

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Tuesday, May 9, 2023
Fripp Island Fire Station
and
Electronic Meeting Via Zoom
9:30 a.m.

Zoom Info:

Join from PC, Mac, Linux, iOS or Android:

<https://us02web.zoom.us/j/86565978745>

Or iPhone one-tap (US Toll): +19292056099,,86565978745#
+13017158592,,86565978745#

Or Telephone:

Dial: +1 301 715 8592 (US Toll) or +1 312 626 6799 (US Toll)
Meeting ID: 865 6597 8745

AGENDA

1. Call to Order
 - Confirmation of the presence of a quorum
 - Confirmation of public meeting notice, as required by the SC Code of Laws *30-4-80(A)*.
2. Pledge of Allegiance
3. Approval of April Commission Meeting Minutes
4. Reports
 - Manager's Report for April 2023
 - Fire Department Report for April 2023
 - Report on POA Shoreline Committee Activities
5. Old Business
 - Blue Heron Lake Sewer Force Main Relocation
 - Blue Heron Lake Spillway Repair Project
6. New Business
 - Pope Flynn Group Engagement Letter for GO Bond Issue
 - Resolution Approving the Incurring of General Obligation Debt in an Amount Not Exceeding \$5,250,000; Declaring the Intent of the Fripp Island Public Service District Commission to Reimburse the Fripp Island Public Service District with the Proceeds of Such Obligations; and Authorizing a Petition to the County Council of Beaufort County Pursuant to Section 6-11-830 of the Code of Laws of South Carolina 1976, as Amended
 - Invoice Cloud Services
 - Draft Fiscal Year 2024 Budgets, Rates and Tax Levies
7. Questions and Comments from Visitors
 - FIPOA Representative
8. Adjourn

FRIPP ISLAND PUBLIC SERVICE DISTRICT

Minutes: Commission Meeting on May 9, 2023

Present: Edward D. Wetzell, Rick E. Keup, Mike Murphy, Michael J. Wilt, John F. King, Dennis Perrone

Absent:

Staff: Angie Hughes, District Manager; Joshua Horton, Fire Chief; Yvonne Fireall, Office Manager

Guests: Gary Pope (Pope Flynn Group), John Derrick

1. Vice-Chairman Murphy called the meeting to order at 9:30 a.m., confirmed the presence of a quorum and confirmed that all requirements of the SC Code of Laws, Section 30-4-80, pertaining to the notice of meetings of public bodies, have been met for this meeting.
2. Vice-Chairman Murphy led the Commission in the Pledge of Allegiance.
3. The Commission approved the minutes for the March regular Commission Meeting, upon a motion by Mr. Wilt (Vote: unanimous).
4. Reports
 - a) The Commission reviewed the Manager's Report for April 2023. (*Att A*)
 - b) The Commission reviewed the Fire Department Report for April 2023. (*Att B*)
 - c) The Commission received a report on POA Shoreline Committee activities from Commissioner King.
5. Old Business
 - a) The Commission reviewed and discussed the Blue Heron Lake sewer force main relocation project.
 - b) The Commission reviewed and discussed a task order under the existing General Services Contract with Lowcountry Engineering Consultants for assessment of the Blue Heron Lake spillway repair. (*Att C*)
6. New Business
 - a) The Commission discussed and approved an engagement letter from the Pope Flynn Group for referendum and bond counsel services related to issuance of general obligation bonds, upon a motion by Mr. Keup. (Vote: unanimous) (*Att D*)
 - b) The Commission adopted a resolution approving the incurring of general obligation debt in an amount not exceeding \$5,250,000; declaring the intent of the Fripp Island Public Service District Commission to reimburse the Fripp Island Public Service District with the proceeds of such obligations; and authorizing a petition to the county council of Beaufort County pursuant to section 6-11-830 of the code of laws of south Carolina 1976, as amended, upon a motion by Mr. King. (Vote: unanimous) (*Att E*)
 - c) The Commission reviewed and discussed invoice payment and presentment services offered by Invoice Cloud, which would allow additional bill receipt and payment options for customers. (*Att F*)

d) The Commission reviewed and approved the draft Fiscal Year 2024 budgets, rates and tax levies, upon a motion by Mr. Keup. (Vote: unanimous) (*Att G*)

7. The Commission entertained questions and comments from visitors.

8. There being no further business, the meeting adjourned at 11:36 a.m., upon a motion by Mr. King (Vote: unanimous).



Edward D. Wetzel
Chairman



Angel L. Hughes
Secretary

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
MANAGER'S REPORT FOR APRIL 2023**

I. Tap-Ins

| Category | FY 2023 | | FY 2022 | | FY 2021 | |
|---------------------|---------|-----|---------|-----|---------|-----|
| | Apr | YTD | Apr | YTD | Apr | YTD |
| Water customers | 3 | 28 | 2 | 28 | 4 | 12 |
| Res Irrig customers | 1 | 1 | - | - | - | - |
| Sewer customers | | | | | | |
| a. Gravity | 2 | 22 | 2 | 18 | 3 | 7 |
| b. Vacuum | 1 | 6 | - | 8 | 1 | 5 |

Total vacuum sewer customers: 593 of 726

II. Routine Operations

1. Butcher's Island and Hunting Island Booster Pumps Average Daily Run Time for April

| | <u>2023</u> | <u>Diff</u> | <u>2022</u> | <u>Diff</u> | <u>2021</u> | <u>Diff</u> | <u>2020</u> |
|-----------------------------|-------------|--------------|-------------|--------------|-------------|-------------|-------------|
| Butcher's Isl Pumps Hrs/Day | 1.8 | (0.6) | 2.4 | 0.2 | 2.2 | (0.4) | 2.6 |
| Hunting Isl Pumps Hrs/Day | <u>3.6</u> | <u>(2.4)</u> | <u>6.0</u> | <u>(1.4)</u> | <u>7.4</u> | <u>2.2</u> | <u>5.2</u> |
| Total Hrs/Day | 5.4 | (3.0) | 8.4 | (1.2) | 9.6 | 1.8 | 7.8 |

2. Fripp Island Master Metered Water Use for April, Average Gallons per Day

| | <u>2023</u> | <u>% Change</u> | <u>2022</u> | <u>% Change</u> | <u>2021</u> | <u>% Change</u> | <u>2020</u> |
|------------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|
| BJW&SA | 568,750 | 6.2 | 535,429 | (3.1) | 552,484 | 8.6 | 508,500 |
| Harbor Island | 100,668 | 31.9 | 76,350 | (8.3) | 83,223 | 37.4 | 60,554 |
| Hunt Island | 9,721 | 6.3 | 9,146 | (32.9) | 13,635 | 39.2 | 9,796 |
| Frripp Island | 449,536 | 1.4 | 443,500 | (0.5) | 445,839 | 4.4 | 427,107 |
| Accountability,% | 98.4 | N/A | 98.8 | N/A | 98.2 | N/A | 97.8 |
| Rainfall, Inches | 2.5 | | 1.9 | | 2.6 | | 10.1 |

3. Fripp Island Water Consumption – Recorded vs. Billed (in 1,000 gals.)

| | Annual | Qtr 1 | Qtr 4 | Qtr 3 | Qtr 2 |
|-------------------------|----------------|---------------|---------------|---------------|---------------|
| | <u>Total</u> | <u>2023</u> | <u>2022</u> | <u>2022</u> | <u>2022</u> |
| Frripp Master Meter | 165,603 | 26,235 | 34,233 | 56,707 | 48,428 |
| Billed Water | <u>153,400</u> | <u>23,520</u> | <u>32,145</u> | <u>52,740</u> | <u>44,995</u> |
| Total Unbilled Water | 12,203 | 2,715 | 2,088 | 3,967 | 3,433 |
| Unbilled Water Percent | 7% | 10% | 6% | 7% | 7% |
| Flushing/Unbilled Accts | <u>1,019</u> | <u>51</u> | <u>170</u> | <u>239</u> | <u>560</u> |
| Unaccounted for Water | 11,184 | 2,664 | 1,919 | 3,728 | 2,873 |
| Unaccounted for Percent | 7% | 10% | 6% | 7% | 6% |

4. The water tank levels and water line pressures were normal for April.

5. Wastewater Treatment Plant Flow for April, Gallons per Day

| | <u>2023</u> | <u>% Change</u> | <u>2022</u> | <u>% Change</u> | <u>2021</u> | <u>% Change</u> | <u>2020</u> |
|--------------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|
| Average Daily Flow | 213,198 | (5.7) | 225,980 | 0.3 | 225,240 | (2.7) | 231,421 |
| Weekly Max Flow | 266,000 | 12.2 | 237,000 | (19.9) | 296,000 | 7.2 | 276,000 |
| Peak Daily Flow | 312,709 | 8.3 | 288,729 | (12.9) | 331,600 | (12.9) | 380,602 |

Peak daily flow of 312,709 occurred on Sat., 4/8/22 (Easter weekend), with 0.3” of rain. For Apr. 2022, peak daily flow occurred on Fri., 4/15/22, without rain. For Apr. 2021, peak daily occurred on Mon., 4/5/21 (Day after Easter), without rain. For Apr. 2020, peak daily flow occurred on Fri., 4/24/20, without rain.

6. The water system and wastewater treatment plant samples were satisfactory for April.

III. Emergencies, Special Field Work and Activities

1. Water System

- a) Beaufort County remained at “Normal” drought status throughout April.
- b) Field operators performed miscellaneous water system maintenance consisting of meter installations and replacements and repairing water lines and services.

2. Wastewater System

- a) On April 21st, a leak was discovered in the force main between the Fairway Club lift station and the WWTP. Wastewater was draining into the lagoon along Fairway Club Drive and a sanitary sewer overflow of approximately 5,000 gallons was reported to SCDHEC on the same day. BJW&SA responded with heavy equipment, pumps and personnel and assisted in the repair. The road will be fixed during the month of May.
- b) The #2 drum screen at the wastewater treatment plant was rebuilt during April at a cost of \$4,000.

3. Administrative & Personnel Activities

- a) Transition to cloud-based financial software is ongoing as time permits.
- b) A third candidate for the operations superintendent position was interviewed by phone in April. He visited the island later in the month and was given a tour of the District’s facilities and participated in a formal interview with the District Manager and the current superintendent. A formal offer of employment will be made in May. The search for a fourth field operator has been deferred to the last half of FY2024.

4. Fripp Inlet Bridge

- a) On April 24th, the SC Rural Infrastructure Authority announced the awardees of the SCIIP grants. The District was not approved for a grant for the bridge retrofit project.
- b) JMT had to push back the first special bridge inspection to the first week in May. Quarterly inspections will be done until the bridge project is completed.

5. Seaglass Development – No new developments.

6. Fripp Inlet Revetment (Porpoise Dr.) –

- a) Roger Wilson began work in April, but at the end of the month was waiting for further rock deliveries. Provided the rock arrives, he should be able to finish up the Porpoise revetment work by mid-May.
- b) The annual revetment survey will be done after completion of the work and will be evaluated by McSweeney Engineers.

7. EPA Lead & Copper Rule Revision – Development of lead service line inventory is ongoing. Deadline for this phase of the revised lead and copper rule is October 16, 2024.

8. GIS Mapping – The GIS mapping of the water and sewer system is approximately 60% completed and will continue into May.

9. AMI Project – The District Manager is in discussions with a consulting firm that assists with planning and development of AMI systems and asset management. More information will be provided soon.

***Fripp Island Fire Department
Monthly Report Summary
April 2023***

Response Activities:

Total emergency responses for April 16

| | April 2023 | April 2022 | YTD CY23 | YTD CY22 |
|-----------------------|------------|------------|----------|----------|
| • Structure Fires | 00 | 00 | 00 | 00 |
| • Vehicle Fire | 00 | 00 | 00 | 00 |
| • Medical Emergencies | 10 | 08 | 34 | 32 |
| • Brush Fires | 01 | 00 | 01 | 00 |
| • Misc. Fire | 00 | 01 | 05 | 05 |
| • Service Calls | 04 | 01 | 09 | 06 |
| • Mutual Aid | 00 | 00 | 02 | 02 |
| • Auto Accident | 01 | 01 | 01 | 01 |
| • Water Emergencies | 00 | 01 | 01 | 01 |
| | ----- | ----- | ----- | ----- |
| | 16 | 12 | 53 | 47 |

Average emergency response time:

4 minutes 51 seconds.

Roster:

Total personnel active for April, 21

Activities of Note:

- Interior painting began last week and should be completed by the time you read this. The station feels fresh inside. We look forward to finishing with flooring and some lighting then start working on the exterior next fiscal year.

GENERAL SERVICES CONTRACT
TASK ORDER #003
BLUE HERON LAKE SPILLWAY ASSESSMENT
LEC JOB # FI-GS-2203
APRIL 19, 2023

PURPOSE

The purpose of Task Order #003 is to authorize and direct Lowcountry Engineering Consultants, Inc. (LEC) to proceed with the assessment of an existing spillway along the east edge of Blue Heron Lake on Fripp Island. LEC will team with Sligh Environmental Consultants, Inc. (SECI) for environmental services. The existing spillway is showing signs of deterioration and existing Fripp Island Public Service District (FIPSD) underground lines are visible and in danger of being undermined.

SCOPE OF SERVICES

LEC will provide the following services under this task order:

1. Accompany SECI and FIPSD on a site visit.
2. Provide engineering services as directed by the Fripp Island Public Service District including, but not limited to:
 - Review existing drawings, plats, and existing field conditions with regards to local, state, and national permitting requirements.
 - Assist SECI with preparation of permit applications (as needed)
 - Attend meetings as requested by the FIPSD.
 - Provide additional services as directed by the FIPSD.

PROPOSED FEE

The Fee for engineering services by LEC will be on a time and effort basis. The hourly rate for a Principal/Senior Engineer is \$150.00/Hour.

In addition to the hourly fee for Lowcountry Engineering Consultants the anticipated cost for Sligh Environmental Consultants services is provided below. Please note that the actual scope of environmental services is undefined and will be agreed upon by all parties early in the assessment.

Task 1 Site Data Collection & Wetland Delineation: SECI will visit the site to collect information on existing site conditions; and to delineate the limits of jurisdiction if necessary. Following completion of the field work, we will coordinate with you on our findings and prepare a field sketch of any delineated area that can be provided to your surveyor.

SECI proposes to complete Task I for a cost of One thousand (\$1,000.00) dollars.

LOWCOUNTRY ENGINEERING CONSULTANTS, LLC
PO Box 770 • Port Royal, South Carolina 29935 • Telephone 843.524.1213
email: pbwaters@lowcountryengineer.com

Task 2 Nationwide Permitting: As of now, it is unclear as to the exact scope of the proposed improvements, which may include replacement or repairs to the utility line and/or replacement of the spillway. However, we expect that a Nationwide Permit would be required from the US Army Corps of Engineers (USACE).

In the past, lagoons located on barrier islands have been considered tidal waters by USACE and the SC Department of Health and Environmental Control (SCDHEC) - Office of Ocean and Coastal Resource Management (OCRM). This task includes preparation of the appropriate applications including preparation of alternatives analysis, project purpose and need, and justification. This task also includes attending meetings as necessary with the appropriate regulatory personnel to discuss this project and matters relating to the permit application.

SECI proposes to provide the services outlined in Task 2 for a total cost of Three thousand four hundred (\$3,400.00) dollars.

Task 3 OCRM General Permit: We understand that OCRM has visited the site and indicated that a full Critical Area permit may not be required. If not, we would expect a Maintenance and Repair permit will be required. This task includes our preparation of the necessary application forms along with necessary supporting documentation, notification of adjacent property owners, and publication of necessary notice ads in the local newspaper. In addition, we will provide necessary consultation including agency meetings to obtain General Permit approval.

SECI proposes to complete Task 3 for a total cost of One thousand eight hundred (\$1,800.00) dollars.

Task 4 Critical Area Permitting (if needed): If OCRM determines a Critical Area permit is required, SECI will provide the necessary application materials and complete the coordination process with the agencies. This includes detailed supporting documentation to justify the project as an Individual Critical Area Permit. We will also coordinate and publish the necessary public notices and will respond to any comments that may be received during the public notice period.

If needed, SECI proposes to complete Task 4 (in lieu of Task 3) for a cost of Three thousand five hundred (\$3,500.00) dollars.

**BLUE HERON LAKE SPILLWAY REPAIR
FRIPP ISLAND PUBLIC SERVICE DISTRICT
PRELIMINARY COST ESTIMATE
05/01/23**

| ITEM | DESCRIPTION | UNITS | EST. QTY | UNIT PRICE | EXTENDED PRICE |
|------|--|-------|----------|--------------------------------------|----------------------|
| 1 | Project Mobilization | LS | 1 | \$ 25,000.00 | \$ 25,000.00 |
| 2 | 8" Effluent Line Relocation by Directional Bore | LF | 100 | \$ 300.00 | \$ 30,000.00 |
| 3 | 8" Water Line Relocation by Directional Bore | LF | 100 | \$ 300.00 | \$ 30,000.00 |
| 4 | Water & Effluent Line & Fittings | LS | 1 | \$ 10,000.00 | \$ 10,000.00 |
| 5 | Spillway Replacement & Repair | LS | 1 | \$ 50,000.00 | \$ 50,000.00 |
| 6 | Connect New Lines to Existing Lines | EA | 4 | \$ 5,000.00 | \$ 20,000.00 |
| 7 | Temporary Access Road Construction | EA | 1 | \$ 50,000.00 | \$ 50,000.00 |
| 8 | Cleanup, Hydroseeding | LS | 1 | \$ 5,000.00 | \$ 5,000.00 |
| 9 | Tree Protection | LS | 1 | \$ 1,000.00 | \$ 1,000.00 |
| 10 | Erosion Control/Stabilization (seeding, sodding, erosion control mat, silt fence, sediment tube, etc.) | LS | 1 | \$ 5,000.00 | \$ 5,000.00 |
| | | | | Construction Costs Total | \$ 226,000.00 |
| | | | | Engineering/Environmental 10% | \$ 22,600.00 |
| | | | | Contingency 30% | \$ 67,800.00 |
| | | | | Total Estimated Cost | \$ 316,400.00 |

ATT D



Pope Flynn, LLC
1411 Gervais Street, Suite 300
Post Office Box 11509 (29211)
Columbia, SC 29201

MAIN 803.354.4900
FAX 803.354.4899
www.popeflynn.com

April 18, 2023

Ms. Angie Hughes, Manager
Fripp Island Public Service District
291 Tarpon Boulevard
Fripp Island, SC 29920-7350

Re: Fripp Island Public Service District, South Carolina – Bond Referendum re General
Obligation Bonds, and Issuance of Bonds
Matter 30.13

Dear Angie:

We thank you for engaging Pope Flynn, LLC to serve Fripp Island Public Service District, South Carolina (the “*District*”) as counsel to assist the District in proceedings to hold a bond referendum with one or more questions (“*Referendum Counsel*”), and, should the referendum(s) result in favor of the issuance of the bonds, as bond counsel (“*Bond Counsel*”) in connection with the issuance by the District of general obligation bonds for the approved projects (the “*Bonds*”). Currently, should the referendum succeed, we anticipate a direct placement of a single series of Bonds with a bank with a closing in October of 2023. We understand that you have engaged, or plan to engage, First Tryon Advisors as financial advisor. The following is to establish the terms and scope of our representation. Accordingly, we and the District agree as follows:

I. Scope of Engagement

Referendum Counsel. We are advising the District in connection with the referendum proceedings to authorize the Bonds. In this capacity, we will provide and oversee all necessary authorizations to bring about the referendum on the Bonds, and attend any necessary meetings, including those of the District and Beaufort County Council, in connection therewith.

Bond Counsel. Should the referendum result favorably to the issuance of the Bonds, we will serve as bond counsel to the District in connection with the issuance and delivery of the Bonds. As Bond Counsel we will perform the following services:

- (1) Subject to the completion of proceedings to our satisfaction, render our legal opinion (the “*Bond Opinion*”) regarding the validity and binding effect of the Bonds, the source of payment and security for the Bonds, and the excludability of interest on the Bonds from gross income for federal and State of South Carolina income tax purposes.

- (2) Prepare and review documents necessary or appropriate to the authorization, issuance, and delivery of the Bonds, coordinate the authorization and execution of such documents.
- (3) Assist the District in obtaining such approvals, permissions, and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance and delivery of the Bonds, except that we will not be responsible for any required Blue Sky filings.
- (4) Review legal issues relating to the structure of the Bonds.

Our Bond Opinion will be addressed to the District and purchaser of the Bonds and will be delivered by us on the date the Bonds are exchanged for their purchase price (the “*Closing*”). The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the District with applicable laws relating to the Bonds.

