

GRAND STRAND WATER & SEWER AUTHORITY
BOARD OF DIRECTORS MEETING
JUNE 26, 2023

	#MEETINGS (Since 7/1/22)	#ATTENDED (Since 7/1/22)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	12	12	100%
Benjy A. Hardee, Vice Chairman	12	11	92%
Arnold T. Johnson, Secretary	12	11	92%
J. Liston Wells, Member	12	12	100%
Wilbur M. James, Member	12	12	100%
Mark K. Lazarus, Member	12	12	100%
L. Morgan Martin, Member	12	8	67%
Radha B. Herring, Member	12	12	100%

MEMBERS ATTENDING VIA TELECONFERENCE:			
Richard Singleton II, Member	12	12	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
Matt Minor, Chief of Engineering and Construction
Christen Jordan, Chief of Accounting and Finance
Mary McKellar Hunsucker, HR Manager

LEGAL COUNSEL:
Alicia Thompson, Burr Forman

CITIZENS ADVISORY COMMITTEE:
Hunter Graham, Member
Gerrel McDowell, Member
Chris Medeiros, Member
Steven Smith, Member

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 MAY 22, 2023 MINUTES: Upon motion duly made by Mr. Wells, seconded by Mr. James, the Minutes of the May 22, 2023 meeting were approved as presented.

PUBLIC HEARING: Resolution 01-23 – A Resolution to Raise Revenue, Make Appropriations and Adopt a Budget for Grand Strand Water and Sewer Authority for Fiscal Years Ending June 30, 2024 and June 30, 2025 and Amend Budget for Fiscal Year 2023. Mr. Thompson opened the Public Hearing for comments regarding Resolution 01-23. There were no comments. The Public Hearing portion of the meeting was closed.

DISCUSSION/ADOPTION: Resolution 01-23 – A Resolution to Raise Revenue, Make Appropriations and Adopt a Budget for Grand Strand Water and Sewer Authority for Fiscal Years Ending June 30, 2024 and June 30, 2025 and Amend Budget for Fiscal Year 2023. Upon motion of Mr. Lazarus, seconded by Mr. Johnson, the resolution was unanimously approved by the Board as presented.

ELECTION OF OFFICERS: CHAIRMAN, VICE-CHAIRMAN, AND SECRETARY:
Mr. Thompson stated the following officers are up for nominations for a two-year period: Chairman, Vice-Chairman and Secretary. The floor was opened for nominations. Upon

motion of Mr. James, seconded by Mr. Wells, the current slate of officers were elected for another term.

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

Ms. Everett recognized the members of the Citizens Advisory Committee who were in attendance and presented them with a plaque to thank them for their service on the committee over the last two years. Mr. Thompson expressed his appreciation and thanked the committee members as well.

DISCUSSION/ACTION: Resolution 02-23: A Resolution to Authorize the Chief Executive Officer to Execute and Submit an Application to the Economic Development Administration for a Grant in the Amount of \$128,000 for a Feasibility Study at the Bucksport Marine Park. Ms. Everett stated we are considering all options and alternatives for the Marine Park. We have been working with NESA on this grant. The grant process will take 6-8 months. This is an opportunity for us to move forward with considering all options and opportunities. Mr. Thompson asked how long the process would take. Ms. Everett stated it may be 6-8 months before we know if we have been approved. Then, the feasibility study will have to be completed. Mr. Thompson expressed his concern with the timing and potential delay. Mr. Lazarus stated it would be good to have if we are able to get it. Ms. Everett stated this would not slow down anything else we are currently doing. This does not obligate us to anything but gives her the authorization to apply for the grant. Upon motion duly made by Mr. James, seconded by Mr. Lazarus, the resolution was unanimously approved as presented.

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

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

Ms. Everett stated these projects have already been designed but we have held off on appropriating them recently pending the new budget which was approved earlier tonight. These projects will move to the construction phase effective July 1st with approval. Upon motion of Mr. Johnson, seconded by Mr. James, the capital budget appropriation requests for rural water and sewer projects were unanimously approved by the Board as presented.

DISCUSSION/ACTION: Slate for Appointment of Members to Citizens Advisory Committee. Upon motion of Mr. Johnson, seconded by Mr. Lazarus, the slate was unanimously approved by the Board as presented.

Ms. Everett stated the monthly Chief Executive Officer's report was included for the Board's information.

