

GRAND STRAND WATER & SEWER AUTHORITY
BOARD OF DIRECTORS MEETING
JULY 27, 2026

	#MEETINGS (Since 7/1/26)	#ATTENDED (Since 7/1/26)	% ATTENDANCE
MEMBERS PRESENT:			
Benjy A. Hardee, Chairman	1	1	100%
Arnold T. Johnson, Vice Chairman	1	1	100%
Richard Singleton II, Secretary	1	1	100%
Sidney F. Thompson, Member	1	1	100%
J. Liston Wells, Member	1	1	100%
Mark K. Lazarus, Member	1	1	100%
L. Morgan Martin, Member	1	1	100%
B. Kemp Floyd, Jr., Member	1	1	100%

MEMBERS ATTENDING VIA TELECONFERENCE:			
Radha B. Herring, Member	1	1	100%

STAFF PRESENT:

Christy Holder, Chief Executive Officer
Chrystal Skipper, Chief of Administration
Neeraj Patel, Chief of Plant Operations
Matthew Minor, Chief of Engineering & Construction
Thomas Neat, Chief of Technology
Wade Lewis, Chief of Field Operations
Greg Thompson, Chief of Accounting & Finance
Mary Hunsucker, HR Manager

LEGAL COUNSEL:

Bhumi Patel, Burr Forman

VISITORS:

Dave Calvert, PFM Asset Management LLC

Copies of the Notice of Meeting and Agenda were mailed to the local media.

Chairman Hardee called the meeting to order and welcomed everyone in attendance. The invocation was given by Vice Chairman, Arnold Johnson.

APPROVAL OF JUNE 22, 2026 MINUTES: Upon motion duly made by Mr. Wells, seconded by Mr. Singleton and carried, the minutes of the June 22, 2026 meeting were approved as presented.

PRESENTATION OF MANAGED INVESTMENT UPDATE BY PFM ASSET MANAGEMENT LLC: Mr. Dave Calvert of PFM Asset Management LLC presented a thorough overview of the economy as well as GSWA's portfolio investment information to the Board. Mr. Calvert answered questions from the Board and further explained items of interest.

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

PRESENTATION/DISCUSSION: Drought Management Response. Mrs. Holder reminded the Board that we moved forward with implementation of our Drought Management Plan effective July 1st. At that time, we were experiencing severe drought conditions. Despite the fact we implemented the Drought Management Plan on July 1st no one has been billed for any associated usage yet because we bill in arrears. Any excess charges from the Drought Management Plan will be on the August bills for the July readings.

Mrs. Holder shared a graph with the Board showing the water that has been available for sale in Horry County over the last 5 years. In June of this year, we hit a record of 71.5 million gallons a day. We were very close to the record in April and May as well. The graph also shows a seasonal trend.

Mrs. Holder also shared a graph with the Board showing the usage trends for 6,000 gallons or less which is the level of usage before excess fees are applied when the Drought Management Plan has been implemented. Typically, customers are not charged excess fees until they exceed 8,000 gallons. Mr. Johnson asked about lowering the threshold from 8,000 to 6,000 gallons. Mrs. Holder stated we could compile information to share with the Board next year. The graph shared shows that most of our customers use less than 6,000 gallons per month. In June of 2026, 63.8% of our customers used less than 6,000 gallons. When customers are not irrigating, the percentage of customers not using 6,000 gallons is greater.

Mrs. Holder shared another graph with the Board showing the Highway 501 elevated tank levels before and after implementation of the Drought Management Plan. Prior to implementation of the plan, by 7:00 a.m. the tank was at 0, meaning there was nothing available for fire flow protection. After implementation of the Drought Management Plan, the line shifted and the tank barely dropped below 40% and was full by 10:00 a.m. When the tank was bottoming out at 7:00 a.m. it was not fully recovered by 10:00 a.m.

We appreciate our customers changing their patterns to assist us as requested. We hope to eliminate the Drought Management Plan and return to business as usual in the future. It is our hope that everyone continues their revised irrigation schedules going forward.

DISCUSSION/ACTION: Resolution 05-26: A Resolution to Reallocate \$2,500,000 of Appropriated Capital Funding From Capital Project 676-01 (Conway Transmission Main) to Capital Project 636-01 (Perry Road Pump Station Expansion). Mrs. Holder stated this resolution is moving the allocation of funds from one capital project to another because the Conway Transmission Main project came in significantly under budget and the Perry Road project came in slightly over budget. This does not change the overall capital budget. We did not have the actual costs when the budget was initially approved. Both projects are being funded by SRF so the funding source does not change either. Upon motion of Mr. Johnson, seconded by Mr. Singleton, the resolution was unanimously approved by the Board as presented.

DISCUSSION/ACTION: Approval of Board Expenses for AWWA Conference in Washington, DC, June 20th – 25th, 2026. Upon motion of Mr. Johnson, seconded by Mr. Wells, the expenses were unanimously approved by the Board as presented.

