

GRAND STRAND WATER & SEWER AUTHORITY
 BOARD OF DIRECTORS MEETING
 FEBRUARY 26, 2024

	#MEETINGS (Since 7/1/23)	#ATTENDED (Since 7/1/23)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	7	6	86%
Benjy A. Hardee, Vice Chairman	7	7	100%
Arnold T. Johnson, Secretary	7	7	100%
J. Liston Wells, Member	7	7	100%
Wilbur M. James, Member	7	7	100%
Richard Singleton II, Member	7	7	100%
Mark K. Lazarus, Member	7	7	100%
Radha B. Herring, Member	7	7	100%
MEMBERS ABSENT:			
L. Morgan Martin, Member	7	5	71%

STAFF PRESENT:
 Christy Everett, 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:
 Jim Gilliam, Burr Forman
 Frannie Heizer, Burr Forman
 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 JANUARY 22, 2024 MINUTES: Upon motion duly made by Mr. James, seconded by Mr. Wells, the Minutes of the January 22, 2024 meeting were approved as presented.

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

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. Johnson, the capital budget appropriation requests for rural water and sewer projects were unanimously approved by the Board as presented.

DIVISION REPORTS:

CHRISTEN JORDAN, CHIEF OF ACCOUNTING AND FINANCE

UPDATE/STATUS: January 2024 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for January 2024 with the Board. As of January 31st, our total operating revenues were \$76.9 million, which is a 9% increase

from the prior fiscal year. Our largest increases in operating revenues were increases in monthly water, wastewater and customer fees. Monthly water fees were up in all categories with the exception of bulk, Bull Creek revenues and fire flow availability fees. The largest increases were in water availability, volume and Myrtle Beach revenues. Monthly wastewater revenues were up in all categories with the exception of bulk and Myrtle Beach revenues. These two categories are down due to changing Little River customers from bulk to retail customers. Monthly customer fees are up \$436,652 compared to the prior fiscal year and tap fees are up \$398,543 compared to the same time period. Application fees have increased \$216,606 or 25% compared to the prior fiscal year. Our total operating expenses are \$63.7 million, which is an increase of \$3.7 million or 6% from the prior fiscal year. The largest increases come from Personnel Services, Outside Services, Supplies and Materials and Capital Outlay. Personnel Services have increased \$2.0 million or 10% from fiscal year 2023 due to the addition of 20 employees from Little River, a merit increase, an increase in retirement and an increase in health insurance. Outside Services have increased \$718,112 compared to last year. The increase is due to an increase in utilities, insurance and service and maintenance contracts. Capital Outlay is up \$852,398 from the prior fiscal year. In January, we received four trucks and an excavator from our annual bid. Supplies and Materials have increased \$915,743 mainly due to an increase in supplies and materials for water and wastewater facilities and treatment supplies. Debt service is down \$1.5 million due to the timing of debt service payments. We currently have an operating surplus of \$13.2 million which is an increase of \$2.9 million from the prior fiscal year. Mrs. Jordan reported total non-operating revenues of \$25.5 million, which is an increase of \$8.6 million or 51% from the prior fiscal year. This is mainly due to an increase in investment income of \$6.0 million over fiscal year 2023 and the FEMA check we received for \$2.2 million for the Conway WWTP Effluent Structure.

Mrs. Jordan shared the consolidated budget to actual report with the Board. As of January 31st, we should be at 58% of our budget. Our operating revenues were budgeted at \$137.6 million. To-date, we have earned \$76.9 million or 56% of our estimated budget. We are just slightly below target. Our operating expense budget is \$137.6 million as well. Year-to-date we have spent \$63.7 million or 46% of the budget. Total non-operating revenues were budgeted at \$34.0 million and to-date we have earned \$25.5 million or 75% of budget. Impact fees are slightly below target and investment income is higher than we originally estimated due to current market conditions.

