

GRAND STRAND WATER & SEWER AUTHORITY
BOARD OF DIRECTORS MEETING
JANUARY 27, 2025

	#MEETINGS (Since 7/1/24)	#ATTENDED (Since 7/1/24)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	6	6	100%
Benjy A. Hardee, Vice Chairman	6	6	100%
Arnold T. Johnson, Secretary	6	5	83%
J. Liston Wells, Member	6	6	100%
Wilbur M. James, Member	6	6	100%
Richard Singleton II, Member	6	6	100%
Mark K. Lazarus, Member	6	4	67%
Radha B. Herring, Member	6	6	100%

MEMBERS ATTENDING VIA TELECONFERENCE:			
Radha B. Herring, Member	6	6	100%

MEMBERS ABSENT:			
L. Morgan Martin, Member	6	3	50%

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

LEGAL COUNSEL:

Bhumi Patel, Burr Forman

VISITORS:

Casey Jones, My Horry News

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 Member, Wilbur James.

APPROVAL OF NOVEMBER 25, 2024 MINUTES: Upon motion duly made by Mr. Singleton, seconded by Mr. Wells, the Minutes of the November 25, 2024 meeting were approved as presented.

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

DISCUSSION/ACTION: Ridge Runner Military Exercise. Mrs. Holder stated this is old business that was brought before the Board several months ago regarding the Ridge Runner Military Exercise. Chairman Thompson requested for this request to be brought back on the agenda for further discussion. After further discussion regarding this request, upon motion of Mr. Johnson, seconded by Mr. Wells the request was denied.

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

DIVISION REPORTS:

UPDATE/STATUS: November/December 2024 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for December 2024 with the Board. As of December 31st, our total operating revenues were \$72 million, which is a 9% increase from the prior fiscal year. The largest changes in operating revenues were increases to the monthly water and wastewater fees, tap fees and other revenue. Monthly water fees are up in all categories except for Bull Creek. 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 as well. Increases in availability and volume make up approximately 96% of the increases for water and wastewater fees. Our tap fees are up \$465,000 from the prior year. Other revenue is up \$1.1 million due to timber sales in the current year, the sale and disposal of assets, cross connection fees and increases of service line maintenance. Our total operating expenses increased \$5.7 million from the prior fiscal year. The largest increases come from personnel services, supplies and materials and capital outlay. Personnel Services have increased \$2.1 million from 2024 due to the increase of the number of employees, merit increases and the associated taxes and retirement. Supplies and Materials have increased \$1.6 million mainly due to an increase in treatment supplies of \$1.2 million and \$361,000 increase for supplies and materials for water and wastewater facilities. Capital Outlay is up \$1.3 million from the prior fiscal year. During the month of December, we received two Freightliners and a tractor. Overall this fiscal year, we have received more vehicles and equipment than we did the prior year through December. There is currently an Operating Surplus of \$11.8 million, an increase of \$195,000 from 2024. Our total Non-Operating Revenues are \$30.5 million an increase of \$8.7 million. The increase is mainly due to receiving \$5.1 million in ARPA funds for the Bull Creek Expansion, \$150,000 from RIA Grant for the Marion Berm, \$3.8 million for the Conway to Bucksport Flow Diversion, \$584,000 from FEMA for Hurricane Florence, \$500,000 from RIA for the Marion WWTP Flow Prevention, and \$72,000 from EDA for the Bucksport Feasibility Study.

Mrs. Jordan shared the consolidated budget to actual report with the Board. As of December 31st, we should be at 50% of our estimated budget. Our operating revenues were budgeted at \$149 million. To-date, we have earned \$72 million or 48% of our estimated budget. We are just slightly below target. Our operating expense budget is \$149 million. Year-to-date we have spent \$60.2 million or 40% of budget. As the year progresses, expenditures will increase as we receive in items for our annual bid. Total non-operating revenues were budgeted at \$55.3 million and to-date we have earned \$30.5 million or 55% of budget. This is due to special fees being 112% of budget due to receiving a large amount of grants so far this year and investment income is higher than what was originally budgeted due to market conditions so far this fiscal year.