DIVISION REPORTS:

CHRISTEN JORDAN, CHIEF OF ACCOUNTING AND FINANCE

UPDATE/STATUS: May 2023 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for May 2023 with the Board. As of May 31st, our total operating revenues were \$111.3 million, which is a 5% 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 46% of the total increase in water and wastewater fees. Our tap fees have increased \$564,453 or 10%. Other revenue is up approximately 4% which is mainly due to an increase in service line maintenance and cross connection fees. Our total operating expenses are \$98.1 million, which is an increase of \$6.7 million or 7% from the prior fiscal year. Personnel Services have increased approximately 4% 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 30% from fiscal year 2022 due to an increase in treatment supplies of \$3.5 million, supplies for vehicles and equipment and water and wastewater facility costs. Debt service is down approximately \$1.5 million due to the timing of debt service payments. We currently have an operating surplus of \$13.2 million which is a decrease of \$1.8 million from the prior fiscal year. Mrs. Jordan reported total non-operating revenues of \$28.1 million, which is an increase of \$6.2 million or 29% from the prior fiscal year. This is mainly due to an increase in investment income of \$8.2 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 May 31st, we should be at approximately 92% of our budget. Our operating revenues were budgeted at \$123.8 million. To-date, we have earned \$111.3 million or 90% of our estimated budget. Our operating expense budget is \$123.8 million. Year-to-date we have spent \$98.1 million or 79% of the budget. Our expenditures will continue to increase as the year progresses and expenses are incurred. We have recently received multiple vehicles and equipment from our annual bid. Total non-operating revenues were budgeted at \$29.7 million and to-date we have earned \$28.1 million or 95% of budget. Impact fees are right on target estimated and investment income is currently higher due to the positive returns in March and April. Special fees and contributions are lower than budgeted because we did not receive the FEMA reimbursements we anticipated receiving in the current year.

UPDATE/STATUS: Investment Analysis: In our PNC Capital Advisors accounts, we have a balance of \$56.2 million. These funds have a current month yield of (0.58%), a three month yield of 1.85% and a twelve month yield of (0.60%). The balance in our PFM Asset Management LLC accounts is \$59.6 million with a current month yield of (0.62%), a three month yield of 2.16% and a twelve month yield of 0.56%. Overall, we have \$115.7 million invested with managers. The funds invested by our internal staff total \$88.7 million. Our debt service accounts total \$13.2 million. Our total investment portfolio is \$217.6 million with a current month yield of (0.17%), a three month yield of 1.50% and a twelve month yield of 1.18%.

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 0.64%. PNC Capital Advisors' fiscal year-to-date return is 0.11% which is below the benchmark and above the 19/19 Investment Counsel fiscal year 2022 return of (4.46%). This year's fiscal year-to-date return for PFM Asset Management LLC is 1.16% which is better than the benchmark and higher than last year's return of (3.81%). The Local Government Investment Pool's fiscal year-to-date return is 51.94% compared to fiscal year 2022's return of 2.76%.

UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$13,366 was spent on Business & Travel during the month of May. These costs include membership renewals, license renewals, exam fees, travel reimbursements and budget retreat expenses. Year-to-date, we have spent a total of \$263,835.

TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The alum dosage at Myrtle Beach averaged 98 mg/l for the month of May which is down 15% compared to last month. The average alum dosage at Bull Creek for the month of May was 68 mg/l, which is down 5% compared to last month. Recently the river levels had gotten to a point where the raw water quality was really good. Myrtle Beach is currently running at about 55 mg/l and Bull Creek is currently running at about 35 mg/l. In regards to water flows, Myrtle Beach flows were down 2% compared to the same period last year and Bull Creek flows were up 10%. The total flows were down 1% compared to last fiscal year. In regards to wastewater flows, flows at Myrtle Beach were up 3% and the

flows at Schwartz were up 5% compared to last year. The total wastewater flows were consistent as 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 May.

