

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

	#MEETINGS (Since 7/1/25)	#ATTENDED (Since 7/1/25)	% ATTENDANCE
MEMBERS PRESENT:			
Benjy A. Hardee, Chairman	4	4	100%
Arnold T. Johnson, Vice Chairman	4	4	100%
Sidney F. Thompson, Member	4	4	100%
J. Liston Wells, Member	4	4	100%
Richard Singleton II, Secretary	4	3	75%
Mark K. Lazarus, Member	4	4	100%

MEMBERS ATTENDING VIA TELECONFERENCE:			
Radha B. Herring, Member	4	4	100%

MEMBERS ABSENT:			
L. Morgan Martin, Member	4	2	50%

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  
Chase Martin, Accounting Manager

LEGAL COUNSEL:

Bhumi Patel, Burr Forman

VISITORS:

Olivia Flynn, Hazen & Sawyer  
David Briley, Hazen & Sawyer  
Todd Johnson, Hazen & Sawyer  
Grant Davis, Mauldin & Jenkins CPAs & Advisors

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

Chairman Hardee called the meeting to order, welcomed everyone in attendance and gave the invocation.

APPROVAL OF SEPTEMBER 22, 2025 MINUTES: Upon motion duly made by Mr. Wells, seconded by Mr. Singleton, the minutes of the September 22, 2025 meeting were approved as presented.

AUDIT PRESENTATION OF GSWSA'S FINANCIAL STATEMENTS AND RETIREE HEALTH CARE BENEFIT PLAN BY MAULDIN & JENKINS CPAs & ADVISORS. Mr. Davis called the Board's attention to the ACFR as well as the reports on the OPEB Trust and the Auditor's Discussion & Analysis in the Board packet. Mr. Davis stated an unmodified opinion was issued this year which is the only acceptable result for a financial statement audit. Mr. Davis stated that for the last several years we have been required to undergo a single audit. A single audit is a federal compliance audit which is required in any year that you spend more than \$750,000 in federal money. A guide is issued annually for auditors to complete a single audit. However, this year the guide has not yet been issued, and therefore, the single audit is not yet completed. The recent government shutdown has not helped with this either. Mr. Davis also called the Board's attention to the Certificate of Achievement for Excellence in Financial Reporting

which was awarded by the Government Finance Officers Association for the 2024 ACFR.

Mr. Davis highlighted several things from the financial statements for the Board's information. The net position increased from \$845 million to \$962 million, which is a pretty large increase. Operating revenues increased \$7 million or 5.4% from FY 2024 to FY 2025. Operating expenses also increased approximately 18.2%. Mr. Davis also called the Board's attention to the Statement of Cash Flows. The net cash coming in from operating activities was \$49.8 million. Following along in the statement, this cash was used to pay principal and interest on debt and to invest in infrastructure and several other things. Overall, we had a slight decrease in cash of \$429,688. The total cash and cash equivalents as of June 30, 2025 was \$44.2 million.

Mr. Davis shared other required reporting comments with the Board such as there were no disagreements with management, there were no past adjustments, there were no findings, etc. Mr. Davis felt like this was another great report from an audit standpoint. Mr. Davis commended the staff and management and welcomed any questions from the Board. Mr. Davis also called the Board's attention to the OPEB audit which also received a clean report.

Chairman Hardee asked if there were any adjustments or changes that Mr. Davis felt like we needed to adjust or anticipate going forward. Mr. Davis stated that FY 2024 was an interesting year with the absorption of Little River Water & Sewerage. Mr. Davis said one thing to keep an eye on was the decrease and closing gap in net income. Net income decreased from \$18.3 million at the end of FY 2024 to \$5.0 million for FY 2025. Otherwise, there is nothing to be concerned about at this time.

