

GRAND STRAND WATER & SEWER AUTHORITY
BOARD OF DIRECTORS MEETING
APRIL 28, 2025

	#MEETINGS (Since 7/1/24)	#ATTENDED (Since 7/1/24)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	9	9	100%
Benjy A. Hardee, Vice Chairman	9	9	100%
Arnold T. Johnson, Secretary	9	8	89%
J. Liston Wells, Member	9	9	100%
Wilbur M. James, Member	9	9	100%
Mark K. Lazarus, Member	9	7	78%
L. Morgan Martin, Member	9	6	67%
Radha B. Herring, Member	9	9	100%

MEMBERS ATTENDING VIA TELECONFERENCE:			
Richard Singleton II, Member	9	8	89%

STAFF PRESENT:
Christy Holder, Chief Executive Officer
Chrystal Skipper, Chief of Administration
Neeraj Patel, Chief of Plant Operations
Matt Minor, Chief of Engineering and Construction
Christen Jordan, Chief of Accounting and Finance
Thomas Neat, Chief of Technology
Wade Lewis, Chief of Field Operations
Mary Hunsucker, HR Manager

LEGAL COUNSEL:
Bhumi Patel, Burr Forman

Copies of the Notice of Meeting and Agenda were mailed to the local media.

Chairman Thompson called the meeting to order and welcomed everyone in attendance. The invocation was given by Board Secretary, Arnold Johnson.

APPROVAL OF MARCH 24, 2025 MINUTES: Upon motion duly made by Mr. James, seconded by Mr. Wells, the Minutes of the March 24, 2025 meeting were approved as presented.

CHIEF EXECUTIVE OFFICER'S REPORT – OLD AND NEW BUSINESS (ACTION ITEMS):

DISCUSSION/ACTION: Capital Budget Appropriation Requests – Rural Water and Sewer Projects. Mrs. Holder stated the projects in the Board packet for appropriation have met the criteria for our rural program. With the Board's approval these projects will now move from the design to construction status.

Upon motion of Mr. Johnson, seconded by Mr. Wells, the capital budget appropriation requests for rural water and sewer projects were unanimously approved by the Board as presented.

DIVISION REPORTS:

UPDATE/STATUS: March 2025 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for March 2025 with the Board. As of March 31st, our total operating revenues were \$104.8 million compared to \$99.2 million in 2024, which is a 6% increase. The largest changes in operating revenues were increases to the monthly water and wastewater fees. Monthly water fees are up in all categories. The largest increases occurred in water availability and volume. Monthly

wastewater fees were up in all categories with the exception of bulk. The biggest increases were in wastewater availability and volume. Increases in availability and volume make up approximately 87% of the increases for water and wastewater fees. Our total operating expenses increased \$5.5 million from the prior fiscal year. The largest increases come from personnel services, supplies and materials and capital outlay. Personnel Services have increased \$2.9 million from fiscal year 2024 due to the increase in the number of employees, a merit increase and the associated taxes and retirement. Supplies and Materials have increased \$1.2 million which is mainly due to an increase in treatment supplies of \$643,000 and an increase in supplies and materials for water and wastewater facilities of \$429,000. Capital Outlay is up \$626,643 or 24% from the prior fiscal year. In March, we received one truck from our annual bid. So far this fiscal year, we have received more vehicles and equipment than we did through March of last year. There is currently an Operating Surplus of \$13.9 million, an increase of \$176,763 compared to the same period in fiscal year 2024. Our total Non-Operating Revenues are \$43.4 million which is an increase of \$13.2 million from the prior fiscal year. The increase is mainly due to receiving \$7.0 million in ARPA funds for the Bull Creek Expansion, \$150,000 from RIA for the Marion berm, \$3.8 million for the Conway to Bucksport Flow Diversion, \$584,000 from FEMA for Hurricane Florence and \$500,000 from RIA for the Marion WWTP flood prevention.

Mrs. Jordan shared the consolidated budget to actual report with the Board. As of March 31st, we should be at 75% of our estimated budget. Our operating revenues were budgeted at \$149.0 million. To-date, we have earned \$104.8 million or 70% of our estimated budget. We are just slightly below target. This includes interfund reimbursement which is at 42% of budget which causes our overall percentage to be lower. We would be at 73% of budget without the interfund reimbursement. Interfund reimbursement includes revenue for capital renewal and replacement. We will be eliminating this through the budget process. Our operating expense budget is \$149.0 million. Year-to-date we have spent \$90.9 million or 61% of budget. As the fiscal year comes to an end these expenses will increase. Total non-operating revenues were budgeted at \$55.3 million and to-date we have earned \$43.4 million or 79% of budget. Investment income is higher than what was originally budgeted due to market conditions so far this fiscal year. Special fees and contributions are at 134% of budget due to receiving a large amount in grants this year.

