

GRAND STRAND WATER & SEWER AUTHORITY  
 BOARD OF DIRECTORS MEETING  
 AUGUST 22, 2022

	#MEETINGS (Since 7/1/22)	#ATTENDED (Since 7/1/22)	% ATTENDANCE
<b>MEMBERS PRESENT:</b>			
Sidney F. Thompson, Chairman	2	2	100%
Benjy A. Hardee, Vice Chairman	2	2	100%
Arnold T. Johnson, Secretary	2	2	100%
J. Liston Wells, Member	2	2	100%
Richard Singleton II, Member	2	2	100%
Mark K. Lazarus, Member	2	2	100%
Radha B. Herring, Member	2	2	100%

<b>MEMBERS ATTENDING VIA TELECONFERENCE:</b>			
Wilbur M. James, Member	2	2	100%

<b>MEMBERS ABSENT:</b>			
L. Morgan Martin, Member	2	1	50%

**STAFF PRESENT:**  
 Christy Everett, Chief Executive Officer  
 Tim Brown, Chief of Plant Operations  
 Neeraj Patel, Chief of Field Operations  
 Chrystal Skipper, Chief of Administration  
 Matt Minor, Chief of Engineering and Construction  
 Christen Jordan, Lead Accountant  
 Mary McKellar Hunsucker, HR Manager

**LEGAL COUNSEL ATTENDING VIA TELECONFERENCE:**  
 Amanda Bailey, Burr Forman

**VISITORS:**  
 Boone Aiken, Aiken Bridges Attorneys at Law  
 Andy Johnson, PNC Capital Advisors  
 Mike Lauterbach, PNC Capital Advisors

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 JULY 25, 2022 MINUTES:** Upon motion duly made by Mr. Wells, seconded by Mr. Johnson, the Minutes of the July 25, 2022 meeting were approved as presented.

**PRESENTATION OF MANAGED INVESTMENT UPDATE BY PNC CAPITAL ADVISORS:** Andy Johnson and Mike Lauterbach of PNC Capital Advisors presented a thorough overview of the economy as well as GSWA's portfolio investment information to the Board. Mr. Johnson and Mr. Lauterbach answered questions from the Board and further explained items of interest.

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

**DISCUSSION/UPDATE:** Agreement for Solid Waste Collection and Stormwater Management Fee Billing. Ms. Everett stated she had been working with the City of Conway on an agreement to collect their solid waste and stormwater management fees. The City of Conway has portions of their service area outside of their water and sewer utility area. They asked us to consider collecting solid waste and stormwater management

fees for them. This is very similar to the agreements we currently have with the City of Myrtle Beach and Town of Surfside. We collect these fees monthly for them for a fee of \$1.25 per account. We collect fees for 471 accounts for the City of Myrtle Beach and over 3,500 accounts for the Town of Surfside. The City of Conway's City Council will review the agreement as well. Upon approval, Ms. Everett stated she would bring the agreement back to the Board for action.

DISCUSSION/ACTION: Capital Budget Appropriation Requests – Rural Water Projects.

DISCUSSION/ACTION: Capital Budget Appropriation Requests – Rural Sewer Projects.

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

Ms. Everett stated the monthly report for the Chief Executive Officer was provided for the Board's information.

DIVISION REPORTS:

CHRISTEN JORDAN, LEAD ACCOUNTANT

UPDATE/STATUS: July 2022 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for July 2022 with the Board. As of July 31<sup>st</sup>, our total operating revenues were \$9.1 million, which is an 8% increase from the prior fiscal year. Our largest increases in operating revenues were increases in monthly water and wastewater fees and tap fees. Monthly water fees were up in all categories. The largest increases were in water availability, volume and Bull Creek revenues. Monthly wastewater revenues were up in all categories except wastewater bulk. Wastewater bulk revenues are affected by having less rainfall. The largest increases were in wastewater availability, volume and Myrtle Beach revenues. Our tap fees have increased \$135,218 or 32%. Our total operating expenses are \$7.1 million, which is a decrease of \$228,316 or 3% from the prior fiscal year. Our biggest changes come from personnel services, outside services and debt service. Personnel services have decreased 6% due to the salary accrual of an additional day in fiscal year 2022. Outside services have decreased 16% from fiscal year 2022 due to a decline in utility costs. Debt service decreased \$147,162 from fiscal year 2022 due to the timing of debt service payments. We currently have an operating surplus of \$2.0 million which is an increase of \$910,841 from the prior fiscal year. Mrs. Jordan reported total non-operating revenues of \$3.4 million, which is an increase of \$780,459 or 29% from the prior fiscal year. This includes an increase in investment income of \$1.0 million.

