

GRAND STRAND WATER & SEWER AUTHORITY
BOARD OF DIRECTORS MEETING
AUGUST 25, 2025

	#MEETINGS (Since 7/1/25)	#ATTENDED (Since 7/1/25)	% ATTENDANCE
MEMBERS PRESENT:			
Benjy A. Hardee, Chairman	2	2	100%
Arnold T. Johnson, Vice Chairman	2	2	100%
Richard Singleton II, Secretary	2	1	50%
Sidney F. Thompson, Member	2	2	100%
Mark K. Lazarus, Member	2	2	100%
Radha B. Herring, Member	2	2	100%

MEMBERS ATTENDING VIA TELECONFERENCE:			
J. Liston Wells, Member	2	2	100%

MEMBERS ABSENT:			
L. Morgan Martin, Member	2	1	50%

STAFF PRESENT:

Christy Holder, Chief Executive Officer
Chrystal Skipper, Chief of Administration
Neeraj Patel, Chief of Plant Operations
Matthew Minor, Chief of Engineering & Construction
Thomas Neat, Chief of Technology
Wade Lewis, Chief of Field Operations
Greg Thompson, Chief of Accounting & Finance
Mary Hunsucker, HR Manager

LEGAL COUNSEL:

Bhumi Patel, Burr Forman

VISITORS:

Dave Calvert, PFM Asset Management LLC

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

Vice Chairman Johnson called the meeting to order, welcomed everyone in attendance and gave the invocation.

APPROVAL OF JULY 28, 2025 MINUTES: Upon motion duly made by Mr. Singleton, seconded by Mr. Thompson, the Minutes of the July 28, 2025 meeting were approved as presented.

PRESENTATION OF MANAGED INVESTMENT UPDATE BY PFM ASSET MANAGEMENT LLC: Mr. Dave Calvert of PFM Asset Management LLC presented a thorough overview of the economy as well as GSWSA's portfolio investment information to the Board. Mr. Calvert answered questions from the Board and further explained items of interest.

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

DISCUSSION/ACTION: Capital Budget Appropriation Requests – Rural Water Projects. Mrs. Holder stated the projects in the Board packet for appropriation have met the criteria for our rural program. Upon motion of Mr. Lazarus, seconded by Mr. Singleton, the capital budget appropriation requests for rural water projects were unanimously approved by the Board as presented.

DISCUSSION/ACTION: Capital Budget Appropriation Requests – Rural Sewer Projects. Mrs. Holder stated the projects in the Board packet for appropriation have met the criteria for our rural program. Upon motion of Mr. Hardee, seconded by Mr. Singleton, the capital budget appropriation requests for rural sewer projects were unanimously approved by the Board as presented.

DISCUSSION/ACTION: Resolution Approving and Authorization of “Agreement for Cost Sharing on Sewer Transmission Infrastructure Improvements Between City of Conway and Grand Strand Water and Sewer Authority”. Mrs. Holder stated this is the resolution approving the cost sharing for sewer infrastructure improvements between the City of Conway and GSWSA. The City of Conway received a grant and installed a 24” force main around the City of Conway to the Conway WWTP. They asked us to share cost for 35% capacity. We are looking to pay the City of Conway for our share of the capacity. The City of Conway has already approved the agreement. The project cost was just over \$10 million. The City received a grant for about \$6 million and our share is \$2.85 million, which is approximately 28% of the construction cost. We are gaining 35% capacity of the force main which is about 3.6 million gallons a day capacity for sewer service. Upon motion of Mr. Singleton, seconded by Mr. Thompson, the resolution was unanimously approved by the Board as presented.

PRESENTATION: Horry County Multi-Jurisdictional All-Hazards Mitigation Plan Update. Mrs. Holder shared the following for the Board’s information. Every 5 years, Horry County completes a review of their Multi-Jurisdictional All-Hazards Mitigation Plan. They are in the process of updating this now and GSWSA has been part of the planning process. We have put announcements on our website where Horry County is seeking public input. We were part of this review/update 5 years ago as well. This will come back to the Board when Horry County Council approves the plan for our Board to approve as well. This helps us for a number of reasons. It sets priorities and helps us with FEMA grants.