DISCUSSION/ACTION: Capital Budget Appropriation Requests – Rural Water Projects. Mrs. Holder stated the rural water projects in the Board packet for appropriation have met the criteria for our rural program.

DISCUSSION/ACTION: Capital Budget Appropriation Requests – Rural Sewer Projects. Mrs. Holder stated the rural sewer projects in the Board packet for appropriation have met the criteria for our rural program.

Upon motion of Mr. Singleton, 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:

GREG THOMPSON, CHIEF OF ACCOUNTING & FINANCE

UPDATE/STATUS: June 2026 Financial Statements. Mr. Thompson reviewed the total sources and uses of funds through June with the Board and shared a comparison from the same time period last year. In regard to revenues, in fiscal year 2026 we brought in \$196 million in revenue which is down \$4 million compared to the same time period last year. This is a combination of an increase in operating revenues and a decrease in non-

operating revenues. For fiscal year 2026, our total outflows were \$192 million which is a combination of operating and capital expenditures. This resulted in a surplus of \$4 million. For fiscal year 2025, our total revenues were \$200 million and total outflows were \$184 million which resulted in a surplus of \$16 million.

Mr. Thompson also shared a chart showing a comparison of the budget to actual revenues and expenses for fiscal year 2026 with the Board. For the entire fiscal year, our operating revenues, operating expenses and non-operating revenues were generally in line with our expectations. We missed the mark on our capital budget. Our revised capital budget was \$90 million but actual expenses were only \$60 million. Therefore, we only realized 67% of what we planned to spend. This is a reflection of timing not a change in scope of the funding we need.

Mr. Thompson also shared several graphs with the Board showing the detailed information for operating revenues, non-operating revenues, operating expenses and capital spending. In regard to operating revenues, monthly water and wastewater fees make up 80% of the total. The largest category in operating expenses is personnel services followed by outside services and supplies and materials. We use the surplus from operating and combine it with the non-operating revenues to fund capital. The largest capital investment was for the Bull Creek SWTP Expansion and Upgrades followed by the rural program.

UPDATE/STATUS: Investment Analysis. We finished the fiscal year with \$370.1 million in total cash and investments. This includes the \$110 million bond issue. We are well positioned to go into fiscal year 2027.

NEERAJ PATEL, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Surface Water Treatment Report. In June, we treated and produced an average of 36.5 million gallons a day at Bull Creek and 29.2 million gallons a day at Myrtle Beach for a combined total of 65.7 million gallons a day. This is an increase of 10.8 million gallons per day compared to June of 2025. Regarding the alum dosage this month, at Bull Creek we had an average alum dosage of 61 mg/l and at Myrtle Beach the average alum dosage was 33 mg/l. The running annual averages are 64 mg/l at Bull Creek and 94 mg/l at Myrtle Beach.

Mr. Patel also shared information regarding the water quality parameters for the month of June. The average color for raw water at Bull Creek was 47 color units and at Myrtle Beach it was 117 color units. The max color on any given day during the month of June was 76 at Bull Creek and 143 at Myrtle Beach.

UPDATE/STATUS: Wastewater Treatment Report. For the month of June, we treated an average daily flow of 42.16 million gallons at all facilities combined. Mr. Patel shared the flow trends for all wastewater treatment plants for the last 10 fiscal years. The current fiscal year-to-date average is 42.7 million gallons a day which is 1 million gallons a day less than the same time period in fiscal year 2025.

UPDATE/STATUS: Compliance with SCDES Water/Wastewater Requirements & Project Status Update. Mr. Patel stated all monitoring was reported and all system operations were conducted in compliance with SCDES requirements for the month of June.

On the wastewater project status side, we are coordinating with our consultant and potential vendor on conducting the pilot study at the Schwartz WWTP. This will give us the opportunity to understand how the ceramic membranes work in preparation for the Central WWTP. In regard to the Schwartz WWTP gravity thickener, we held a bid opening on July 9th where we received 7 bids. Greenwall Construction Services, Inc. was the low bidder with a bid of \$2,032,320. We intend to award them the contract.

In regards to water projects, at the Bull Creek SWTP, the SCADA work and programming is underway at the plant. The clarifier is online. The next step is to get good bacteriological samples on the four filters. If the samples are satisfactory, we will be

seeking verbal approval to place the system into operation. In regard to Phase 1 PFAS for the Bull Creek and Myrtle Beach plants, we received proposals for CMAR on July 2nd. We held interviews for these providers on July 15th and 16th.

Mr. Patel shared the cost breakdown based on preconstruction fees, the markup for self-performing work and subcontract work and the split of work showing what is self-performed and what is to be contracted out. With this, we calculated the total fee for construction services. The preconstruction fees and construction services fees make up the total CMAR fee. If awarded individually or together, Clark Construction was the lowest. Based upon the interviews held and the cost, we would like to award this work to Clark Construction.