Mrs. Jordan shared the consolidated budget to actual report with the Board. As of July 31<sup>st</sup>, we should be at approximately 8% of our budget. Our operating revenues were budgeted at \$126.3 million. To-date, we have earned \$9.1 million or 7% of budget. Our operating expense budget is \$126.3 million. Year-to-date we have spent \$7.1 million or 6% of the budget. Total non-operating revenues were budgeted at \$31.6 million and to-date we have earned \$3.4 million or 11% of budget. This is due to the positive investment income we had in the month of July.

UPDATE/STATUS: Investment Analysis: In our PNC Capital Advisors' accounts we have a balance of \$56.5 million. These are the funds that were recently transferred from 1919 Investment Counsel. These funds have a current month yield of 1.22%, a three month yield of 1.04% and a twelve month yield of (4.41%). The balance in our PFM Asset Management LLC accounts is \$59.8 million with a current month yield of 1.26%, a three month yield of 1.29% and a twelve month yield of (3.46%) Overall, we have \$116.3 million invested with managers. The funds invested by our internal staff total \$86.9 million. Our debt service accounts total approximately \$3.5 million. Our total investment portfolio is \$206.6 million with a current month yield of 0.73%, a three month yield of 0.74% and a twelve month yield of (2.07%).

Mrs. Jordan shared a graph with the Board showing the fiscal year-to-date comparison on our returns for 1919 Investment Counsel, PFM Asset Management LLC, PNC Capital Advisors and the South Carolina Local Government Investment Pool. The current 1-5 year benchmark to-date is 0.66%. PNC Capital Advisors' one-month return for July was 1.22% which is above the benchmark. This year's fiscal year-to-date return for PFM Asset Management LLC is 1.26% which is better than the benchmark and higher than last year's return of 0.3%. The Local Government Investment Pool's fiscal year-to-date return is 1.72% compared to fiscal year 2022's return of 0.11%.

UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$60,673 was spent on Business & Travel during the month of July. These costs include the costs of membership renewals, license renewals and education reimbursement costs.

#### TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The alum dosage at Myrtle Beach averaged 71 mg/l for the month of July which is up 11% compared to last month. The average alum dosage at Bull Creek for the month of July was 59 mg/l, which is up 60% compared to last month. Myrtle Beach is currently running at about 90 mg/l and Bull Creek is currently running at 49 mg/l. In regards to water flows, Myrtle Beach flows were down 5% compared to the same period last year and Bull Creek flows were up 4%. The total flows were up 2% as compared to last fiscal year. In regards to wastewater flows, flows at Myrtle Beach were up 4% and the flows at Schwartz were up 19% as compared to last year. The total wastewater flows were up 2%.

UPDATE/STATUS: Compliance with DHEC Water and Wastewater Treatment Plant Requirements: Mr. Brown stated all water and wastewater reporting was in compliance with DHEC requirements for the month of July.

In regards to plant operation activities, at the Myrtle Beach SWTP, we received bids today for replacing the underdrain system and media for filter #7. We had a failure in the underdrain so it is currently offline. We received 3 bids ranging from \$261,000 to \$368,000. At the Bull Creek SWTP, repairs to the backwash pumps for the filters are underway to address wear on the pumps.

On the wastewater treatment plant side, at the Myrtle Beach WWTP, a project for constructing a new influent pump station and headworks will begin on December 1<sup>st</sup> with an estimated completion date of March 2024. At the Longs WWTP, work continues with the supplier on the return activated sludge pumps and effluent pumps. We are honing in on closing all of the punch list items. At the Schwartz WWTP, plant flow has continued to increase averaging 13.5 MGD. We are planning to start the design on expanding the Bucksport WWTP to shave some of the flow off the Schwartz WWTP.

#### NEERAJ PATEL, CHIEF OF FIELD OPERATIONS

UPDATE/STATUS: Compliance with DHEC Water Distribution and Wastewater Collection Requirements: Mr. Patel stated all monitoring was reported and all system operations were conducted in compliance with SCDHEC requirements for the month of July with the exception of the sanitary sewer overflow (SSO) at the Riverbanks Mobile Home Park in the Socastee community on July 4<sup>th</sup>. This is the SSO we discussed at the Board Meeting last month. All mitigation efforts were conducted in accordance with SCDHEC. All mitigation efforts were continued until all bacteria levels in the samples both upstream and downstream were at background levels.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regards to the Ten Oaks well in Carolina Forest, the provider has obtained the building permit. In regards to the Braves Village well, we are awaiting comments from the Drinking Water Division of DHEC. In regards to the Highway 410 Blend well, water quality samples have been collected and submitted to the lab for analysis. In regards to the Cool Springs well, we are compiling data from the well driller for the follow-up permitting package.