UPDATE/STATUS: Investment Analysis: In our PNC Capital Advisors accounts, we have a balance of \$59 million. These funds have a current month yield of (0.49%), a three month yield of (1.08%) and a twelve month yield of 2.93%. The balance in our PFM Asset Management LLC accounts is \$62.5 million with a current month yield of (0.51%), a three month yield of (1.54%) and a twelve month yield of 2.83%. Truist funds total \$4.9 million with a current month yield of (0.28%), a three month yield of (0.91%) and a twelve month yield of 3.58%. Overall, we have \$126.5 million invested with managers. The funds invested by our internal staff total \$118.6 million. Our debt service accounts total \$6.2 million. Our total investment portfolio is \$251.3 million with a current month yield of (0.06%), a three month yield of (0.10%) and a twelve month yield of 3.79%.

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 2.23%. PNC Capital Advisors' fiscal year-to-date return is 2.12% which is

below the benchmark and lower than fiscal year 2024's return of 3.01%. This year's fiscal year-to-date return for PFM Asset Management LLC is 2.29% which is just above the benchmark and lower than last year's return of 3.34%. Truist's fiscal year-to-date return is 2.35% which is above the benchmark and lower than fiscal year 2024's return of 4.17%. The Local Government Investment Pool's fiscal year-to-date return is 2.63% which is slightly lower than the fiscal year 2024 return of 2.86%. Our fiscal year-to-date return for the ABB ICS account is 2.38% which is slightly higher than last year's fiscal year-to-date return of 2.35%. Our fiscal year-to-date return for the CCNB ICS account is 2.33% which is lower than fiscal year 2024's return of 2.55%.

A discussion took place between Mrs. Jordan, Mrs. Holder and Vice Chairman Hardee regarding the investment decisions related to funds invested by internal staff.

UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$10,249 was spent on Business & Travel during the month of December. These costs include subscriptions, membership renewals, exam fees and conference fees. Year-to-date, we have spent a total of \$200,143.

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 December is \$3.6 million. The largest purchase orders in December were issued to Ferguson Waterworks for \$303,577 for a 1,000 meter boxes for inventory, \$262,674 to Horry County for water and sewer relocations, \$181,032 to Preferred Sources for 29 grinder stations for inventory and \$167,400 to American Materials Company for 10,000 tons of washed concrete sand for the Lake View WWTP.

TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The alum dosage at Myrtle Beach averaged 82 mg/l for the month of December which is down (43%) compared to last month. The average alum dosage at Bull Creek for the month of December was 44 mg/l, which is down (23%) compared to last month. Myrtle Beach is currently running at about 55 mg/l and Bull Creek is currently running at about 30 mg/l. In regards to water flows, Myrtle Beach flows were about the same and Bull Creek flows were up 2% compared to last year. The total water flows including ASR and blend wells were up 1%. We have seen quite a turn in raw water quality right now, the color is down. We are low in alum dosage in comparison to what we have normally seen. This is mainly due to low amounts of rain. In regards to wastewater flows, flows at Myrtle Beach were down (13%) and the flows at Schwartz were down (18%) compared to the same time period last year. The total wastewater flows were down (16%) compared to last year. This shows the lack of rain we have seen.

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 December.

In regards to plant operation activities, at the Myrtle Beach SWTP, we finished testing the Ion Exchange resin. We have been working closely with Hazen & Sawyer and Black & Veatch. At the Bull Creek SWTP, MB Kahn is moving along with the project. The new 2.7 MG clearwell is coming along. The slab was poured right before Christmas. They have been putting up the membrane and it is starting to take shape. We are expecting to put the unit into operation late April or early May 2025. Once it is ready, we will have some tracer studies done to give us values to set chlorine residuals and meet the compliance issue. 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 still waiting on the scrubber to be delivered. The design has been completed and we are awaiting the permit from SCDES. We are continuing to have design meetings on upgrades for the Green Sea WWTP, digester blower system at the Schwartz WWTP, Conway WWTP new

headworks structure, Vereen new clarifier and effluent structure and the new Central 4 MGD treatment plant. We have made some process selections there and engineers are working on getting those designs complete for Central.