UPDATE/STATUS: Investment Analysis: In our PNC Capital Advisors accounts, we have a balance of \$57.5 million. These funds have a current month yield of 0.32%, a three month yield of 4.05% and a twelve month yield of 3.13%. The balance in our PFM Asset Management LLC accounts is \$61.1 million with a current month yield of 0.29%, a three month yield of 4.60% and a twelve month yield of 3.88%. Truist funds total \$6.7 million and have a current month yield of 0.03%, a three month yield of 7.41% and a twelve month yield of 3.88%. Overall, we have \$125.2 million invested with managers. The funds invested by our internal staff total \$113.5 million. Our debt service accounts total \$7.0 million. Our total investment portfolio is \$245.7 million with a current month yield of 0.33%, a three month yield of 2.85% and a twelve month yield of 3.42%.

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 to-date is 3.40%. PNC Capital Advisors' fiscal year-to-date return is 3.34% which is just below the benchmark and higher than the fiscal year 2023 return of (0.38%). This year's fiscal year-to-date return for PFM Asset Management LLC is 3.64% which is above the benchmark and higher than last year's return of 0.11%. Truist's fiscal year-to-date return is 3.88% which is above the benchmark. The Local Government Investment Pool's fiscal year-to-date return is 46.47% compared to the fiscal year 2023 return of 25.04%. Our fiscal year-to-date return for the ABB ICS account is 37.39%. Our fiscal year-to-date return for the CCNB ICS account is 40.71%.

UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$18,859 was spent on Business & Travel during the month of January. Fiscal year-to-date, we have spent a total of \$186,516 in business and travel related expenditures.

TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The alum dosage at Myrtle Beach averaged 99 mg/l for the month of January which is up 21% compared to last month. The average alum dosage at Bull Creek for the month of January was 90 mg/l, which is up 31% compared to last month. Myrtle Beach is currently running at about 85 mg/l and Bull Creek is currently running at about 73 mg/l. In regards to water flows, Myrtle Beach flows were up 19% and Bull Creek flows were up 24% compared to last year. The total water flows including ASR and blend wells were up 18%. In regards to wastewater flows, flows at Myrtle Beach were up 3% and the flows at Schwartz were up 13% compared to last year. The total wastewater flows were up 9% compared to last year.

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 January.

In regards to plant operation activities, at the Myrtle Beach SWTP, testing continues on the Calgon Granular Activated Carbon (GAC) pilot columns for PFAS removal. We have not received any results recently but this testing is still ongoing. At the Bull Creek SWTP, the contractor, M.B. Kahn Construction Co., Inc. (M.B. Kahn), is getting ready to start construction to expand the capacity of this plant to 60 MGD.

On the wastewater treatment plant side, at the Myrtle Beach WWTP, the contractor is nearing completion of the new influent pump station, wet well and headworks structure. The expected start-up is the second week of April. At the Marion WWTP, construction is almost complete on the berm around the facility to prevent flooding. The contractor is currently working on punch list items. At the Bucksport Composting Facility, we are moving forward with the odor aerosol agent we were testing to reduce odors from the facility. It is a misting system that puts out an odor masking agent. In regards to the Central WWTP, we recently sent out a RFP for engineering services for design of the plant. We have gotten a lot of questions from engineers. We will be looking at these proposals in about three weeks.

Mr. Lazarus asked about the work being done on 21st Avenue in Myrtle Beach. Mr. Brown stated that all of the work we would have done would have been inside the fence at the influent structure so the work in question is probably being done by the City of Myrtle Beach. Mr. Lazarus also asked about the new odors in the last month. The odor seems to be in a different area than it typically is. Mr. Brown stated that four different pipelines are intersecting into one structure. In order to do the pipeline work, the contractor had to work with the City of Myrtle Beach to divert flows which forced flows in different areas. This could cause odors in different areas. This work started about a month and a half ago.