Disclosure Counsel. If the District elects to sell the Bonds in the public market, obtain ratings, and distribute an Official Statement, our engagement with the District may also include advice and assistance in connection with these activities (such scope of representation, “*Disclosure Counsel*”), upon request of the District by email, letter, or similar writing. These services as Disclosure Counsel are separate and distinct from those as Bond Counsel. As Disclosure Counsel to the District, we will work with the District, including its officers and employees, the Financial Advisor, and other parties to this transaction to provide the following services:

- (1) Consult with District officials, District staff and the underwriter or purchaser of the Bonds concerning disclosure requirements, questions and issues relating to the initial issuance of the Bonds, and concerning continuing disclosure requirements.
- (2) Attend, upon request, any meeting of the District or any meeting of District staff relating to disclosure matters that pertain to the District’s issuance of the Bonds.
- (3) Assist in the preparation of and review of the District’s preliminary and final Official Statements, in connection with the Bond offering, with the assistance of District officials and staff.
- (4) Review all Bond documents prepared in connection with the issuance of the Bonds to the extent such documents involve or affect disclosure matters.
- (5) Consult with District officials and staff regarding all matters relating to continuing disclosure requirements that pertain to the Bonds, specifically to include those imposed by United States Securities and Exchange Commission Rule 15c2-12.

- (6) Provide the District such other legal services and advice with respect to the Bonds as are traditionally provided by Disclosure Counsel.

Subject to the completion of proceedings to our satisfaction, we will render our written advice addressed to the District stating that, in the course of our participation in the preparation of the Official Statement, no information has come to our attention which leads us to believe that the Official Statement (excluding the financial and demographic information or charts, engineering and statistical data, financial statements, statements of trends and forecasts, information concerning any bond insurance and The Depository Trust Company, included in the Official Statement, and in the Appendices, as to which we will not express any opinion or view) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. In rendering our advice, we will rely upon the certified proceedings and other certifications of District officials and other persons furnished to us without undertaking to verify the same by independent investigation.

The written advice rendered to the District hereunder will be dated and executed and delivered by us at Closing and will be based on existing law as of its date. Upon delivery of our written advice and the filing of all appropriate closing documents, our responsibilities as Disclosure Counsel will be concluded with respect to the issuance of the Bonds.

Client Responsibility. During the course of our engagement hereunder, we will rely on the District's staff to provide us with complete and timely information on all developments pertaining to any aspect of the Bonds and their security. It is also imperative that the District officials and staff authorized to effect the issuance of the Bonds read and understand the documents we prepare in connection with the issuance of the Bonds and ask questions of us in order for us to effectively represent you. By execution of this letter, you acknowledge and agree to the same.

II. Attorney-Client Relationship

Upon execution of this engagement letter, the District constitutes our client and an attorney-client relationship will exist between us. We assume that all other parties involved in the issuance of the Bonds will retain such counsel, as they deem necessary and appropriate to represent their interests in this transaction. We further assume that all other parties understand that in this transaction we represent only the District, we are not counsel to any other party, and we are not acting as an intermediary among the various parties. Our services as Bond Counsel are limited to those contracted for in this letter; the District's execution of this engagement letter will constitute an acknowledgment of those limitations.

III. Limitations on Role of Pope Flynn

Our services shall be limited to those of a traditional legal nature and, except as specifically set forth in Section I above, our scope of engagement does not expand beyond those matters strictly necessary to bring about the referendum or render our Bond Opinion. Our scope of engagement hereunder does not include:

- (1) Preparing requests for tax rulings from the Internal Revenue Service, or “no action” letters from the United States Securities and Exchange Commission.
- (2) Drafting state constitutional or legislative amendments.
- (3) Pursuing test cases or other litigation regarding the Bonds.
- (4) Representing the District in Internal Revenue Service examinations or inquiries, or United States Securities and Exchange Commission investigations.
- (5) Opining on a continuing disclosure undertaking pertaining to the Bonds and, after the execution and delivery of the Bonds, providing advice concerning any actions necessary to assure compliance with any continuing disclosure requirements;
- (6) After Closing, providing continuing advice to the District or any other party concerning actions necessary to assure that interest paid on the Bonds will continue to be excluded from gross income for federal income tax purposes (e.g. this Bond Counsel engagement for the Bonds does not include rebate calculations, nor continuing post-issuance compliance activities).

We will provide one or more of the services listed in (1)–(6) upon your request and by mutual agreement, however, a separate, written engagement agreement or supplement to this agreement will be required before we assume one or more of these duties. The remaining services in this list, specifically those listed at items (7)–(11) below, are not included in this engagement, nor will they be provided by us at any time.

- (7) Providing any advice, opinion, or representation as to the financial feasibility or the fiscal prudence of issuing the Bonds, the financial or business condition of the District, or to any other aspect of the financing, such as the proposed financing structure, use of a financial advisor, or the investment of proceeds of the Bonds.
- (8) Acting as an underwriter, or otherwise marketing the Bonds.
- (9) Acting in a financial advisory role, including as a “municipal advisor” or providing “advice” (as those terms are defined in the implementing rules (Rules 15Ba1-1 through 15Ba1-8, and Rule 15Bc4-1) relating to Section 15B of the Securities

Exchange Act of 1934, as amended) to the District in connection with the issuance of loans or securities.

- (10) Preparing Blue Sky or investment surveys with respect to the Bonds.
- (11) Making an investigation or expressing any view as to the creditworthiness of the District or of the Bonds.

IV. Conflicts

As you are aware, we represent many political subdivisions and companies. It is possible that during the time that we are representing the District, one or more of our present or future clients will have transactions with the District. We do not believe any current representation we have undertaken will adversely affect our ability to represent you as provided in this engagement letter, either because such matter is sufficiently different from this matter so as to make such representation not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of this matter. Should a conflict arise, we will immediately bring it to your attention.

V. Fees and Payment

For Services as Referendum Counsel. Services related to the referendum shall be billed monthly at hourly billing rates for all time spent working on referendum matters. I anticipate that for most matters within the scope of this engagement that I or Sara Weathers will personally undertake the work, but when more efficient overall, or as skills or experience suggest, I may call on a range of my colleagues to perform the requested work. My hourly rate is \$350 and Sara's is \$225. Hourly rates for my colleagues range from \$500 per hour for our most experienced attorneys to \$225 for our most junior attorneys. To the extent any non-attorney personnel perform work, their hourly rates range from \$150 to \$175. These billing rates are subject to adjustment from time to time by the firm and all rates, including any individual rates varying within or from this range, will be set forth on invoices detailing services performed.

Each invoice will be itemized, detailing each task performed, the professionals involved and the time involved. The invoice will also detail expenses incurred to date, along with instructions for payment. If you prefer a different format, please let me know. These expenses are more fully explained on the Schedule of Primary Charges, attached to this letter.

Should the referendum result favorably to the issuance of the Bonds, the District may reimburse itself for our fees and costs as referendum counsel from the proceeds of the Bonds.

Based on our experience with the county council process in Beaufort County (particularly in 2017 and 2019 on behalf of the District) and across South Carolina, we would anticipate our hourly fees for services as referendum counsel to total between \$15,000 and \$20,000. Should the process

with Beaufort County prove particularly time intensive for any reason, we will obtain direction from the District by email, letter, or other writing before proceeding with services beyond \$20,000.

For Services as Bond Counsel Following the Referendum. Based upon: (i) our current understanding of the terms, structure, size, and schedule of the financing represented by the Bonds; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financing; (iv) the responsibilities we will assume in connection therewith, and (v) the value our services will confer upon the District, we estimate that our fee for serving as Bond Counsel will be \$30,000. Our fees may vary: (a) if the principal amount of Bonds actually issued differs materially from the amount stated above; (b) if material changes in the structure or schedule of the financing occur; (c) if the District pursues a public market offering of the Bonds with ratings and disclosure;¹ or (d) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, prior to closing, we believe that circumstances require an adjustment of our original fee estimate, we will advise you and seek agreement on a reasonable adjustment.

Unless an alternative arrangement is agreed by the parties, we will provide you with an invoice requesting payment for services rendered at closing of each series of Bonds. The invoice will also request payment for an amount representing out-of-pocket and other expenses incurred to closing and an estimate of expenses post-closing, with anticipated expenses not to exceed \$1,500. If you prefer a different format, please let me know. Expenses incurred to closing are more fully explained on the Schedule of Primary Charges, attached to this letter, and the estimate of expenses for post-closing will be based on such schedule and our experience in similar transactions.

If, for any reason, following a successful referendum the Bonds are not issued or are issued without the delivery of our Bond Opinion as bond counsel, or our services are otherwise terminated, we will expect to be compensated at our normal hourly rates (currently ranging from \$225 to \$500, as discussed above) for time actually spent on your behalf, plus out-of-pocket and other expenses, as described above. In such case, we will submit, and District shall pay, within 30 days of receipt, an invoice for all work performed to such date at our prevailing hourly rates, not to exceed the fee that would have been payable had our engagement concluded in the normal course with the issuance of the Bonds.

VI. Technology

In the interest of facilitating our services to you, we will send documents, information, and data electronically through conventional email and other electronic means, and will store electronic documents or data via computer software applications hosted remotely and utilize cloud-based storage. Your confidential electronic documents or data will be transmitted or stored using these methods. We will use third party service providers to store or transmit these documents or data. In

¹ Should the District seek to issue the Bonds in the public market with disclosure and credit ratings, we would anticipate that the combined fee for such larger scope of services as Bond Counsel and Disclosure Counsel to be in the range of \$55,000 to \$75,000 based on experience with similar issuers and bond issues, absent special circumstances.

using these electronic communication and storage methods, we have sought out vendors and service providers well-versed in the requirements attendant to legal services. We will employ reasonable efforts to keep client communications, documents, and data secure in accordance with our obligations under applicable laws, regulations, and professional standards; however, you recognize and accept that we have no control over the unauthorized interception or breach of any communications, documents, or data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us or by our third party vendors. Please note that absent any direction from you to the contrary, we will not use any encryption or other special protections with emails sent to District personnel.

By your acceptance of this engagement letter, you consent to our use of these electronic devices and applications, use of conventional email, and submission of confidential client information to or through third party service providers during this engagement.

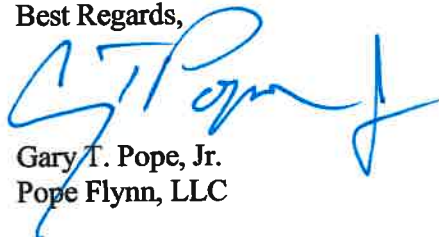
VII. Term of Engagement

Our engagement hereunder with respect to the Bonds ends with the Closing of the Bonds. Nevertheless, subsequent to Closing, we will mail the appropriate IRS Form 8038-G and prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Bonds.

If the foregoing terms are acceptable to you, please so indicate by returning a copy of this engagement letter dated and signed by an authorized officer, retaining a copy for your files.

I look forward to working with you.

Best Regards,



Gary T. Pope, Jr.
Pope Flynn, LLC

We agree to the terms of this engagement letter for legal representation as stated above.

RE: Fripp Island Public Service District, South Carolina – Bond Referendum re General
Obligation Bonds, and Issuance of Bonds
Matter 30.13

FRIPP ISLAND PUBLIC SERVICE DISTRICT

BY: _____

ITS: _____

DATE: _____

SCHEDULE OF PRIMARY CHARGES

| | |
|---|---|
| Photocopies | 10¢ per page. |
| Mileage Reimbursement for Travel | At then current IRS allowable rate. |
| Other travel (airfare, hotels, lodging, meals, ground transportation) | At cost. |
| Postage | At cost. |
| Express courier services (<i>i.e.</i> , <i>FedEx</i>) | At cost. |
| Out-of-Office messenger costs | \$5 plus mileage charges indicated above. |
| Electronic legal research | WestLaw electronic legal research: You will be billed \$15.00 per use, unless additional charges are incurred, which will be applied at their actual cost to your file. |
| Newspaper Publication | At cost – billed at the time of receipt of invoice from newspaper. |

A RESOLUTION

APPROVING THE INCURRING OF GENERAL OBLIGATION DEBT IN AN AMOUNT NOT EXCEEDING \$5,250,000; DECLARING THE INTENT OF THE FRIPP ISLAND PUBLIC SERVICE DISTRICT COMMISSION TO REIMBURSE THE FRIPP ISLAND PUBLIC SERVICE DISTRICT WITH THE PROCEEDS OF SUCH OBLIGATIONS; AND AUTHORIZING A PETITION TO THE COUNTY COUNCIL OF BEAUFORT COUNTY PURSUANT TO SECTION 6-11-830 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

BE IT RESOLVED by the Fripp Island Public Service District Commission (the "*Commission*"), the governing body of the Fripp Island Public Service District, South Carolina (the "*District*"), in meeting duly assembled:

ARTICLE I

FINDINGS OF FACT

Section 1.1 Findings. Incident to the adoption of this resolution (this "*Resolution*"), the Commission has made the following findings of fact:

(a) The District was created as a special purpose district established in Beaufort County, South Carolina (the "*County*"), as a body politic and corporate pursuant to the provisions of Act No. 1042 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1962, as amended. The District is located wholly within the County.

(b) In carrying out its functions and duties, the Commission has determined that a need exists at the present time to issue general obligation bonds of the District in order to provide:

- (1) \$1,320,000 to defray the costs of acquiring, designing, constructing, renovating, and equipping fire service facilities, apparatus, equipment, and vehicles, to include, without limitation, station improvements, beach rescue equipment, squad trucks, and arial apparatus; capitalized interest during construction; and the costs of issuance of such general obligation bonds (the "*Fire Service Project*");
- (2) \$870,000 to defray the costs of repairing, reconstructing, and mitigating certain District revetments and related infrastructure; capitalized interest during construction; and the costs of issuance of such general obligation bonds (the "*Revetment Project*"); and
- (3) \$3,060,000 to defray the costs of improving, equipping, repairing and reconstruction of the Fripp Inlet Bridge, including, without limitation, bent retrofits and abutment protection; capitalized interest during construction; and the

costs of issuance of such general obligation bonds (the “*Bridge Project*” and together with the Fire Service Project and the Revetment Project, each a “*Project*” and collectively the “*Projects*”).

(c) The Commission estimates that the costs of the Projects, together with the costs of issuance of such general obligation bonds (the “*Bonds*”), will not exceed \$5,250,000. The issuance of the Bonds, through the Projects financed thereby, is intended to (i) address demand for fire service in the District by replacing depreciated apparatus and equipment necessary to maintain fire service capability; (ii) maintain the physical integrity of the District by preventing and controlling maritime erosion within the District and protecting its public service infrastructure, including water lines; and (iii) ensure the continued availability of the Fripp Inlet Bridge to serve the corporate purposes of the District and serve its residents and visitors.

(d) The County Council of Beaufort County, South Carolina (the “*County Council*”), as the governing body of the County, is empowered by Title 6, Chapter 11, Article 5 of the Code of Laws of South Carolina 1976, as amended (the “*Enabling Act*”), to authorize the governing body of any special purpose district to issue general obligation bonds, the proceeds of which shall be used in furtherance of any power or function committed to such special purpose district and in effect on March 7, 1973.

(e) Pursuant to Section 6-11-830 of the Enabling Act, County Council, upon petition of the Commission, may determine that it is in the interest of the District to raise moneys for the furtherance of any power or function of the District and order a public hearing to be held upon the question of the issuance of the Bonds.

(f) In order to finance the costs of the Project, the Commission has determined that it is necessary to issue the Bonds, either as a single issue or as several separate issues, and in such amount and at such times as may be determined at the time of issuance thereof by the Commission, not to exceed an aggregate principal amount of \$5,250,000. The Commission adopts this Resolution to evidence the Commission’s approval of the issuance of the Bonds to defray the costs of the Projects and to authorize a petition to the County Council with regard to the issuance of the Bonds.

(g) The District desires that such principal amount not be issued within the debt limit of the District as provided by Article X, Section 14(7) of the South Carolina Constitution, and requests the submission of separate questions for the issuance of the Bonds to defray the costs of each of the Projects to the electors of the District.

ARTICLE II

REIMBURSEMENT DECLARATION

Section 2.1 Reimbursement Declaration. The Commission hereby declares the intention of the District to reimburse itself for a portion of the original expenditures associated with the Projects with the proceeds of the Bonds in a maximum aggregate principal amount reasonably expected not to exceed \$5,250,000.

Section 2.2 Reimbursement Findings. To that end, the Commission determines and declares as follows:

(a) No funds from any sources other than the Bonds may be, are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the District pursuant to the budget or financial policies of the District, for the financing of the portion of the costs of acquisition, construction, and equipping of any Project to be funded with the Bonds.

(b) The District reasonably expects that all or a portion of the original expenditures incurred for the Projects and the issuance of the Bonds will be paid prior to the date of issuance of the Bonds.

(c) The District intends and reasonably expects to reimburse itself for all such expenditures paid by it with respect to a Project prior to the issuance of the Bonds, from the proceeds of the Bonds, and such intention is consistent with the budgetary and financial circumstances of the District.

(d) The District intends and reasonably expects to reimburse itself for all such expenditures no later than 18 months after the later of (i) the date the original expenditure is paid, or (ii) the date the applicable Project is placed in service or abandoned for federal income tax purposes, but in no event more than three years after the original expenditure is paid.

(e) All of the costs to be paid or reimbursed from the proceeds of the Bonds will be for costs incurred in connection with the issuance of the Bonds or will, at the time of payment thereof, be properly chargeable to the capital account of a Project (or would be so chargeable with a proper election) under general federal income tax principles.

(f) This Resolution shall constitute a declaration of official intent under United States Department of the Treasury Regulation Section 1.150-2.

ARTICLE III

SUBMISSION OF PETITION

Section 3.1 Petition. The petition attached hereto as Exhibit A, shall be presented to County Council in accordance with and for the purposes set forth in Section 6-11-830 of the Enabling Act. The Chairman (or in his absence the Vice Chairman) of and Secretary to the Commission are hereby authorized and directed to cause said petition to be delivered to County Council.

DONE IN MEETING DULY ASSEMBLED, this 9th day of May 2023.

(SEAL)

Chairman
Fripp Island Public Service District Commission

Attest:

Secretary
Fripp Island Public Service District Commission

PETITION OF THE FRIPP ISLAND PUBLIC SERVICE DISTRICT COMMISSION TO THE GOVERNING BODY OF BEAUFORT COUNTY, SOUTH CAROLINA, PURSUANT TO TITLE 6, CHAPTER 11, ARTICLE 5 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

1. Fripp Island Public Service District, South Carolina (the “*District*”), was created as a special purpose district established in Beaufort County, South Carolina (the “*County*”), as a body politic and corporate pursuant to the provisions of Act No. 1042 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1962, as amended. The District is located entirely within the County.

2. In carrying out its functions and duties, the Commission has determined that a need exists at the present time to issue general obligation bonds in order to provide:

- (1) \$1,320,000 to defray the costs of acquiring, designing, constructing, renovating, and equipping fire service facilities, apparatus, equipment, and vehicles, to include, without limitation, station improvements, beach rescue equipment, squad trucks, and arial apparatus; capitalized interest during construction; and the costs of issuance of such general obligation bonds (the “*Fire Service Project*”);
- (2) \$870,000 to defray the costs of repairing, reconstructing, and mitigating certain District revetments and related infrastructure; capitalized interest during construction; and the costs of issuance of such general obligation bonds (the “*Revetment Project*”); and
- (3) \$3,060,000 to defray the costs of improving, equipping, repairing and reconstruction of the Fripp Inlet Bridge, including, without limitation, bent retrofits and abutment protection; capitalized interest during construction; and the costs of issuance of such general obligation bonds (the “*Bridge Project*” and together with the Fire Service Project and the Revetment Project, each a “*Project*” and collectively the “*Projects*”).

3. The Commission estimates that the costs of the Project, together with the costs of issuance of such general obligation bonds (the “*Bonds*”), will not exceed \$5,250,000. The issuance of the Bonds, through the Projects financed thereby, is intended to (i) address demand for fire service in the District by replacing depreciated apparatus and equipment necessary to maintain fire service capability; (ii) maintain the physical integrity of the District by preventing and controlling maritime erosion within the District and protecting its public service infrastructure, including water lines; and (iii) ensure the continued availability of the Fripp Inlet Bridge to serve the corporate purposes of the District and serve its residents and visitors.

4. In order to defray the costs of the Project, the District proposes to issue the Bonds in a principal amount not exceeding \$5,250,000, which Bonds may be issued as a single issue or from time to time as several separate issues, as the Commission may determine.