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 December.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regards to Cool Springs, Jackson Bluff and River Oaks wells, we are reviewing bids for the well house construction. As you know, we have one provider that drills the well and a different provider that helps us with the well house. At International Drive, the final ream is underway.

In the ASR program, for the month of December, we had a net injection of approximately 206 million gallons for an average daily injection of 6.6 million gallons.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in December, we smoke tested 64,959 linear feet of gravity sewer line, cleaned and televised 10,595 linear feet of gravity sewer mains, responded to 212 sewer back-ups and 154 water quality requests, collected 533 water quality samples, inspected 172 cross connection devices, tested and inspected 221 fire hydrants and 681 isolation valves, responded to 15 emergency main line shut-downs, completed one scheduled shutdown and completed 5,731 work orders primarily for meter reading services.

DISCUSSION/ACTION: Tank Logo Request: Mr. Patel stated Marion County's School District contacted us for a request to place their school logo, the Mullins' Auctioneers, on the tank that is currently being renovated. Mr. Patel and Mrs. Holder further explained to the Board other elevated storage tanks we have in our territory that is similar in nature and associated costs. Upon motion of Mr. Johnson, seconded by Mr. Wells, the tank logo request was unanimously approved by the Board as presented.

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 million in the rural water program. Since the last Board meeting, we authorized 13 projects for design for 21,415 linear feet of pipeline and 19 new REUs. Three projects moved from the design phase to construction for 1,910 linear feet of pipeline and 6 REUs. We issued service authorization to 3 projects for 12,075 linear feet of pipeline and 12 new REUs.

On the sewer side, in the fiscal year 2024/2025 budget, the Board has approved over \$6.5 million in the rural sewer program. Since the last Board meeting, we authorized 8 new projects for design that will add 9,290 linear feet of pipeline and 12 new REUs. Three projects moved from the design phase to construction for 5,225 linear feet of pipeline and 4 REUs. We issued service authorization to 2 projects for 8,010 linear feet of pipeline and 15 new REUs.

Currently there are 94 active rural projects in design and 40 projects in construction that will total 50 miles of pipeline and 767 new 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. In calendar year 2024, we installed 26 miles of pipe. In the new year, we just issued service authorization for 2 miles of water and 2 miles of sewer. More smaller projects seems to be the current trend. The miles are down but the number of projects are up.

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 November and December. In November, we had 14 new letters of intent received. Six of those projects are developer extensions totaling 713 REUs. The other 8 projects were single-service commercial projects totaling 50 REUs. We issued service authorization to 4 projects for 293 REUs, which accounted for \$3.2 million of developer contributions. We held 4 preconstruction meetings in November.

In the month of December, we received 13 new letters of intent. All projects were single-service commercial projects for 76 REUs. We issued service authorization to 8 projects for 768 REUs. These projects added approximately \$7.3 million in developer contributions. We held 11 preconstruction meetings in December.

Overall, we have a total of 259 active developer projects. Of the total, 122 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 Bucksport Access Road (Marine Park Road), Construction Resource Group recently completed all repairs identified in the 3-year warranty inspection by Horry County. The new road and associated bridge are now the responsibility of Horry County.

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

In regards to the Conway to Bucksport WWTP Flow Diversion project, M.B. Kahn continues construction of the new diversion pump station at the Conway WWP with nearly 90% completed. RH Moore has now installed approximately 20,000' of the 40,000' of 20" sewer force main along Hwy 701.

