

GRAND STRAND WATER & SEWER AUTHORITY
BOARD OF DIRECTORS MEETING
MAY 22, 2023

	#MEETINGS (Since 7/1/22)	#ATTENDED (Since 7/1/22)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	11	11	100%
Benjy A. Hardee, Vice Chairman	11	10	91%
Arnold T. Johnson, Secretary	11	10	91%
J. Liston Wells, Member	11	11	100%
Richard Singleton II, Member	11	11	100%
Mark K. Lazarus, Member	11	11	100%
Radha B. Herring, Member	11	11	100%
MEMBERS ATTENDING VIA TELECONFERENCE:			
Wilbur M. James, Member	11	11	100%
MEMBERS ASBENT:			
L. Morgan Martin, Member	11	7	64%

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:
Amanda Bailey, Burr Forman
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.

Chairman Thompson welcomed Alicia Thompson, an attorney with Burr Forman, who will be serving as legal counsel for GSWSA. He also commended the staff on the excellent Budget Retreat.

APPROVAL OF APRIL 24, 2023 MINUTES: Upon motion duly made by Mr. Johnson, seconded by Mr. Singleton, the Minutes of the April 24, 2023 meeting were approved as presented.

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

PRESENTATION/DISCUSSION: 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. Ms. Everett stated this information was shared with the Board at the Budget Retreat earlier this month. The budget for the fiscal year ending June 30, 2024 is \$139.1 million and the budget for fiscal year ending June 30, 2025 is \$145.8 million.

DISCUSSION/ACTION: Agreement for Solid Waste Collection and Stormwater Management Fee Billing Between GSWSA and City of Conway. Ms. Everett stated this agreement is for solid waste collection and stormwater management fee billing for the City of Conway. This agreement has previously been shared with the Board. It was

presented to the City of Conway and their Council has approved the agreement for us to collect the stormwater and solid waste fees for the City. The City Administrator has signed the agreement. We will begin collecting these fees in July. There will be a \$1.10 fee for each account we collect fees. There are currently 127 accounts associated with this agreement. These are GSWSA customers who reside inside the city limits. We have a similar agreement with the City of Myrtle Beach. Upon motion duly made by Mr. Johnson, seconded by Mr. James, the agreement was unanimously approved as presented.

DICUSSION: Proposed Horry Electric Cooperative Substation Site on GSWSA High Tech Turf Farm. Ms. Everett stated we have been approached by Horry Electric Cooperative who would like to purchase about 5.5 acres of our High Tech Turf Farm for a substation site. This is in the Socastee Community off Bay Road. Horry Electric currently has a site directly across the road but they need to expand the site for their transmission system. Mr. Brown and his staff have reviewed their request and do not have issues with the location they are requesting. We are working on an appraisal for this site.

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: 2023 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for April 2023 with the Board. As of April 30th, our total operating revenues were \$100.1 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, volume, Bull Creek revenues and Myrtle Beach revenues. Monthly wastewater revenues were up in all categories. 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 \$255,395 or 5%. Other revenue is up approximately 3% mainly due to an increase in service line maintenance. Our total operating expenses are \$88.6 million, which is an increase of \$5.6 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 28% from fiscal year 2022 due to an increase in treatment supplies of \$2.8 million, supplies for vehicles and equipment and water and wastewater facility costs. Debt service is down approximately \$1.4 million due to the timing of debt service payments. We currently have an operating surplus of \$11.6 million which is a decrease of \$1.2 million from the prior fiscal year. Mrs. Jordan reported total non-operating revenues of \$26.1 million, which is an increase of \$6.7 million or 35% from the prior fiscal year. This is mainly due to an increase in investment income of \$8.8 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 April 30th, we should be at approximately 83% of our budget. Our operating revenues were budgeted at \$126.3 million. To-date, we have earned \$100.1 million or 79% of our estimated budget. Our operating expense budget is \$126.3 million. Year-to-date we have spent \$88.6 million or 70% of the budget. Our expenditures will continue to increase as the year progresses and expenses are incurred. Total non-operating revenues were budgeted at \$31.6 million and to-date we have earned \$26.1 million or 82% of budget. Impact fees are slightly lower than what we estimated and investment income is currently higher due to the positive returns in March and April.

