

GRAND STRAND WATER & SEWER AUTHORITY  
BOARD OF DIRECTORS MEETING  
FEBRUARY 24, 2025

	#MEETINGS (Since 7/1/24)	#ATTENDED (Since 7/1/24)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	7	7	100%
Benjy A. Hardee, Vice Chairman	7	7	100%
Arnold T. Johnson, Secretary	7	6	86%
J. Liston Wells, Member	7	7	100%
Wilbur M. James, Member	7	7	100%
Mark K. Lazarus, Member	7	5	71%
L. Morgan Martin, Member	7	4	57%
Radha B. Herring, Member	7	7	100%

MEMBERS ABSENT:			
Richard Singleton II, Member	7	6	86%

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

LEGAL COUNSEL:  
Bhumi Patel, Burr Forman

VISITORS:  
Dwayne Nelson, Bucksport Marina & Campground

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 JANUARY 27, 2025 MINUTES: Upon motion duly made by Mr. James, seconded by Mr. Wells, the Minutes of the January 27, 2025 meeting were approved as presented.

Mr. Dwayne Nelson, a resident of the Bucksport campground briefly addressed the Board. He stated that he had some concerns which he expressed in a letter provided to the Board. Mr. Nelson described the campground community as a very nice, tight-knit community with a lot of children who play, go to school and church together.

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

DISCUSSION/ACTION: SC Red-Cockaded Woodpecker Safe Harbor Program. Mrs. Holder stated this is the same agreement that we executed 30 years ago. There has been no change to the program or the requests for the three areas that are safe harbor areas for the red-cockaded woodpeckers. Our paperwork has simply been misplaced so we were asked to execute new paperwork. Mrs. Holder and the Board briefly discussed this program further. Upon motion of Mr. James, seconded by Mr. Wells, execution of the agreement was unanimously approved by the Board as presented.

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

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

Upon motion of Mr. James, 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: January 2025 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for January 2025 with the Board. As of January 31<sup>st</sup>, our total operating revenues were \$83.0 million, which is an 8% increase from the prior fiscal year. The largest changes in operating revenues were increases to the monthly water and wastewater fees and other revenue. Monthly water fees are up in all categories except for Bull Creek revenues. The largest increases occurred in availability and volume. Monthly wastewater fees were up in all categories with the exception of bulk. The biggest increases were in availability and volume. Increases in availability and volume make up approximately 90% of the increases for water and wastewater fees. Our tap fees are up \$325,309 from the prior year. Other revenue is up \$709,170 mainly due to the sale and disposal of assets, cross connection fees and increases in service line maintenance. Our total operating expenses increased \$6.7 million from the prior fiscal year. The largest increases come from personnel services, supplies and materials and capital outlay. Personnel Services have increased \$3.6 million from fiscal year 2024 due to the increase of the number of employees, a merit increase and the associated taxes and retirement. Supplies and Materials have increased \$1.4 million which is mainly due to an increase in treatment supplies of \$957,000 and an increase in supplies and materials for water and wastewater facilities of \$345,000. Capital Outlay is up \$1.2 million or 65% from the prior fiscal year. In January we received a forklift and an International truck from our annual vehicle bid. We have received more vehicles and equipment this fiscal year than we did through January of last year. There is currently an Operating Surplus of \$12.3 million, a decrease of \$642,971 compared to the same period in fiscal year 2024. Our total Non-Operating Revenues are \$33.8 million which is an increase of \$8.2 million. The increase is mainly due to receiving ARPA funds and funds from the RIA Grant this year.

Mrs. Jordan shared the consolidated budget to actual report with the Board. As of January 31<sup>st</sup>, we should be at 58% of our estimated budget. Our operating revenues were budgeted at \$149 million. To-date, we have earned \$83.0 million or 56% of our estimated budget. We are just slightly below target. Our operating expense budget is \$149 million. Year-to-date we have spent \$70.7 million or 47% of budget. As the year progresses, expenditures will increase as we receive in items from our annual bid. Total non-operating revenues were budgeted at \$55.3 million and to-date we have earned \$33.8 million or 61% 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 112% 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 \$59.2 million. These funds have a current month yield of 0.49%, a three month yield of 0.70% and a twelve month yield of 3.11%. The balance in our PFM Asset Management LLC accounts is \$62.7 million with a current month yield of 0.46%, a three month yield of 0.57% and a twelve month yield of 3.00%. Truist funds total \$5.0 million with a current month yield of 0.51%, a three month yield of 0.73% and a twelve month yield of 3.87%. Overall, we have \$126.9 million invested with managers. The funds invested by our internal staff total \$119.8 million. Our debt service accounts total \$7.3 million. Our total investment portfolio is \$253.9 million with a current month yield of 0.41%, a three month yield of 0.85% and a twelve month yield of 3.76%.