**PRESENTATION OF CONSTRUCTION MANAGER AT-RISK (CMAR)  
ALTERNATIVE PROJECT DELIVERY METHOD BY HAZEN AND SAWYER.** Mrs. Holder stated that Olivia Flynn and her team with Hazen and Sawyer were here to further explain the concept of using a Construction Manager At-Risk as discussed at the last Board Meeting. Mrs. Holder reminded the Board that we currently have a proposal for Phase I Design for PFAS Treatment for the Bull Creek and Myrtle Beach SWTPs. The proposal includes CMAR as an alternative delivery method for consideration.

Ms. Flynn reminded the Board that she and Mr. Briley recently presented information regarding the PFAS project at the Budget Retreat. She stated that Hazen and Sawyer were there to inform the Board so they could make an informed decision. As a refresher, Ms. Flynn shared that the Board decided to move forward with powder activated carbon at the Myrtle Beach SWTP and granular activated carbon at the Bull Creek SWTP for PFAS treatment. As a reminder, these projects are tied to a compliance schedule and they are quite complex. They are also rather large projects. Therefore, Hazen and Sawyer and Black and Veatch have recommended that GSWSA seriously consider using a CMAR delivery method for this project.

Mr. Johnson from the Raleigh office shared several reasons why the CMAR delivery method is recommended for this project. Most of Mr. Johnson's career has been in collaborative delivery. He understands how to align the collaborative delivery method with specific projects. The CMAR delivery allows you to select a qualified contractor during the design phase. Therefore, they are involved in constructability conversations, value engineering, scheduling, etc. You cannot do this realistically in a design, bid, build environment. Another benefit is a higher level of cost control because costs are developed along the way.

Mr. Johnson further discussed how you procure a CMAR. One of the major concerns specific to the Phase 1 PFAS Upgrades project is that the project may be too large for the contractors who typically bid on our plant work. It is important for us to be able to get interest in the project from qualified contractors. We don't want to get to a point where we do not have contractors to bid on the project. Mr. Johnson discussed these concepts in more detail with the Board and welcomed questions from the Board.

Mr. Singleton asked if a CMAR increased the cost. Mr. Johnson stated that is a hard question to answer because you cannot duplicate the same exact project and deliver it both ways.

Mr. Hardee asked for Mr. Johnson to explain the relationship of the design engineer in the CMAR process. Mr. Johnson stated that a client hires Hazen and Sawyer to do the design engineering. They can help generate interest in the project but they have nothing to do with the selection of the CMAR. Mr. Johnson, Ms. Flynn and the Board further discussed the CMAR delivery method with the Board.

Ms. Flynn shared several other peer utilities with the Board who are currently using CMAR and their experiences.

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

DISCUSSION/ACTION: Resolution 03-25 – 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 \$3,000,000 for the Central WWTP 4 MGD Engineering and to Grant a Pledge of and Lien on Revenue for Repayment. Mrs. Holder stated that this resolution along with the next two authorizes the execution of an application to the State Revolving Loan Fund for several loans. Upon motion duly made by Mr. Singleton, seconded by Mr. Thompson, the resolution was unanimously approved as presented.

DISCUSSION/ACTION: Resolution 04-25 – 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 \$21,036,993 for the Conway Parallel 24" Transmission Main and to Grant a Pledge of and Lien on Revenue for Repayment. Upon motion duly made by Mr. Singleton, seconded by Mr. Thompson, the resolution was unanimously approved as presented.

DISCUSSION/ACTION: Resolution 05-25 – 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 \$35,000,000 for the Bucksport WWTP Expansion 10 MGD and to Grant a Pledge of and Lien on Revenue for Repayment. Upon motion duly made by Mr. Singleton, seconded by Mr. Thompson, the resolution was unanimously approved 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. Thompson, seconded by Mr. Singleton, the capital budget appropriation requests for rural water and sewer projects were unanimously approved by the Board as presented.

Mrs. Holder stated the October CEO status report was included for the Board's information.