5. The County Council of Beaufort County, South Carolina (the “*County Council*”), the governing body of the County, is empowered by Sections 6-11-810 through 6-11-1050,

inclusive, of the Code of Laws of South Carolina 1976, as amended (the “*Enabling Act*”), to authorize the issuance of general obligation bonds by the District pursuant to the provisions of the Enabling Act. The principal amount of the Bonds the Commission intends for the District to issue does exceed the general obligation bond debt limit of the District, as established pursuant to Article X, Section 14(7) of the South Carolina Constitution, and shall require the submission of the question of the issuance of the Bonds to finance the costs of the Projects to the electors of the District.

6. Pursuant to Article X, Section 14(6) of the South Carolina Constitution, the District requests the submission of separate questions to the electors of the District on the question of the issuance of the Bonds for each of the Projects. The proposed forms of ballot for each question to be used in the referendum are attached hereto as Appendix A for consideration by County Council.

7. Pursuant to Section 6-11-830 of the Enabling Act, if County Council, upon petition of the Commission, determines that it may be in the best interest of the District to raise moneys for the furtherance of any power or function of the District, County Council may order a public hearing to be held upon the question of the issuance of the Bonds of the District.

WHEREFORE, the Commission prays that County Council will order a public hearing to be held on the question of authorizing the issuance of an amount not exceeding \$5,250,000 of general obligation bonds of the District, which bonds, following a positive referendum, may be issued as a single issue or from time to time as several separate issues, as the Commission may determine.

FRIPP ISLAND PUBLIC SERVICE DISTRICT COMMISSION

**APPENDIX A
FORM OF BALLOTS**

OFFICIAL BALLOT FOR REFERENDUM
GENERAL OBLIGATIONS BONDS
FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA

Precinct _____
No. _____

Initials of Issuing Officer

Question

Shall the Fripp Island Public Service District, located in Beaufort County, South Carolina (the "District"), be authorized to issue and sell, either as a single issue or as several separate issues, general obligation bonds of the District in an aggregate principal amount of not exceeding \$1,320,000 to defray the costs of acquiring, designing, constructing, renovating, and equipping fire service facilities, apparatus, equipment, and vehicles, to include, without limitation, station improvements, beach rescue equipment, squad trucks, and aerial apparatus; capitalized interest during construction; and the costs of issuance of such general obligation bonds?

- Yes, in favor of the question
- No, opposed to the question

If you are in favor of the question, fill in the oval before the words "Yes, in favor of the question"; if you are opposed to the question, fill in the oval before the words "No, opposed to the question."

OFFICIAL BALLOT FOR REFERENDUM
GENERAL OBLIGATIONS BONDS
FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA

Precinct _____
No. _____

Initials of Issuing Officer

Question

Shall the Fripp Island Public Service District, located in Beaufort County, South Carolina (the "District"), be authorized to issue and sell, either as a single issue or as several separate issues, general obligation bonds of the District in an aggregate principal amount of not exceeding \$870,000 to defray the costs of repairing, reconstructing, and mitigating certain District revetments and related infrastructure; capitalized interest during construction; and the costs of issuance of such general obligation bonds?

- Yes, in favor of the question
- No, opposed to the question

If you are in favor of the question, fill in the oval before the words "Yes, in favor of the question"; if you are opposed to the question, fill in the oval before the words "No, opposed to the question."

OFFICIAL BALLOTS FOR REFERENDUM
GENERAL OBLIGATIONS BONDS
FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA

Precinct ____
No. _____

Initials of Issuing Officer

Question

Shall the Fripp Island Public Service District, located in Beaufort County, South Carolina (the "District"), be authorized to issue and sell, either as a single issue or as several separate issues, general obligation bonds of the District in an aggregate principal amount of not exceeding \$3,060,000 to defray the costs of repairing, reconstructing, and improving the Fripp Inlet Bridge and related infrastructure, including, without limitation, bent retrofits and abutment protection; capitalized interest during construction; and the costs of issuance of such general obligation bonds?

- Yes, in favor of the question
- No, opposed to the question

If you are in favor of the question, fill in the oval before the words "Yes, in favor of the question"; if you are opposed to the question, fill in the oval before the words "No, opposed to the question."

COMPARISON OF CURRENT VENDOR/BANK COSTS VS. INVOICE CLOUD

Comparison of monthly costs using typical highest volume month

| Item | Current Vendor Cost | Invoice Cloud Cost | (Savings)/Increase |
|---|---------------------|--------------------|--------------------|
| Electronic transactions (not ACH or CC) | \$190 | \$59 | (\$131) |
| ACH Transactions | \$972 | \$1,157 | \$185 |
| Credit card transactions | \$1,020 | \$1,024 | \$5 |
| Total monthly increase at current volumes | | | \$59 |

Comparison of standard per item costs

| Item | Current Vendor Cost | Invoice Cloud Cost | (Savings)/Increase |
|--------------------------------------|---------------------|--------------------|--------------------|
| US Mail delivery of bill (per bill) | \$0.6301 | \$0.0000 | (\$0.6301) |
| Ebill presentment | \$0.0000 | \$0.2500 | \$0.2500 |
| Total standard per item cost savings | | | (\$0.3801) |

Note: If 40% of customers switched to paperless bills, the savings would = \$257/cycle or \$1,028/yr.

Comparison of standard annual fee costs

| Item | Current Vendor Cost | Invoice Cloud Cost | (Savings)/Increase |
|---|---------------------|--------------------|--------------------|
| Monthly Base Fee | \$0 | \$3,540 | \$3,540 |
| Annual PCI Compliance | \$2,860 | \$0 | (\$2,860) |
| Total increase in standard annual fee costs | | | \$680 |

Items offered by Invoice Cloud that are not currently available to the District or its customers:

1. Payment by American Express, Venmo and Paypal, in addition to those methods already in use
2. Recurring payment via credit card, if the customer wishes to utilize it
3. Online sign-up for paperless billing and recurring electronic payment
4. Automated phone payment system - bypasses customer service
5. Marketing campaign to move customers to paperless billing (saving us \$0.38/bill)
6. Ability to provide bill payment link via email or text message for easy customer payment
7. More customer-friendly payment portal and invoice access
8. Fully automated customer phone payment system, allowing for payments 24/7

Because of the partnership between Invoice Cloud and our current billing vendor, the normal \$5,000 fee for billing system integration, deployment and training is waived.

Recommendation:

Since the net cost appears to be very similar to current costs, I recommend implementation of Invoice Cloud without charging a fee to the customer initially. After implementation, the costs can be analyzed over the subsequent year and a customer fee for credit card payments can be implemented, if warranted.

Biller Agreement

1. License Grant & Restrictions. Subject to execution by Biller of the Invoice Cloud Biller Order Form incorporating this Agreement, Invoice Cloud hereby grants Biller a non-exclusive, non-transferable, worldwide right to use the Service described on the Biller Order Form until termination as provided herein, solely for the following purposes, and specifically to bill and receive payment from Biller's own customers, for Services that are referenced in the Biller Order Form. All rights not expressly granted to Biller are reserved by Invoice Cloud and its licensors.

Biller will provide to Invoice Cloud all Biller Data generated for Biller's Customers. Unless otherwise expressly agreed to in writing by Invoice Cloud to the contrary, Invoice Cloud will process all of Biller's Customers' Payment Instrument Transactions requirements related to the Biller Data and will do so via electronic data transmission according to our formats and procedures for each electronic payment type selected in the Biller Order Form. In addition, Biller will execute all third-party applications and enter into all agreements required for the Service without unreasonable delay, including without limitation Payment Processing Agreements and merchant agreements that may be required upon implementation, or later at such time as the Service operates with different or multiple payment processors. Throughout the Term of this Agreement, for "Invoice Types" listed on the Biller Order Form (e.g., real estate taxes, utility bills, parking tickets, insurance premium, loans, etc.), Biller will not use the credit card processing, ACH or check processing of any bank, payment processor, entity, or person, other than Invoice Cloud via electronic data transmission or the authorization for processing of Biller's Customers' Payment Instrument Transactions, for each electronic payment method selected in the Biller Order Form.

Biller shall not: (i) license, sublicense, sell, resell, transfer, assign, distribute or otherwise commercially exploit or make available to any third party the Service in any way; (ii) modify or make derivative works based upon the Service; (iii) recreate, "frame" or "mirror" any portion of the Service on any other server or wireless or Internet-based device; (iv) reverse engineer or access the Service; or (v) copy any features, functions or graphics of the Service.

2. Privacy & Security. Invoice Cloud's privacy and security policies may be viewed at <http://www.invoicecloud.com/privacy.html>. Invoice Cloud reserves the right to modify its privacy and security policies in its reasonable discretion from time to time which modification shall not materially adversely impact such policies. Invoice Cloud will maintain compliance with current required Payment Card Industry (PCI) standards and Cardholder Information Security standards.

3. Account Information and Data. Invoice Cloud does not and will not own any Customer Data, in the course of providing the Service. Biller, not Invoice Cloud, shall have sole responsibility for the accuracy, quality, integrity, legality, and reliability of, and obtaining the intellectual property rights to use and process all Customer Data. In the event this Agreement is terminated, Invoice Cloud will make available to Biller a file of the Customer Data (to the extent that Invoice Cloud is permitted to provide pursuant to applicable law and PCI-DSS standards), within 30 days of termination of this Agreement (or at a later time if required by applicable law), if Biller so requests at the time of termination. Invoice Cloud will retain Customer Data for a period from its creation for the time frame that is listed in the Biller Order under "Data Retention", and reserves the right to remove and/or delete remaining Customer Data no less than 60 days after termination or expiration except as prohibited by applicable law or in the event of exigent circumstances.

4. Confidentiality / Intellectual Property Ownership. Invoice Cloud agrees that it may be furnished with or otherwise have access to Customer Data that the Biller's customers consider confidential. Invoice Cloud agrees to secure and protect the Customer Data in a manner consistent with the maintenance of Invoice Cloud's own Confidential Information, using at least as great a degree of care as it uses to maintain the confidentiality of its own confidential information, but in no event use less than commercially reasonable measures. Invoice Cloud will not sell, transfer, publish, disclose, or otherwise make available any portion of the Customer Data to third parties, except as permitted under this Agreement or required to perform the Service or otherwise required by applicable law.

Invoice Cloud (and its licensors, where applicable) owns all right, title and interest, including all related Intellectual Property Rights, in and to the Invoice Cloud Technology, the Content and the Service and any enhancement requests, feedback, integration components, suggestions, ideas, and application programming interfaces, recommendations or other information provided by Biller or any other party relating to the Service. In the event any such intellectual property rights in the Invoice Cloud Technology, the Content or the Service do not fall within the specifically enumerated works that constitute works made for hire under applicable copyright laws or are deemed to be owned by Invoice Cloud, Biller hereby irrevocably, expressly and automatically assigns all right, title and interest worldwide in and to such intellectual property rights to Invoice Cloud. The Invoice Cloud name, the Invoice Cloud logo, and the product names associated with the Service are trademarks of Invoice Cloud or third parties, and no right or license is granted to use them.

Biller agrees that during the course of using or gaining access to the Service (or components thereof) it may be furnished with or otherwise have access to information that Invoice Cloud considers to be confidential including but not limited to Invoice Cloud Technology, the Agreement, customer and/or prospective customer information, product features and plans, the marketing/sales collateral, pricing and financial information of the parties which are hereby deemed to be Invoice Cloud Confidential Information, or any other information that by its very nature constitutes information of a type that any reasonable business person would conclude was intended by Invoice Cloud to be treated as proprietary, confidential, or private (the "Confidential Information"). Biller agrees to secure and protect the Confidential Information in a manner consistent with the maintenance of Invoice Cloud's rights therein, using at least as great a degree of care as it uses to maintain the confidentiality of its own confidential information, but in no event use less than reasonable efforts. Biller will not sell, transfer, publish,

Billers Agreement

disclose, or otherwise make available any portion of the Confidential Information of the other party to third parties (and will ensure that its employee and agents abide by the requirements hereof), except as expressly authorized in this Agreement or otherwise required by applicable law.

5. Billing. Invoice Cloud fees for the Service are provided on the Biller Order Form. Invoice Cloud's fees are exclusive of all taxes, levies, or duties imposed by taxing authorities. Invoice Cloud may assess and/or collect such taxes, levies, or duties against Biller and Biller shall be responsible for payment of all such taxes, levies, or duties, excluding only United States (federal or state) taxes based solely on Invoice Cloud's income. All payment obligations are either auto debited from the Biller Bank Account or payable on receipt of invoice from Invoice Cloud, and are non-cancellable, and all amounts or fees paid are non-refundable. Unless Invoice Cloud in its discretion determines otherwise, all fees will be billed in U.S. dollars. If Biller believes Biller's bill or payment is incorrect, Biller must provide written notice to Invoice Cloud within 60 days of the earlier of the invoice date, or the date of payment, with respect to the amount in question to be eligible to receive an adjustment or credit; otherwise such bill or payment is deemed correct. Invoice Cloud reserves the right to modify pricing with respect to applicable fees to be paid under this Agreement, at any time upon thirty days written notice to Biller: a) based on increases incurred by Invoice Cloud on Network Fees from credit card processors, bank card issuers, payment associations, ACH and check processors; or b) if, during the Term, the average credit card payment processed by Invoice Cloud for any three (3) consecutive month period exceeds 110% of the Average Credit Card Transaction \$ specified on the corresponding Invoice Parameter Sheet(s), to the extent that Invoice Cloud incurs increases in Network Fees. Invoice Cloud, on at least 30 days written notice to Biller, may also increase any or all fees referenced in the Biller Order Form (including any Invoice Parameter Sheets), by no more than the greater of CPI for the preceding period or 5%, provided, however, that such increase may not apply during the first year after the execution date of the Biller Order Form and may not occur more than once per year thereafter.

6. Term and Termination. The initial term of this Agreement shall commence as of the execution date of the Biller Order Form and continue for a period of five (5) years after the Go Live Date ("Initial Term"), and will automatically renew for each of additional successive three (3) year terms ("Renewal Term") unless terminated as set forth herein. "Term" as used herein shall mean the Initial Term and any Renewal Term. This Agreement may be terminated by either party effective at the end of the Initial Term or any Renewal Term by such party providing written notice to the other party of its intent not to renew no less than ninety (90) days prior to the expiration of the then-current term. Additionally, this Agreement may be terminated by either party with cause in the event of a material breach of the terms of this Agreement by the other party and the breach remains uncured for a period of 30 days following receipt of written notice by the breaching party. Upon any early termination of this Agreement by Invoice Cloud as a result of breach, Biller shall remain liable for all fees and charges incurred, and all periodic fees owed through the end of the calendar month following the effective date of termination. Upon any termination or expiration of this Agreement, Biller's password and access will be disabled and Biller will be obligated to pay the balance due on Biller's account. Biller agrees that Invoice Cloud may charge such unpaid fees to Biller's Debit Account or credit card or otherwise invoice Biller for such unpaid fees.

7. Invoice Cloud Responsibilities. Invoice Cloud represents and warrants that it has the legal power and authority to enter into this Agreement. Invoice Cloud warrants that the Service will materially perform the functions that the Biller has selected on the Biller Order Form and the Statement of Work, attached hereto and incorporated herein by reference (the "Statement of Work"), under normal use and circumstances, and that Invoice Cloud shall use commercially reasonable measures with respect to Customer Data to the extent that it retains such, in the operation of the Service; provided, that the Biller shall maintain immediately accessible backups of the Customer Data (to the extent that Biller is permitted pursuant to applicable law and PCI-DSS standards). In addition, Invoice Cloud will, at its own expense, as the sole and exclusive remedy with respect to performance of the Service, correct any Transaction Data to the extent that such errors have been caused by Invoice Cloud or by malfunctions of Invoice Cloud's processing systems.

8. Limited Warranty. EXCEPT AS PROVIDED IN SECTION 7, THE SERVICE AND ALL CONTENT AND TRANSACTION DATA IS PROVIDED WITHOUT ANY EXPRESS, OR IMPLIED WARRANTY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ALL OTHER WARRANTIES ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW BY INVOICE CLOUD AND ITS LICENSORS AND PAYMENT PROCESSORS. INVOICE CLOUD AND ITS LICENSORS AND PAYMENT PROCESSORS DO NOT REPRESENT OR WARRANT THAT (A) THE USE OF THE SERVICE WILL BE UNINTERRUPTED OR ERROR-FREE, OR OPERATE IN COMBINATION WITH ANY OTHER HARDWARE, SOFTWARE, SYSTEM OR DATA, (B) THAT THE SERVICE WILL NOT EXPERIENCE DELAYS IN PROCESSING OR PAYING, OR (C) THE SERVICE WILL MEET REQUIREMENTS WITH RESPECT TO SIZE OR VOLUME. Invoice Cloud's service may be subject to limitations, delays, and other problems inherent in the use of the internet and electronic communications. Invoice cloud is not responsible for any delays, delivery failures, or other damage resulting from such problems.

9. Biller's Responsibilities. Biller represents and warrants that it has the legal power and authority to enter into this Agreement. Biller is responsible for all activity occurring under Biller's accounts and shall abide by all applicable laws, and regulations in connection with Biller's and/or its customers' and/or any payers' use of the Service, including those related to data privacy, communications, export or import of data and the transmission of technical, personal or other data. Biller represents and warrants that Biller has not falsely identified itself nor provided any false information to gain access to the Service and that Biller's billing information is correct. Biller shall: (i) notify Invoice Cloud immediately of any unauthorized use of any password or account or any other known or suspected breach of security; (ii) report to Invoice Cloud and immediately stop any copying or distribution of Content that is known or suspected to be unauthorized by Biller or Biller's Users; and (iii) obtain consent from Biller's customers and payers to receive notifications and invoices from Invoice Cloud. Invoice Cloud is not responsible for any Biller postings in error due to delayed notification from credit card processors, ACH, bank and other related circumstances.

Biller Agreement

Biller agrees and acknowledges that in the event that Biller has access to, receives from, creates, or receives protected health information, or Biller has access to, creates, receives, maintains or transmits on behalf of electronic protected health information (as those terms are defined under the privacy or security regulations issued pursuant to the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and Subtitle D of the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009 (“ARRA”), during the performance under this Agreement, it will comply with all such law, regulations and rules related thereto.

Biller is required to ensure that it maintains a fair policy with regard to the refund, return or cancellation of payment for services and adjustment of Transactions. Biller is also required to disclose all refund, return and cancellation policies to Invoice Cloud and any applicable payment processors and Biller’s Customers, as requested. Any change in a return/cancellation policy must be submitted to Invoice Cloud, in writing, not less than 21 days prior to the effective date of such change. If Biller allows or is required to provide a price adjustment, or cancellation of services in connection with a Transaction previously processed, Biller will prepare and deliver to Invoice Cloud Transaction Data reflecting such refund/adjustment within 2 days of resolution of the request resulting in such refund/adjustment. The amount of the refund/adjustment cannot exceed the amount shown as the total on the original Transaction Data. Biller may not accept cash or any other payment or consideration from a Customer in return for preparing a refund to be deposited to the Customer’s account; nor may Biller give cash/check refunds to a Customer in connection with a Transaction previously processed by credit card, debit card, ACH, or other electronic payment method, unless required by applicable law. Biller shall cooperate with Invoice Cloud to effect a timely Implementation by Biller allocating sufficient and properly trained personnel to support the implementation process and fully cooperating with Invoice Cloud and by securing the cooperation of Biller’s software and service providers and providing to Invoice Cloud the information required to integrate with Biller’s billing, CIS and other applicable systems.

10. Indemnification. Invoice Cloud shall indemnify and hold Biller and Biller’s employees, attorneys, and agents, harmless from any losses, liabilities, and damages (including, without limitation, Biller’s costs, and reasonable attorneys’ fees) arising out of: (i) failure by Invoice Cloud to implement commercially reasonable measures against the theft of Customer Data; or (ii) its total failure to deliver funds processed by Invoice Cloud as required hereunder (which relates to payments due from Invoice Cloud for Transaction data). This indemnification does not apply to any claim or complaint relating to Biller’s failure to resolve a payment dispute concerning debts owed to Biller or Biller’s negligence or willful misconduct or violation of any applicable agreement or law.