Mr. Singleton asked if the badges that are provided to Board Members and employees would allow access back into the County following an evacuation. Mrs. Holder and the Board further discussed access briefly. It was indicated that the badge will provide access.

DIVISION REPORTS:

GREG THOMPSON, CHIEF OF ACCOUNTING & FINANCE

UPDATE/STATUS: July 2025 Financial Statements: Mr. Thompson shared several charts regarding the fiscal year 2026 financials with the Board. Regarding the Income Statement, for July, our operating revenues are \$11.2 million compared to \$10.4 million during the same period in fiscal year 2025. The increase was offset by non-operating revenue which fell by \$2.1 million. In summary, fiscal year-to-date we have total revenues of \$13.9 this year compared to \$15.2 million last year. In regard to operating expenses, our expenses are up \$2.3 million in fiscal year 2026 as compared to fiscal year 2025.

Mr. Thompson shared information to help explain these changes. The \$805,281 or 8% increase in operating revenues is due to a combination of a 5.74% average rate increase and an increase to our customer base of approximately 6,000 customers. The increase was offset by decreased water flows due to heavy rain. In regard to operating expenses, the increase of \$2.2 million was exaggerated by our payroll. We had an additional biweekly payroll recorded in July this year as compared to last year, which accounted for \$1.3 million of the increase. The rest of increase came from capital outlay. We received 11 vehicles in July that were ordered and budgeted in the previous fiscal year. The decrease in non-operating revenues stems from unrealized gains in July of 2024 compared to 2025.

In regard to our budget-to-actual comparison, we are one month in the budget cycle now and our actual revenues and expenses are in line with the budgeted amounts.

UPDATE/STATUS: Investment Analysis: In regard to our Moody's credit rating, we are currently rated Aa1 which is the same as our federal government. Moody's compiles data and gives us a credit rating which in turn is used to determine our interest rate when we go to market. We are at the second highest tier at Aa1. There are internal and external factors that help drive our rating. One of the internal factors is our debt service coverage ratio which is how many times we can pay debt service using debt income. Mr. Thompson shared a graph with the Board showing the debt service coverage ratio data for the last six years. Our debt service coverage ratio is above the median of companies with a Moody's Aa1 rating and very close to the median for companies with Aaa ratings. Chairman Hardee asked how an Aa1 rating versus Aaa ratings impacts our interest rates. Mr. Thompson stated that it was roughly a 10 basis point difference but the difference between an Aa1 and a single A is approximately 25 basis points. There are external factors that are also holding us back from an Aaa rating. For example, the median income of Horry County is lower than other places. Another external factor is growth. Growth is good for increasing income, but it means we will probably have to issue more debt. Mrs. Holder also mentioned that being in a hurricane prone area has also held us back from a Aaa rating in the past. This is seen as a risk. Another internal factor is days cash on hand. This is a measure of how long we can pay operating expenses with cash on hand. Again, we are much better than the median for a Moody's Aa1 rating and we are flirting with the median for a Moody's Aaa rating.

Mr. Thompson called the Board's attention to the Investment Portfolio in the Board packet. There was a slight increase of approximately \$325,000 to our total investment portfolio from last month. Mr. Thompson also shared the fiscal year-to-date investment returns for several accounts with the Board. The returns are slightly down from the same period last year.

UPDATE/STATUS: Purchase Transactions Over \$3,500: Mr. Thompson called the Board's attention to the list of purchase orders over \$3,500 in the Board packet totaling \$18.3 million for the month of July.

NEERAJ PATEL, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Surface Water Treatment Report. In July, we treated and produced an average of 34.8 million gallons a day at Bull Creek and 23.9 million gallons a day at Myrtle Beach for a combined total of 58.7 million gallons a day. Mr. Patel called the Board's attention to the trends for the last 24 months as shown in the Board packet. In regard to the alum dosage, at Bull Creek we had an average alum dosage of 108 mg/l and at Myrtle Beach the average alum dosage was 124 mg/l. This is a little higher than our running annual averages which are 83 mg/l at Bull Creek and 114 mg/l at Myrtle Beach.

Mr. Patel also shared information regarding the water quality parameters for the month of July. The average color for raw water at Bull Creek was 107 color units and at Myrtle Beach it was 240 color units.