Mrs. Holder briefly summarized the CMAR process and work to be performed with the Board. This is a new delivery method for GSWSA. Mrs. Holder stated we look at their preconstruction fee but then look at the markup for self-perform work and subcontract work. Clark had the lowest markups and Reeves-Young had the highest. We have a kick-off meeting scheduled in the next two weeks. We will be working together to try to get a guaranteed maximum price for the projects. As contracts are awarded, Mrs. Holder stated that she would bring them to the Board for approval and action. Mrs. Holder welcomed any questions from the Board on the process. Chairman Hardee asked about the budget and Mrs. Holder stated it was approximately \$170 million but the goal is to be under.

Mr. Patel stated that we received interest from the City of North Myrtle Beach regarding using treated wastewater effluent from our Vereen WWTP for the NMB Sports Complex. We have been working with SCDES and the groundwater folks. Some improvements may be needed for this type of request. Right now, our permit limits for BOD are 10 parts for a monthly average and 15 parts for a weekly max. If we were to use effluent for land application, it would change to half of that. Looking at our current records for the past few years, we can meet these limits. However, there would be an issue with total suspended solids (TSS). Right now, our limits are 30 ppm as a monthly average and 45 for weekly max but this would be reduced to 5 ppm for a monthly average and 7.5 for a weekly max which is significantly lower. Improvements would be necessary for us to meet the new TSS limits. There would also be tighter bacteriological standards. Right now, we are regulated by E.coli. The new daily max would be half of what it is now. Another issue would be disinfection. We currently disinfect our effluent using ultraviolet light so there are no chemicals used. This project would require a chlorine residual which would require a chlorine feed system that would have to be installed. Right now, we are looking at cost to determine the upfront costs. Mrs. Holder further summarized the request and process with the Board. Mr. Hardee stated if the City of North Myrtle Beach was willing to incur the costs required, then we would be happy to make the necessary improvements to provide the service.

WADE LEWIS, CHIEF OF FIELD OPERATIONS

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

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regard to the Jackson Bluff and River Oaks wells, cycle testing for these wells is currently on hold because we need the water in the system and do not want to inject right now. In regard to the International well, we received the bids for the well house building. Stalvey Construction Co., Inc. was the low bidder with a bid just under \$100,000. In regard to the Cool Springs well, we requested a final inspection with Horry County Code Enforcement. In regard to the Highway 501 well, we received the Underground Injection Control permit to construct but are still waiting on the permit to construct from the Bureau of Water. We are also working on plans for a new ASR well in Little River. We are hoping to get a grant for this well.

In the ASR program for the month of June, we had a net recovery of approximately 84.0 million gallons for an average daily recovery of 2.8 million gallons. We are still injecting

in some areas. The total water production in Horry County with the plants and wells was close to 71.5 million gallons per day.

UPDATE/STATUS: Field Operations Activities: In regard to other field operations activities, in June, we smoke tested 162,175 feet of gravity sewer lines, televised 10,674 feet of gravity sewer line, responded to 156 sewer back-ups which is the fewest per month over the past 12 months, responded to 107 water quality/quantity inquiries, collected 440 water samples, responded to 18 emergency shutdowns and the water department completed approximately 4,074 work orders. In regard to the water quality/quantity inquiries, more than 60 of the inquiries were pressure related.

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 FY 2026/2027 budget, the Board has approved over \$5.9 million in the rural water program. Since the last Board meeting, we authorized 4 projects for design for 4,450 linear feet of pipeline and 8 new REUs. Seven projects moved from the design phase to construction for 24,051 linear feet of pipeline and 44 REUs. We issued service authorization to 5 projects for 8,070 linear feet of pipeline and 8 new REUs.

On the sewer side, in the fiscal year 2026/2027 budget, the Board has approved over \$11.3 million in the rural sewer program. Since the last Board meeting, we authorized 9 new projects for design that will add 12,175 linear feet of pipeline and 25 new REUs. Two projects moved from the design phase to construction for 2,810 linear feet of pipeline and 10 REUs. We issued service authorization to 5 projects for 9,400 linear feet of pipeline and 8 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 2026, we have installed 14 miles of 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 June. In June, we received 20 new letters of intent. Three projects were developer extension projects totaling 477 REUs. The other 17 projects were single-service commercial projects totaling 250 REUs. We issued service authorization to 8 projects for 683 REUs which accounted for \$6.8 million in developer contributions. We held 6 preconstruction meetings in June.

Overall, we have a total of 99 active developer projects in the construction or close-out phase. Mr. Minor called the Board's attention to the list of projects and trend charts in the Board packet.