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. When you make chloramines you have to feed ammonia chlorine to keep the correct ratio. They have been able to fine tune the process and get the ratios right where they need to be. The results of the chlorine residuals have improved for both the City of Myrtle Beach and the City of North Myrtle Beach. At the Bull Creek SWTP, testing continues on the Calgon Granular Activated Carbon pilot columns for PFOS and PFAS removal. We have set-up three different columns. One column simulates a little more than 10 minutes contact time and we sample half way through. At 5.1 minutes we saw approximately 95% removal. We also tried a shorter contact time. With two minutes of contact time we did not see significant removal. If the regulations stay where they are proposed to be, then we may have to build the vessels and add them into the plant process. The Board and Mr. Brown further discussed the PFOS and PFAS regulations. We will move this process to the Myrtle Beach SWTP to test for 6 months when we finish testing at Bull Creek. We were not able to get two separate units due to demand with the new proposed regulations. Mr. James asked about the wastewater plants. Mr. Brown stated that he believes this will be the second phase of the PFOS/PFAS testing. The regulations are currently only focused on water plants.

On the wastewater treatment plant side, in regards to the Conway WWTP, the switch to the new effluent structure was made near the end of May. This process has been working well. At the Myrtle Beach WWTP, the contractor is continuing to make progress on the new influent pump station wet well and headworks structure. At the Bucksport WWTP, design efforts continue on expansion of the plant. We are working with Hazen and Sawyer. At the Central WWTP, we have been meeting with Black and Veatch on concepts for the new Central WWTP.

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's requirements for the month of May with one exception which was presented to the Board last month. On May 10th, a sewer pipeline failed and resulted in a leak into the Raccoon Run drainage ditch in Socastee. We estimated a total of 15,000 gallons entered the ditch. We recovered approximately 80% or 12,000 gallons. Mr. Patel reminded the Board of the laws regarding environmental spills. We are allowed 2 major spills for every 100 miles of pipeline. Since we are a large utility with 2,000 miles of pipe, we are allowed 40 major spills in a 12-month period.

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, a final inspection has been completed by SCDHEC. In regards to the Highway 410 Blend well, we have received the construction permit for the wellhouse and wellhead piping. In regards to the Cool Springs well, final development continues at this site. In regards to the Jackson Bluff well, the screens have been ordered for this location. In regards to the River Oaks Elementary well, the pilot hole has been completed and the electric logs have been requested.

In the ASR program, for the month of May, we had a net injection of approximately 27.0 million gallons for an average daily injection of 871,663 gallons. In the month of May, some of our wells had a net injection and other had a net recovery. However, in the month of June all wells will likely be in the recovery phase.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in May we smoke tested 464,468 linear feet of gravity sewer line, cleaned and televised 3,911 linear feet of gravity sewer mains, responded to 194 sewer back-ups and 130 water quality requests, collected 540 water quality samples, inspected 216 cross connection devices, 357 fire hydrants and 713 isolation valves, responded to 32 emergency main line shut-downs and 7 scheduled shut-downs, and completed 4,912 work orders primarily for meter reading services.

Mr. Patel stated we attended the Little River Blue Crab Festival in May, which was our first community event with the Hydration Station. We gave out approximately 2,000 cups of free water and provided public education to some of the community members in attendance.

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 2022/2023 budget, the Board has approved over \$6.0 million in the rural water program. As mentioned last month, recently we have not appropriated any additional projects this fiscal year because any new projects would not be complete prior to the end of the fiscal year. In July, we will continue appropriating new projects. In May, we issued service authorization to 10 projects for 14,090 linear feet of pipeline and 29 new REUs.

On the sewer side, in the fiscal year 2022/2023 budget, the Board has approved over \$8.8 million for the rural sewer program. In May, we authorized 2 new projects for design that will add 13,325 linear feet of pipeline and 64 new REUs. We issued service authorization to 5 projects for 6,215 linear feet of pipeline and 11 new REUs.

Calendar year-to-date, we have installed 27 miles of pipeline. This includes 18 miles of sewer line and 9 miles of waterline. Mr. Minor called the Board's attention to the cumulative totals in the Board packet.

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 May. In the month of May, we received 21 new letters of intent. Of the total, 12 were developer extension projects for 657 REUs. The other 9 projects were commercial projects totaling 43 REUs. We issued service authorization to 17 projects for 952 REUs. These 17 projects added approximately \$6.7 million in developer contributions. We held 7 preconstruction meetings. Currently, we have 86 active developer projects in the construction phase. Overall, we have 235 active developer projects in various stages.

Mr. Minor called the Board's attention to the trend charts in the Board packet.