UPDATE/STATUS: Wastewater Treatment Report. For the month of July, we treated an average daily flow of 49.3 million gallons at all facilities combined. Mr. Patel shared the flow trends for all wastewater treatment plants for the last 10 fiscal years. The current fiscal year-to-date average is 49.3 million gallons a day.

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 July.

On the project status side, at the Bull Creek SWTP, construction for the 15 MGD expansion continues. Goodwyn Mills Cawood (GMC) and our staff have finalized the tracer study. The tracer study helps identify the detention time in storage facilities so we can determine the proper chlorine levels for proper disinfection.

On the wastewater side, at the Bucksport WWTP, design work for the pipeline and Bull Creek discharge has been finalized. Our consultant, Hazen and Sawyer is obtaining all necessary permits.

Mr. Lazarus asked about the odors at the Myrtle Beach WWTP. Mr. Patel stated that we are working on the odor scrubber. There are a couple things we are working through with our consultant and SCDES. Construction can continue once these things are done. We are also working with several providers who bring grease to the Myrtle Beach WWTP.

WADE LEWIS, CHIEF OF FIELD OPERATIONS

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 July.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regard to the Jackson Bluff well, the well building has been completed. Our crews are now working on the electrical components. The well building has also been completed at the River Oaks well. Santee Cooper is installing the 3-phase power to the site and our electricians have completed 90% of the electrical for the building. In regard to the International Drive well, the pumping test has been performed, and the water quality samples have been sent off for analysis. The pumping test showed a yield of approximately 1,100 gallons per minute. In regard to the Carolina Pines well, Professional Pump and Well, Inc. is prepping for the test well.

In the ASR program, for the month of July, we had a net recovery of approximately 151.2 million gallons for an average daily recovery of 4.9 million gallons.

UPDATE/STATUS: Field Operations Activities: In regard to other field operations activities, in July, the Wastewater Collections Department smoke tested 300,611 linear feet of gravity sewer line, cleaned and televised 1,766 linear feet of gravity sewer and responded to 203 sewer backups. The Water Department responded to 95 water quality requests, collected 487 water quality samples, inspected 356 cross connection devices, tested and inspected 185 fire hydrants and 1,222 isolation valves, responded to 45 emergency main line shut-downs, completed 7 scheduled shutdowns and completed 6,603 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 FY 2026/2027 budget, the Board has approved \$694,300 in the rural water program. Since the last Board meeting, we authorized 2 projects for design for 4,815 linear feet of pipeline and 4 new REUs. Six projects moved from the design phase to construction for 10,986 linear feet of pipeline and 15 REUs. We issued service authorization to 7 projects for 10,758 linear feet of pipeline and 18 new REUs. There are still two projects to be completed in the fiscal year 2024/2025 budget.

On the sewer side, in the fiscal year 2026/2027 budget, the Board has approved over \$1.8 million in the rural sewer program. Since the last Board meeting, we authorized 5 new projects for design that will add 4,600 linear feet of pipeline and 7 new REUs. Three projects moved from the design phase to construction for 6,810 linear feet of pipeline and 5 REUs. We issued service authorization to 6 projects for 9,316 linear feet of pipeline and 17 new REUs. There is only one project left to be completed in the fiscal year 2024/2025 budget.

Currently, there are 99 active rural projects in design and 20 projects in construction that will add a total of 47 miles of pipeline and 877 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 26 miles of pipeline which includes 10 miles of waterline and 16 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 July. In July, we received 18 new letters of intent. Eight of these projects were developer extension projects totaling 582 REUs. The other 10 projects were single-service commercial projects totaling 176 REUs. We issued service authorization to 14 projects for 658 REUs which accounted for just over \$8.6 million in developer contributions. We held 8 preconstruction meetings in July.

Overall, we have a total of 252 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.

UPDATE/STATUS: Capital Projects: In regard to the Administration Building Expansion, our consultant, Mozingo & Wallace Architects, recently received Coastal Zone Consistency approval which is part of the stormwater permitting process. Environmental permitting is expected to be complete by October. Mozingo & Wallace Architects is now finalizing all bid documents and specifications to go along with the approved plans. We plan to advertise for this project by October 1st with a bid opening to be scheduled before Thanksgiving. This expansion includes new office space on each end of the existing building. It will add 22 offices, restrooms, meeting rooms, a breakroom and storage.