In the ASR program, for the month of July, we had a net recovery of approximately 178.3 million gallons for an average daily recovery of 5.8 million gallons. Our Deerfield well is now in operation.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in July we smoke tested 275,619 linear feet of gravity sewer line, cleaned and televised 2,062 linear feet of gravity sewer mains, responded to 172 sewer back-ups and 73 water quality requests, collected 412 water quality samples, inspected 159 cross connection devices, 342 fire hydrants and 436 isolation valves, responded to 28 emergency main line shut-downs and 1 scheduled shut-down, and completed 5,207 work orders mostly 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 2022/2023 budget, the Board has approved over \$3.7 million in the rural water program. In July, we authorized 3 projects for design for 1,690 linear feet of pipeline and 3 new REUs. Six projects moved from the design phase to construction for 10,660 linear feet of pipeline and 9 new REUs. We issued service authorization to 5 projects for 5,132 linear feet of pipeline and 16 new REUs.

On the sewer side, in the fiscal year 2022/2023 budget, the Board has approved over \$6.6 million for the rural sewer program. In July, we authorized 6 new projects for design that will add nearly 6,400 linear feet of pipeline and 9 new REUs. We issued service authorization to 7 projects for almost 13,000 linear feet of pipeline and 19 new REUs.

In total, we have 147 water and sewer projects currently in design and construction for nearly 63 miles of pipeline and 523 new REUs.

Mr. Minor referenced the chart within the Board packet that displays the cumulative miles of rural water and sewer line installed. So far in calendar year 2022, we have approved and placed into operation approximately 7 miles of waterline and 18 miles of sewer line.

UPDATE/STATUS: Developer Projects: Mr. Minor shared a map with the Board showing the location of the developer projects that were reviewed in the month of July. In the month of July, we received 19 new letters of intent. Of the total, 6 were developer extension projects for 888 REUs. Thirteen were single-service commercial applications totaling 74 REUs. We issued service authorization to 3 projects for 168 REUs. These 3 projects added approximately \$780,000 in developer contributions. We held 3 preconstruction meetings. Currently, we have 109 active developer extension projects in the construction or close out phase. Overall, there are 217 active projects in new services.

Mr. Minor briefly reviewed and called the Board's attention to the trend charts in the Board packet.

UPDATE/STATUS: Capital Projects: In regards to the Bull Creek 15 MGD Expansion and Water Main Upgrade, we had a 90% design meeting on August 15<sup>th</sup> with Goodwyn Mills Cawood (GMC) to discuss the design, construction sequencing, schedule and cost estimates for the expansion to a 60 MGD facility. We are also in the process of completing our application for ARPA funding for the project which could provide up to \$10 million in grant funding.

In regards to the Bull Creek Drainage Improvements, we have submitted award documents to A.O. Hardee & Son, Inc. in the amount of \$579,792.50 and have requested a pre-construction meeting for next week.

In regards to the Conway to Bucksport WWTP Flow Diversion, MBD Consulting Engineers, P.A. (MBD) has completed the design of the 20" sewer force main. This project has been sent to all permitting agencies for review.

In regards to the Conway Parallel 24" Water Transmission Upgrade project, we recently received 60% design plans for this project. We are reviewing these and will provide comments so work can begin on the 90% design plans.

In regards to the Conway WWTP Effluent Structure Upgrade, the contractor, The Harper Corporation General Contractors (Harper), has completed the concrete structure, performed a leak test and backfilled. Crews continue to work on the Parshall flume and gates as well as electrical duct banks.

In regards to the Directional Bore Contract 4 (Rural Water & Sewer) project, Lawrimore Construction, Inc. has been awarded 5 of the 6 projects associated with Bore Contract 4 in the amount of \$580,465 which includes approximately 8,000 linear feet of directional bores. LWC Construction was awarded the remaining project in the amount of \$166,745 which includes 2,300 linear feet of directional bores. We are in the process of scheduling preconstruction meetings with these contractors.

In regards to Pipeline Contract 15, RWF Construction LLC (RWF) continues work on these projects and continues to be ahead of schedule. The original completion date was February 2023 but they may have the work completed months ahead of this due to dedicating multiple crews to this project.

In regards to Pipeline Contract 16, we recently advertised for these projects which includes 4 rural water and sewer projects totaling approximately 30,000 linear feet of pipeline. The bid opening is scheduled for August 30<sup>th</sup>.

In regards to the Highway 544 to Highway 701 36" Waterline/Sewer Conversion, Ruby-Collins, Inc. completed all work to convert the old 36" waterline to a sewer force main. DDC Engineers has submitted all documents to SCDHEC for approval to operate.

In regards to the International Drive Booster Pump Station project, the contractor, Harper, has completed construction of the new water booster pump station and is currently working on punch list items. The start-up was delayed until early November due to issues with the VFD's.

In regards to the International Drive to North Booster Pump Station 36" Waterline project, GMC continues work on design of the new 36" waterline from the new International Drive Booster Pump Station to the existing North Booster Pump Station. We expect to have 60% design plans by the end of September.