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 January.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regards to the Cool Springs well, we are reviewing the results for all of the drinking water quality testing that was performed. In regards to the Jackson Bluff well, we are finalizing the follow-up permitting package for DHEC review and approval. In regards to the International Drive well, we are preparing the site for well drilling. In regards to the Braves Village and Ten Oaks wells, cycle testing continues. In regards to the Carolina Pines well, site work has been initiated. We are coordinating with the power provider at the site.

In the ASR program, for the month of January, we had a net injection of approximately 241.9 million gallons for an average daily injection of 7.8 million gallons.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in January we smoke tested 65,045 linear feet of gravity sewer line, cleaned and televised 11,924 linear feet of gravity sewer mains, responded to 270 sewer back-ups and 99 water quality requests, collected 386 water quality samples, inspected 230 cross connection devices, 349 fire hydrants and 813 isolation valves, responded to 17 emergency main line shut-downs, completed one scheduled shutdown and completed 5,419 work orders primarily for meter reading services.

Mr. Patel stated that we recently advertised in The Sun News and The Horry Independent for our annual chlorine conversion and flushing initiative. This takes place in March and will be starting this Friday. This is done in conjunction with the City of Conway and City of Loris. We temporarily convert from our typical disinfectant chloramines to free chlorine. This is our tenth year performing this conversion. It affects our customers West of the Waccamaw River and in Little River.

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. There are still 12 water projects from the previous two-year budget to be completed. These projects should be completed in the next few months. In the fiscal year 2024/2025 budget, the Board has approved just over \$3.3 million in the rural water program. Since the last Board meeting, we authorized 4 projects for design for 6,460 linear feet of pipeline and 5 new REUs. Eight projects moved from the design phase to construction for 12,205 linear feet of pipeline and 29 REUs. We issued service authorization to 4 projects for 5,395 linear feet of pipeline and 11 new REUs.

On the sewer side, there are still 8 projects left to be completed that were part of the 2022/2023 budget. In the fiscal year 2024/2025 budget, the Board has approved over \$3.5 million in the rural sewer program. Since the last Board meeting, we authorized 8 new projects for design that will add 8,410 linear feet of pipeline and 8 new REUs. Six projects moved from the design phase to construction for 9,575 linear feet and 14 REUs. We issued service authorization to 3 projects for 2,825 linear feet of pipeline and 6 new REUs.

Currently, there are 57 active rural projects in design and 81 projects in construction that will total 43 miles of pipeline and 548 REUs.

Mr. Minor called the Board's attention to the chart showing the cumulative miles of pipeline installed since the beginning of the rural program in the Board packet. To-date, in calendar year 2024, we have installed 3 miles of pipeline. This includes 1 mile of sewer line and 2 miles of waterline.

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 the month of January, we received 16 new letters of intent. Of the total, 7 were developer extension projects for 625 REUs. The other 9 projects were single-service commercial projects totaling 122 REUs. We issued service authorization to 2 projects for 164 REUs. These projects added approximately \$1.2 million in developer contributions. We held 7 preconstruction meeting in January. Overall, we have 254 active developer projects in the various phases. 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 Administration Building Expansion project, we recently received preliminary construction plans for the proposed expansion to the Administration Building, which will add 24 new offices. Our staff is

currently reviewing the plans and we will be providing comments to our architect, Mozingo & Wallace Architects.

In regards to the Bucksport Campground Expansion project, D&L Sitework, Inc.'s (D&L) subcontractor, Sellers General Construction, is nearing completion of the bathhouse/laundry facility. D&L's electrical subcontractor is working to complete the final electrical work. Landscaping will begin at the beginning of March. The project is scheduled to be completed with all approvals and permit releases by the end of March.

In regards to the Conway to Bucksport WWTP Flow Diversion, we recently received approval from SRF to award the two contracts associated with the project. R.H. Moore Company, Inc. (R.H. Moore) was awarded a contract for the sewer force main portion of the project in the amount of \$8,545,034 and M.B. Kahn was awarded the contract for the pump station portion in the amount of \$2,119,100.