In regard to the Conway to Bucksport WWTP Flow Diversion project, R.H. Moore Company, Inc.'s (R.H. Moore) subcontractor has completed the final bore near the intersection of Highway 701 and Pitch Landing Road. All installation and testing have been completed. We are continuing to work with R.H. Moore to address grading, clean up and stabilization along Highway 701. Weston & Sampson (formally MBD Consulting Engineers, P.A.) is working on supporting documents to obtain the approval to place into operation from SCDES.

In regards to the Highway 701 Widening (N of Conway), we are in contract for this project so the prime contractor will provide the water and sewer relocations for utilities within our service area. We are currently awaiting the final bid results. As part of this project, we are replacing the existing 10" waterline with a 24" waterline. The City of Conway will also be upsizing the waterline to 24" within their portion of the service area.

In regard to the Highway 90 to Highway 905 Water Hydraulic Improvement project, our engineering consultant, Bolton & Menk, Inc. continues the design of the 16" water hydraulic improvement project. Plans are nearly 50% complete.

In regards to miscellaneous transportation improvement projects, we recently received the notice to begin utility coordination for the Holmestown Road shared use path in the Burgess Community. This project consists of a 10 foot wide multi-use path and associated drainage from Highway 707 to Highway 17 Bypass. We maintain a 16" sewer force main and 20" waterline along with other smaller sizes within the project limits. Once a schedule is received, we will begin the coordination and design process.

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 August 2024 through July 2025. During the month of July, our customer base increased by 595 customers which brings our customer account total to 147,800. Over the last consecutive twelve months, our total customer base has increased by 4.1%. During the month of July, our active accounts increased by 606, inactive accounts decreased by 23 and our suspended accounts increased by 12.

In regard to REUs, during the month of July, our total REUs increased by 645, which brings our REU total to 216,687. Over the last twelve consecutive months, our total REUs have increased by 3.7%. During the month of July, our active REUs increased by 649, inactive REUs decreased by 70 and our suspended REUs increased by 66.

Mrs. Skipper provided the Board with a brief update on the new onsite health clinic. We recently met with our attorneys to help determine the appropriate rate to charge HDHP participants to use the clinic. The Nurse Practitioner and Medical Assistant are already onsite. They are currently performing our random drug screens, preemployment drug screens and vaccinations. We hope to open the clinic for sick visits soon.

THOMAS NEAT, CHIEF OF TECHNOLOGY

UPDATE/STATUS: Technology Update. Mr. Neat had several updates for the Board this month. We are currently pushing toward going paperless and we anticipate once we move to the new computer system, we will be a lot more paperless. One way we are working toward going paperless is through our customer outreach. We used to print reports and contact customers when they had issues with their draft but now customers are receiving notifications. In addition, the welcome packets that are sent out about 10 days after customers sign up for service are now being sent out digitally. We also completed an application for short-code. This is a text that comes from a 5-6 digit number. This alleviates the rules in place for texting from a full number such as limiting the number of texts that can be sent. This will enable us to be able to share information faster.

We have finished installing the cameras on our main campus.

Mr. Neat also provided an update on the new Cayenta computer system. Our consultant, Whitlock, is helping us work through the questionnaires. We hope to kick-off this project in early October and finish in April of 2027.

Mr. Neat also shared some security updates with the Board.

OTHER BUSINESS:

Vice Chairman Johnson called the Board's attention to the Employee Recognition, Sod Donation Report, Horry Independent News Article and upcoming WEFTEC Conference in Chicago, IL from September 27th to October 2nd.

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

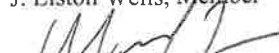

Benjy A. Hardee, Chairman


Arnold T. Johnson, Vice Chairman

Approved via teleconference
Richard G. Singleton II, Secretary

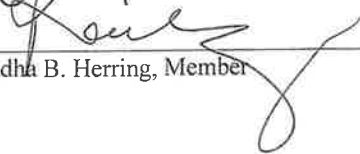

Sidney F. Thompson, Member

Approved via teleconference
J. Liston Wells, Member


Mark K. Lazarus, Member



L. Morgan Martin, Member



Radha B. Herring, Member