11. Fees.

Invoice Cloud will charge the Biller and/or payer, payment transaction and other fees as provided in the Biller Order Form. In addition, Invoice Cloud will charge the fees set forth on the Biller Order Form for the initial platform setup, configuration, implementation and integration with Biller system(s) of its standard Service as set forth in the Statement of Work (the “Implementation”). Invoice Cloud reserves the right to also charge for changes and additions to the Implementation, and for any requests by Biller following the implementation which are agreed in writing by the parties, including without limitation for the following services, at its then standard rates:

- Custom development and features which are not stated in the Statement of Work and Biller Order Form, and change requests and modifications to existing platform functionality not stated in the Statement of Work and Biller Order Form;
- Additional integrations or integration modifications after the Go Live Date that are not provided for in the Biller Order Form or Statement of Work;
- Changes to bill presentment (web and PDF templates), billing system integrations, and other Service components coded or configured to Biller’s specifications after Biller has signed off on the relevant specification or Service is live;
- Custom data extracts and file requests that are not part of the Implementation signed off on by both parties; and
- Data conversion not listed in the Statement of Work, or repetitive re-loading of data due to Biller error.

12. Limitation of Liability. INVOICE CLOUD’S AGGREGATE LIABILITY SHALL BE UP TO AND NOT EXCEED THE AMOUNTS ACTUALLY PAID BY AND/OR DUE FROM BILLER IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH CLAIM. IN NO EVENT SHALL INVOICE CLOUD AND/OR ITS LICENSORS BE LIABLE TO ANYONE FOR ANY INDIRECT, PUNITIVE, SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL (INCLUDING LOSS OF DATA, REVENUE, PROFITS, USE OR OTHER ECONOMIC ADVANTAGE) DAMAGES ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THE SERVICE, EVEN IF THE PARTY FROM WHICH SUCH DAMAGES ARE BEING SOUGHT OR SUCH PARTY’S LICENSORS HAVE BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Certain states and/or jurisdictions do not allow the exclusion of implied warranties or limitation of liability for incidental, consequential or certain other types of damages, so the exclusions set forth above may not apply to Biller.

13. Export Control. The Biller agrees to comply with United States export controls administered by the U.S. Department of Commerce, the United States Department of Treasury Office of Foreign Assets Control, and other U.S. agencies.

14. Notice. Either party may give notice by electronic mail to the other party’s email address (for Biller, that address on record on the Biller Order Form) or by written communication sent by first class mail or pre-paid post to the other party’s address on record in Invoice Cloud’s account information for Biller, and for Invoice Cloud, to Invoice Cloud, Inc., 30 Braintree Hill Office Park, Suite 101, Braintree, MA 02184

Biller Agreement

Attention: Client Services or helpdesk@invoicecloud.com. Such notice shall be deemed to have been given upon the expiration of 48 hours after mailing or posting (if sent by first class mail or pre-paid post) or 12 hours after sending (if sent by email).

15. Assignment. This Agreement may not be assigned by either party without the prior written approval of the other party, but may be assigned without such party's consent to (i) a parent or subsidiary, (ii) an acquirer of assets, or (iii) a successor by merger. Any purported assignment in violation of this section shall be void.

16. Insurance.

Invoice Cloud agrees to maintain in full force and effect during the Term of the Agreement, at its own cost, the following coverages:

- a. Commercial General or Business Liability Insurance with minimum combined single limits of One Million (\$1,000,000) each occurrence and Two Million (\$2,000,000) general aggregate.
- b. Umbrella Liability Insurance with minimum combined single limits of Five Million (\$5,000,000) each occurrence and Five Million (\$5,000,000) general aggregate.
- c. Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than One Million (\$1,000,000) for any one occurrence, with respect to each of the Invoice Cloud's owned, hired or non-owned vehicles assigned to or used in performance of the Services.
- d. Errors and Omissions Insurance (Professional Liability and Cyber Insurance) with limits of liability of at least One Million Dollars (\$1,000,000) per claim and in the aggregate.

17. Immigration Laws. Invoice Cloud represents and warrants that it has complied and will comply with all applicable immigration laws with respect to the personnel assigned to the Biller.

18. Beta Products. In the event that there is any functionality labelled "Beta" on the Biller Order Form, such functionality is provided "AS IS" WITHOUT ANY EXPRESS, OR IMPLIED WARRANTY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ALL OTHER WARRANTIES ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW BY INVOICE CLOUD AND ITS LICENSORS AND PAYMENT PROCESSORS. INVOICE CLOUD'S AGGREGATE LIABILITY WITH RESPECT TO SUCH FUNCTIONALITY SHALL BE UP TO AND NOT EXCEED \$10.

19. General.

(a) With respect to agreements with municipalities, localities or governmental authorities, this Agreement shall be governed by the law of the state wherein such municipality, locality or governmental authority is established, without regard to the choice or conflicts of law provisions of any jurisdiction. With respect to Billers who are not with municipalities, localities or governmental authorities, this Agreement shall be governed by Massachusetts law and controlling United States federal law, without regard to the choice or conflicts of law provisions of any jurisdiction. No text or information set forth on any other purchase order, preprinted form or document (other than a Biller Order Form and any add on Biller Order Form, if applicable), and no documentation (including any implementation planning documents) except as specifically referenced in this Biller Agreement, shall modify, add to or vary the terms and conditions of this Agreement. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then such provision(s) shall be construed, as nearly as possible, to reflect the intentions of the invalid or unenforceable provision(s), with all other provisions remaining in full force and effect. No joint venture, partnership, employment, or agency relationship exists between Biller and Invoice Cloud as a result of this agreement or use of the Service. The failure of either party to enforce any right or provision in this Agreement shall not constitute a waiver of such right or provision unless acknowledged and agreed to by Invoice Cloud in writing. All rights and obligations of the parties in Sections 4, 6, 10, 12, 14, 18 and 19(a) and (b) shall survive termination of this Agreement. This Agreement, together with any applicable Biller Order Form, comprises the entire agreement between Biller and Invoice Cloud and supersedes all prior or contemporaneous negotiations, discussions or agreements, whether written or oral between the parties regarding the subject matter contained herein. Biller agrees that Invoice Cloud can disclose the fact that Biller is a paying customer and the version of the Service that Biller is using. Where this Agreement is incorporated into, embedded in or otherwise made a part of a separate agreement between Invoice Cloud, Biller and a third party service provider ("Third Party Agreement"), and such Third Party Agreement is terminated or expires, Biller and Invoice Cloud agree that the terms and conditions of this Agreement shall survive and remain in effect as between Biller and Invoice Cloud until this Agreement expires or is otherwise terminated by either Biller or Invoice Cloud in accordance with the terms herein.

(b) Additional terms and conditions and definitions applicable to this Agreement and the Biller Order Form are found at www.invoicecloud.com/biller-terms-and-conditions (the "Biller T+C") and are agreed to by Invoice Cloud and the Biller.

FRIPP ISLAND PUBLIC SERVICE DISTRICT**PROPOSED****FISCAL YEAR 2024 BUDGETS****May 9, 2023**

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FRIPP ISLAND PUBLIC SERVICE DISTRICT
Fiscal Year 2024 Tax Levy
Comparison to Fiscal Year 2023

| | |
|---|--------------|
| Comparison per \$100,000 of Home Value | |
| Resident | Non-resident |
| Appraised | Appraised |
| Assessed | Assessed |
| \$100,000 | \$4,000 |
| | \$100,000 |
| | \$6,000 |

Tax Levy Comparison based on Home Value

| | Tax Levy, Mills | | Resident Home Owner | | Non-resident Home Owner | |
|----------------------------|-----------------|----------------------------|---------------------|----------------------------|-------------------------|----------------------------|
| | FY24 Mill Value | FY23 Mill Value | FY24 Mill Value | FY23 Mill Value | FY24 Mill Value | FY23 Mill Value |
| Capped O&M Levy | | Increase (Decrease) | | Increase (Decrease) | | Increase (Decrease) |
| Erosion & Bridge | 2.8 | 3.0 | \$11.20 | \$12.00 | \$16.80 | \$18.00 |
| Fire Department | 12.4 | 12.8 | 49.60 | 51.20 | 74.40 | 76.80 |
| Total O&M | 15.2 | 15.8 | \$60.80 | \$63.20 | \$91.20 | \$94.80 |
| | | (0.6) | | (\$2.40) | | (\$3.60) |
| Reserve Levy | | | | | | |
| Fire Dept Reserve | 0.0 | 0.5 | 0.00 | 2.00 | 0.00 | 3.00 |
| Bridge Reserve | 1.5 | 1.5 | 6.00 | 6.00 | 9.00 | 9.00 |
| Total Reserve | 1.5 | 2.0 | \$6.00 | \$8.00 | \$9.00 | \$12.00 |
| | | (0.5) | | (\$2.00) | | (\$3.00) |
| Debt Service | 13.9 | 16.5 | 55.60 | 66.00 | 83.40 | 99.00 |
| | | (2.6) | | (10.40) | | (15.60) |
| Total Tax Levy | 30.6 | 34.3 | \$122.40 | \$137.20 | \$183.60 | \$205.80 |
| | | (3.7) | | (\$14.80) | | (\$22.20) |

Beaufort County provides an estimated mill value at the beginning of each fiscal year for use in budgeting. Estimated mill value provided by H. Williams w/Bft Co Finance on 4/20/23 is \$59,884

Estimated mill value provided by Beaufort County \$59,884
Discount rate applied (no erosion of mill value over the past yr.) 0.0%
Adjusted mill value for budgeting \$59,884

Beaufort County performed a county-wide reassessment as of 12/31/22. SC Code 12-37-251 requires that taxing authorities calculate a rollback millage for years in which a reassessment is done to avoid experiencing a windfall due to reassessment. This rollback millage is then used to calculate the capped millage as described and shown below. The rollback millage is calculated by dividing the prior year taxes levied (adjusted for additions & abatements) by the adjusted total assessed value after reassessment. The calculation for 2023 is:

$$\frac{\text{Prior yr taxes levied } 792930}{\text{Adjusted total assessed value } 57126138} = 13.8$$

State law limits tax millage increase for O&M to the increase in CPI plus population increase as determined by SC Revenue & Fiscal Affairs Office. Millage increases are not capped for debt service and building/maintaining a reserve.

Per the SC Revenue & Fiscal Affairs Office, the change in CPI from calendar year 2021 to calendar year 2022 was 8.0%. The population increase for Beaufort County was 2.28
O&M millage cap: 8.0% + 2.28% = 10.28%

Maximum allowable mills for O&M determined as follows:
13.8 mills (Rollback millage) X 1.1028 = 15.2 mills (Fiscal Year 2024)

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
EROSION & BRIDGE BUDGET
FISCAL YEAR 2024**

| | ACTUAL FY 2022 | BUDGET FY 2023 | ESTIMATED FY 2023 | PROPOSED FY 2024 | Budget Inc (Dec) |
|--|-------------------|-------------------|----------------------|---------------------|---------------------|
| OPERATING EXPENSES | | | | | |
| 07-00-501-00 ADMINISTRATION | 7,170 | 7,530 | 7,530 | 7,910 | 380 |
| 07-00-517-00 COMMISSIONERS EXPENSES | - | 200 | 200 | 300 | 100 |
| 07-00-521-00 ACCOUNTING & AUDIT | 3,134 | 4,160 | 4,400 | 7,040 | 2,880 |
| 07-00-522-00 LEGAL FEES | 14,525 | 2,500 | 3,500 | 4,500 | 2,000 |
| 07-00-531-00 BRIDGE INSURANCE | 118,488 | 126,830 | 132,800 | 160,000 | 33,170 |
| 07-00-533-00 LICENSES & TAXES | - | - | - | - | - |
| 07-00-549-00 MISCELLANEOUS EXPENSE | 1,081 | 1,200 | 1,200 | 1,500 | 300 |
| 07-00-562-00 GROIN REPAIR | - | - | - | - | - |
| 07-00-564-00 REVETMENT REPAIR/MAINT | 7,000 | 8,000 | - | 15,000 | 7,000 |
| 07-00-566-00 BRIDGE INSPECT/MAINTENANCE | 58,438 | 6,000 | 1,000 | 6,000 | - |
| TOTAL O&M EXPENSES | 209,836 | 156,420 | 150,630 | 202,250 | 45,830 |
| 07-00-190-00 CAPITAL EXPENDITURES | - | - | - | - | - |
| TOTAL EXPENDITURES | 209,836 | 156,420 | 150,630 | 202,250 | 45,830 |
| REVENUES | | | | | |
| 07-00-408-00 TAX PENALTIES | 1,565 | - | 220 | - | - |
| 07-00-411-00 BRIDGE ATTACHMENT FEES | 18,576 | 19,130 | 19,130 | - | (19,130) |
| 07-00-416-00 INTEREST INCOME | 4,053 | 3,300 | 5,400 | 8,000 | 4,700 |
| 07-00-419-00 UNREALIZED INV GAIN (LOSS) | (16,417) | - | (11,000) | - | - |
| 07-00-429-00 MISC INCOME | - | - | - | - | - |
| | <u>7,778</u> | <u>22,430</u> | <u>13,750</u> | <u>8,000</u> | <u>(14,430)</u> |
| BUDGET YEAR EXCESS (REQUIRED) CASH | | | | (171,415) | |
| 07-00-409-00 TAX LEVY | 134,238 | 150,200 | 150,200 | 171,420 | |
| BRIDGE RESERVE LEVY | 74,577 | 75,100 | 75,100 | 89,830 | |
| Estimated assessed value/mill \$ | 48,010 | \$ 50,066 | \$ 50,066 | \$ 59,884 | 9,818 |
| Based on a collection rate of | 100.0% | 100.0% | 100.0% | 100.0% | |
| one mill equals \$ | 48,010 | \$ 50,066 | \$ 50,066 | \$ 59,884 | 9,818 |
| O&M TAXES LEVIED, MILLS | 2.7 | 3.0 | 3.0 | 2.8 | (0.2) |
| BRIDGE RESERVE TAXES LEVIED, MILLS | 1.5 | 1.5 | 1.5 | 1.5 | - |
| PROJECTED CASH FLOW | | | | | |
| CASH BEGINNING OF PERIOD | | | | 842,105 | |
| INTERFUND TRANSFERS | | | | 12,000 | |
| AR/(AP) & INVEST (GAIN)/LOSS | | | | (3,440) | |
| LESS EROSION RESERVES | | | | (251,000) | |
| LESS BRIDGE OPS RESERVES | | | | (280,520) | |
| LESS RESTRICTED BRIDGE RESERVE | | | | (296,310) | |
| AVAILABLE CASH BEGINNING OF PERIOD - JULY 1 | | | | 22,835 | |
| LESS EXPENSES (NOT INCLUDING CAPITAL PROJECTS) | | | | (202,250) | |
| PLUS REVENUES | | | | 8,000 | |
| PLUS OPERATIONS TAX LEVY | | | | 167,675 | |
| PLUS EROSION RESERVES | | | | 251,000 | |
| PLUS BRIDGE OPS RESERVES | | | | 280,520 | |
| PLUS RESTRICTED BRIDGE RESERVE | | | | 386,136 | |
| PROJECTED FUNDS AVAILABLE @ YEAR END | | | | 913,916 | |

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
EROSION & BRIDGE DEPARTMENT**

**PROPOSED FISCAL YEAR 2024 BUDGET
ACCOUNT DETAIL**

OPERATING EXPENSES

07-00-501-00 Administration – Water & sewer dept. fee for providing administrative & financial support for erosion & bridge dept. Includes estimated service charges for bank accounts. Budget based on FY2023 amount adjusted by 5%. Use \$ **7,910**

07-00-517-00 Commissioner’s Expenses - Reimbursement of expenses incurred by Commissioners related to erosion & bridge matters & prorated cost of election in odd numbered “fiscal” years. Increased to include potential partial cost of referendum election for general obligation bonds. Use \$ **300**

07-00-521-00 Accounting & Audit – Prorated amount for annual audit and accounting functions based on updated estimate from auditing firm. Use \$ **7,040**

07-07-522-00 Legal Fees – Budget for legal fees related to erosion/bridge activities. Use \$ **4,500**

07-00-531-00 Bridge Insurance – Budget 20% increase over prior fiscal year cost. Higher premium may require use of reserve funds. Use \$ **160,000**

07-00-533-00 Licenses & Taxes – Based on prior year budget. Use \$ **0**

07-00-549-00 Miscellaneous Expense – Budget for miscellaneous items such as revetment signs. Use \$ **1,500**

07-00-562-00 Groin Repair – Budget amount based on prior three years’ experience & the recommendation of Dr. Robert S. Young, PhD, in his June 2004 report, not to repair the groins. Use \$ **0**

07-00-564-00 Revetment Repair – Budget for emergency revetment repairs and maintenance. Includes cost of annual revetment survey. Budget increased due to increased cost of supplies and labor. Use \$ **15,000**

07-00-566-00 Bridge Inspection/Maintenance – Budget for bridge inspections, minor maintenance and miscellaneous expenses such as cleaning and sign repair. Use \$ **6,000**

07-00-190-00 Capital Expenditures – Bridge bent retrofits and bridge abutment protection projects are estimated to total around \$3,000,000 but cannot be budgeted until authority is granted to issue general obligation bonds via a voter referendum. Use \$ **0**

OPERATING REVENUES

07-00-408-00 Tax Penalties – Collected by Beaufort Co. Treasurer for late payment of taxes. Use \$ **0**

07-00-411-00 Bridge Attachment Fees – Fees collected for utility attachment to Fripp Bridge. Agreement signed in 2019 expires in 2024, with final payment received in February 2023. Cannot budget for income in 2024 until we receive notification that Hargray intends to renew the agreement. Use \$ **0**

07-00-416-00 Interest Income – Budget for earnings on investments. Use \$ **8,000**

07-00-409-00 TAX LEVY (proposed) – Budget amount based on operations expenditures in excess of cash available and other revenue sources. Millage imposed for operations and maintenance is limited by State law, which caps maximum annual tax millage increase. Use **\$171,420**

BRIDGE RESERVE TAX LEVY – Millage imposed for building/maintaining a reserve is exempt from the millage increase limitation. Budget to build a reserve for emergency bridge expenses, to include payment of insurance deductible. Use **\$89,830**

PROJECTED CASH FLOW DETAIL

CASH BEGINNING OF PERIOD – Includes Erosion O&M checking account, Fripp Inlet Bridge investments and reserve & O&M checking accounts, account with Beaufort County Treasurer’s office for receipt of taxes, and transfers (cash) between funds & due from other departments.

AVAILABLE CASH BEGINNING OF PERIOD – Available funds @ beginning of year less erosion funds set aside for emergencies such as unanticipated revetment repairs, remaining bridge operations reserves from funds received from FIPOA in 2014, and bridge reserves restricted for emergency use. For FY2023, beginning restricted bridge reserves includes tax funds collected in FY2019, FY2020, FY2021, FY2022 and FY2023 that were not subject to the millage cap.

PROJECTED FUNDS AVAILABLE @ YEAR END – Funds available at year end include funds set aside for erosion emergencies, remaining bridge operations reserves, and restricted bridge funds not subject to the millage cap collected during FYs 2019, 2020, 2021, 2022, 2023 & 2024 to build a reserve for emergency use.