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 0.49%, a three month yield of 1.08% and a twelve month yield of 0.52%. The balance in our PFM Asset Management LLC accounts is \$60.0 million with a current month yield of 0.49%, a three month yield of 1.68% and a twelve month yield of 1.82%. Overall, we have \$116.2 million invested with managers. The funds invested by our internal staff total \$86.6 million. Our debt service accounts total \$11.2 million. Our total investment portfolio is \$214.0 million with a current month yield of 0.41%, a three month yield of 1.18% and a twelve month yield of 1.72%.

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 1.39%. PNC Capital Advisors' fiscal year-to-date return is 0.69% which is below the benchmark and above the 19/19 Investment Counsel fiscal year 2022 return of (4.98%). This year's fiscal year-to-date return for PFM Asset Management LLC is 1.79% which is better than the benchmark and higher than last year's return of (4.40%). The Local Government Investment Pool's fiscal year-to-date return is 44.34% compared to fiscal year 2022's return of 1.87%.

UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$10,891 was spent on Business & Travel during the month of April. These costs include membership renewals, license renewals, exam fees and travel reimbursements. Year-to-date, we have spent a total of \$250,469.

TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The alum dosage at Myrtle Beach averaged 107 mg/l for the month of April which is down 6% compared to last month. The average alum dosage at Bull Creek for the month of April was 97 mg/l, which is up 33% compared to last month. Myrtle Beach is currently running at about 85 mg/l and Bull Creek is currently running at about 55 mg/l. In regards to water flows, Myrtle Beach flows were up 3% compared to the same period last year and Bull Creek flows were up 7%. The total flows were the same compared to last fiscal year. In regards to wastewater flows, flows at Myrtle Beach were down 1% and the flows at Schwartz were consistent compared to last year. The total wastewater flows were up 7%. This increase was mostly from the Marion, Mullins, Conway and Bucksport plants.

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 April.

In regards to plant operation activities, at the Myrtle Beach SWTP, staff has installed a new monochloramine analyzer to determine the proper chloramine residuals going out into the system. This used to be done by hand but there is instrumentation available to track it. At the Bull Creek SWTP, the Calgon Granular Activated Carbon pilot columns were delivered and have been setup. We are testing a ten-minute contact time on two columns to see the PFOS and PFAS removal rates. We are also interested in replacing some of the media in the existing filters. The contact time is a little over two minutes so it is debatable whether or not it is enough time to absorb those compounds. We are going through the test to see. We will test at Bull Creek for six months and then move it to the Myrtle Beach plant and follow the same approach for testing.

On the wastewater treatment plant side, in regards to the Longs WWTP, the operations group continues to work on the system to lower the nitrates in the effluent. At the Conway WWTP, the contractor completed the tie-in last week so we are now operating the new effluent structure. The UV system is up and running. The contractor is still on-site doing demolition work and cleanup. At the Myrtle Beach WWTP, the contractor is making progress on the new influent pump station wet well and headworks structure. At the Bucksport WWTP, design efforts continue on the expansion of the plant.

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 April.

On May 10th, a sewer pipeline failed and resulted in a leak into the Raccoon Run drainage ditch in Socastee. The pipeline failure was southeast of the intersection of Socastee Boulevard and Brandymill Boulevard. The drainage ditch was temporarily blocked to prevent the sanitary sewer overflow from reaching the Atlantic Intracoastal Waterway. We setup bypass pump operations and recovered the vast majority of the spill by pumping it back into pipeline and a manhole. The pipeline leak was isolated and repaired. We estimated that approximately 12,000 gallons entered the ditch. Public notification was issued to local media outlets. SCDHEC was notified of the event.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regards to the Ten Oaks well in Carolina Forest, monthly cycle testing has been initiated. In regards to the Braves Village well, permanent power has been installed. In regards to the Highway 410 Blend well, review comments have been received and addressed. We have sent our revised comments back. In regards to the Cool Springs well, permanent power has been installed. In regards to the Jackson Bluff well, screen selection has been completed. In regards to the River Oaks Elementary well, the provider has initiated drilling of the pilot hole. The next step will be logging the screen and selecting the screen.

In the ASR program, for the month of April, we had a net injection of approximately 95.4 million gallons for an average daily injection of 3.2 million gallons.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in April we smoke tested 190,236 linear feet of gravity sewer line, cleaned and televised 12,949 linear feet of gravity sewer mains, responded to 126 sewer back-ups and 134 water quality requests, collected 480 water quality samples, inspected 163 cross connection devices, 405 fire hydrants and 649 isolation valves, responded to 32 emergency main line shut-downs and 2 scheduled shut-downs, and completed 5,212 work orders primarily for meter reading services.