UPDATE/STATUS: Investment Analysis: In our PNC Capital Advisors accounts, we have a balance of \$60.3 million. These funds have a current month yield of 0.43%, a three month yield of 2.31% and a twelve month yield of 5.28%. The balance in our PFM Asset Management LLC accounts is \$64.0 million with a current month yield of 0.50%, a three month yield of 2.42% and a twelve month yield of 5.52%. Truist funds total \$5.0 million with a current month yield of 0.48%, a three month yield of 2.13% and a twelve month yield of 5.31%. Overall, we have \$129.3 million invested with managers. The funds invested by our internal staff total \$116.7 million. Our debt service accounts total \$9.8 million. Our total investment portfolio is \$255.7 million with a current month yield of 0.40%, a three month yield of 1.68% and a twelve month yield of 4.90%.

Mrs. Jordan shared a graph with the Board showing the fiscal year-to-date comparison on our returns for PFM Asset Management LLC, PNC Capital Advisors, Truist, the South Carolina Local Government Investment Pool, Anderson Brothers Bank (ABB) ICS account and Coastal Carolina National Bank (CCNB) ICS account. The current 1-5 year benchmark is 4.74%. PNC Capital Advisors' fiscal year-to-date return is 4.47% which is below the benchmark and higher than fiscal year 2024's return of 3.02%. This year's fiscal year-to-date return for PFM Asset Management LLC is 4.77% which is just slightly above the benchmark and higher than last year's return of 3.14%. Truist's fiscal year-to-date return is 4.53% which is below the benchmark and lower than fiscal year 2024's return of 4.64%. The Local Government Investment Pool's fiscal year-to-date return is 3.79% which is lower than the fiscal year 2024 return of 4.29%. Our fiscal year-to-date return for the ABB ICS account is 3.45% which is slightly lower than last year's fiscal year-to-date return of 3.57%. Our fiscal year-to-date return for the CCNB ICS account is 3.35% which is lower than fiscal year 2024's return of 3.83%.

UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$43,817 was spent on Business & Travel during the month of March. These costs include membership

renewals, exam fees and conference fees. Year-to-date, we have spent a total of \$278,620.

UPDATE/STATUS: Purchase Transactions Over \$3,500: Mrs. Jordan called the Board's attention to the information in the Board packet on purchase order transactions over \$3,500. The total of all purchase orders included on the report for the month of March is \$5.5 million. The largest purchase orders in March were issued to the State Fiscal Accountability Fund for a total of \$2.2 million for our annual insurance policy renewals. Other large purchase orders included a purchase order for \$790,573 to Insituform Technologies, LLC for annual slip lining services and \$138,654 to Preferred Sources, Inc. for 29 Myers grinder stations for inventory.

NEERAJ PATEL, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Surface Water Treatment Report. In March, we treated an average of 29.2 million gallons a day at Bull Creek and 16.6 million gallons a day at Myrtle Beach for a combined amount of 45.8 million gallons a day. Mr. Patel called the Board's attention to the trends for the last 24 months shown in the Board packet. In regards to the alum dosage, at Bull Creek, we had an average alum dosage of 69 mg/l and at Myrtle Beach the average alum dosage was 77 mg/l. This is due to higher than normal color due to the influence of the higher flows from the Little Pee Dee River upstream of us. The raw water quality varies throughout the year primarily due to flows from the Little Pee Dee River.

Mr. Patel also shared information regarding the water quality parameters for the month of March. The color at Bull Creek ranged 72 points and at Myrtle Beach the range was 97 points.

UPDATE/STATUS: Wastewater Treatment Report. For the month of March, we treated an average daily flow of 44.3 million gallons at all our facilities. Mr. Patel shared the flow trends for all of our wastewater treatment plants for the last 10 fiscal years. The current average is 43.2 million gallons a day but this year does not include data through June so it may change slightly.

UPDATE/STATUS: Compliance with SCDES Water/Wastewater Requirements & Project Status Update. Mr. Patel stated all monitoring was reported and all system operations were conducted in compliance with SCDES requirements for the month of March.

On the project status side, at the Myrtle Beach SWTP, our staff continues to remove and replace the filter media and perform maintenance on the underdrain systems. At the Bull Creek SWTP, we had the final walk through for our clearwell with the engineer and contractor. We are now coordinating disinfection of that system.