**FRIPP ISLAND PUBLIC SERVICE DISTRICT FIRE DEPARTMENT BUDGET
FISCAL YEAR 2024**

| ACCT NO | EXPENSES | ACTUAL FY-2022 | BUDGET FY-2023 | ESTIMATED FY-2023 | PROPOSED FY-2024 | BUDGET INC (DEC) |
|---------------------------|---------------------------------|-------------------|-------------------|----------------------|---------------------|---------------------|
| EMPLOYEE EXPENSES | | | | | | |
| 03-00-500-00 | PAYROLL EXPENSE | 1,820 | 1,850 | 1,790 | 1,850 | - |
| 03-00-501-00 | SALARIES | 365,830 | 417,700 | 390,000 | 465,230 | 47,530 |
| 03-00-504-00 | FICA | 22,650 | 25,900 | 24,180 | 28,840 | 2,940 |
| 03-00-505-00 | FMED | 5,300 | 6,060 | 5,660 | 6,750 | 690 |
| 03-00-506-00 | RETIREMENT | 60,320 | 72,720 | 64,740 | 85,650 | 12,930 |
| 03-00-509-00 | MEDICAL INSURANCE | 17,410 | 18,650 | 16,000 | 29,250 | 10,600 |
| 03-00-510-00 | WORKMAN'S COMP | 15,290 | 16,300 | 16,530 | 18,000 | 1,700 |
| 03-00-511-00 | EMPLOYEE PHYSICAL | - | 300 | - | 300 | - |
| 03-00-516-00 | UNIFORMS & GEAR | 3,560 | 3,700 | 3,100 | 3,700 | - |
| 03-00-519-00 | FIREFIGHTER RECOGNITION | 210 | 150 | - | 150 | - |
| | TOTAL EMPLOYEE EXPENSES | 492,390 | 563,330 | 522,000 | 639,720 | 76,390 |
| OPERATING EXPENSES | | | | | | |
| 03-00-513-00 | TRAINING & CONVENTION | 750 | 1,000 | 800 | 1,000 | - |
| 03-00-514-00 | TRAVEL & RELATED | 160 | 200 | 200 | 200 | - |
| 03-00-517-00 | COMMISSIONERS EXPENSES | 230 | 100 | 83 | 100 | - |
| 03-00-521-00 | ACCOUNTING & AUDIT | 11,230 | 14,890 | 15,351 | 22,220 | 7,330 |
| 03-00-522-00 | BANK SERVICE CHARGES | - | - | - | - | - |
| 03-00-523-00 | BEVERAGES & COMPLEMENTS | 810 | 700 | 600 | 700 | - |
| 03-00-525-00 | CLEAN SUPPLIES/SUNDRIES | 840 | 1,000 | 1,000 | 1,000 | - |
| 03-00-526-00 | DUES | 180 | 300 | 100 | 300 | - |
| 03-00-532-00 | GENERAL INSURANCE | 17,600 | 18,100 | 18,168 | 18,500 | 400 |
| 03-00-533-00 | LEGAL FEES | 3,460 | 550 | 500 | 550 | - |
| 03-00-533-01 | TAXES & FEES | 410 | 450 | 423 | 450 | - |
| 03-00-534-00 | ADMINISTRATIVE SUPPORT | 29,390 | 30,860 | 30,860 | 32,400 | 1,540 |
| 03-00-537-00 | OFFICE SUPPLIES | 190 | 350 | 250 | 350 | - |
| 03-00-539-00 | PRINTING | - | - | - | - | - |
| 03-00-542-00 | SUBSCRIPTIONS | 120 | 1,750 | 1,880 | 1,900 | 150 |
| 03-00-549-00 | MISCELLANEOUS | 6,400 | 5,100 | 100 | 1,500 | (3,600) |
| 03-00-581-00 | ELECTRICITY | 6,340 | 6,300 | 5,700 | 6,300 | - |
| 03-00-582-00 | LP GAS & GARBAGE | 1,150 | 1,600 | 2,600 | 2,600 | 1,000 |
| 03-00-583-00 | TELEPHONE | 4,560 | 4,600 | 4,600 | 4,600 | - |
| | G&A Expenses | 83,820 | 87,850 | 83,215 | 94,670 | 6,820 |
| 03-00-527-00 | FIRE FIGHTING SUPPLIES | 1,790 | 1,000 | 1,000 | 1,000 | - |
| 03-00-530-00 | FIRE PREVENTION | - | 1,000 | 1,000 | 1,000 | - |
| 03-00-531-00 | MEDICAL SUPPLIES | 460 | 500 | 612 | 500 | - |
| 03-00-541-00 | SMALL TOOLS | 150 | 300 | 675 | 300 | - |
| 03-00-543-00 | GAS & OIL | 6,070 | 7,000 | 6,000 | 7,000 | - |
| 03-00-558-00 | BUILDING & GROUNDS | 2,220 | 16,000 | 14,000 | 15,000 | (1,000) |
| 03-00-561-00 | FIRE HYDRANTS | 40 | - | - | - | - |
| 03-00-564-00 | RADIOS & PAGERS | 590 | 350 | - | 350 | - |
| 03-00-568-00 | EQUIPMENT MAINTENANCE | 480 | 2,200 | 1,700 | 2,200 | - |
| 03-00-569-00 | VEHICLE MAINTENANCE | 6,320 | 5,500 | 4,500 | 5,500 | - |
| 03-00-575-00 | EMERGENCY/NATURAL DISAST | - | 500 | 275 | 500 | - |
| 03-00-589-00 | PURCHASES FROM DONATIONS | 260 | - | 260 | - | - |
| | O&M Expense | 18,380 | 34,350 | 30,022 | 33,350 | (1,000) |
| | TOTAL OPERATING EXPENSES | 594,590 | 685,530 | 635,237 | 767,740 | 82,210 |
| ASSET ADDITIONS | | | | | | |
| 03-00-590-00 | PURCHASE OF FIXED ASSETS | 1,800 | 11,700 | 2,200 | 32,000 | 20,300 |
| | TOTAL ASSET ADDITIONS | 1,800 | 11,700 | 2,200 | 32,000 | 20,300 |
| | TOTAL EXPENDITURES | 596,390 | 697,230 | 637,437 | 799,740 | 102,510 |

**FRIPP ISLAND FIRE DEPARTMENT
OPERATION & MAINTENANCE
REVENUES & CASH FLOW
FY-2024**

| | 1ST QTR JUL-SEP | 2ND QTR OCT-DEC | 3RD QTR JAN-MAR | 4TH QTR APR-JUN | TOTAL |
|--|--------------------|--------------------|--------------------|--------------------|-------------------|
| CASH BEGINNING OF PERIOD | \$524,140 | | | | \$524,140 |
| INTERFUND TRANSFERS | | | | | 0 |
| LESS CONTINGENCY RESERVE | (75,000) | | | | (75,000) |
| AVAILABLE CASH BEGINNING OF PERIOD | \$449,140 | \$258,405 | \$407,590 | \$556,775 | \$449,140 |
| EMPLOYEE EXPENSES | \$159,930 | \$159,930 | \$159,930 | \$159,930 | \$639,720 |
| G&A EXPENSES | 23,668 | 23,668 | 23,668 | 23,668 | 94,670 |
| OPERATING EXPENSES | 8,338 | 8,338 | 8,338 | 8,338 | 33,350 |
| ASSET ADDITIONS (CAP OUTLAY) | | | | | 32,000 |
| TOTAL EXPENDITURES | \$191,935 | \$207,935 | \$207,935 | \$191,935 | \$799,740 |
| 03-00-408-00 TAX LEVY | \$0 | \$355,920 | \$355,920 | \$29,660 | \$741,490 |
| 03-00-408-01 RESERVE TAX LEVY | \$0 | \$0 | \$0 | \$0 | \$0 |
| 03-00-406-00 TAP INS (1) | 1,200 | 1,200 | 1,200 | 900 | 4,500 |
| 03-00-499-00 INTERFUND TRANSFERS | \$0 | \$0 | \$0 | \$0 | \$0 |
| NET CASH INCREASE | (\$190,735) | \$149,185 | \$149,185 | (\$161,375) | (\$53,740) |
| AVAILABLE CASH END OF PERIOD | \$258,405 | \$407,590 | \$556,775 | \$395,400 | \$395,400 |
| ACTUAL CASH END OF PERIOD w/RESERVE | \$333,405 | \$482,590 | \$631,775 | \$470,400 | |

Required Tax Revenue: **\$741,490**
Proposed Reserve: **\$0**

Value of mill for tax year 2022 **\$59,884**
Provided by P. Harriott, Bft. Co. on 4/8/2022

Tax Collection Rate: **100.0%**

Value of mill @ Collection Rate: **\$59,884**

Operations Tax Levy Required, mills : **12.4**
Reserve Tax Levy Required, mills: **0.00**

Cash Balance at the end of the year needs to be sufficient to cover 1/2 of the annual budget for FY 2024.

| | |
|---------------------------|------------------|
| Employee Expenses | \$329,460 |
| Operating Expenses | 65,930 |
| Total Cash Reserve | \$395,390 |

(1) For all residential & commercial water taps, the District collects a \$300.00 "Fire Flow" fee.

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
FIRE DEPARTMENT**

**PROPOSED FISCAL YEAR 2024 BUDGET
ACCOUNT DETAIL**

EMPLOYEE EXPENSES

03-00-500-00 Payroll Expense – This expenditure is our portion of the cost to outsource payroll management.
Use **\$1,850**

03-00-501-00 Salaries – This expenditure includes salaries for the Fire Chief, ½ year Fire Captain and 18 PT Firefighters. Includes 3% increase.
Use **\$465,230**

03-00-504-00 FICA – Social Security based on 6.2% of total salary.
Use **\$28,840**

03-00-505-00 FMED – Medicare based on 1.45% of total salary.
Use **\$6,750**

03-00-506-00 Retirement – District’s contribution to State Retirement System based on employees’ regular & overtime pays. Effective July 1, 2024, the employer’s contribution is projected at 18% for SCRS and 21% for PORS. We have employees who have retired out of PORS and the District must contribute for these employees at the higher PORS employer contribution rate.
Use **\$85,650**

03-00-509-00 Medical Insurance – The District provides coverage for all full-time employees. As of April 2023, SC Public Employee Benefit Authority projections includes a 4% increase to the employer portion of the health premiums. Actual increases could vary depending on the final decision by the SC Budget & Control Board.
Use **\$29,250**

03-00-510-00 Workman's Comp – Estimated expense based on workmen’s compensation annual premium for previous calendar year with a COLA included for salary increases.
Use **\$18,000**

03-00-511-00 Employee Physical – This employee expenditure is for annual physicals and SCBA Fit Testing.
Use **\$300**

03-00-516-00 Uniforms & Gear – This employee expenditure is established for uniforms/gear for all members of the Fire Department.
Use **\$3,700**

03-00-519-00 Firefighter Recognition – This employee expenditure is established for meritorious action awards and length of service awards for all members of the Fire Department.
Use **\$150**

OPERATING EXPENSES

03-00-513-00 Training – This operating expenditure is established for firefighter and fire officer level training.
Use **\$1,000**

03-00-514-00 Travel & Related – This operating expenditure is established for meals and accommodations while traveling to training or fire department related activities. Department business meals are also included in this expenditure.
Use **\$200**

- 03-00-517-00 Commissioner's Expenses** – This operating expenditure is established for expenses incurred for commissioner elections and other related expenses. Use **\$100**
- 03-00-521-00 Accounting & Audit** – This operating expenditure is for the Fire Department's portion of the annual audit report and consulting on fiscal matters. Use **\$22,220**
- 03-00-523-00 Beverages & Compliments** – This operating expenditure is for coffee, sugar, cream, cups and cold drinks. We provide beverages and complements for all fire department personnel during and after fire calls, training and meetings. Use **\$700**
- 03-00-525-00 Cleaning Supplies / Sundries** – This operating expenditure is established in order to maintain a high standard of cleanliness and to provide a clean and infectious free workplace. Use **\$1,000**
- 03-00-526-00 Dues** – This operating expenditure is for annual dues to the following in-state and out-of-state professional organizations: Beaufort County Fire Chief's Association, International Association of Fire Chiefs, National Fire Protection Association, International Association of Arson Investigators, SC IAAI. Use **\$300**
- 03-00-532-00 General Insurance** – This operating expenditure is for liability, station, vehicle and materials insurance. Increase is due to insuring the new pumper truck at current rates. Use **\$18,500**
- 03-00-533-00 Legal Fees & Taxes (01)** – This operating expenditure is for potential Attorney fees and Storm Water Utility Taxes. Use **\$1,000**
- 03-00-534-00 Administrative Support** – Allocation of administrative & financial support costs for Fire Department operations. Use **\$32,400**
- 03-00-537-00 Office Supplies** – This operating expenditure is established for various office supplies. Use **\$350**
- 03-00-539-00 Printing** – This operating expenditure is established for printing, such as letterhead, business cards, envelopes and any large mail-out to the public. Use **\$0**
- 03-00-542-00 Subscriptions** – This operating expenditure is established for subscription services to trade periodicals and our reporting and records management system. Use **\$1,900**
- 03-00-549-00 Miscellaneous** – This operating expenditure is for miscellaneous expenses throughout the year. Use **\$1,500**
- 03-00-581-00 Electricity** – Budget slightly increased for FY2023. Use **\$6,300**
- 03-00-582-00 LP Gas & Garbage** – This operating expenditure is for LP Gas which we use for water heating and cooking. This is reduced due to Earthworx taking care of our trash pickup at no charge. Use **\$2,600**
- 03-00-583-00 Telephone** – This operating expenditure is for telephones and telephone services. This department has three lines for the station, one for facsimile and two regular lines. We also have cellular service for one telephone, 1 I-Pad and 3 mobile hotspots. Use **\$4,600**
- 03-00-527-00 Fire Fighting Supplies** – This operating expenditure is established for repair and maintenance of flashlights, SCBA, Chainsaws, Hose and misc. supplies. Use **\$1,000**

03-00-530-00 Fire Prevention – This operating expenditure is for the purchase of public education material. This Fire Department conducts fire safety education programs as requested for the Camp Fripp program and the multitude of station visitors throughout the year. We reach approximately 200 children a year. Use **\$1,000**

03-00-531-00 Medical Supplies – The number of medical emergencies increases each year. Beaufort County EMS supplies us with basic equipment, if we need to add additional or new equipment this is our responsibility. Use **\$500**

03-00-541-00 Small Tools – This operating expenditure is established for maintaining a complement of tools used for performing maintenance on vehicles and equipment. Use **\$300**

03-00-543-00 Gas & Oil – This operating expenditure is for fuel, oil and oil changes. Use **\$7,000**

03-00-558-00 Grounds & Station Maintenance – This operating expenditure is for maintenance of the firehouse both interior and exterior. This requested amount reflects continued repairs and rehab of the station. We plan on replacing floors and exterior painting. Use **\$15,000**

03-00-564-00 Radios & Pagers – This operating expenditure is for the maintenance and repair of radios, both vhf and 700 MHz, and pagers. Use **\$350**

03-00-568-00 Equipment Maintenance – This operating expenditure is for the maintenance of generators, lights, ladders, nozzles, and fire extinguishers. Use **\$2,200**

03-00-569-00 Vehicle Maintenance – This operating expenditure is for minor preventive maintenance of department vehicles. Use **\$5,500**

03-00-575-00 Emergency / Natural Disaster – This operating expenditure is for anytime Fripp Island Fire Department may be evacuated due to an impending storm or other natural disaster. This is used to purchase special supplies dependent on the nature of the incident. Use **\$500**

ASSET ADDITIONS

03-00-590-00 Fixed Assets – This expenditure is for 3-4 sets of bunker gear. We have replaced a few firefighters since we replaced gear last and not all can fit in the sets left by previous employees. This was approved for FY2023, however, due to timing the purchase was postponed. Use **\$10,000**

03-00-590-00 Fixed Assets – This expenditure is for replacing the station generator. We currently have the original, 24 year old 50 Kw Koehler generator that was installed when the station was built in 1999. The generator is sized to run the entire station for 5-7 days on 1,000 gallons of propane. Use **\$22,000**

GOVERNMENTAL FUNDS (FIRE/EROSION/BRIDGE) PROPOSED 5-YEAR CAPITAL PLANNING BUDGET

| Category/ Department | Description | Fiscal Year | | | | | Notes |
|---------------------------|---|--------------------|--------------------|------------------|-----------------|--------------------|---|
| | | 2024 | 2025 | 2026 | 2027 | 2028 | |
| Bridge/Erosion | Bridge Abutment Protection | \$1,000,000 | | | | | |
| Bridge | Bridge Bent Retrofits | \$2,000,000 | | | | \$3,000,000 | Last retrofit-fy19, current-fy24, est every 5 yrs? |
| Erosion | Buildup of Porpoise Revetment | | | \$800,000 | | | |
| Fire Dept | Station-Paint/generator(fy24), bay door/remodel(fy26), roof/parking(fy28) | \$40,000 | | \$50,000 | | \$150,000 | |
| Fire Dept | 75' Aerial Pumper truck to replace 2001 Pierce Pumper | | \$1,000,000 | | | | |
| Fire Dept | 3/4 ton crew cab truck | \$40,000 | | | | | |
| Fire Dept | Polaris Ranger & Yamaha Watercraft | | | \$30,000 | | | |
| Fire Dept | Chief's vehicle | | | \$40,000 | | | |
| Fire Dept | Bunker Gear replacements | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | |
| Fiscal Year Totals | | \$3,092,500 | \$1,012,500 | \$932,500 | \$12,500 | \$3,162,500 | |

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
GENERAL OBLIGATION BOND DEBT SERVICE BUDGET
REVENUES & CASH FLOW
FISCAL YEAR 2024**

| | 1ST QTR JUL-SEP | 2ND QTR OCT-DEC | 3RD QTR JAN-MAR | 4TH QTR APR-JUN | TOTAL |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-------------------|
| CASH BEGINNING OF PERIOD | \$ 359,730 | | | | |
| LESS DEBT SERVICE RESERVE | \$ (347,700) | | | | |
| AVAILABLE CASH BEGINNING OF PERIOD | <u>\$ 12,030</u> | | | | |
| DEBT SERVICE PAYMENTS | | | | | |
| WWTP IMPROVEMENT PAYMENT | \$ 15,200 | \$ 15,200 | \$ 15,200 | \$ 15,200 | \$ 61,000 |
| WWTP DEBT PAYMENT | 95,540 | 95,540 | 95,540 | 95,540 | 383,000 |
| REVTMENT DEBT SERVICE | 7,780 | - | 7,780 | - | 16,000 |
| HWY 21 WATERLINE DEBT SVC | 41,870 | 41,870 | 41,870 | 41,870 | 168,000 |
| FRIPP BRIDGE DEBT SVC | 36,550 | - | 171,550 | | 209,000 |
| TOTAL EXPENDITURES | <u>\$ 196,940</u> | <u>\$ 152,610</u> | <u>\$ 331,940</u> | <u>\$ 152,610</u> | <u>\$ 837,000</u> |
| 09-00-409-01 TAX LEVIES | <u>0</u> | <u>401760</u> | <u>401760</u> | <u>33480</u> | <u>\$837,000</u> |
| NET CASH INCREASE | \$ (196,940) | \$ 249,150 | \$ 69,820 | \$ (119,130) | \$ 2,900 |
| TOTAL CASH END OF PERIOD | <u>\$ 162,790</u> | <u>\$ 411,940</u> | <u>\$ 481,760</u> | <u>\$ 362,630</u> | |

| | |
|---|------------------|
| Required Tax Revenue for WWTP Improvements: | \$ 61,000 |
| Required Tax Revenue for WWTP: | 383,000 |
| Required Tax Revenue for Revetment: | 16,000 |
| Required Tax Revenue for Hwy 21 Waterline: | 168,000 |
| Required Tax Revenue for Fripp Bridge: | 209,000 |
| Total Required Tax Revenue: | <u>\$837,000</u> |
| Less Available Cash Beg of Period: | <u>\$ -</u> |
| Total Required Tax Levy | <u>\$837,000</u> |

| | |
|---|---------------------|
| Value of mill for tax year 2024 | \$59,884 |
| Value as of 4/20/23 provided by H Williams | |
| Tax Collection Rate: | 100.0% |
| Value of mill @ Collection Rate: | \$59,884 |
| Tax Levy Required, mills : | 13.9 |

Cash Balance at end of year needs to be sufficient to cover the annual debt service for two qtrly WWTP debt svc pymts, two qtrly waterline debt svc pymts, one biannual revetment debt svc pymt, and one biannual bridge debt svc pymt

| | |
|--------------------------------|------------------|
| WWTP Improvements Debt Svc Res | \$30,400 |
| WWTP Debt Svc Res | 191,080 |
| Revetment Debt Svc Res | 7,780 |
| Hwy 21 Waterline Debt Svc Res | 83,740 |
| Fripp Bridge Debt Svc Res | 34,700 |
| | <u>\$347,700</u> |

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
WATER & WASTEWATER OPERATIONS BUDGET
INCOME PROJECTION
FISCAL YEAR 2024**

| | WATER | WASTEWATER | TOTAL |
|---------------------------------------|------------------|------------------|------------------|
| REVENUES | | | |
| WATER & WASTEWATER SALES | 1,155,840 | 828,890 | 1,984,730 |
| VACUUM SEWER ASSESSMENT | - | 366,990 | 366,990 |
| TAP FEES | 7,500 | 18,000 | 25,500 |
| WATER TANK LEASE | 289,860 | - | 289,860 |
| OTHER REVENUES | 45,070 | 18,150 | 63,220 |
| TOTAL OPERATING REVENUES | 1,498,270 | 1,232,030 | 2,730,300 |
| COST OF SALES | 585,780 | - | 585,780 |
| GROSS PROFITS FROM OPERATIONS | 912,490 | 1,232,030 | 2,144,520 |
| EXPENSES | | | |
| GENERAL & ADMINISTRATIVE | 497,095 | 497,095 | 994,190 |
| WATER & WASTEWATER SYSTEM | 98,180 | 381,050 | 479,230 |
| TOTAL OPERATING EXPENSES | 595,275 | 878,145 | 1,473,420 |
| NET OPERATING REVENUES | 317,215 | 353,885 | 671,100 |
| OTHER INCOME (EXPENSE) | | | |
| INTEREST EARNED | 72,940 | 7,470 | 80,410 |
| AMORT OF DEFERRED DEBT | - | - | - |
| INTEREST ON BONDS | (40,210) | (70,560) | (110,770) |
| BOND PAYMENT FEES | - | (1,200) | (1,200) |
| BOND ISSUE FEES | - | - | - |
| TOTAL OTHER INCOME (EXPENSE) | 32,730 | (64,290) | (31,560) |
| INTERFUND TRANSFERS IN (OUT) | 167,470 | 442,930 | 610,400 |
| NET INCOME BEFORE DEPRECIATION | 517,415 | 732,525 | 1,249,940 |
| DEPRECIATION/LOSS ON DISPOSAL | 188,450 | 455,600 | 644,050 |
| NET INCOME (LOSS) | 328,965 | 276,925 | 605,890 |

