Town of Hilton Head Island
TOWN COUNCIL WORKSHOP
Tuesday, September 30, 2025, 1:00 PM
Minutes

Call to Order

Mayor Perry called the meeting to order at 1:00 p.m.

Council Members present: Alan Perry, Mayor; Alex Brown, Ward 1, Mayor Pro-Tempore; Patsy Brison, Ward 2; Steve DeSimone, Ward 3; Tammy Becker, Ward 4; Steve Alfred, Ward 5; Melinda Tunner, Ward 6

Others Present: Marc Orlando, Town Manager; Curtis Coltrane, Town Attorney; Kim Gammon, Town Clerk

Adoption of the Agenda

Mr. Alfred moved to approve. Ms. Becker seconded. Motion carried 7-0.

Workshop Discussion

Stormwater Utility Program Update

Mayor Perry invited Jeff Netzinger to address Council. Mr. Netzinger conducted a detailed presentation regarding the following items.

He noted that investing in Stormwater Management Infrastructure is listed as number 2 in the Strategic Action Plan Goals. Mr, Netzinger stated he anticipates a collaborative discussion with Town Council, to better understand and how to best advance planned Stormwater Utility Program initiatives in accordance with the FY26-28 Town Council Strategic Action Plan.

He explained the today's agenda would consist of not only the FY2026-2028 Strategic Action Plan Priorities but the following:

- Overview of Staffing, Funding Source, Rvenues and Balances
- Status of Current FT2026 Stirmwater CIP Proects
- Plamed FY-2027-2030 Stormwater CIP Projects
- Funding Options to Support Planned Stormwater CIP Projects
- General Discussion

GOAL #2

Invest in Stormwater Management Infrastructure

Protect the Island's environmental quality, community resilience, and public safety by upgrading and maintaining a high-performing, island-wide stormwater system that adapts to changing conditions, leverages regional coordination, and aligns with Town priorities.

Strategy

Modernize stormwater infrastructure through capital investments, strategic program evaluation, funding partnerships, and improved system management. Ensure the Stormwater Utility (SWU) Program is sustainable, fair, and effective in mitigating flood risk, enhancing water quality, and supporting resilient growth.

Action Items

		FY26	FY27	FY28
2.1	Conduct a comprehensive Stormwater Utility Program assessment of Town, County, State and private systems infrastructure to improve operations, system management, and storm preparedness and recovery	✓	✓	✓
2.2	Prioritize capital project investment in stormwater infrastructure	✓	✓	✓
2.3	Prepare an Island Wide Stormwater Master Plan	✓	✓	✓
2.4	Assess the SWU reserves, revenues and stormwater utility rate and revenue model to support Town funding priorities	✓	✓	✓
2.5	Develop a funding strategy with local, regional, state, and federal agencies	✓	✓	✓

Overview of Funding Source, Revenues, and Balances

- The Stormwater Utility (SWU) formed in 2001 to provide a funding source for addressing stormwater deficiencies throughout Beaufort County.
- Beaufort County collects the fees annually and includes the fee on annual property tax bills.
- The Town sets the base Single-Family Unit (SFU) rate and determines the rate structure to be utilized. The Town is afforded an opportunity to adjust the SFU rate annually, based on the SWU IGA with Beaufort County.
- The SFU is set based on 4,906 square feet of impervious area. Fees for various parcel categories are calculated based on the base rate per the chart to the right.
- Fees for Commercial properties vary based on parcel size

and total measured impervious area.

- The Current SFU rate of $150.00 is determined based on 3 components: 1. Administrative Fee Component (AFC) $ 24.00; 2. Impervious Area Component (IAC) $ 105.00; and 3. Gross Area Component (GAC) $ 21.00.