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, we will not appropriate any additional projects this fiscal year because any new projects would not be completed prior to the end of the fiscal year. In July, we will continue appropriating new projects. In April, we authorized 5 projects for design for 5,485 linear feet of pipeline and 5 new REUs. We issued service authorization to 2 projects for 1,300 linear feet of pipeline and 2 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 April, we authorized 4 new projects for design that will add 4,805 linear feet of pipeline and 4 new REUs. We issued service authorization to 3 projects for 9,678 linear feet of pipeline and 16 new REUs.

Calendar year-to-date, we have installed 24 miles of pipeline. This includes 17 miles of sewer line and 7 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 April. In the month of April, we received 26 new letters of intent. Of the total, 14 were developer extension projects for 858 REUs. The other 12 projects were commercial projects totaling 45 REUs. We issued service authorization to 8 projects for 446 REUs. These 8 projects added approximately \$2.8 million in developer contributions. We held

11 preconstruction meetings. Currently, we have 97 active developer projects in the construction phase. Overall, we have 237 active developer projects.

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, we held a preconstruction meeting on April 27th with Richardson & Richardson, Inc. for the relocation of approximately 1,900 linear feet of 24" sewer forcemain near the North Myrtle Beach Sports Complex. The relocation is due to conflicts with the adjacent development and established easements in the area. A Notice to Proceed was issued on June 5th with 60 days to complete the work.

In regards to the Bucksport Campground Expansion and Bucksport Marina Parking Lot, D&L Sitework, Inc. is working to complete the newly relocated parking lot. Landscaping has been installed with only the two concrete driveways remaining. D&L Sitework, Inc. also continues grading, drainage and utility work for the campground expansion. Plans were revised to address tenant concerns for grading and utility hook-ups.

In regards to the Bucksport WWTP Expansion, Hazen & Sawyer is nearly complete with the Preliminary Engineering Report that is required by SRF. Hazen intends to submit this in early June. Discussions are also being held regarding the evaluation of the exiting RIBs and potential options to expand the capacity to 10 MGD.

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. All comments have been addressed with the review agencies. We anticipate receiving all permits and approvals soon and intend to advertise for bids in July. As mentioned last month, we received the \$10 million grant for this project.

In regards to the Conway WWTP Effluent Structure Upgrade, as Mr. Brown mentioned, Harper General Contractors completed the tie-ins for the new effluent 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. The site for the new headworks has also been excavated and all piles have been installed.

In regards to the Old Highway 90 Elevated Water Storage Tank, Phoenix Fabricators & Erectors, Inc. has completed all foundation work. The steel structures have been delivered and are being prepared for assembly.

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 May 2022 through April 2023. During the month of April, our customer accounts increased by 450, which brings our customer account total to 119,786. Over the last consecutive twelve months, our total customer base has increased by 4,695 customers or 4.08%. In April, our active accounts increased by 526, inactive accounts decreased by 89 and our suspended accounts increased by 13.

In regards to REUs, for the month of April, our total REUs increased by 625, which brings our REU total to 179,179. Over the last consecutive twelve months, our total REUs have increased by 6,706 or 3.89%. For the month of April, our active REUs increased by 764, inactive REUs decreased by 82 and suspended REUs decreased by 57.

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 April was approximately \$3.4 million. The largest purchase order in April was issued to James River Equipment for the purchase of a new compost turner and the repair of an existing turner as discussed at last month's Board meeting. Other large purchase orders included


purchase orders for meter boxes, ERTs, mounting kits and grinder stations for inventory, pumps for the Myrtle Beach SWTP and E1 repair parts. Over the next month, our Purchasing Manager will be working closely with our Fleet Services Supervisor to get bid documents ready for our annual vehicle bid which will be sent out in July.

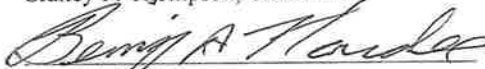
OTHER BUSINESS:

Chairman Thompson called the Board's attention to the Employee Recognition, Sod Donation Report and the letter from the SC Rural Infrastructure Authority.

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

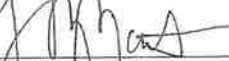

Arnold T. Johnson, Secretary

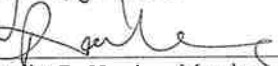

J. Liston Wells, Member


Wilbur M. James, Member

Approved via teleconference
Richard G. Singleton II, Member


Mark K. Bazarus, Member


L. Morgan Martin, Member


Radha B. Herring, Member