In regards to the Lake View WWTF Embankment Improvement project, we advertised for bids to install vinyl sheet piling to help contain seepage along the east side of the lagoon at the recommendation of the consultant we hired. A bid opening is scheduled for September 15<sup>th</sup>.

In regards to the Marion WWTP Flood Mitigation Berm, we held a bid opening for this project on July 26<sup>th</sup>. We received 6 bids. The low bidder was M.B. Kahn Construction Co. Inc. with a bid of \$1.8 million. We are working to try to get this awarded now. We are having to work with multiple other agencies since a large portion of this project will be funded by grants from the Rural Infrastructure Authority and Community Development Block Grant program.

In regards to the Myrtle Beach WWTP Influent Pump Station and Headworks project, we held a preconstruction meeting on July 20<sup>th</sup> with MBD, Harper and SCDHEC. A Notice to Proceed will be issued on December 1<sup>st</sup>. This is a 450-day contract.

In regards to the Old Highway 90 Elevated Water Storage Tank project, the contractor, Phoenix Fabricators and Erectors, Inc., recently mobilized to the site to begin work on this project.

CRYSTAL 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 2022 through July 2023. During the month of July, our customer accounts increased by 534, which brings our customer account total to 116,099. Over the last consecutive twelve months, our total customer base has increased by 4.6%. In July, our active accounts increased by 525, inactive did not change and our suspended accounts increased by 9 for a net result of 534 accounts.

In regards to REUs, for the month of July, our total REUs increased by 525, which brings our REU total to 173,557. Over the last consecutive twelve months, our total REUs have increased by 4.5%. For the month of July, our active REUs increased by 504, inactive REUs increased by 13 and suspended REUs increased by 8 for a net increase of 525 REUs.

UPDATE/STATUS: Purchase Transactions Over \$3,500: Mrs. Skipper called the Board's attention to the information in the Board packet on purchase order transactions over \$3,500. The grand total for all purchase orders over \$3,500 issued in July was approximately \$11.5 million. The report is much longer this month due to annual POs that were issued during the month of July. There are many POs related to our annual chemical bid as well as other annual services that are expensed throughout the year such as professional services, copier leases, sampling and testing and maintenance.

Our annual vehicle bid was sent out in July and we received the results the first week of August. Our Purchasing Manager, Josh Roberts, placed orders for these vehicles early last week.

Mrs. Skipper provided several other updates to the Board. We sent out a Classification and Compensation Study RFP on July 1<sup>st</sup> and the proposals were due back on August 12<sup>th</sup>. We sent the RFP to 10 professional consultants and we received 3 proposals. We are currently reviewing them and hope to move forward with selecting a consultant in the next two weeks so that we can get started on the study.

We have a meeting scheduled for tomorrow with our insurance consultants to discuss our potential insurance renewals for 2023. Our claims have been running high this year so we are anticipating a rate increase this year.

Mrs. Skipper asked for the Board's input concerning the dates and location for next year's budget retreat. We had the budget retreat tentatively scheduled for May 5<sup>th</sup> and 6<sup>th</sup> but Santee Cooper's Wampee Conference Center is no longer available. Our only other option for using the Conference Center is May 15<sup>th</sup> and 16<sup>th</sup> which is a Monday and Tuesday. Mrs. Skipper asked for the Board's input and they briefly discussed different options. A decision was made for Mrs. Skipper to look locally and compile a list of options for the Board's consideration.


OTHER BUSINESS:


Chairman Thompson called the Board's attention to the Employee Recognition, Sod Donation Report and upcoming WEFTEC Conference in New Orleans, Louisiana, October 8<sup>th</sup> – 13<sup>th</sup>.

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

After returning to open session, upon motion of Mr. Lazarus seconded by Mr. Johnson, the board voted unanimously to approve the Agreement and Release with RCB Contractors, LLC and Fred Richardson and authorize the Chairman to execute the same.

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

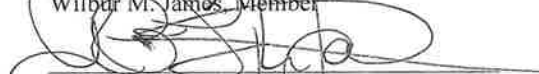
  
\_\_\_\_\_  
Sidney E. Thompson, Chairman

  
\_\_\_\_\_  
Benjy A. Hardee, Vice Chairman


  
\_\_\_\_\_  
Arnold T. Johnson, Secretary

*Approved via teleconference*  
\_\_\_\_\_  
J. Liston Wells, Member

  
\_\_\_\_\_  
Wilbur M. James, Member

  
\_\_\_\_\_  
Richard G. Singleton II, Member

  
\_\_\_\_\_  
Mark K. Lazarus, Member

  
\_\_\_\_\_  
L. Morgan Martin, Member

*Approved via teleconference*  
\_\_\_\_\_  
Radha B. Herring, Member