Status of Current FY2026 Stormwater Capital Improvement Program (CIP) Projects

Current Status of Stormwater CIP Projects
- Planning 5 Projects
- Design 8 Projects
- Construction 4 Projects

Project Delivery Challenges & Opportunities
- Easement / right-of-way acquisition
- Contractor availability / capacity
- Staff capacity to manage projects

FY2027-2030 Stormwater CIP Projects Overview

Major investment in stormwater infrastructure is needed to preserve and enhance public safety and protect property
Project scopes and costs are not yet fully realized for all fiscal year 2027-2030 projects
Town considerations for project delivery include:
- Prioritization
- Scope
- Schedule
- Phasing
- Cash versus debt

Challenges and opportunities moving forward
- Easement acquisition
- Contractor availability / capacity
- Staff capacity to manage projects

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FY 2026 Stormwater Program Capital Improvement Projects

Project Name	FY26 Budget	Status	Project Description
Stormwater Maintenance & Improvement Program *	$ 1,800,000	Construction	Public System Corrective Maintenance Projects
Stormwater Maintenance Agreement Program *	$ 2,000,000	Construction	Agreements Program Projects and Reimbursements
Moonshell Road / Folly Field Neighborhood Improvements	$ 60,000	Design	Improve ditch capacity within the neighborhood and increase pipe and ditch capacity downstream
75 Helmsman Way Drainage Improvements	$ 50,000	Planning	Increase pipe capacity and install tidal backflow prevention devices
Bryant Road Pond Restoration	$ 25,000	Planning	Remove organics and sediment from shallow lagoons and connect the pond to the outfall with a new pipe
Cordillo Courts Drainage Improvements	$ 95,880	Design	Install a new piped system to address road ponding issues adjacent to the tennis courts
Gum Tree Road Drainage Improvements	$ 120,000	Design	Adding new pipe connections and improving ditches in several locations between School Drive & Wild Horse Rd
Jarvis Creek Outfall	$ 50,000	Design	Installing new backflow preventive devices in two locations underneath the Cross Island Parkway
Jarvis Creek Pump Station - Pump Replacements	$ 300,000	Planning	Replacing one of four existing pumps approaching the end of their useful life
Main Street Drainage Improvements	$ 50,000	Planning	Pipe cleaning and video inspection
Old Woodlands-26 Indian Trail Improvements	$ 80,000	Design	Install pipe and improve ditch connections adjacent to Aquatera
Palmetto Hall Outfall Improvements	$ 150,000	Design	Install new pipe and backflow prevention devices to mitigate risk of roadway and structure flooding in the upstream system
Water Level Monitoring	$ 75,000	Construction	Install devices to dynamically monitor water surface elevations to aid in pre-storm preparation and to inform future CIP design
Weather Monitoring	$ 50,000	Construction	Install weather stations to provide real-time data during storm events and to inform future CIP design
Central Island Pump Station Overhaul and Resilience Improvements	$ 750,000	Design	Install new infrastructure and replace aging infrastructure at this critical facility located between Wexford and Log Cove Club.
Gum Tree Channel Capacity Improvements at Chinaberry Crossing	$ 120,000	Design	Improve capacity and address public safety concerns at the roadway culvert crossing
Arrow Road Laydown Yard Improvements	$ 75,000	Planning	Install rock in the yard to address chronic roadway tracking issues
Total	**$ 6,350,880**		Including the $500,000 Stormwater Program contingency

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Planned FY2027-2030 Stormwater CIP Projects

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Stormwater Program Planned Capital Improvement Projects

Project Name	FY26	FY27	FY28	FY29	FY30	5-Year Total
Water Level Monitoring	$ 75,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 875,000
Weather Monitoring	$ 50,000	$ 40,000	$ 40,000	$ 40,000	$ 40,000	$ 210,000
Central Island Pump Station Overhaul and Resiliency Improvements	$ 750,000	$ 3,000,000	$ 3,500,000			$ 7,250,000
Ashmore Channel Resilience/278 Backflow Prevention Port Royal		$ 15,000	$ 30,000	$ 300,000		$ 345,000
Gum Tree Channel Capacity Improvements at Chinaberry Crossing	$ 120,000	$ 350,000				$ 470,000
24 Pope Avenue Outfall to Shipyard			$ 40,000	$ 70,000	$ 100,000	$ 210,000
25 Dunnagans Alley Parking Lot Drainage Improvements		$ 30,000				$ 30,000
Airport Outfall Ditch Relocation				$ 200,000	$ 700,000	$ 900,000
Arrow Road Laydown Yard Improvements	$ 75,000					$ 75,000
Arrow Road Outfall at Greenery			$ 30,000	$ 100,000	$ 300,000	$ 430,000
Burkes Beach Area Drainage Improvements			$ 40,000	$ 100,000	$ 300,000	$ 440,000
Gardner Channel Capacity Improvements at 278			$ 30,000	$ 50,000	$ 150,000	$ 230,000