#### DIVISION REPORTS:

##### GREG THOMPSON, CHIEF OF ACCOUNTING & FINANCE

UPDATE/STATUS: September 2025 Financial Statements: Mr. Thompson recognized Chase Martin and the Accounting team for putting together the ACFR this year. We will use this report all year as we apply for grants and get access to the capital market. It is

extremely important. The process starts at the beginning of the year to make sure every transaction is properly documented.

Mr. Thompson shared several charts regarding the fiscal year 2026 financials with the Board. As of September, our operating revenues are up \$1.7 million and our non-operating revenues are down \$4.8 million compared to the same period in fiscal year 2025. This is a reflection of the rate environment that we are in and the limited grants we have had access to this year. In regard to operating expenses, our expenses are up \$2.0 million in fiscal year 2026 as compared to fiscal year 2025. One million dollars of the increase is attributed to the capital outlay items we recognized in the first quarter of fiscal year 2026 that were originally budgeted in fiscal year 2025. Our net income as of September of 2025 is \$18.0 million compared to \$23.0 million in September of 2024.

Regarding our budget-to-actual comparison, we are one quarter of the way through the fiscal year. Fiscal year-to-date we are at 25% of budgeted operating revenues so we are right on pace with where we thought we would be. In regard to non-operating revenues, we are at 33% of budgeted non-operating revenues. We are currently at 21% of budgeted expenses.

UPDATE/STATUS: Investment Analysis: Mr. Thompson called the Board's attention to the Investment Portfolio in the Board packet. As of September 30<sup>th</sup>, our total investment portfolio is approximately \$252.8 million.

Mr. Thompson shared a reconciliation between the cash and investment portfolio and change in net position with the Board. Part of this reconciliation is explained with our self-funded capital investment of \$23 million through the first quarter of fiscal year 2026. Mr. Thompson shared a chart with the Board showing how much of the \$23 million funded each capital project. Of the total, \$7.1 million or 31% went to fund the Bull Creek SWTP expansion.

As we look forward at our funding needs for fiscal year 2027 and 2028, there are several significant projects on the horizon. Over the next three fiscal years, we are projecting a deficit of \$215 million to fund. In looking at our needs in the future, Mr. Thompson recommended increasing the proposed Series 2026 Bonds to \$100 million. This will fund us through the remainder of this fiscal year, next year and partially through fiscal year 2028. Issuing a smaller total bond and going back to market again would result in higher fees. We have the debt capacity to issue \$100 million in bonds. Our coverage ratio is sufficient to take on the debt and would not exceed our debt capacity. There is no action needed at this point. Mr. Thompson plans to have a bond resolution at the next Board in hopes of taking action then.

#### NEERAJ PATEL, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Surface Water Treatment Report. In September, we treated and produced an average of 35.5 million gallons a day at Bull Creek and 18.7 million gallons a day at Myrtle Beach for a combined total of 54.2 million gallons a day. This is 5.1 MGD greater than September of 2024. Mr. Patel called the Board's attention to the trends for the last 24 months as shown in the Board packet. Regarding the alum dosage this month, at Bull Creek we had an average alum dosage of 63 mg/l and at Myrtle Beach the average alum dosage was 154 mg/l. This is in line with our running annual averages, which are 70 mg/l at Bull Creek and 110 mg/l at Myrtle Beach.

Mr. Patel also shared information regarding the water quality parameters for the month of September. The average color for raw water at Bull Creek was 52 color units and at Myrtle Beach it was 332 color units. Being in the low country, we probably have the highest color levels of anyone in South Carolina.

UPDATE/STATUS: Wastewater Treatment Report. For the month of September, we treated an average daily flow of 42.0 million gallons at all facilities combined. This is 4.5 MGD less than September of 2024. 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 47.4 million gallons a day.

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 September.

On the project status side, at the Bull Creek SWTP, construction for the 15 MGD expansion continues. This week during a progress meeting, we will be discussing all the equipment installations and startups for plant 4 and the raw water pump station. All of the concrete basins have been poured and are holding water.

