 million gallons of water a day. The plant currently provides 3 million gallons a day. The facility filters brackish groundwater from the 600-foot-deep Middle Floridan Aquifer to produce tap water. It is the same process and technology used to make many brand-name bottled waters and other beverages and yields a very high-quality water.

The expansion is necessary to meet water demand in the face of saltwater intrusion into the PSD's freshwater Upper Floridan wells. The PSD has lost six of its 12 Upper Floridan wells since 2000 and anticipates losing five of the remaining six by 2024.

The \$3.75 million project will involve upgrading the existing wells in the brackish Middle Floridan Aquifer and adding a fourth unit of filter tubes at the facility. It will include the construction of a water booster station to assist in distribution and also will cover the \$500,000 cost of the PSD relocating its large water transmission pipeline from the mainland as a result of the Bluffton Fly-Over construction. The project will be paid for using general obligation bonds that are repaid through the utility's property tax levy.

The PSD experiences an average daily demand for water of about 6 million gallons, peaking to as much as 11 million gallons in the summer. The RO facility is being expanded in 1-million-gallon-a-day increments in order to meet average daily demand. The incremental expansion avoids over-building capacity just to meet peak demands. Instead, the PSD meets peak demand by utilizing its Aquifer Storage & Recovery (ASR) well that stores less expensive wholesale water in the winter months of low demand and then re-treats and withdraws 2 million gallons a day in the summer months of higher demand and more expensive wholesale rates.

## PSD's AA+ bond rating affirmed

The PSD had its AA+ rating with stable outlook on its general obligation bonds recently affirmed by Standard & Poor's Ratings Services. S&P cited the PSD's "very strong finances and low-to-moderate debt" and Hilton Head Island's "well-established, tourism-centered" economy as key reasons for the affirmation. S&P also highlighted the PSD's "rapid" debt amortization, as the utility plans to retire 79 percent of its general obligation debt over the next 10 years.

"The stable outlook reflects Standard & Poor's opinion that the District will likely maintain its strong finances. We believe the District's affluent tourism-based local economy and prudent financial management policies provide further rating stability," S&P said in a written statement. "We also believe continued local economic growth and significant income improvement could lead us to consider raising the rating." S&P also noted that "debt service on outstanding general obligation debt was roughly 6 percent of (the utility's) fiscal year 2012 expenditures, which we view as low."

General obligation bonds are secured by the PSD's property tax revenue. They have been used by the utility to fund long-term water supply projects such as the construction of Hilton Head's first-ever Aquifer Storage & Recovery (ASR) well in 2011 and the PSD's Reverse Osmosis (RO) Water Treatment Facility in 2009.

## Island PSDs, BJWSA come together for strategic planning

Representatives from all three public service districts serving Hilton Head Island and the Beaufort-Jasper Water & Sewer Authority (BJWSA), which provides wholesale water to the island, came together at Hilton Head PSD's annual Strategic Planning Workshop in November. The Hilton Head PSD Commission was joined by South Island PSD Commission Chairman James Vaughn, Broad Creek PSD Commission Vice Chairman William Dugle, and BJWSA General Manager Ed Saxon.

The group discussed future challenges and issues for their utilities in areas such as customer service, environmental stewardship, governance, finance, and technology and science.

Hilton Head PSD Commission Secretary John Geisler said the session was a great opportunity for board members to learn more about each utility's operations and highlight "the similarities among us."

The Hilton Head PSD Commission develops a set of strategic goals from which PSD staff creates an annual staff work plan.

### Hilton Head PSD's Strategic Goals

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

**Goal No. 2 – Water Reclamation Services:** Meet all of the District's wastewater process and reclamation services in a cost-effective manner while enhancing and protecting the Island's environment.

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

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

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

**Goal No. 6 – Organizational Excellence and Leadership:** Achieve organizational excellence and leadership under the guidance of careful strategic planning.

**Goal No. 7 – Asset Management:** Improve, maintain and secure the District's property, information, plant and equipment assets.

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



The League of Women Voters recently brought together utility and municipal leaders from Hilton Head Island and Bluffton for a panel discussion on an array of topics related to water and wastewater in the area. From left are utility general managers: Ed Saxon, Beaufort-Jasper Water & Sewer Authority; Kelley Ferda, South Island Public Service District (PSD); Russell Hildebrand, Broad Creek PSD; and Richard Cyr, Hilton Head PSD. The event was held in the Hilton Head PSD Community Room.

## PSD sludge is PCB-free

PSD sludge samples are free of polychlorinated biphenyls (PCBs), recent testing by a certified, independent laboratory has confirmed. The South Carolina Department of Health and Environmental Control (DHEC) required all municipal wastewater treatment plants in the state to test for PCBs in the wake of the contaminant being detected in sewer systems in the Upstate and Midlands regions. Investigations by DHEC led to charges against a waste hauler whom the state alleges was illicitly discharging the PCBs into grease traps connected to several Upstate sewer systems.

PCBs are thick, oily chemicals that were historically used in the electrical industry, but were banned from use in the United States in the late-1970s. Wastewater treatment plants in South Carolina do not allow PCB discharges into their systems.

Sludge is the nutrient-rich organic material that results from the wastewater treatment process. Hilton Head PSD's sludge is deposited in Waste Management's Hickory Hill Landfill in Jasper County. The PSD's Recycled Water Plant on Oak Park Drive on Hilton Head treats and recycles an average of 3 million gallons of residential and commercial wastewater a day. All PSD recycled water is put to beneficial use for golf course irrigation or wetlands nourishment and is not discharged into any receiving bodies of water.

## Flushing wipes a bad idea

The PSD is asking for your help in preventing costly damage to the public sewer system and potentially to your plumbing. Cleaning wipes used to wipe down toilets and bathrooms, as well as those used to dust floors, are turning up in the public sewer system and are causing damage to the pumps used to move wastewater through the PSD's sewer system. The problem is that wipes do not break down quickly enough, causing jams and resulting in repairs that cost the utility and its customers. Additionally, these wipes can potentially build up in your sewer line on your property, causing sewage to back up into your home or business.

So-called "flushable wipes" for personal hygiene also can be problematic. A recent Consumer Reports review showed that these wipes were resistant to breaking down after being flushed, leading Consumer Reports to recommend that such wipes not be flushed. The best practice is to treat personal hygiene wipes as you would soiled disposal diapers and discard them in a wastebasket.



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## New PSD website wins MarCom Gold

The PSD's [www.hhpsd.com](http://www.hhpsd.com) website has won a 2013 MarCom Gold Award. The PSD's website received a Gold Award in the Government Website category. The MarCom Awards are an international awards competition that recognizes outstanding achievement in communications. The MarCom Awards are administered and judged by the Association of Marketing and Communication Professionals. The 2013 competition involved more than 6,500 entries from the United States, Canada and several other countries. Winners ranged in size from small businesses to Fortune 500 corporations.

This is the PSD's second MarCom Award, having won an Honorable Mention for its 2011 Water Quality Report.



The PSD recently installed a rain garden at the front entrance of our Water Resource Center at 21 Oak Park Drive off Mathews Drive. The rain garden features a rain barrel and plantings of Beauty Berry, Blue Flag Iris, Ajuga "Chocolate Chip" and Ruellia. Rain gardens are an attractive and beneficial way to reduce irrigation and intercept stormwater runoff. Learn more at the Water Efficiency page at [www.hhpsd.com](http://www.hhpsd.com).

Visit the new [hhpsd.com](http://hhpsd.com) to:

- o Pay your bill online
- o Reserve the PSD Community Room for your group
- o Learn more about your water
- o Meet your elected PSD Commission
- o And much more!