In regards to Forestbrook Road Widening project, we held a progress meeting with our consultant, Mead & Hunt. At this meeting, it was determined that in addition to significant water transmission upgrades that the corridor could also be utilized for a new sewer transmission corridor. Mead & Hunt will continue the design and permitting with anticipation of completing by May.

In regards to the new health clinic renovations, Stalvey Construction has now completed all the renovations and modifications. McLeod is now installing all medical equipment to be supplied as part of the contract.

In regards to the Pump Repair Building addition, Stalvey Construction continues to progress well. The addition includes a new climate-controlled bay, office, break area and restrooms with a shower. Stalvey Construction expects to complete the remaining work by the end of next month.

In regards to the Highway 90 to Highway 905 Hydraulic Improvement project, we will hold a progress meeting soon with our consultant, Bolton & Menk. To date, they have completed the survey of the project scope and the preliminary layout that will consist of approximately 20,000 LF of 16" waterline and a booster pump station along Red Bluff Road.

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 January 2024 through December 2024. During 2024, we had an increase of 6,322 total customer accounts or 4.6%. Since the last Board meeting, for the months of November and December, we had a net increase of 977 customers which brings our customer account total to 144,067.

In regards to REUs, for calendar year 2024, we had an increase of 8,035 REUs or 3.9%. Since October, we have had a net increase of 1,367 REUs.

UPDATE/STATUS: Human Resources Update: Mrs. Skipper also shared the quarterly update regarding personnel changes that took place from October to December 2024. We ended the last quarter of 2024 or the second quarter of fiscal year 2025 with 390 employees. We had a total of 20 job postings, hired 11 new employees externally, and 7 employees were selected for internal job postings. We had 7 employees leave GSWSA, which included 4 resignations, one retirement and 2 terminations.

Mrs. Skipper also shared with the Board the annual Customer Satisfaction Survey went out to 4,000 randomly selected customers today and are due back on February 10th. This year the survey was shortened in hopes to increase participation. All customers who complete the survey will receive a \$10 credit on their account.

THOMAS NEAT, CHIEF OF TECHNOLOGY

UPDATE/STATUS: Technology Update. Mr. Neat provided updates to the Board as it relates to customer facing changes. Beginning Monday, March 3rd, we will no longer be able to accept in-person payments by cash or check after 4 p.m. This change is to ensure compliance and abide by new industry standards. Further information was provided to the Board in regards to customer communication and payment options made available to customers. Mr. Neat stated we will be implementing multi-factor authentication on our eBilling site as well. This site will also be placed on a new certified gateway. In response to Mr. James' question in regards to whether we charge a fee for the use of credit cards, Mr. Neat explained we currently do not; however, we plan to implement this in the near future after these projects are complete. The IT department will be installing new devices soon to be used at registers for customers using a card for payment. The new devices will have a chip reader and also allow customers to utilize the tap feature. Mr. Neat stated we are continuing to update pages within our external website to the new website design.


OTHER BUSINESS:

Chairman Thompson called the Board's attention to the Employee Recognition, Sod Donation Report, letter from DNR on the Safe Harbor Program, and upcoming Budget Retreat dates.

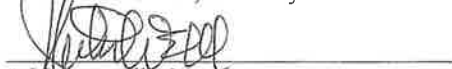
Upon motion duly made, seconded and carried the Board went into executive session for the discussion of contractual matters. Following executive session, the Board returned to regular session.

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


Sidney F. Thompson, Chairman

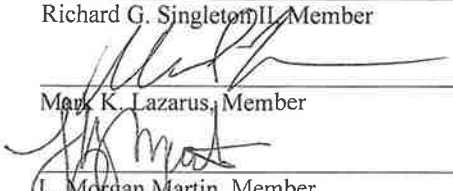

Benjy A. Hardee, Vice Chairman

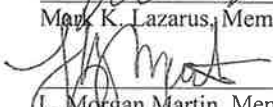

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