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 2.78%. PNC Capital Advisors' fiscal year-to-date return is 2.62% which is below the benchmark and lower than fiscal year 2024's return of 3.34%. This year's fiscal year-to-date return for PFM Asset Management LLC is 2.76% which is just slightly below the benchmark and lower than last year's return of 3.64%. Truist's fiscal year-to-date return is 2.87% which is above the benchmark and lower than fiscal year 2024's return of 4.41%. The Local Government Investment Pool's fiscal year-to-date return is 3.03% which is lower than the fiscal year 2024 return of 3.35%. Our fiscal year-to-date return for the ABB ICS account is 2.75% which is slightly lower than last year's fiscal year-to-date return of 2.77%. Our fiscal year-to-date return for the CCNB ICS account is 2.68% which is lower than fiscal year 2024's return of 2.98%.

UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$28,407 was spent on Business & Travel during the month of January. These costs include leadership workshops, subscriptions, membership renewals and exam fees. Year-to-date, we have spent a total of \$228,550.

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 January is \$3.1 million. The two largest purchase orders in January were issued to Ferguson Waterworks for \$303,577 for 1,000 meter boxes for inventory and \$181,342 for Marlowe Road area sewer materials. Other large purchase orders include a purchase order to Core & Main LP for \$178,200 for 1,100 Neptune meters for inventory and Carolina International Trucks, Inc. for \$157,212 for an International service body truck for the Construction Department.

#### TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The alum dosage at Myrtle Beach averaged 63 mg/l for the month of January which is down 23% compared to last month. The average alum dosage at Bull Creek for the month of January was 31 mg/l, which is down 29% compared to last month. Myrtle Beach is currently running at about 65 mg/l and Bull Creek is currently running at about 35 mg/l. We have had some really good raw water quality recently. The alum dosage at Bull Creek dropped as low as Mr. Brown has ever seen it reaching 24 mg/l. However, the quality has now changed since the dams north of us were released when it snowed. In regards to water flows, Myrtle Beach flows were down 9% and Bull Creek flows were down 18% compared to last year. The total water flows including ASR and blend wells were down 6%. In regards to wastewater flows, flows at Myrtle Beach were down 1% and the flows at Schwartz were down 14% compared to the same time period last year. A lot of this is due to the recent dry weather. The total wastewater flows were down 11% compared to last year.

UPDATE/STATUS: Compliance with SC Department of Environmental Services (SCDES) Water and Wastewater Treatment Plant Requirements: Mr. Brown stated all water and wastewater reporting was in compliance with SCDES requirements for the month of January with the exception of an e-coli violation for a day at the Bucksport WWTP.

In regards to plant operation activities, at the Myrtle Beach SWTP, we have been working closely with Hazen & Sawyer and Black & Veatch on the PFAS study. At the Bull Creek SWTP, M.B. Kahn Construction Company, Inc. (M.B. Kahn) is moving along with the project. The new 36" raw waterline has been installed. The structure walls are being formed and poured at the plant. The contractor anticipates the concrete work being completed by May. The top of the clearwell was poured last week and they are working on tearing down the forming inside now. The next step is to put the baffle curtain in. We anticipate getting approval from SCDES next month to place this online. We have to do a tracer study to meet the chlorine contact time which is one of the surface water treatment rule requirements. Design work continues with MBD Engineering on a redundant Perry Road Pump Station and Reservoir.

On the wastewater treatment plant side, at the Myrtle Beach WWTP, we are awaiting the permit for the odor scrubber and as well as for scrubber equipment to be delivered. We are continuing to have design meetings on the upgrades for the Green Sea WWTP, the digester blower system at the Schwartz WWTP, the Conway WWTP new headworks structure, the new Vereen clarifier and effluent structure and the new Central 4 MGD treatment plant. At the Lakeview WWTP, the sand in the sand filters has been replaced as well as all discharge piping. Over time the sand in the filters begins to clog. We typically have to replace the sand every 6-7 years. At the Vereen WWTP, we had an issue where the scum flow was going back into the waste sludge lagoon. It was watering down the solids going to the belt filter press which caused longer run times because it was thinner. Our crews diverted that pipe to a different pump station to help improve run times. Our staff also upgraded the dissolved oxygen system that controls the aerators. In addition, we followed up on work that was done to the influent piping five years ago before our warranty ran out. Years ago we experienced issues at Schwartz and Conway where gas was trapped in the ductile iron pipe and ate the crown of the pipe so we checked the piping at Vereen at that time as well. We had not had a leak, but it was affecting the pipe. Therefore, five years ago we hired a contractor to come in and slip line the pipe. Our five-year warranty period was expiring soon so we inspected it again to ensure everything was still in good shape. At the Conway WWTP, the BFP cake auger has been replaced. It was worn down. At the Marion WWTP, staff has converted the septage receiving to be taken at the headworks structure. At the Mullins WWTP, the main breakers were recently changed out by our electrical crew.

#### NEERAJ PATEL, CHIEF OF FIELD OPERATIONS

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

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regards to the Cool Springs well, we have decided not to install the well pump house. We are installing the final pump. We are going to be developing this well. It has a little turbidity but we are hoping this will clear up through development. In regards to the Jackson Bluff and River Oaks wells, we have selected the wellhouse contractors. At the International Drive well, the provider has started screen and casing installation.

