

GRAND STRAND WATER & SEWER AUTHORITY  
BOARD OF DIRECTORS MEETING  
JULY 24, 2023

	#MEETINGS (Since 7/1/23)	#ATTENDED (Since 7/1/23)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	1	1	100%
Benjy A. Hardee, Vice Chairman	1	1	100%
Arnold T. Johnson, Secretary	1	1	100%
Wilbur M. James, Member	1	1	100%
Richard Singleton II, Member	1	1	100%
Mark K. Lazarus, Member	1	1	100%

MEMBERS ATTENDING VIA TELECONFERENCE:			
L. Morgan Martin, Member	1	1	100%
Radha B. Herring, Member	1	1	100%
J. Liston Wells, Member	1	1	100%

STAFF PRESENT:

Christy Everett, Chief Executive Officer  
Tim Brown, Chief of Plant Operations  
Chrystal Skipper, Chief of Administration  
Neeraj Patel, Chief of Field Operations  
Christen Jordan, Chief of Accounting and Finance  
Mary McKellar Hunsucker, HR Manager

LEGAL COUNSEL:

Alicia Thompson, 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 JUNE 26, 2023 MINUTES: Upon motion duly made by Mr. James, seconded by Mr. Singleton, the Minutes of the June 26, 2023 meeting were approved as presented.

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

DISCUSSION/ACTION: Resolution 03-23 – A Resolution to Authorize the Chief Executive Officer to Execute and Submit an Application to the South Carolina Water Quality Revolving Fund Authority for a Loan in the Amount of \$24,612,000 for the Bull Creek SWTP Expansion and to Grant a Pledge of and Lien on Revenues for Repayment. Ms. Everett stated this project has been part of our capital improvement plan for several years. Recent interest rates have been less than 2% for 30 years. Upon motion of Mr. Johnson, seconded by Mr. James, the resolution 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. Johnson, seconded by Mr. Singleton, 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:** June 2023 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for June 2023 with the Board. As of June 30<sup>th</sup>, our total operating revenues were \$124.5 million, which is a 4% increase from the prior fiscal year. Our largest increases in operating revenues were increases in monthly water and wastewater fees, tap fees and other revenues. Monthly water fees were up in all categories with the exception of excess and bulk. The largest increases were in water availability, Bull Creek revenues and Myrtle Beach revenues. Monthly wastewater revenues were up in all categories with the exception of excess. The largest increases were in wastewater availability, volume, bulk and Myrtle Beach revenues. Increases in availability and volume make up approximately 47% of the total increase in water and wastewater fees. Our tap fees have increased \$622,602 or 10%. Other revenue is up approximately 8% which is mainly due to an increase in service line maintenance and cross connection fees. Our total operating expenses are \$107.4 million, which is an increase of \$6.2 million or 6% from the prior fiscal year. Personnel Services have increased approximately 5% from fiscal year 2022. This increase is mainly due to the quality incentive pay given to employees. Outside services have increased 7% from fiscal year 2022 due to an increase in service and maintenance contracts, utilities and service and maintenance to water and wastewater facilities. Supplies and materials have increased 28% from fiscal year 2022 due to an increase in treatment supplies of \$3.8 million. Debt service is down approximately \$2.3 million due to the timing of debt service payments. We currently have an operating surplus of \$17.1 million which is a decrease of \$918,733 from the prior fiscal year. Mrs. Jordan reported total non-operating revenues of \$31.3 million, which is an increase of \$8.1 million or 35% from the prior fiscal year. This is mainly due to an increase in investment income of \$8.4 million over fiscal year 2022. Special fees and contributions are down from fiscal year 2022 due to receiving FEMA reimbursements for Hurricane Dorian and Hurricane Florence last year.

Mrs. Jordan shared the consolidated budget to actual report with the Board. As of June 30<sup>th</sup>, we should be at 100% of our budget. Our operating revenues were budgeted at \$123.8 million. To-date, we have earned \$124.5 million or 101% of our estimated budget. Our operating expense budget is \$123.8 million. Year-to-date we have spent \$107.4 million or 87% of the budget. Our expenditures will increase as we continue to receive invoices for work performed or expenses incurred prior to June 30<sup>th</sup>. Total non-operating revenues were budgeted at \$29.7 million and to-date we have earned \$31.3 million or 106% of budget. Impact fees are slightly above target and investment income is higher than we originally estimated.