In regards to the Fred Nash Blvd Extension and Widening project, R.H. Moore is currently working to complete the sewer relocation associated with the project. We have been meeting with R.H. Moore to discuss the series of complex tie-ins that will take place once installation is complete. This is set to take place in mid to late March.

In regards to the Green Sea WWTP Expansion, the Preliminary Engineering Report (PER) has been sent to SRF for the expansion of the Green Sea WWTP.

In regards to the Lake View WWTF Embankment Improvements project, Seven Seas Marine Construction has mobilized to the Lake View WWTF. They have been contracted to install 560 linear feet of vinyl sheet piling to a depth of 20 feet that will create a cut off wall to prevent seepage.

In regards to the Old Highway 90 Elevated Water Storage Tank, Phoenix Fabricators & Erectors, Inc.'s subcontractor has completed the painting and lettering of the new 500,000-gallon elevated tank. Sitework will now continue which includes the associated stormwater and waterline installation as well as electrical work.

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 February 2023 through January 2024. During the month of January, our customer accounts increased by 877 which brings our customer account total to 137,745. Over the last consecutive twelve months, our total customer accounts have increased by 15.9%. For the month of January, our active accounts increased by 618, inactive accounts increased by 256 and our suspended accounts increased by 3.

In regards to REUs, during the month of January, our total REUs increased by 1,207 which brings our REU total to 203,703. Over the last consecutive twelve months, our REUs have increased by 14.5%. For the month January, our active REUs increased by 915, inactive REUs increased by 444 and our suspended REUs decreased by 152.

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. For January, the purchase orders over \$3,500 totaled approximately \$3.6 million. The two largest purchase orders were issued to Ferguson Waterworks for meter boxes for a total of \$337,310 and \$230,580. Other large purchase orders included purchase orders for the security and access control system at the Bull Creek SWTP, Schwartz WWTP and Bucksport WWTP, Myers grinder stations for inventory, Costie Allen Road water materials, a new Kuhn sludge spreader and water materials for the Hardwick Road and Persimmon Road projects.

THOMAS NEAT, CHIEF OF TECHNOLOGY

UPDATE/STATUS: RFP Update: Mr. Neat stated we have started interviewing the vendors who responded to the RFP for a new customer system. So far we have had five

interviews and have two remaining. We plan to select a few of these vendors to come in and do demos.

We have also started the initial phase of the AS400 cloud backup system.

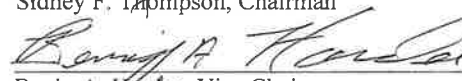
OTHER BUSINESS:

Chairman Thompson called the Board's attention to the Employee Recognition, Sod Donation Report, upcoming Delegation Dinner on Wednesday, March 27th, upcoming Budget Retreat on April 23rd and 24th and upcoming 2024 AWWA Conference in Anaheim, CA.

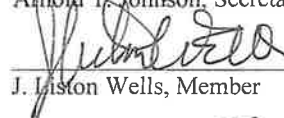
Upon motion duly made, seconded and carried the Board went into executive session for the discussion of employment, contractual and legal matters. Following executive session, the Board returned to regular session.

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


Sidney F. Thompson, Chairman

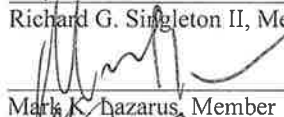

Benjy A. Hardee, Vice Chairman



Arnold T. Johnson, Secretary

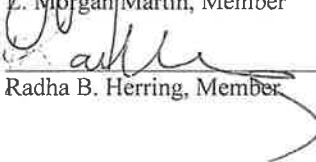

J. Liston Wells, Member


Wilbur M. James, Member

Approved via teleconference
Richard G. Singleton II, Member


Mark K. Lazarus, Member


L. Morgan Martin, Member


Radha B. Herring, Member