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
WATER & WASTEWATER OPERATIONS BUDGET
CASH REQUIREMENTS
FISCAL YEAR 2024**

| | CASH ON HAND 04/30/23 FY2023 | CASH REQUIRED 07/01/23 FY2024 | CASH REQUIRED 07/01/24 FY2025 |
|---|---------------------------------------|--|--|
| AVAILABLE FUNDS | | | |
| GROSS REVENUE/O&M FUNDS | 913,592 | | |
| BEAUFORT CO VAC SEWER ASSESSMENTS | 379,369 | | |
| ACCOUNTS RECEIVABLE | 266,266 | | |
| ACCOUNTS PAYABLE/TRANSFERS | (80,129) | | |
| TOTAL OPERATING FUNDS | 1,479,099 | | |
| DEPRECIATION & CONTINGENCY FUNDS | 5,215,792 | | |
| - INTENTIONALLY LEFT BLANK | - | | |
| VAC SEWER CONST/PREPAY FUNDS | 766,638 | | |
| 2013 REVENUE BOND DS FUND (1) | - | | |
| TOTAL AVAILABLE FUNDS/INVEST | 7,461,530 | | |
| REQUIRED CASH & DEBT SERVICE RESERVES | | | |
| OPERATING FUNDS | | | |
| (20% over O&M budget & Cost of Sales for one quarter) | | 651,350 | 677,400 |
| 13 BOND DEBT SERVICE FUND (matures 10/01/28) (1) | (20,856) | 363,910 | 364,850 |
| ASSET ADDITIONS/CAPITAL IMPROVEMENTS (2) | (23,610) | 966,000 | 124,550 |
| WATER SYSTEM CONTINGENCY RESERVE (3) | | 568,680 | 615,880 |
| WASTEWATER SYSTEM CONTINGENCY RESERVE (3) | | 568,680 | 615,880 |
| WWTP MEMBRANE REPLACEMENT (4) | | 361,800 | 402,000 |
| 13 REVENUE BOND PREPAYMENT (5) | | 780,280 | 815,280 |
| TOTAL REQUIRED CASH RESERVES | (44,466) | 4,260,700 | 3,615,840 |
| TOTAL CASH | 7,417,063 | 4,260,700 | 3,615,840 |

1. **Bond Resolutions** require funding a debt service account to pay the annual debt service. The required funds are transferred from the Beaufort County Treasurer upon collection of the annual vacuum sewer assessments. The 2013 bond proceeds prepaid the 2005 bond on 10/1/2014. Required cash for 7/1/2023 & 7/1/2024 DOES NOT include debt service funds for SRF G.O. bonds, which are funded by taxes, not revenues, and listed in the G.O. Bond Debt Service schedule.
2. **Asset additions & capital improvements** include improvements funded by the District's cash reserves. FY2023 credit includes remaining cost of GIS mapping project and renewal of 3-year firewall licenses.
3. **Contingency Reserves** increased each year by 1/12 (8.3%) of the currently approved sum for the current fiscal year per the District's bond resolution requirements. For fiscal year 2023, the the approved contingency reserve was \$525,100 for water and \$525,100 for sewer. Contingency reserves are used for emergencies, major repairs , and "as needed" capital improvements such as small water line extensions and pump station rehab.
4. **WWTP membranes** installed March 2015 at a cost of \$263,951 and have a life of 8 years. Required cash based on original cost increased by 2.5% per year accrued over eight years. Includes new frames & shipping. Does not include installation.
5. **2013 refunding bond** matures 10/01/28. 2005 refunded bond would have matured 10/01/25. Vacuum sewer assessments end after 2025 tax year with \$1,058,360 owed on 2013 refunding revenue bond. Capital reserve fund increased annually by approx. \$35,000 to assist in payment of remaining debt service after vacuum sewer assessments end.

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
WATER & WASTEWATER OPERATIONS BUDGET
CASH FLOW PROJECTION
FISCAL YEAR 2024**

| | WATER | WASTEWATER | TOTAL |
|---|------------------|------------------|--------------------|
| CASH AT BEGINNING OF PERIOD | | | 7,417,063 |
| REVENUES & INCOME | | | |
| WATER & SEWER SALES | 1,155,840 | 828,890 | 1,984,730 |
| VACUUM SEWER ASSESSMENT | - | 366,990 | 366,990 |
| TAP FEES | 7,500 | 18,000 | 25,500 |
| WATER TANK LEASE | 289,860 | - | 289,860 |
| OTHER REVENUES | 45,070 | 18,150 | 63,220 |
| INTEREST EARNED | 72,940 | 7,470 | 80,410 |
| INTERFUND TRANSFERS IN (OUT) | 167,470 | 442,930 | 610,400 |
| TOTAL REVENUES & INCOME | 1,738,680 | 1,682,430 | 3,421,110 |
| COST OF SALES | 585,780 | - | 585,780 |
| EXPENSES | | | |
| GENERAL & ADMINISTRATIVE | 497,095 | 497,095 | 994,190 |
| WATER & WASTEWATER SYSTEM | 98,180 | 381,050 | 479,230 |
| EXPENSES BEFORE DEPRECIATION | 595,275 | 878,145 | 1,473,420 |
| ANNUAL BOND DEBT SERVICE | | | |
| BONDS - PRINCIPAL (1) | 127,270 | 736,270 | 863,540 |
| - INTEREST (2) | 40,200 | 70,560 | 110,760 |
| BOND PAYMENT FEES | - | 1,200 | 1,200 |
| BOND ISSUE FEES | - | - | - |
| TOTAL DEBT EXPENDITURES | 167,470 | 808,030 | 975,500 |
| OPERATING CASH INCREASE (DECREASE) | 390,155 | (3,745) | 386,410 |
| CAPITAL CONTRIBUTIONS (EXPENDITURES) | | | |
| ASSET ADDITIONS | (521,000) | (445,000) | (966,000) |
| CONSTRUCTION IN PROGRESS (3) | (85,000) | - | (85,000) |
| CAPITAL RESERVE | - | (35,000) | (35,000) |
| TOTAL CAPITAL CONTRIB. (EXPENDITURES) | (606,000) | (480,000) | (1,086,000) |
| TOTAL CASH INCREASE (DECREASE) | (215,845) | (483,745) | (699,590) |
| CASH @ END OF PERIOD | | | 6,717,473 |
| REQUIRED CASH @ END OF PERIOD (4) | | | (3,615,840) |
| CASH OVER (UNDER) RESERVE REQUIREMENTS (5) | | | 3,101,634 |

1. Debt service principal in the wastewater column includes revenue bond principal of \$325,490
2. Debt service interest in the wastewater column includes revenue bond interest of \$38,410
3. Construction in Progress includes items with cost spread over fiscal years 24 and 25
4. Required cash includes operating funds for one quarter (three months) & debt service reserves.
5. Funds in excess of cash requirements are available for contingencies, the purchase of assets, & capital improvements.

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
WATER & WASTEWATER OPERATIONS BUDGET
REVENUE TEST FOR SERIES 2013 REVENUE BOND ISSUE
FISCAL YEAR 2024**

| | WATER | WASTEWATER | TOTAL |
|--|------------------|------------------|------------------|
| OPERATING REVENUES | 1,498,270 | 1,232,030 | 2,730,300 |
| (LESS) AD VALOREM TAX REVENUE (1) | 167,470 | 442,930 | 610,400 |
| (LOSS) ON SALE OF FIXED ASSETS | - | - | - |
| INTEREST INCOME | 72,940 | 7,470 | 80,410 |
| (LESS) VAC SEWER FUNDS INTEREST (2) | - | (7,470) | (7,470) |
| GROSS REVENUES | 1,738,680 | 1,674,960 | 3,413,640 |
| LESS COST OF SALES | 585,780 | - | 585,780 |
| LESS OPERATING EXPENSES (3) | 595,275 | 878,145 | 1,473,420 |
| LESS BOND PAYMENT FEES | - | 1,200 | 1,200 |
| NET REVENUES | 557,625 | 795,615 | 1,353,240 |
| G.O./REVENUE BOND DEBT SERVICE | | | |
| CURRENT- PRINCIPAL | 127,270 | 736,270 | 863,540 |
| - INTEREST | 40,200 | 70,560 | 110,760 |
| - INTENTIONALLY LEFT BLANK | - | - | - |
| TOTAL DEBT SERVICE | 167,470 | 806,830 | 974,300 |
| ACTUAL NET REVENUE / DEBT SERVICE | 3.33 | 0.99 | 1.39 |
| REQUIRED NET REVENUE / DEBT SERVICE | 1.20 | 1.20 | 1.20 |

(1) Ad valorem property taxes are excluded from calculating net earnings for revenue test unless used for O&M or for payment of G.O. bonds

(2) Interest earned on vacuum sewer construction and assessment funds was excluded from net earnings.

(3) Depreciation, amortization of debt expenses, bond interest, & bond issue expense are not included in O&M expenses for revenue test.

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
WATER & WASTEWATER OPERATIONS BUDGET
FISCAL YEAR 2024**

| ACCT NO | ACTUAL FY 2022 | BUDGET FY 2023 | (AMEND) | | BUDGET INC (DEC) |
|-------------------------------------|-------------------|-------------------|----------------------|---------------------|---------------------|
| | | | ESTIMATED FY 2023 | PROPOSED FY 2024 | |
| OPERATING REVENUES | | | | | |
| 01-00-401-00 | 999,840 | 1,045,170 | 1,038,740 | 1,155,840 | 110,670 |
| 01-00-402-00 | 738,124 | 761,760 | 758,820 | 828,890 | 67,130 |
| 01-00-403-00 | 7,462 | 7,830 | 8,080 | 8,240 | 410 |
| 01-00-404-03 | 367,991 | 366,990 | 366,990 | 366,990 | - |
| 01-00-406-02 | 14,100 | 5,500 | 16,800 | 7,500 | 2,000 |
| 01-00-406-03 | 33,600 | 13,200 | 38,400 | 18,000 | 4,800 |
| 01-00-407-00 | 5,390 | 6,260 | 5,400 | 5,510 | (750) |
| 01-00-408-00 | 2,430 | 1,980 | 3,380 | 3,450 | 1,470 |
| 01-00-410-00 | 14,593 | 17,250 | 17,870 | 19,040 | 1,790 |
| 01-00-410-01 | 16,149 | 9,780 | 17,740 | 9,550 | (230) |
| 01-00-412-00 | 277,825 | 311,020 | 311,020 | 289,860 | (21,160) |
| 01-00-429-00 | 62,696 | 14,290 | 17,090 | 17,430 | 3,140 |
| TOTAL OPERATING REVENUES | 2,540,199 | 2,561,030 | 2,600,330 | 2,730,300 | 169,270 |
| COST OF SALES | | | | | |
| 01-00-451-00 | - | - | - | - | - |
| 01-00-452-00 | 522,958 | 559,740 | 542,140 | 585,780 | 26,040 |
| TOTAL COST OF SALES | 522,958 | 559,740 | 542,140 | 585,780 | 26,040 |
| GROSS PROFIT FROM OPERATIONS | 2,017,242 | 2,001,290 | 2,058,190 | 2,144,520 | 143,230 |
| GENERAL & ADMINISTRATION | | | | | |
| 01-01-500-00 | 559 | 680 | 710 | 1,100 | 420 |
| 01-01-501-00 | 343,515 | 390,000 | 385,000 | 535,000 | 145,000 |
| 01-01-502-00 | 17,740 | 20,000 | 18,600 | 21,000 | 1,000 |
| 01-01-504-00 | 21,986 | 25,420 | 25,020 | 34,470 | 9,050 |
| 01-01-505-00 | 5,141 | 5,950 | 5,850 | 8,060 | 2,110 |
| 01-01-506-00 | 67,602 | 71,380 | 66,230 | 102,360 | 30,980 |
| 01-01-509-00 | 52,450 | 74,540 | 62,600 | 87,010 | 12,470 |
| 01-01-509-01 | 3,993 | 4,410 | 7,700 | 7,200 | 2,790 |
| 01-01-510-00 | 4,768 | 6,150 | 5,350 | 8,340 | 2,190 |
| 01-01-512-00 | 180 | 490 | 490 | 520 | 30 |
| 01-01-513-00 | 1,130 | 3,610 | 2,000 | 2,100 | (1,510) |
| 01-01-514-00 | 164 | 620 | 620 | 650 | 30 |
| 01-01-515-00 | 65 | 820 | 820 | 860 | 40 |
| 01-01-516-00 | - | 100 | 200 | 210 | 110 |
| 01-01-517-00 | - | 2,580 | 300 | 2,580 | - |
| 01-01-518-00 | (29,390) | (30,860) | (30,860) | (32,400) | (1,540) |
| 01-01-519-00 | (7,170) | (7,530) | (7,530) | (7,910) | (380) |
| 01-01-521-00 | 11,752 | 15,600 | 16,370 | 23,250 | 7,650 |
| 01-01-522-00 | 61 | 520 | 520 | 550 | 30 |
| 01-01-523-00 | 10,294 | 10,620 | 2,000 | 5,000 | (5,620) |
| 01-01-523-01 | 3,784 | 3,940 | 5,500 | 4,000 | 60 |
| 01-01-526-00 | 5,148 | 5,670 | 5,670 | 5,950 | 280 |

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
WATER & WASTEWATER OPERATIONS BUDGET
FISCAL YEAR 2024**

| ACCT NO | ACTUAL FY 2022 | BUDGET FY 2023 | (AMEND) | | BUDGET INC (DEC) |
|---|-------------------|-------------------|----------------------|---------------------|---------------------|
| | | | ESTIMATED FY 2023 | PROPOSED FY 2024 | |
| 01-01-528-00 ENGINEERING & CONSULTING | 28,550 | 10,000 | 15,000 | 15,450 | 5,450 |
| 01-01-531-00 INSURANCE | 58,115 | 64,190 | 66,100 | 68,080 | 3,890 |
| 01-01-532-00 LEGAL FEES | 9,325 | 7,210 | 7,210 | 7,430 | 220 |
| 01-01-533-00 LICENSES, TAXES & PERMIT FEES | 11,229 | 12,240 | 12,240 | 12,610 | 370 |
| 01-01-535-00 METER READING & RELATED | 109 | - | - | 12,500 | 12,500 |
| 01-01-537-00 OFFICE SUPPLIES | 3,026 | 3,300 | 3,300 | 3,470 | 170 |
| 01-01-538-00 POSTAGE & FREIGHT | 5,534 | 5,690 | 4,500 | 4,730 | (960) |
| 01-01-539-00 PRINTING | 358 | 1,800 | 1,980 | 1,500 | (300) |
| 01-01-540-00 PROGRAM MAINTENANCE | 17,766 | 18,730 | 18,730 | 19,670 | 940 |
| 01-01-543-00 VEHICLE GAS & OIL | 15,799 | 23,800 | 14,000 | 14,700 | (9,100) |
| 01-01-549-00 MISCELLANEOUS | 3,732 | 4,430 | 4,430 | 4,650 | 220 |
| 01-01-558-00 BUILDING & GROUNDS MAINTENANCE | 8,216 | 7,210 | 8,100 | 8,510 | 1,300 |
| 01-01-562-00 GRAPHIC SERVICES | - | 210 | 200 | 210 | - |
| 01-01-568-00 SUPPORT EQUIPMENT MAINTENANCE | 1,100 | 1,910 | 1,910 | 2,010 | 100 |
| 01-01-569-00 VEHICLE MAINTENANCE | 2,665 | 2,580 | 1,500 | 1,580 | (1,000) |
| 01-01-581-00 ELECTRICITY & LP GAS, OFFICE | 2,010 | 2,210 | 2,210 | 2,320 | 110 |
| 01-01-583-00 TELEPHONE & COMMUNICATIONS | 5,071 | 4,640 | 4,640 | 4,870 | 230 |
| TOTAL G & A EXPENSES | 686,378 | 774,860 | 739,210 | 994,190 | 219,330 |
| WATER SYSTEM EXPENSES | | | | | |
| 01-02-524-00 CHEMICALS | - | 200 | - | 200 | - |
| 01-02-542-00 SMALL TOOLS & SUPPLIES | 1,762 | 2,500 | 1,200 | 2,500 | - |
| 01-02-545-00 WATER TAP COSTS | 6,755 | 5,000 | 8,500 | 6,750 | 1,750 |
| 01-02-557-00 BOOSTER PUMPS | 557 | 1,000 | 500 | 530 | (470) |
| 01-02-560-00 CONTROLS & INSTRUMENTATION | 1,486 | 500 | 1,200 | 1,260 | 760 |
| 01-02-561-00 FIRE HYDRANTS | - | 3,000 | - | 3,000 | - |
| 01-02-568-00 SUPPORT EQUIPMENT MAINT | - | 500 | 500 | 530 | 30 |
| 01-02-570-00 WATER LINES | 7,447 | 8,240 | 8,240 | 8,650 | 410 |
| 01-02-571-00 WATER METER REPAIR | 4,791 | 6,000 | 4,000 | 4,200 | (1,800) |
| 01-02-572-00 WATER QUAL MONITORING | 1,982 | 2,180 | 2,180 | 2,290 | 110 |
| 01-02-573-00 WATER TANKS | 47,333 | 48,930 | 48,930 | 51,380 | 2,450 |
| 01-02-581-00 ELECTRICITY | 12,722 | 13,060 | 13,500 | 14,180 | 1,120 |
| 01-02-583-00 TELEPHONE/SCADA | 2,326 | 2,580 | 2,580 | 2,710 | 130 |
| TOTAL WATER O&M EXPENSES | 87,161 | 93,690 | 91,330 | 98,180 | 4,490 |
| WASTEWATER EXPENSES | | | | | |
| 01-03-524-00 CHEMICALS | 3,863 | 7,670 | 6,000 | 6,300 | (1,370) |
| 01-03-525-00 CLEANING SUPPLIES | 65 | 160 | 160 | 170 | 10 |
| 01-03-527-00 EFFLUENT MONITORING, WWTP | 25,113 | 26,100 | 24,000 | 25,200 | (900) |
| 01-03-529-00 GENERATOR FUEL/MAINT, WWTP | 6,981 | 7,330 | 7,330 | 7,700 | 370 |
| 01-03-529-02 GENERATOR FUEL/MAINT, VAC SEW | 13,741 | 5,150 | 5,150 | 5,410 | 260 |
| 01-03-541-00 SLUDGE DISPOSAL, WWTP | 104,412 | 115,740 | 115,740 | 121,530 | 5,790 |
| 01-03-542-00 SMALL TOOLS & SUPPLIES | 1,885 | 2,060 | 2,080 | 2,180 | 120 |
| 01-03-545-00 SEWER TAP COSTS | - | - | 6,900 | 7,250 | 7,250 |
| 01-03-558-00 BUILDING & GROUNDS, WWTP | 4,719 | 21,530 | 21,530 | 22,610 | 1,080 |