On the wastewater side, at the Bucksport WWTP, all permit applications have been submitted. We are awaiting comments from the regulatory agencies. Regarding the Schwartz WWTP digester blowers, the start-up has been completed for a portion of the blowers and they are online. This work will continue and we hope to finish it soon. In regard to the Myrtle Beach WWTP biological scrubber, the construction permit has been issued for the scrubber system.

#### 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 September.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regard to the Jackson Bluff well, we will be scheduling the final inspection by SCDES once the fence is installed. In regard to the River Oaks well, we are scheduling the final inspection with SCDES. In regard to the International Drive well, the application and plans have been submitted for the second step of well permitting. In regard to the East Cox Ferry and Longs wells, the permit to construct applications are being reviewed by SCDES.

In the ASR program, for the month of September, we had a net recovery of approximately 118.8 million gallons for an average daily recovery of 4.0 million gallons.

UPDATE/STATUS: Field Operations Activities: In regard to other field operations activities, in September, the Wastewater Collections Department smoke tested 440,540 linear feet of gravity sewer line, cleaned and televised 1,994 linear feet of gravity sewer and responded to 182 sewer backups. The Water Department responded to 71 water quality requests, collected 390 water quality samples, inspected 187 cross connection devices, tested and inspected 541 fire hydrants and 1,039 isolation valves, responded to 27 emergency main line shut-downs, completed 3 scheduled shutdowns and completed 6,560 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 FY 2026/2027 budget, the Board has approved over \$1.5 million in the rural water program. Since the last Board meeting, we authorized 7 projects for design for 8,225 linear feet of pipeline and 13 new REUs. Five projects moved from the design phase to construction for 12,495 linear feet of pipeline and 9 REUs. We issued service authorization to 3 projects for 3,560 linear feet of pipeline and 5 new REUs.

On the sewer side, in the fiscal year 2026/2027 budget, the Board has approved nearly \$2.5 million in the rural sewer program. Since the last Board meeting, we have authorized 12 new projects for design that will add over 20,000 linear feet of pipeline and 21 new REUs. Five projects moved from the design phase to construction for 8,325 linear feet of pipeline and 19 REUs. We issued service authorization to 3 projects for 17,190 linear feet of pipeline and 67 new REUs. The majority of these REUs are from the Ridge Road Area Developer Extension that will serve a new residential subdivision.

Currently, there are 103 active rural projects in design and 32 projects in construction that will add a total of 51 miles of pipeline and 887 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 2025, we have installed 31 miles of pipeline which includes 12 miles of waterline and 19 miles of sewer 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 September. In September, we received 21 new letters of intent. Eleven of these projects were developer extension projects totaling 534 REUs. The other 10 projects were single-service commercial projects totaling 44 REUs. We issued service authorization to 12 projects for 1,110 REUs which accounted for just over \$8.2 million in developer contributions. We held 2 preconstruction meetings in August.

Overall, we have a total of 106 active developer projects 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 regard to the Administration Building Expansion, GSWSA and its consultant, Mozingo & Wallace Architects, have completed all plans, specifications and bid documents. All comments have been addressed with the permitting agencies. We plan to advertise the project this week with a bid opening set for December 18<sup>th</sup>.

In regard to the Conway Parallel 24" Water Transmission Upgrade, our consultant Goodwyn Mills Cawood (GMC) has submitted 90% plans for our staff to review. Comments were provided and now GMC is finalizing plans and revising the easement exhibits. Easement acquisition will include acquiring permissions from 64 parcels. The project has also been submitted to all permitting agencies for review.

In regard to the Highway 17 Business Intersections Improvements in Garden City, the SCDOT has awarded the road improvement project to King Asphalt, Inc. and recently held a preconstruction meeting. GSWSA has been informed that King Construction Services, Inc. will be the subcontractor for the water and sewer utility relocations. King Construction has provided material submittals for review. A separate preconstruction meeting with King Construction and GSWSA is now being scheduled before work can commence.