On the wastewater side, at the Green Sea Floyds WWTP, we are coordinating with the engineer on the expansion of the plant. At the Schwartz WWTP, the blower system construction is underway for our digestors. At the Myrtle Beach WWTP, the engineer is responding to SCDES comments regarding permit matters. At the Vereen WWTP, we had a coordination/scope of work meeting with the engineer regarding the clarifier additions.

Mrs. Holder stated that she and Mr. Patel attended a public meeting in the Bucksport community regarding the Bucksport plant expansion and the new outfall line to Bull Creek. The meeting went well. This morning, the 208 Section approved the recommendation for the permit so the recommendation will go to the full Council of Governments in the next couple of weeks. With approval, it will then go to SCDES for permit approval. We are well on our way to receiving the new discharge permit for the Bucksport WWTP expansion.

WADE LEWIS, CHIEF OF FIELD OPERATIONS

Mrs. Holder introduced Mr. Lewis as the new Chief of Field Operations. Mr. Lewis was at Little River Water and Sewerage (LRWS) for 18 years before joining our team. He was at Hobbs Upchurch and Associates prior to LRWS. He is a Clemson engineer with lots of water and wastewater experience.

UPDATE/STATUS: Compliance with SCDES Water/Wastewater Requirements: Mr. Lewis stated all monitoring was reported and all system operations were conducted in compliance with SCDES requirements for the month of March.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regards to the Jackson Bluff and River Oaks wells, the contractor obtained building permits from Horry County Code Enforcement. In regards to the Carolina Pines well, we have selected the well driller based upon bids received. They have obtained all their bonds and we have issued a purchase order. In regards to the International Drive well, the provider has started the screen and casing installation.

In the ASR program, for the month of March, we had a net injection of approximately 140.0 million gallons for an average daily injection of 4.7 million gallons.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in March, we smoke tested 427,369 linear feet of gravity sewer line, cleaned and televised 6,596 linear feet of gravity sewer mains, responded to 221 sewer backups and 54 water quality requests, collected 349 water quality samples, inspected 270 cross connection devices, tested and inspected 209 fire hydrants and 865 isolation valves, responded to 21 emergency main line shut-downs, completed 5 scheduled shutdowns and completed 6,170 work orders primarily for meter reading services.

MATT MINOR, CHIEF OF ENGINEERING AND CONSTRUCTION

UPDATE/STATUS: Rural Water and Sewer Projects: Mr. Minor called the Board's attention to the rural water and sewer projects in the Board packet. In the fiscal year 2024/2025 budget, the Board has approved over \$5.4 million in the rural water program. Since the last Board meeting, we authorized 2 projects for design for 1,015 linear feet of pipeline and 2 new REUs. We issued service authorization to 5 projects for 7,655 linear feet of pipeline and 8 new REUs.

On the sewer side, in the fiscal year 2024/2025 budget, the Board has approved over \$7.6 million in the rural sewer program. Since the last Board meeting, we authorized 2 new projects for design that will add 3,140 linear feet of pipeline and 4 new REUs. Two projects moved from the design phase to construction for 2,386 linear feet of pipeline and 2 REUs. We issued service authorization to 5 projects for 10,791 linear feet of pipeline and 10 new REUs.

Currently there are 91 active rural projects in design and 38 projects in construction that will add a total of 45 miles of pipeline and 740 new REUs.

Mr. Minor called the Board's attention to the chart in the Board packet showing the cumulative miles of pipeline installed since the beginning of the rural program. To-date, in calendar year 2025, we have installed 14 miles of pipeline which includes 7 miles of waterline and 7 miles of sewer pipeline.

UPDATE/STATUS: Developer Projects: Mr. Minor shared a map with the Board showing the locations of the developer projects that were reviewed in the month of March. In March, we received 23 new letters of intent. Four of these projects were developer extension projects totaling 111 REUs. The other 19 projects were single-service commercial projects totaling 168 REUs. We issued service authorization to 9 projects for 590 REUs which accounted for \$4.7 million in developer contributions. We held 4 preconstruction meetings in March.

Overall, we have a total of 256 active developer projects in the varying statuses. Mr. Minor called the Board's attention to the list of projects in the Board packet.

Mr. Minor also called the Board's attention to the trend charts in the Board packet. We have continued to see a high number of projects being submitted but the number of REUs is down slightly.

UPDATE/STATUS: Capital Projects: In regards to the Construction and Inspections Office Addition, we have procured the services of D3G Architects, LLC to design an addition to the construction shed which will include offices for the Construction and Inspections Departments. The Inspectors are currently in a temporary office trailer due to the renovations for the new Health Clinic. The Construction Department personnel are currently in the Operations Building.