UPDATE/STATUS: Capital Projects: In regard to the Administration Building Expansion, construction is well underway for the addition to each end of the existing Administration Building. Chancel Construction, Inc. has completed the relocation of utilities, the building pads, spread footings and erection of steel columns. The date for substantial completion is February 27, 2027.

In regard to the Conway Parallel 24" Water Transmission Upgrade, we recently awarded the contract to R.H. Moore Company, Inc. for \$9,477,875. Since this is a SRF funded project, we are coordinating a date for a preconstruction meeting with SRF, the contractor and the design consultant.

In regard to the Highway 905 Developer Extension project for sewer in Columbus County, we have awarded the contract to RCB Contractors, LLC in the amount of \$3,987,599.13. A preconstruction meeting was held on July 21st where a Notice to Proceed was issued for today. This project consists of approximately 22,000 linear feet of 16" sewer force main in South Carolina and 8,000 linear feet in North Carolina to provide capacity to current developments under construction as well as future development in Columbus County.

In regard to the Perry Road Water Pump Station Upgrade, we held a bid opening on July 2nd for a new pump station, 5 MGD ground storage reservoir and upgrades to the existing pump station. We received 8 bids with the low bidder being M.B. Kahn Construction Co., Inc. with a bid of \$21,234,500. Harper General Contractors (Harper) was right behind them with a bid of \$21,358,000. Harper has submitted a request for local vendor preference. We are currently working through this process. We also looked at some value engineering items to reduce the scope of work. We were able to get the cost down to approximately \$19.8 million.

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 fiscal year 2026. We ended the fiscal year with 153,121 customers. Our customer base increased by 5,321 customers or 3.6%. For the month of June, our customer base increased by 752 customers. During the month of June, our active accounts increased by 692, inactive accounts increased by 68 and our suspended accounts decreased by 8.

In regard to REUs, we ended the fiscal year with 223,449 REUs. We had a total increase of 6,762 REUs or 3.1%. During the month of June, our REUs increased by 965. During the month of June, our active REUs increased by 878, inactive REUs increased by 44 and our suspended REUs increased by 43.

UPDATE/STATUS: Human Resources Update. Regarding personnel changes for fiscal year 2026, we ended the fiscal year with 390 full-time employees. For the entire fiscal year, we averaged 392 employees. Over the course of the fiscal year, we had a lot of activity which included 110 job postings, 55 external hires, 84 internal changes and we had 40 employees leave the organization which included 3 terminations, 9 retirements and 28 resignations.

THOMAS NEAT, CHIEF OF TECHNOLOGY

UPDATE/STATUS: Technology Update. Since we passed the implementation of debit card fees at the last Budget Retreat, we have had several customers express concerns. One of the main concerns was related to the Durbin Amendment to the Dodd-Frank Act. Mrs. Holder stated that this amendment capped the fee that could be charged for using a card. However, this ultimately does not apply to us as utilities and government entities are exempt from this. We are classified as a MCC 4900 which is the merchant fee for a utility. In addition, South Carolina does not prohibit these fees.

Our fees have to be structured as a convenience fee and have to be communicated to our customers which we have done. We also have to make sure the fee charged is a reflection of the cost associated with completing the transaction. The fee is assessed on the final transaction amount after all discounts and rebates.

Mr. Neat shared a graph showing the number of transactions and the fees for debit and credit transactions. Regarding the number of transactions, our debit transactions are more than double our credit transactions. However, when looking at the transaction amount, the debit transactions make up just over 50% of the total transaction amount. Mr. Neat also shared the total potential fees we would have collected on transactions over the past year. Mrs. Holder added that our customers can avoid incurring a fee by using ACH, auto-draft, e-check, paper check or cash. By charging a fee, we are not fully recouping our cost but the fees are helping offset our cost. It is our hope that our customers choose the other options that do not incur a fee.

Mr. Neat also shared an update with the Board regarding the status of our computer conversion to Cayenta. We feel like we are close to a 36% overall completion of the conversion. The data has been our hold-up because it is structured differently in older systems. Mr. Neat and Mrs. Holder shared several new features that we will have for our customers in the new system versus our current legacy system.

Mr. Neat also shared several security updates with the Board.

OTHER BUSINESS:

Chairman Hardee called the Board's attention to the Employee Recognition, Sod Donation Report, South Carolina Rural Infrastructure Authority Letter and upcoming 2026 WEFTEC Conference in New Orleans, LA from September 26th – October 1st.

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.


Benjy A. Hardee, Chairman


Arnold T. Johnson, Vice Chairman


Richard G. Singleton II, Secretary

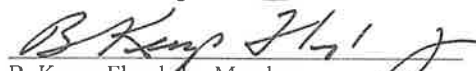

Sidney F. Thompson, Member

Approved via teleconference
J. Liston Wells, Member


Mark K. Lazarus, Member

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L. Morgan Martin, Member


Radha B. Herring, Member


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