**UPDATE/STATUS:** Investment Analysis: In our PNC Capital Advisors accounts, we have a balance of \$55.6 million. These funds have a current month yield of (0.69%), a three month yield of (0.78%) and a twelve month yield of (0.58%). The balance in our PFM Asset Management LLC accounts is \$59.1 million with a current month yield of (0.81%), a three month yield of (0.95%) and a twelve month yield of 0.34%. Overall, we have \$114.7 million invested with managers. The funds invested by our internal staff total \$89 million. During the month of June, we opened an ICS account with Coastal Carolina National Bank at a rate of 5%. We moved \$5 million into this bank account. Our debt service accounts total \$2.4 million. Our total investment portfolio is \$206.1 million with a current month yield of (0.25%), a three month yield of (0.03%) and a twelve month yield of 1.26%.

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 (0.27%). PNC Capital Advisors' fiscal year-to-date return is (0.58%) which is below the benchmark and above the 1919 Investment Counsel fiscal year 2022 return of (5.14%). This year's fiscal year-to-date return for PFM Asset Management LLC is 0.34% which is better than the benchmark and higher than last

year's return of (4.38%). The Local Government Investment Pool's fiscal year-to-date return is 60.08% compared to fiscal year 2022's return of 4.06%.  
UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$12,852 was spent on Business & Travel during the month of June. These costs include membership renewals, license renewals, exam fees and meeting expenses. Year-to-date, we have spent a total of \$276,687.

#### TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The alum dosage at Myrtle Beach averaged 69 mg/l for the month of June which is down 30% compared to last month. The average alum dosage at Bull Creek for the month of June was 41 mg/l, which is down 39% compared to last month. We recently experienced a dry spell but now that we are getting rain the alum dosage is currently higher. Myrtle Beach is currently running at about 120 mg/l and Bull Creek is currently running at about 90 mg/l. In regards to water flows, Myrtle Beach flows were up 6% compared to the same period last year and Bull Creek flows were up 15%. The total flows were up 6% compared to last fiscal year. In regards to wastewater flows, flows at Myrtle Beach were down 1% and the flows at Schwartz were up 6% compared to last year. The total wastewater flows were up 4% 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 June.

In regards to plant operation activities, at the Myrtle Beach SWTP, staff is continuing to fine tune the chloramine disinfection process with the use of the recently installed monochloramine analyzer. At the Bull Creek SWTP, testing continues on the Calgon Granular Activated Carbon pilot columns for PFOS and PFAS removal. It appears that we are going to have to put something in place to help with the PFOS and PFAS removal.

On the wastewater treatment plant side, at the Myrtle Beach WWTP, the contractor is continuing to make progress on the new influent pump station, wet well and headworks structure. The proposed start-up will be in March 2024. This should help with the odor and maintenance issues we have had. At the Bucksport WWTP, the Preliminary Engineering Report (PER) is being finalized as part of the expansion design. At the Longs WWTP, we have been working with the contractor on a clarifier baffle issue. Some of the anchors were pulling loose. Even though we are out of the warranty period, the contractor, M.B. Kahn Construction Co., Inc., has been at the plant helping with this issue. At the Vereen WWTP, the pumping system for controlling hydraulic events for the clarifier will be delivered this month. The bar screen was replaced and the debris removal rate has improved. Ms. Everett and the Board briefly discussed the capacity at several of our WWTPs and the ability to expand at each one.

#### 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 June.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regards to the Ten Oaks well in Carolina Forest, monthly cycle testing continues. In regards to the Braves Village well, we received Approval to Place Into Operation from SCDHEC. We have deferred the cycle testing but will initiate the testing in the Fall. In regards to the Highway 410 Blend well, wellhouse construction has been initiated. In regards to the Cool Springs well, final development continues at this site. In regards to the Jackson Bluff well, the screens have been installed. In regards to the River Oaks Elementary well, the geo/physical logs have been completed. This allows us to determine where the screens will be located.