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
WATER & WASTEWATER OPERATIONS BUDGET
FISCAL YEAR 2024**

| ACCT NO | ACTUAL FY 2022 | BUDGET FY 2023 | (AMEND) | | BUDGET INC (DEC) |
|--|-------------------|-------------------|----------------------|---------------------|---------------------|
| | | | ESTIMATED FY 2023 | PROPOSED FY 2024 | |
| 01-03-559-00 | - | 520 | - | 520 | - |
| 01-03-560-00 | 3,612 | 11,000 | 4,000 | 4,200 | (6,800) |
| 01-03-563-00 | 2,354 | 4,500 | 3,740 | 3,930 | (570) |
| 01-03-563-02 | 3,212 | 5,500 | 14,300 | 15,020 | 9,520 |
| 01-03-564-00 | 2,639 | 3,630 | 3,630 | 3,810 | 180 |
| 01-03-565-00 | 32,465 | 42,000 | 56,000 | 58,800 | 16,800 |
| 01-03-566-00 | - | 35,000 | 35,000 | 7,000 | (28,000) |
| 01-03-567-00 | 24,999 | 18,000 | 3,000 | 3,150 | (14,850) |
| 01-03-567-02 | 4,372 | 10,000 | 1,500 | 1,580 | (8,420) |
| 01-03-581-00 | 13,240 | 13,790 | 13,400 | 14,070 | 280 |
| 01-03-581-01 | 52,240 | 55,130 | 52,500 | 55,130 | - |
| 01-03-581-02 | 13,953 | 13,530 | 14,540 | 15,270 | 1,740 |
| 01-03-583-00 | 154 | 210 | 210 | 220 | 10 |
| TOTAL WASTEWATER O&M EXPENSES | 314,018 | 398,550 | 390,710 | 381,050 | (17,500) |
| TOTAL OPERATING EXPENSES | 1,087,557 | 1,267,100 | 1,221,250 | 1,473,420 | 206,320 |
| NET OPERATING REVENUES | 929,685 | 734,190 | 836,940 | 671,100 | (63,090) |
| OTHER INCOME | | | | | |
| 01-00-416-00 | 57,642 | 48,350 | 63,930 | 72,940 | 24,590 |
| 01-00-417-00 | 12,377 | 8,760 | 12,410 | 7,470 | (1,290) |
| 01-00-418-00 | - | - | - | - | - |
| 01-00-419-00 | (348,451) | - | - | - | - |
| TOTAL OTHER INCOME | (278,432) | 57,110 | 76,340 | 80,410 | 23,300 |
| OTHER EXPENSES | | | | | |
| 01-01-595-00 | - | - | - | - | - |
| 01-01-596-00 | 142,348 | 128,950 | 128,950 | 110,770 | (18,180) |
| 01-01-597-00 | 1,200 | 1,200 | 1,200 | 1,200 | - |
| 01-01-598-00 | - | - | - | - | - |
| TOTAL OTHER EXPENSES | 143,548 | 130,150 | 130,150 | 111,970 | (18,180) |
| 01-00-499-00 | 610,394 | 610,400 | 610,400 | 610,400 | - |
| 01-00-499-01 | (2,606) | | | | |
| NET INCOME BEFORE DEPRECIATION | 1,115,493 | 1,271,550 | 1,393,530 | 1,249,940 | (21,610) |
| DEPRECIATION | | | | | |
| 01-01-611-00 | 30,624 | 30,460 | 30,460 | 41,700 | 11,240 |
| 01-02-611-00 | 143,735 | 150,600 | 144,600 | 167,600 | 17,000 |
| 01-03-611-00 | 424,703 | 431,740 | 431,740 | 434,750 | 3,010 |
| TOTAL DEPRECIATION | 599,062 | 612,800 | 606,800 | 644,050 | 31,250 |
| NET INCOME (LOSS) | 516,430 | 658,750 | 786,730 | 605,890 | (52,860) |

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
WATER & WASTEWATER OPERATIONS BUDGET
FISCAL YEAR 2024**

| ACCT NO | ACTUAL FY 2022 | BUDGET FY 2023 | (AMEND) | | BUDGET INC (DEC) |
|--|-------------------|-------------------|----------------------|---------------------|---------------------|
| | | | ESTIMATED FY 2023 | PROPOSED FY 2024 | |
| CAPITAL EXPENDITURES CASH FUNDED BUDGET | | | | | |
| 01-00-172-00 BUILDINGS & GROUNDS | - | - | - | - | - |
| 01-00-173-00 WATER SYSTEM | 46,428 | 17,700 | 17,700 | 500,000 | 482,300 |
| 01-00-174-00 OFFICE FURNITURE & EQUIPMENT | 3,693 | - | - | - | - |
| 01-00-175-00 FIELD SUPPORT EQUIPMENT | - | - | - | 2,000 | 2,000 |
| 01-00-176-00 WELLS & PUMP STATIONS | 121,460 | 265,000 | 265,780 | - | (265,000) |
| 01-00-177-00 LIFT STATIONS | - | - | 24,250 | 24,000 | 24,000 |
| 01-00-178-00 COLLECTION SYSTEMS | - | 5,200 | 5,200 | 370,000 | - |
| 01-00-179-00 WASTEWATER TREATMENT PLANT | 83,994 | - | - | 30,000 | 30,000 |
| 01-00-180-00 COMPUTERS, SOFTWARE, ETC | 2,370 | - | 3,000 | 5,000 | 5,000 |
| 01-00-181-00 VEHICLES | 26,842 | - | - | 35,000 | 35,000 |
| TOTAL CAPITAL EXPENDITURES | 284,787 | 287,900 | 315,930 | 966,000 | 313,300 |
| CONSTRUCTION IN PROGRESS | - | - | - | 85,000 | 85,000 |
| CAPITAL RESERVE (2013 REVENUE REF BOND) | 35,000 | 35,000 | 35,000 | 35,000 | - |
| TOTAL CAPITAL EXPENDITURES & RESERVES | 319,787 | 322,900 | 350,930 | 1,086,000 | 398,300 |

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
WATER & WASTEWATER OPERATIONS BUDGET
CAPITAL EXPENDITURES, CONSTRUCTION IN PROGRESS & CAPITAL RESERVES
FISCAL YEAR 2024 WITH 5-YEAR CAPITAL PLAN**

| | PROPOSED | | PROJECTED | | |
|---|------------------|------------------|----------------|----------------|---------------|
| | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| CAPITAL EXPENDITURES | | | | | |
| Water System | | | | | |
| Blue Heron Lake spillway repair | 500,000 | | | | |
| Hydrant meter replacements - 2 meters | | 3,300 | | | |
| Fripp Island master meter replacement | | | | 20,000 | |
| Collection System | | | | | |
| Rehab CJFV sewer lines | 250,000 | | | | |
| Blue Heron Lake force main relocation | 120,000 | | | | |
| Lift Station pump replacements | 24,000 | 25,200 | 26,460 | 27,780 | 29,170 |
| Wastewater Treatment Plant | | | | | |
| Membrane replacement | | | 500,000 | | |
| Outside storage container | | 5,000 | | | |
| DO meter replacement | | | 2,000 | | |
| Sludge dewatering system | | | | 300,000 | |
| Blowers/Enclosures | 30,000 | 31,500 | 33,000 | 34,700 | |
| Grit System | | 20,000 | | | 12,000 |
| Field Equipment (Water/WW) | | | | | |
| Magnetic Locator | 2,000 | | | | |
| Fleet Vehicles for field staff | 35,000 | 36,750 | | 40,430 | |
| 4" trash pump | | | 3,500 | | |
| Office Equipment/Softwar (G&A) | | | | | |
| Workstations - Admin office & WWTP | 5,000 | 2,800 | 3,500 | | 3,500 |
| Firewall Licenses | | | | 3,500 | |
| Total Proposed Capital Expenditures | 966,000 | 124,550 | 568,460 | 426,410 | 44,670 |
| Construction in Progress | | | | | |
| 200k gallon tank recoating containment | 85,000 | 85,000 | | | |
| Total Construction in Progress | 85,000 | 85,000 | - | - | - |
| CAPITAL RESERVE (2013 REVENUE BOND REPAYMENT) | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| TOTAL CAPITAL EXPENDITURES, CIP & RESERVES | 1,086,000 | 244,550 | 603,460 | 461,410 | 79,670 |
| DEBT FUNDED PROJECTS | | | | | |
| AMI Metering Infrastructure | | 1,800,000 | | | |
| Total Debt Funded Projects (CIP) | - | 1,800,000 | - | - | - |

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
 WATER & WASTEWATER OPERATIONS BUDGET
 CAPITAL EXPENDITURES, CONSTRUCTION IN PROGRESS & CAPITAL RESERVES
 FISCAL YEAR 2024 WITH 5-YEAR CAPITAL PLAN**

DETAILS / DESCRIPTIONS

Water System

Blue Heron Lake spillway repair----- Cost unknown - should have cost estimate by June 2023
 Hydrant meter replacements - 2 meters
 Fripp Island master meter replacement

Collection System

Rehab CJFV sewer lines----- Project cost spread over 2 years
 Blue Heron Lake force main relocation
 Lift Station pump replacements----- 2 pump replacements per year. 5% escalation factor

Wastewater Treatment Plant

Membrane replacement----- Funds reserved each yr since 2015 should cover full cost
 Outside storage container
 DO meter replacement
 Sludge dewatering system----- Actual cost unknown. Estimate to be compiled mid-fy24
 Blowers/Enclosures----- 1 replacement per year. 5% escalation factor
 Grit System----- Bridge replacement-fy25. Pump replacement-fy28.

Field Equipment (Water/WW)

Magnetic Locator
 Fleet Vehicles for field staff----- 5% per year escalation factor
 4" trash pump

Office Equipment (G&A)

Workstations - Admin office & WWTP----- fy24-WWTP workstations, fy25-28-aging office workstations
 Firewall Licenses - Admin office & WWTP----- current licenses expire May 2026

Construction In Progress

200k gallon tank recoating containment----- Cost spread over fiscal years 2024 and 2025 by vendor

Capital Reserve (2013 Revenue Bond Repayment) - to set aside funds to assist in payment of 2013 refunding bond debt after vacuum sewer assessments end in 2025. Funds can be used for other capital needs if necessary.

Debt Funded Projects (May be multi-year)

AMI Metering Infrastructure----- Finance thru revenue bond, further analysis needed

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
WATER & WASTEWATER DEPARTMENT**

**PROPOSED FISCAL YEAR 2024 BUDGET
ACCOUNT DETAIL**

OPERATING REVENUES

| | | |
|--|-----|--------------------|
| 01-00-401-00 Water Consumption – Proposed FY2024 revenue based on rate model that incorporates a 6.5% increase in rates and assumes a 3% increase in water usage. | Use | \$1,155,840 |
| 01-00-402-00 Sewer Use – Proposed FY2024 revenue based rate model that incorporates a 5% increase in rates and assumes a 3% increase in usage. | Use | \$828,890 |
| 01-00-403-00 Penalties – Includes late fees and non-payment fees. | Use | \$8,240 |
| 01-00-404-03 Vacuum Sewer Assessment – Annual assessments for 281 lots in divisions 2 & 3 @ \$503.54 each & 452 lots in divisions 4 & 5 @ \$498.89. Fee assessed on December 2023 tax bill to pay '05 & '13 revenue bond debt service due April 1, 2024 & October 1, 2024. | Use | \$366,990 |
| 01-00-406-02 Water Tap Fees – Eleven new taps were estimated for FY2023 – estimated actual is thirty-two. For FY2024, estimate fifteen water taps @ \$500. | Use | \$7,500 |
| 01-00-406-00 Sewer Tap Fees – Five new taps were estimated for FY2023 – estimated actual is thirty-two. For FY2024, estimate fifteen sewer taps @ \$1,200. | Use | \$18,000 |
| 01-00-407-00 Administrative Fees – Fee charged to establish a new account or transfer service to a new customer. | Use | \$5,510 |
| 01-00-408-00 Reconnection Fees – Includes reconnection fees and after-hours trip fees. | Use | \$3,450 |
| 01-00-410-00 Water Transport Fee – Propose to increase Harbor Island water transportation fee by 6.5%, the increase in CPI from December 2021 to December 2022, as allowed by the 2020 Water Service and Transportation Agreement. Fee would increase from \$0.61/1,000 gals to \$0.65/1,000 gals. Budget based on actual flow of 29.294 mil gals from 4/1/22-3/31/23 @ \$0.65/1,000 gals. | Use | \$19,040 |
| 01-00-410-01 Effluent Disposal Fee – Propose to increase Harbor Island effluent disposal fee by 6.5%, the increase in CPI from December 2021 to December 2022, as allowed by the 2020 Wastewater Agreement. Fee would increase from \$0.60/1,000 gals to \$0.64/1,000 gals. Budget based on actual disposal of 14.926 mil gals of Harbor Island's effluent from 4/1/22 – 3/31/23 @ \$0.64/1,000 gals. (Assumes turbidity does not exceed level to trigger higher rate.) | Use | \$9,550 |
| 01-00-412-00 Water Tank Lease - Annual lease payment by cellular phone companies for antenna space on water tanks. Budget does not include revenue from a lease that renews December 1, 2023. | Use | \$289,860 |
| 01-00-429-00 Miscellaneous Revenue - Recovery of annual Safe Drinking Water Fee charged by SCDHEC (cost prorated equally among total number of customers), jetting fees, charges for returned customer payments, late payment penalties on vacuum sewer assessments collected by Beaufort County, labor/parts charges for emergency repairs to customer owned infrastructure (grinder pumps), and meter tampering and service theft charges. | Use | \$17,430 |

COST OF SALES

01-00-451-00 Warehouse Sales – Assume purchase & sale of inventory items net to zero. Use \$0

01-00-452-00 Purchase of Water – BJW&SA anticipates increase of 3-5% (\$0.09-\$0.15/1,000 gals) to the wholesale water rate for FY2024. FY2023 estimated actual was lower than projected. Budget includes a 3% increase over the FY2023 estimated actual water consumption plus a 5% increase in wholesale rate. Use \$585,780

GENERAL AND ADMINISTRATIVE EXPENSES

01-01-500-00 Payroll Expense – Annual cost of outsourced payroll processing. Use \$1,100

01-01-501-00 Salaries – Annual budget includes increases for current administrative & operations personnel, anticipated salary of new operations superintendent for full year and new field maintenance technician for ¼ year. Salary increases are necessary to be competitive in the current employment market. Use \$535,000

01-01-502-00 Overtime Labor – Budget is calculated at 4% of salary expense. Use \$21,000

01-01-504-00 FICA – Social Security is 6.2% of total salary. Use \$34,470

01-01-505-00 FMED – Medicare based on 1.45% of total salary. Use \$8,060

01-01-506-00 SC Retirement – District's contribution to State Retirement System based on permanent employees' regular & overtime pays. For FY2024, employer's contribution increases 1% to 18.41%. Use \$102,360

01-01-509-00 Medical, Life & Disability Insurance - District provides full family coverage for all full-time employees and retirees. As of 3/31/23, SC Employee Insurance Program projection includes a 4.0% increase. Actual increase could be higher or lower depending on the final decision by the SC Budget & Control Board. Budget includes cost of insurance for new operations superintendent. Use \$87,010

01-01-509-01 OPEB Expense - District provides insurance coverage for retirees that meet certain criteria. Use \$7,200

01-01-510-00 Workmen's Compensation – Budget includes additional cost of new operations superintendent. Use \$8,340

01-01-512-00 License Renewal – Cost of renewal of water & wastewater licenses for operators. Includes renewal fees for one new operator. Use \$520

01-01-513-00 Training & Convention Fees – Budget for continuing education requirements & for manager and/or Commissioners to attend functions of special interest to the District. Use \$2,100

01-01-514-00 Uniforms – Budget for steel-toed boots for field staff and shirts for staff to use for hurricane re-entry. Use \$650

01-01-515-00 Travel – Mileage & other travel expenses incurred by manager & commissioners performing District business. Use \$860

01-01-516-00 Business Meals – Budget increased based on increase in prior year. Use **\$210**

01-01-517-00 Commissioner’s Expenses - Reimbursement of expenses incurred by Commissioners while performing District business and recognition of retiring Commissioner service. Includes estimated lodging costs for hurricane evacuation. Use **\$2,580**

01-01-518-00 Fire Depart Administrative Support – Cost of providing administrative, human resources, software & financial support for fire dept. operations. Escalated by 5% over prior year budget. Use **\$32,400**

01-01-519-00 Erosion Administrative Support – Cost of providing administrative, software & financial support for erosion & bridge operations. Escalated by 5% over prior year budget. Use **\$7,910**

01-01-521-00 Accounting & Audit - Used for annual audit report and consulting in fiscal matters and includes actuarial services for post-employment benefit liability valuation and cost to publish budget hearing public notice. Pro-rata share of expense for water operations derived as follows:

| | | |
|----------------------|--------------|---------------------|
| Total FY2024 | \$51,670 | |
| Less Fire Dept. | 22,220 | |
| Less Erosion | <u>6,200</u> | |
| Wtr & Sew Operations | \$23,250 | Use \$23,250 |

01-01-522-00 Bad Debt –Budget for non-collectible accounts. Use **\$550**

01-01-523-00 Bank Service Charges - Fees charged by Bank to maintain District's bank accounts and payment processing services for utility billing operations. Prior year estimated actual lower than anticipated due to interest offset on bank accounts. Budget decreased to estimated cost in FY2024. Use **\$5,000**

01-01-523-01 Credit Card Service Fees - Fees charged by Bank to allow District’s customers to pay bills via credit card. Budget considers recommendation that District revert to charging a 2% fee to customers who wish to pay via credit card. Use **\$4,000**

01-01-526-00 Dues & Subscriptions - Memberships in SC Association of Special Purpose Districts, Rural Water Association, WateReuse Association, AWWA, Water Utility Council, Southeast Desalting Association, SC811, Water Environment Association of SC, Water Environment Federation, WateReuse Association of SC, and subscription to Beaufort Gazette for local news monitoring. Use **\$5,950**

01-01-528-00 Engineering & Consulting –Budget increased for anticipated engineering costs related to ongoing and new projects. Use **\$15,450**

01-01-531-00 Insurance – State Fiscal Accountability Authority provides property insurance, liability coverage, and vehicle insurance through the Insurance Reserve Fund. The District’s bond covenants also require a fidelity bond for all persons handling money or signing checks. Budget also includes cyber liability insurance and incorporates a 3% increase in all premiums. Use **\$68,080**

01-01-532-00 Legal Fees – Budget for general legal counsel to the Commission. Use **\$7,430**

01-01-533-00 Licenses, Taxes & Permit Fees - SCDHEC Safe Drinking Water Fee, ND permit for wastewater plant, lab certification, Beaufort Co. storm water fee, group asbestos license, sales and use tax for online purchases. Use **\$12,610**

01-01-535-00 Meter Reading & Related – Budget includes estimated cost of AMI asset management program for one quarter. Use **\$12,500**

01-01-537-00 Office Supplies - For stationary, copy paper, checks, computer supplies, etc. Use **\$3,470**

01-01-538-00 Postage and Freight – Budget includes postage for quarterly utility bills, rental of postage meter, maintenance agreement for mailing machine, freight charges for parts & materials and miscellaneous shipping charges. Costs expected to decrease as customers transition to paperless billing. Use **\$4,730**

01-01-539-00 Printing – Budget includes cost of outside bill print provider, bill inserts and customer education materials. Costs expected to decrease as customers transition to paperless billing. Use **\$1,500**

01-01-540-00 Program Maintenance – Annual license fees and support for accounting/utility billing software, Microsoft Office/Cloud, SCADA software, cybersecurity and PCI compliance software, handheld meter reading system, GIS mapping software, and miscellaneous IT support. Use **\$19,670**

01-01-543-00 Vehicle Gas & Oil – Budget decreased to 5% over FY2023 estimated actual. Use **\$14,700**

01-01-549-00 Miscellaneous – For items not fitting other account descriptions such as employee recognition, employment ads and potential hurricane evacuation accommodations for essential staff. Use **\$4,650**

01-01-558-00 Buildings & Grounds Maintenance – Office cleaning, grounds maintenance, pest control and miscellaneous expenses for maintenance of administrative office. Use **\$8,510**

01-01-562-00 Graphic Services – Budget for blueprint and Mylar reproduction. Use **\$210**

01-01-568-00 Support Equipment Maintenance – Maintenance for office machines and backup generator. Use **\$2,010**

01-01-569-00 Vehicle Maintenance – Repair and maintenance for field operations vehicles. Use **\$1,580**

01-01-581-00 Electricity & LP Gas – Electricity and LP gas for administrative office. Use **\$2,320**

01-01-583-00 Telephone & Communications – Expense for office telephone, mobile phones, recurring website and email charges & miscellaneous communications expenses (Zoom, etc.). Use **\$4,870**

WATER SYSTEM EXPENSES

01-02-524-00 Chemicals - Purchase chlorine for emergency chlorination, if needed and decontamination of broken water lines. Use **\$200**

01-02-542-00 Small Tools & Supplies – Supplies and special tools to maintain water system. Use **\$2,500**

01-02-545-00 Water Tap Costs – Cost associated with installation of service for new homes. Use **\$6,750**

01-02-557-00 Booster Pumps – Maintenance/repair of booster pump stations. Use **\$530**