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Stormwater Program Planned Capital Improvement Projects

Project Name	FY26	FY27	FY28	FY29	FY30	5-Year Total
Marshland Road Pathway Drainage Issues		$ 120,000	$ 100,000	$ 100,000	$ 100,000	$ 420,000
Muddy Creek South Outfall				$ 50,000	$ 80,000	$ 130,000
North Forest Beach Pipe Replacements/Rehabilitation		$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 640,000
Shipyard Pump Station Overhaul			$ 100,000	$ 250,000	$ 1,800,000	$ 2,150,000
Squire Pope Outfalls- Backflow Prevention (2 Locations)		$ 60,000	$ 60,000			$ 120,000
The Links at Port Royal Improvements		$ 50,000	$ 100,000	$ 500,000		$ 650,000
Woodlake Villas/Mathews Drive Outfall Improvements		$ 20,000	$ 50,000	$ 300,000		$ 370,000
Woodward Avenue Pipe Rehabilitation			$ 575,000			$ 575,000
Arrow Road Powerline Channel Excavation- Capacity Improvements					$ 200,000	$ 200,000
Point Comfort – Sea Olive Road Outfall Improvements *	$ 20,000	$ 50,000				$ 90,000
Shell Midden / Cordillo Parkway Drainage Improvements *	$ 82,000	$ 800,000				$ 882,000
Stormwater Contingency **	$ 398,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
TOTALS	**$ 6,350,880**	**$ 10,175,000**	**$ 10,555,000**	**$ 7,170,000**	**$ 9,430,000**	**$ 41,802,880**

» * Recently identified and added to the Stormwater CIP Program ** Contingency account utilized to fund recently added projects

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Stormwater CIP Funding Options

- The Stormwater fee brings in just over $5 million annually – all operating & maintenance costs are covered by these fees
- Current Stormwater Fee Rate Structure allows the Town to utilize approximately $2.5 million in annual capital improvements if no borrowing occurs
- The Finance Team suggests the Town could borrow with a 20 or 25-Year Payback period to finance more projects sooner
- The budget process would be used to prioritize specific Stormwater projects for funding
- The Finance Team recommends the Town consider any Stormwater borrowing to align with FY27 Budget Approval process timing
- Stormwater Revenue Borrowing History:
- $3,200,000 in 2018 Bonds payable through April 1, 2028 ($360k payments due April 1, 2027 & 2028)
- $5,630,000 in 2021 Refunding Bonds will be paid off April 1, 2026, with the final $950,000 payment
- Future fixed payments on debt limits future budget flexibility

Council members made comments, asked questions and held discussion regarding the Program and following discussion Mr. Orlando reviewed what he felt was necessary to move forward with the goals for Stormwater Utility. He stated the need to dive into the Stormwater Master Plan and it will tell us the issues and what projects the Town needs to invest in with probable costs, etc. Staff

will continue working on projects this year and work on refining the Five-Year CIP Program. Staff will also work towards producing a FY27 plan for funding which will most likely include a form of borrowing some funds. He added that once the Master Plan is complete, that will drive the rate study in order to move forward. He added that it will further drive a much bigger project list and the need to do a debt service assessment in FY27. Mr. Orlando stated that for FY27 he will work with staff to put together a small, lean Public Service Department which will help take pressure off the stormwater inspectors so they can concentrate on water quality, not project management.

Mayor Perry asked for public comment.

Robert Brown addressed Council regarding problems with drainage in the Cordillo Cabana area. He asked for guidance as to who is responsible for the problem.

Public Comment - Non Agenda Items

Jay Sudowski addressed Council regarding his frustration with how short-term rental requirements are being handled. He stated the ordinance is flawed, there has been enough time to gather data, and there is a lack of enforcement.

Adjournment

Mayor Perry adjourned the workshop at 3:05 p.m.

Kimberly Gammon, Town Clerk

Alan R. Perry, Mayor

The full recording and a transcript of this meeting can be found on the Town's website at www.hiltonheadislandsc.gov