In the ASR program, for the month of June, we had a net recovery of approximately 100.3 million gallons for an average daily recovery of 3.3 million gallons.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in June we smoke tested 465,519 linear feet of gravity sewer line, cleaned and televised 9,741 linear feet of gravity sewer mains, responded to 184 sewer back-ups and 128 water quality requests, collected 484 water quality samples, inspected 226 cross connection devices, 225 fire hydrants and 715 isolation valves, responded to 24 emergency main line shut-downs and 2 scheduled shut-downs, and completed 6,438 work orders primarily for meter reading services.

MATT MINOR, CHIEF OF ENGINEERING AND CONSTRUCTION

Matt Minor was not in attendance at the meeting so Ms. Everett presented information on his behalf.

UPDATE/STATUS: Rural Water and Sewer Projects: Ms. Everett called the Board's attention to the rural water and sewer projects in the Board packet.

UPDATE/STATUS: Developer Projects: Ms. Everett called the Board's attention to the developer projects in the Board packet. Ms. Everett shared a memo with the Board regarding developer project closeout. She stated we are always trying to find ways to provide a higher level of customer service to our customers. Recently, we have been looking at ways to better assist our customers in getting them water service more timely. GSWSA and DHEC both currently have a close-out package. The reviews run concurrently and we will continue to do this. The second thing we looked at was confirmation sampling. We feel like we are already addressing this. The third thing we looked at was meter box installation. This is an area where we may be able to make some changes to provide better customer service. Currently, when service authorization is received, our staff goes out and installs the meter box, meter, backflow device, endpoint, valves and other components. We are currently experiencing supply chain issues with meter boxes. To help with this and to decrease customer wait times, we could allow developers to have their contractors install the meter boxes. We also looked at having the developer or contractor install the endpoint but we have decided against this due to our asset management system. The Board and Ms. Everett further discussed our current process, the different options we have and how it is currently affecting our customers. We try to install meters within two weeks but recently it has been three-four weeks before they are installed. It is our preference to install the boxes ourselves. A decision was made to continue with our current process unless we get in an emergency situation or experience further supply chain shortages.

UPDATE/STATUS: Capital Projects: Ms. Everett called the Board's attention to the Capital Project Status Report in the Board packet.

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 July 2022 through June 2023. We ended the fiscal year with 121,026 customers. This fiscal year, our customer base increased by 4,927 customers or 4.2%. This is very close to last fiscal year's percentage increase of 4.6%. In June, our active accounts increased by 559, inactive accounts increased by 58 and our suspended accounts increased by 12 for a net increase of 629 customers.

In regards to REUs, we ended the fiscal year with 181,043 REUs. We had a total increase of 7,486 REUs or 4.31%. Last fiscal year, our REUs increased by 4.46%. For the month of June, our active REUs increased by 1,032, inactive REUs increased by 48 and our suspended REUs increased by 18 for a net increase of 1,098 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 June was

approximately \$3.2 million. The largest purchase order in June was issued to Heritage Water Systems for 78 retrofit Barnes Razor pumps for \$274,999.32. Other large purchase orders included purchase orders for 1,000 meter boxes for inventory for \$268,000, annual elevated storage tank maintenance for approximately \$204,000 and 29 Myers grinder stations for inventory, 6" VCP pipe bursting, Highway 410 well house building, and ¾" meters.


HUMAN RESOURCES UPDATE: Mrs. Skipper updated the Board on the personnel changes that took place during fiscal year 2023. We ended the fiscal year with 348 full-time employees. We had a total of 83 job postings, hired 71 new employees externally, 52 employees were selected for internal job openings and 63 employees left GSWSA which included 7 retirements, 50 resignations, 4 terminations and 2 deaths.

OTHER BUSINESS:


Chairman Thompson called the Board's attention to the Employee Recognition, Sod Donation Report and the upcoming WEFTEC Conference in Chicago, IL from September 30<sup>th</sup> to October 4<sup>th</sup>.

Upon motion duly made, seconded and carried the Board went into executive session for the discussion of legal and 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.

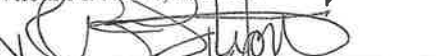
  
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