01-02-560-00 Controls & Instrumentation – Controls & instrument repairs for pumping stations and water towers. Use **\$1,260**

| | | |
|---|-----|-----------------|
| 01-02-561-00 Fire Hydrants – Miscellaneous repairs to fire hydrants. Includes cost to rebuild one hydrant. | Use | \$3,000 |
| 01-02-568-00 Support Equipment Maintenance – Expenses such as replacement of hoses, motors or diaphragms on portable pumps. | Use | \$530 |
| 01-02-570-00 Water Lines – Routine water line repairs. | Use | \$8,650 |
| 01-02-571-00 Water Meter Repair – Repair, replacement & testing of meters. | Use | \$4,200 |
| 01-02-572-00 Water Quality Monitoring – State regulations require 4 bacteriological samples per month. Budget includes samplings, water quality test kits and reagents, and water unknowns required by lab certification regulations. | Use | \$2,290 |
| 01-02-573-00 Water Tanks – Contract maintenance program for three elevated water tanks plus miscellaneous items such as altitude valve repair. | Use | \$51,380 |
| 01-02-581-00 Electricity – Power for operation of booster pumps and lights at each water tank. | Use | \$14,180 |
| 01-02-583-00 Telephone/SCADA – Annual monitoring fee for SCADA system controlling the telemetry between Butcher’s Island & Hunting Island pump stations and the 200,000 & 250,000 gallon elevated water tanks and miscellaneous repairs to batteries, cables, etc. | Use | \$2,710 |

WASTEWATER SYSTEM EXPENSES

| | | |
|--|-----|------------------|
| 01-03-524-00 Chemicals – Cost of sodium hypochlorite for biological cleaning, citric acid for cleaning mineral deposits, caustic soda for increasing pH. | Use | \$6,300 |
| 01-03-525-00 Cleaning Supplies – Supplies for cleaning office/pump building. | Use | \$170 |
| 01-03-527-00 Effluent Monitoring, WWTP – Influent & effluent sampling performed once per week as permit requires, reagents & supplies for chlorine residual, pH analysis & MLSS, and annual analysis of unknowns required by lab certification regulations. | Use | \$25,200 |
| 01-03-529-00 Generator Fuel/Maint, WWTP – Maintenance and fuel for backup generator. | Use | \$7,700 |
| 01-03-529-02 Generator Fuel/Maint, Vac Sew - Maintenance and fuel for backup generator. | Use | \$5,410 |
| 01-03-541-00 Sludge Disposal, WWTP – Cost of sludge hauling and disposal at BJW&SA facility includes sharp increase in costs over the past two fiscal years. | Use | \$121,530 |
| 01-03-542-00 Small Tools & Supplies – Supplies and special tools to maintain sewer system & treatment plant. | Use | \$2,180 |
| 01-03-545-00 Sewer Tap Costs – Cost of sewer taps for new homes includes installation of services lines, cost of vac sewer valve installation, and tie-in inspections. Costs were previously absorbed into sewer line costs and will be allocated properly going forward. | Use | \$7,250 |
| 01-03-558-00 Building and Grounds, WWTP – Grounds maintenance around wastewater treatment plant includes dumpster rental, dump and disposal fees, landscaping and building maintenance. | Use | \$22,610 |

| | | |
|--|-----|------------------|
| 01-03-559-00 UV Disinfection System, WWTP – Bulb replacement not required. UV off. | Use | \$520 |
| 01-03-560-00 Controls & Instrumentation, WWTP – Budget for instrument calibration & routine maintenance items such as fuses & unforeseen repairs. | Use | \$4,200 |
| 01-03-563-00 Gravity Sewer Lines – Line maintenance and cleaning. | Use | \$3,930 |
| 01-03-563-02 Vacuum Sewer Lines & Sumps – Budget for line and valve pit maintenance includes vac valve rebuild kits and estimated cost of one vac sump replacement. | Use | \$15,020 |
| 01-03-564-00 Effluent Disposal, WWTP – Effluent transfer station &/or storage tank and effluent pond weed control. Budget includes cost of transfer station pump replacement/repair. | Use | \$3,810 |
| 01-03-565-00 Wastewater Treatment & Disposal – Wastewater treatment systems include pumps, blowers, drain station, membranes and tanks, grit system, drum screens, etc. Budget based on age of system and equipment. | Use | \$ 58,800 |
| 01-03-566-00 Sewer Force Mains – Budget for routine maintenance repairs. | Use | \$7,000 |
| 01-03-567-00 Wastewater Pumping Stations – Budget for pump station repair/maintenance reduced to reflect future capitalization of pump replacements. | Use | \$3,150 |
| 01-03-567-02 Vacuum Sewer Station – Budget for vacuum station pump repair/maintenance and miscellaneous expense. | Use | \$1,580 |
| 01-03-581-00 Electricity, WWPS – Electrical cost for wastewater pumping stations. | Use | \$14,070 |
| 01-03-581-01 Electricity, WWTP – Electrical cost for wastewater treatment plant. | Use | \$55,130 |
| 01-03-581-02 Electricity, VS – Electrical cost for central vacuum sewer station. | Use | \$15,270 |
| 01-03-583-00 Telephone – Phone service connecting vacuum sewer station and WWTP alarm system to emergency alert system & IT support is complimentary due to agreement with Hargray Communications. Budget small allowance for equipment replacement if necessary. | Use | \$220 |

OTHER INCOME

| | | |
|--|-----|-----------------|
| 01-00-416-00 Interest/Not Restricted - Interest earned on operating funds & depreciation & contingent investment account. | Use | \$72,940 |
| 01-00-417-00 Interest/Restricted – Interest earned on sewer construction account and vacuum sewer assessment funds. | Use | \$7,470 |

OTHER EXPENSES

| | | |
|---|-----|------------------|
| 01-01-595-00 Amortization of Deferred Debt – Amortization of debt issuance costs. | Use | \$0 |
| 01-01-596-00 Interest on Bonds – Interest on 2005 WWTP G.O. bond, 2013 revenue refunding bond, 2014 WWTP improvement G.O. bond & 2018 H. R. Waterline Replacement G.O. bond. | Use | \$110,770 |

01-01-597-00 Bond Payment Fees – Cash management fees, Trustee Fees & Paying Agent Fees charged by First Commercial Bank for investing bond debt service funds & for the collection & handling of expired coupons & bonds for series 2013 bond issue. Use **\$1,200**

01-01-598-00 Bond Issue Fees – Expense unknown for FY2024. Use **\$0**

TRANSFERS

01-00-499-00 Interfund Transfers In (Out) – Transfer of taxes collected by Beaufort County Treasurer to pay annual debt service for WWTP and H.R. waterline replacement G.O. bonds from debt service fund to water & sewer fund. Use **\$610,400**

DEPRECIATION

01-01-611-00 G&A Depreciation – Annual depreciation on land, office equipment, computers/software, and vehicles. Use **\$41,700**

01-02-611-00 Water System Depreciation – Annual depreciation on water system, support equipment and wells and pump stations. Use **\$167,600**

01-03-611-00 Wastewater System Depreciation – Annual depreciation on lift stations, collection system and wastewater treatment plant. Use **\$434,750**

ASSET ADDITIONS & CAPITAL IMPROVEMENTS

01-00-173-00 Water System – Budget for repairs to Blue Heron Lake spillway. Use **\$500,000**

01-00-175-00 Field Support Equipment – Budget for replacement of magnetic locator. Use **\$2,000**

01-00-177-00 Lift Stations – Budget for two pump replacements. Use **\$24,000**

01-00-178-00 Collection System – Budget for Blue Heron Lake force main relocation and CJFV sewer line rehab. Use **\$370,000**

01-00-179-00 Wastewater Treatment Plant – Budget for replacement of one blower and enclosure. Use **\$30,000**

01-00-180-00 Computers, Software, Etc. – Budget for replacement of WWTP workstations. Use **\$5,000**

01-00-181-00 Vehicles – Budget for new vehicle for field superintendent. Use **\$35,000**

CAPITAL RESERVE (2013 REVENUE REF BOND) – Includes amounts that can be used to fund planned or unplanned capital expenditures as needed or be set aside for payment of remaining 2013 revenue bond debt after vacuum sewer assessments end after tax year 2025. Use **\$35,000**

CONSTRUCTION IN PROGRESS AT YEAR END – Half of the cost of 200k gallon tank recoating containment. Remaining \$85,000 to be invoiced in FY2025. Use **\$85,000**

RESOLUTION

**OF THE FRIPP ISLAND PUBLIC SERVICE DISTRICT COMMISSION
APPROVING THE FISCAL YEAR 2023-2024 ANNUAL BUDGET OF THE FRIPP
ISLAND PUBLIC SERVICE DISTRICT, PRESCRIBING AND IMPOSING THE
TAX LEVY NECESSARY THEREFORE, AND MATTERS RELATED THERETO**

WHEREAS, the Fripp Island Public Service District Commission (the “*Commission*”) is required by the laws of the State of South Carolina to adopt an annual budget of the Fripp Island Public Service District each year;

WHEREAS, Section 6-1-80 of the Code of Laws of South Carolina 1976, as amended requires that the Commission publish a notice of public hearing prior to the adoption of the annual budget;

WHEREAS, the Fripp Island Public Service District is authorized by enabling legislation of the South Carolina General Assembly to raise funds for corporate purposes of the District by causing the levy of a tax therefore;

WHEREAS, the Fripp Island Public Service District is authorized by enabling legislation of the South Carolina General Assembly to levy a tax upon all taxable property within the District sufficient to pay any general obligation bond debt and associated interest due;

WHEREAS, a notice of public hearing was published in *Beaufort Gazette* on _____, a copy of which is attached as Exhibit C hereto, and such hearing was held at a regular meeting of the Commission immediately prior to consideration of this resolution; and

WHEREAS, the Commission desires to adopt its annual budget for fiscal year 2023-2024 (the “*FY24 Budget*”) as the same is included as Exhibit A attached hereto.

NOW, THEREFORE, BE IT RESOLVED by the Commission in meeting duly assembled that:

Section 1 Adoption of Budget. The FY24 Budget is hereby adopted in the form attached as Exhibit A hereto.

Section 2 Imposition of Millage. The tax levies and millage amounts included as Exhibit B are hereby adopted and shall be imposed for the fiscal year beginning July 1, 2023.

ADOPTED this 13th day of June, 2023.

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
COMMISSION**

(SEAL)
Attest:

Chairman, Fripp Island Public Service District Commission

Secretary, Fripp Island Public Service
District Commission

Exhibit A
FY24 BUDGET

Exhibit B

FY24 BUDGET TAX LEVIES

| Tax Authority | Tax Collection Account | Tax Levy |
|--|-------------------------------|--------------------------|
| Erosion/Bridge | | |
| Erosion/Bridge O&M | 7031-Erosion & Bridge Ops | 2.8 Mills |
| Erosion/Bridge Reserve | 7031-Erosion & Bridge Res | 1.5 Mills |
| | Total Erosion/Bridge | 4.3 Mills |
| Fire District | | |
| Fire Operations | 7041-Fire Department Ops | 12.4 Mills |
| | Total Fire District | 12.4 Mills |
| Debt Service | | |
| General Obligation Bonds | 7033-PSD Debt | 13.9 Mills |
| | Total Debt Service | 13.9 Mills |
| Total Erosion/Bridge & Fire District Operations, Reserve & Debt | | <u>30.6 Mills</u> |

Exhibit C

FISCAL YEAR 2024 PUBLIC HEARING NOTICE

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
NOTICE OF PUBLIC HEARING
Tuesday, June 13, 2023
Fripp Island Fire Station
9:30 a.m.**

Notice is hereby given that the Fripp Island Public Service District Commission (the “Commission”), the governing body of the Fripp Island Public Service District (the “District”), will hold a public hearing on the District’s annual budget for the fiscal year beginning July 1, 2023, and ending June 30, 2024. The hearing will be held at 9:30 a.m. on June 13, 2023, at the Fripp Island Fire Station located at 289 Tarpon Boulevard, Fripp Island, SC 29920. Copies of the proposed budget and water and sewer rates are available at the Fripp Island PSD office. Public comments, written or oral, are invited. Those wishing to provide written public comments for the public hearing should email comments to officemanager@fipisd.org no later than one hour prior to the time set for the public hearing. Written comments may also be mailed to the Fripp Island Public Service District, 291 Tarpon Blvd., Fripp Island, S.C. 29920. Those wishing to make oral comments at the public hearing may attend the meeting in person or electronically. Those wishing to attend electronically should email officemanager@fipisd.org or call (843) 838-2400 to request instructions.

The current budget for fiscal year 2022-2023 and the proposed budget for fiscal year 2023-2024 are as follows:

| | <u>FY 2022-2023</u> <u>Approved</u> | <u>FY 2022-2023</u> <u>Proposed</u> | <u>Percentage</u> <u>Change</u> |
|----------------------------|--|--|------------------------------------|
| Operating Budget | | | |
| Revenues | \$3,437,060 | \$3,728,120 | 8.5% |
| Expenditures * | \$3,532,530 | \$4,512,290 | 27.7% |
| TaxLevy (Mills) | 15.8 | 15.2 | -3.8% |
| TaxLevy (Dollars) | \$793,490 | \$912,910 | 15.0% |
| Reserve Levy | | | |
| TaxLevy (Mills) | 2.0 | 1.5 | -25.0% |
| TaxLevy (Dollars) | \$100,130 | \$89,830 | -10.3% |
| Debt Service Budget | | | |
| Revenues | \$826,090 | \$837,000 | 1.3% |
| Debt Service * | \$834,700 | \$837,000 | 0.3% |
| TaxLevy (Mills) | 16.5 | 13.9 | -15.8% |
| TaxLevy (Dollars) | \$826,090 | \$837,000 | 1.3% |

* Operating budget expenditures include planned expenditures of fund balances and other carry-over funds.

**RESOLUTION
WATER & SEWER RATES FOR FISCAL YEAR 2024**

**ADOPTION OF WATER AND SEWER RATES FOR THE FISCAL YEAR STARTING
JULY 01, 2023 AND ENDING JUNE 30, 2024**

WHEREAS, the Fripp Island Public Service District has prepared and adopted a budget for the fiscal year starting July 01, 2023, which requires the imposition of water and sewer rates on the residents receiving service.

NOW, THEREFORE, BE IT RESOLVED, that the following water and sewer rates schedule will be in effect for the fiscal year starting July 01, 2023.

WATER RATES

| Customer Category | Base Bill/Quarter | Water Consumption |
|---|--------------------------|---------------------------|
| Residential | | |
| Single family lots | \$ 55.07 | |
| Multi-family units | \$ 55.07 | |
| 0-12,000 gals./qtr./unit | | \$3.20/1,000 gals. |
| 12,001-36,000 gals./qtr./unit | | \$4.13/1,000 gals. |
| over 36,000 gals./qtr./unit | | \$4.99/1,000 gals. |
| Residential Dedicated Irrigation | \$ 38.80 | \$4.99/1,000 gals. |
| Commercial/Commercial Irrigation | | |
| ¾" meter | \$ 55.07 | Same as residential |
| 1" meter | \$ 93.62 | |
| 1½" meter | \$ 181.73 | |
| 2" meter | \$ 291.87 | |
| 3" meter | \$ 555.25 | |
| Hotel/Motel per Room (Sunsuites) | | |
| 0-5,000 gals./qtr./unit | \$ 29.93 | \$3.20/1,000 gals. |
| 5,001-25,000 gals./qtr./unit | | \$4.13/1,000 gals. |
| over 25,000 gals./qtr./unit | | \$4.99/1,000 gals. |
| Jetting (Hydrant Meter) | N/A | Same as residential |
| Off Island Individual Customers | \$ 77.34 | Same as residential |
| Hunting Island Fishing Pier | \$ 208.55 | Same as residential |
| Hunting Island State Park | | |
| 0-7,200,000 gals./qtr. | \$10,575.63 | \$4.13/1,000 gals. |
| Over 7,200,000 gals./qtr. | | \$4.58/1,000 gals. |
| Hunting Island State Park, South | \$ 314.26 | Same as Hunting Isl. S.P. |

**RESOLUTION
WATER & SEWER RATES FOR FISCAL YEAR 2024**

Harbor Island Transportation Fee N/A \$0.65/1,000 gals.

1. Where a single water meter serves more than one unit, multiply the minimum rate for the customer category by the number of units.

SEWER RATES

| Customer Category | Base Bill/Quarter | Charge Per Gallon of Water Consumption |
|--|--------------------------|---|
| Residential (Single family or multi-family) | \$ 74.02 | \$3.14/1,000 gals. up to 36,000 gals* |
| Commercial | \$110.25 | \$6.71/1,000 gals. over 22,500 gals |
| Hotel/Motel Room (Sunsuites) | \$39.83 | \$3.14/1,000 gals. |
| Harbor Island Effluent Disposal Fee | N/A | \$0.64/1,000 gals. |

1. Where a residential customer has a separate, dedicated meter for landscape irrigation, the account will be billed for sewer service based on the total water consumption recorded by the domestic use water meter – the 36,000 gallon cap will not apply.
2. Where a single water meter serves more than one unit, multiply the sewer rate by the number of units.
3. If Harbor Island’s wastewater effluent requires additional treatment prior to disposal, the Harbor Island effluent disposal fee increases to \$6.71/1,000 gallons.

METER & CONNECTION FEES

WATER

| | |
|---|---------------|
| 5/8" Meter | \$ 500.00 |
| ¾" Meter (commercial only) | \$ 600.00 |
| 1" Meter (commercial only) | \$ 700.00 |
| 1½" Meter (commercial only) | \$ 900.00 |
| 2" Meter (commercial only) | \$1000.00 |
| One meter for multiple units | \$500.00/unit |
| Hydrant Meter (Jetting) | \$ 100.00 |
| Fire Flow (not required for irrigation meters or hydrant meter installation) | \$ 300.00 |

1. Where a single water meter serves more than one residential unit, multiply the 5/8" water meter tap-in rate by the number of units.
2. Where a single water meter serves more than one residential unit, multiply the fire flow fee by the number of units.
3. Where connection to the public water system requires a tap to the water main without an extension of a water service line, an additional fee of \$500 will apply.
4. Where connection to the public water system requires a tap to the water main with an extension of a water service line, an additional fee of \$700 will apply.
5. An advance payment of \$150.00 will be collected for water used during construction.

**RESOLUTION
WATER & SEWER RATES FOR FISCAL YEAR 2024**

6. An advance payment of \$50.00 will be collected for water used with a hydrant meter.

SEWER

| | |
|-------------|--|
| Residential | \$1,200.00 |
| Commercial | \$200.00/toilet or \$1,200.00 whichever is greater |

1. Where a single water meter serves more than one residential unit, multiply the residential sewer tap-in rate by the number of units.

WATER CAPACITY FEES

All new development or expansions to existing development including, but not limited to, residential subdivisions, condominiums (villas), motels/hotels, and commercial facilities shall pay a \$3.90 per gallon water capacity capital contribution fee prior to receiving water service. The amount of water capacity required and purchased shall be adequate to meet the peak daily demand of the new development as determined solely by the Fripp Island Public Service District.

MISCELLANEOUS FEES

| | |
|--|-------------------------------|
| Delinquency Fee | 1.5% of unpaid balance |
| Fee added if payment is not received by five days after the due date printed on the invoice. | |
| Non-Payment Fee | \$60.00 |
| Fee added if payment is not received by date noted in past-due notice mailed to delinquent accounts. | |
| Reconnection Fees | \$45.00 |
| Fee for service reconnection. Applies to non-payment and customer requested cutoffs. | |
| After Hours Trip Fee | \$150.00 |
| Fee for service reconnection outside of normal business hours. | |
| Administrative Fee | \$35.00 |
| A non-refundable fee to establish a new account, transfer service to a new customer or to re-establish a terminated account. | |
| Meter Tampering Fee | \$100 plus costs |
| For unauthorized meter tampering (i.e., turn-on, etc.) | |
| Theft of Service Fees | |
| Theft of meter equipment, bypassing meter, unauthorized use (i.e., after non-payment cutoff) | |
| First Offense | \$250.00 plus costs |
| Second Offense (Charged in magistrate court) | \$500.00 plus costs |
| Returned Payment Fee | \$35.00 |
| Fee charged if any method of payment by customer is returned or dishonored by the bank. | |

**RESOLUTION
WATER & SEWER RATES FOR FISCAL YEAR 2024**

**This Resolution ratified and adopted by the FRIPP ISLAND PUBLIC SERVICE
DISTRICT COMMISSION on June 13, 2023.**

**FRIPP ISLAND PUBLIC SERVICE DISTRICT
COMMISSION**

Chairman, Fripp Island Public Service District
Commission

(SEAL)
Attest:

Secretary, Fripp Island Public Service District
Commission