UPDATE/STATUS: Capital Projects: In regards to the 24" Forcemain Relocation on Champions Boulevard, Richardson & Richardson, Inc. recently completed the relocation of approximately 1,900 linear feet of 24" sewer forcemain near the North Myrtle Beach Sports Complex. We are scheduled to meet tomorrow to discuss the coordination of the tie-ins.

In regards to the Bucksport Campground Expansion and Bucksport Marina Parking Lot, D&L Sitework, Inc. has completed the relocated marina parking lot including the two remaining concrete driveways. They have remobilized to the campground expansion after delays in revisions to the plans. The ship store at the marina will also be undergoing repairs.

In regards to the Bucksport WWTP Expansion, Hazen & Sawyer (Hazen) recently submitted the draft Preliminary Engineering Report (PER) to GSWSA for review and comment. Comments have been provided back to Hazen for revisions. Hazen intends to submit the final version to SRF by the end of June. Options for expansion, including a possible new effluent line that will discharge to Bull Creek, are included in the PER.

In regards to the Conway WWTP Effluent Structure Upgrade, as Mr. Brown mentioned, Harper General Contractors completed the tie-ins for the new UV structure.

In regards to the Myrtle Beach WWTP Influent Pump Station and Headworks, Harper General Contractors continues concrete work for the installation of the new influent pump station. This work continues to be on schedule and progressing well.

There were three projects that had to go out for public notice: the Bull Creek SWTP Expansion, Conway Parallel 24" Water Transmission Upgrade and International Drive to North Booster Pump Station 36" Water Main project. The deadline to receive public comments was today. We will submit this information to SRF since we did not receive any comments.

In regards to the Bull Creek SWTP 15 MGD Expansion, Goodwyn Mills Cawood (GMC) has finalized plans and specifications for the expansion of the plant to 60 MGD. We anticipate receiving all permits and approvals in July and will advertise for bids immediately.

In regards to the Conway Parallel 24" Water Transmission Upgrade, GMC continues work toward 100% design plans on the 24" parallel waterline from the Bull Creek SWTP to the Conway Booster Pump Station and Reservoir. This project includes over 11 miles of 24" PVC waterline and 63 private easements.

In regards to the International Drive to North Booster Pump Station 36" Water Main, GMC continues to work toward 100% design plans for the 36" waterline from the new International Drive Booster Pump Station to the existing North Booster Pump Station. This project includes approximately 9 miles of 36" PVC waterline and will be installed around the Lewis Ocean Bay Heritage Preserve.

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 June 2022 through May 2023. During the month of May, our customer accounts increased by 611, which brings our customer account total to 120,397. Over the last consecutive twelve months, our total customer base has increased by 4,832 customers or 4.18%. In May, our active accounts increased by 623, inactive accounts decreased by 17 and our suspended accounts increased by 5.

In regards to REUs, for the month of May, our total REUs increased by 766, which brings our REU total to 179,945. Over the last consecutive twelve months, our total REUs have increased by 6,913 or 3.99%. For the month of May, our active REUs increased by 851, inactive REUs decreased by 14 and suspended REUs decreased by 71.

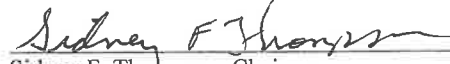
UPDATE/STATUS: Purchase Transactions Over \$3,500: Mrs. Skipper called the Board's attention to the information in the Board packet on purchase order transactions over \$3,500. The grand total for all purchase orders over \$3,500 issued in May was approximately \$2.7 million. The largest purchase order in May was issued to Richardson and Richardson, Inc. for the 24" force main relocation on Champions Boulevard which Mr. Minor previously mentioned. Other large purchase orders included PVC pipe and fittings for the Vereen WWTP Clarifier Pumping Pilot program, grinder stations for inventory, ¾" meters, Highway 430 water pipe materials and ASR well fence and gate replacements as well as other items for our inventory stock.

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 30th to October 4th.

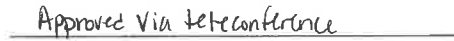
Upon motion duly made, seconded and carried the Board went into executive session for the discussion of legal and contractual matters. Following executive session, the Board returned to regular session.

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

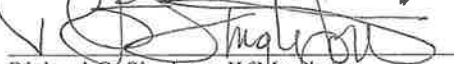

Sidney F. Thompson, Chairman


Benjy A. Hardee, Vice Chairman

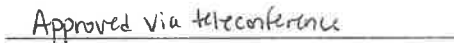

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