In regards to Contract 20, RWF Construction, LLC (RWF) has completed all pipe installation associated with the five rural sewer projects in Contract 20. Crews continue to work on clean-up and testing of the last project, Pee Dee Highway Extension 1. The as-builts are being produced for submittal to the permitting agencies.

In regards to the Conway to Bucksport WWTP Flow Diversion project, R.H. Moore Company, Inc. (R.H. Moore) has installed approximately 30,000' of the 40,000' of 20" sewer force main along Hwy 701 South.

In regards to the Highway 501 Widening project from Gardner Lacy Road to Highway 544, R.H. Moore continues to make progress relocating the water and sewer utilities associated with this RIDE 3 project.

In regards to the Highway 90 to Highway 905 Hydraulic Improvement project, we recently submitted a Project Questionnaire (PQ) for the hydraulic improvement project after being informed by SRF of available funding opportunities. Bolton & Menk, Inc. is now working to amend their engineering services agreement to assist in preparing the required documents for SRF submittal.

In regards to the International Drive to North Booster Pump Station project, we recently submitted a PQ for the waterline project after being informed by SRF of available funding opportunities. The project was previously listed as an SRF project but was removed due to other priorities.

In regards to the SCDOT Intersection Improvement at Jones Avenue in Marion, our consultant, Mead & Hunt, recently revised plans from SCDOT incorporating our requested revisions to the project's drainage to avoid several gravity sewer impacts. Mead & Hunt is now finalizing plans for submittal of the GSWSA relocation package.

CHRYSTAL SKIPPER, CHIEF OF ADMINISTRATION

UPDATE/STATUS: Customer/REU Monthly Report: Mrs. Skipper shared several graphs with the Board showing the customer and REU data for April 2024 through March 2025. During the month of March, our customer base increased by 564 customers which brings our customer account total to 145,493. Over the last consecutive twelve months, our total customer base has increased by 5,866 customers or 4.2%. During the month of March, our active accounts increased by 526, inactive accounts increased by 36 and our suspended accounts increased by 2.

In regards to REUs, during the month of March, our total REUs increased by 659, which brings our REU total to 213,460. Over the last consecutive twelve months, our total REUs have increased by 7,385 REUs or approximately 3.6%. During the month of March, our active REUs increased by 618, inactive REUs increased by 26 and our suspended REUs increased by 15.

UPDATE/STATUS: Credit Card Fee Update. Mrs. Skipper updated the Board on the credit card fees as discussed at last year's Budget Retreat when a decision was made to begin charging our customers 2% on credit card transactions to offset some of the fees we

incur. In order for us to implement this change, our IT Department, had to make some internal changes. We are planning to implement this change effective October 1st. Mrs. Skipper shared with the Board a letter and other communications that will be sent out to all customers affected over the next several months beginning May 1st.

UPDATE/STATUS: Human Resources Quarterly Update: Mrs. Skipper also shared the quarterly update regarding personnel changes that took place from January to March 2025. We ended the first quarter of 2025 or the third quarter of fiscal year 2025 with 382 employees. We had a total of 41 job postings, hired 9 new employees externally, and 22 employees were selected for internal job postings. We had 17 employees leave GSWSA, which included 7 resignations, 2 retirements and 8 terminations.

UPDATE/STATUS: HGTC/CCU Scholarship Recipients. Mrs. Skipper shared the 2025/2026 scholarship recipients with the Board. We award scholarships to the children of GSWSA employees who will be attending Coastal Carolina University (CCU) or Horry Georgetown Technical College (HGTC). This year we had more applications than we have had in the past. We received 4 applications for HGTC and 10 for CCU. We did not have enough funding in our account at CCU to award the full amount of \$300 per semester so we have set aside money in our Operating Budget to offset the costs to still provide \$300 per semester. HGTC has not provided our available funding yet, but we will supplement if necessary to provide \$300 per semester to those students as well. Mr. Johnson asked that we look more into the amount we offer and consider additional funding in the future.

THOMAS NEAT, CHIEF OF TECHNOLOGY


UPDATE/STATUS: Technology Update. Mr. Neat did not have any updates for the Board this month.

OTHER BUSINESS:

Chairman Thompson called the Board's attention to the Employee Recognition, Sod Donation Report and upcoming Budget Retreat dates.

Upon motion duly made, seconded and carried the Board went into executive session for the discussion of legal and contractual matters. Following executive session, the Board returned to regular session.

There being no further business, upon motion duly made, seconded and carried, the meeting was adjourned.

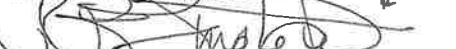

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Benjy A. Hardee, Vice Chairman


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