In the ASR program, for the month of January, we had a net injection of approximately 120.5 million gallons for an average daily injection of 3.9 million gallons.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in January, we smoke tested 43,446 linear feet of gravity sewer line, cleaned and televised 6,629 linear feet of gravity sewer mains, responded to 234 sewer back-ups and 125 water quality requests, collected 495 water quality samples, inspected 297 cross connection devices, tested and inspected 205 fire hydrants and 909 isolation valves, responded to 25 emergency main line shut-downs, completed 2 scheduled shutdowns and completed 4,892 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 \$5.3 million in the rural water program. Since the last Board meeting, we authorized 3 projects for design for 3,420 linear feet of pipeline and 3 new REUs. Six projects moved from the design phase to construction for 5,892 linear feet of pipeline and 16 REUs. We issued service authorization to 5 projects for 11,022 linear feet of pipeline and 31 new REUs.

On the sewer side, in the fiscal year 2024/2025 budget, the Board has approved over \$7.2 million in the rural sewer program. Since the last Board meeting, we authorized 4 new projects for design that will add 5,280 linear feet of pipeline and 4 new REUs. Ten projects moved from the design phase to construction for 13,733 linear feet of pipeline

and 23 REUs. We issued service authorization to 3 projects for 8,298 linear feet of pipeline and 22 new REUs.

Currently there are 95 active rural projects in design and 48 projects in construction that will total 48 miles of pipeline and 724 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 8 miles of pipeline which includes 5 miles of waterline and 3 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 January. In January, we had 14 new letters of intent received. Six of those projects are developer extension projects totaling 706 REUs. The other 8 projects were single-service commercial projects totaling 42 REUs. We issued service authorization to 7 projects for 499 REUs, which accounted for \$7.5 million in developer contributions. We held 2 preconstruction meetings in January.

Overall, we have a total of 258 active developer projects. Of the total, 115 developer projects are in the construction or close-out phase. 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 regards to the Aynor Wastewater Hydraulic Improvements project, our staff has been working to identify potential wastewater hydraulic improvements in the area surrounding Aynor. This area continues to see growth and will require sewer improvements. We have identified several areas for pump station upgrades and new sewer force main connections. The Engineering staff is preparing an RFP to submit to consultants for design work.

In regards to Contract 20, RWF Construction, LLC (RWF) has now completed the Hwy 378 Ext. 1 rural sewer project and Pee Dee Hwy hydraulic improvement project. Crews are now working to complete the Hendricks Shortcut sewer project. The remaining projects to be completed are the Pauley Swamp Road Ext. 2 and Pee Dee Hwy Ext. 1 projects.

In regards to the Conway to Bucksport WWTP Flow Diversion project, M.B. Kahn has completed the majority of the work associated with the new diversion pump station located at the Conway WWTP. The only thing remaining on their contract are miscellaneous items, punch list items and the pump station start up. R.H. Moore has now installed approximately 25,000' of the 40,000' of 20" sewer force main along Hwy 701.

In regards to the Pump Repair Building addition, Stalvey Construction has completed the addition. We received the Certificate of Occupancy from Horry County on February 11<sup>th</sup>. The addition includes a new climate-controlled bay, office, break area and restrooms with a shower.

In regards to the Highway 90 to Highway 905 Hydraulic Improvement project, Bolton & Menk completed survey work to incorporate the proposed booster pump station site as well as the discharge to Highway 905. This project will extend approximately 20,000 linear feet of 16" waterline along Red Bluff Road. Due to low-lying conditions along this route, several directional bores will be needed to avoid significant wetland impacts.

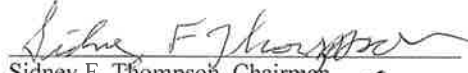
In regards to the SCDOT Intersection Improvements in Marion at Jones Avenue, our consultant, Mead & Hunt, continues to work on the design of the water and sewer relocations associated with the intersection improvement project in front of our Marion office. Requests have been submitted to avoid several gravity sewer impacts with the proposed stormwater. Based on several meetings with SCDOT and their design consultants, we anticipate these requests being accepted.


OTHER BUSINESS:

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

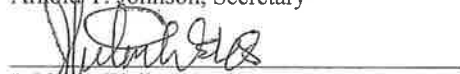
Upon motion duly made, seconded and carried the Board went into executive session for the discussion of legal matters. Following executive session, the Board returned to regular session.

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

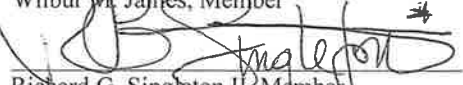
  
Sidney F. Thompson, Chairman

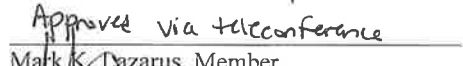
  
Benjy A. Hardee, Vice Chairman

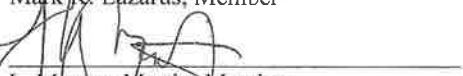
  
Arnold T. Johnson, Secretary

  
J. Liston Wells, Member

  
Wilbur M. James, Member

  
Richard G. Singleton II, Member

Approved via teleconference  
  
Mark K. Lazarus, Member

  
L. Morgan Martin, Member

Approved via teleconference  
  
Radha B. Herring, Member