In regard to the Highway 90 to Highway 905 Water Hydraulic Improvement project, our engineering consultant, Bolten & Menk, has submitted 60% plans for staff to review. Comments were provided and Bolten & Menk is now working toward 90% plans. Submittals are expected to be delivered to permitting agencies in November. Only one land/easement acquisition is required for this project for the booster pump station near Highway 905.

In regard to the Perry Road Water Pump Station Upgrade project, our consultant Weston & Sampson Engineers, formally MBD Consulting Engineers, P.A., has revised finalized plans based on comments and resubmitted to all permitting agencies. SRF is currently reviewing for approval of the preliminary engineering report and construction permitting.

#### 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 October 2024 through September 2025. During the month of September, our customer base increased by 423 customers which brings our customer account total to 148,735. Over the last twelve consecutive months, our total customer base has increased by 3.9%. During the month of September, our active accounts increased by 453, inactive accounts decreased by 54 and our suspended accounts increased by 24.

In regard to REUs, during the month of September, our total REUs increased by 493, which brings our REU total to 217,799. Over the last twelve consecutive months, our total REUs have increased by 3.5%. During the month of September, our active REUs increased by 577, inactive REUs decreased by 128 and our suspended REUs increased by 44.

UPDATE/STATUS: Health Insurance Benefits and Renewal Update. Mrs. Skipper shared our health insurance renewals for 2026 with the Board. We received our renewals late last Friday. BCBS was late in issuing their renewals this year. We currently offer two plans: a Copay plan and a HDHP with a Health Savings Account.

Initially, we received a 19.9% increase for our medical insurance premiums. Because of this increase, McGriff went out to market for us and continued negotiating with BCBS to get the rate lowered over the last couple of weeks. The final rate increase from BCBS with no plan changes was 7.91%. However, in order to further lower our premiums, we looked at our deductibles and coinsurance which have not changed since 2015. By increasing our deductible for single coverage by \$150 and the family deductible by \$300 as well as increasing our maximum out of pocket and emergency room copays, we were able to reduce our increase to 6.06%. With these changes, our deductible still remains low and competitive with others in the area.

We were fortunate to receive a rate pass for our vision and dental coverages as well as our coverages through Mutual of Omaha which includes LTD, AD&D and basic life insurance for our employees. The supplemental life insurance policies also received a rate pass.

In regard to the bid results from going out to market, we received a bid from United Healthcare with an increase of 26% so we did not consider it as an option. The other bid came from Cigna. Under Cigna's proposal, our rates would have increased by 9.96%; however, they offered a credit of \$582,672 the first year which lowered the rate increase to 1.67%. This would have been a great savings for GSWSA but would have negatively impacted our employee premiums. Employees on the Copay plan would have had an 8% increase and HDHP participants would have had an 18% increase.

Overall, we feel that BCBS is the better option. The average increase for all employees is approximately 7.39% compared to an overall average increase for employees of 12.75% if we switched to Cigna. We anticipate getting some relief next year with moving some retirees off the plan as well as opening the on-site health clinic.

UPDATE/STATUS: Human Resources Update: Mrs. Skipper shared information regarding personnel changes that took place during the first quarter of fiscal year 2026 with the Board. We ended the quarter with 389 employees. We had a total of 36 job postings, hired 25 new employees externally and 30 employees were selected for internal job postings. We had 14 employees leave GSWSA, which included 12 resignations, one retirement and one termination.

THOMAS NEAT, CHIEF OF TECHNOLOGY

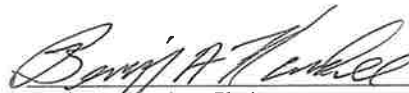
Mr. Neat did not have any updates for the Board this month.

OTHER BUSINESS:

Chairman Hardee called the Board's attention to the Employee Recognition, Sod Donation Report and GSWSA Endowed Scholarship Trust report in the Board packet.

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

Approved via teleconference

Richard G. Singleton II, Secretary



Sidney B. Thompson, Member



J. Liston Wells, Member



Mark K. Lazarus, Member

Approved via teleconference

L. Morgan Martin, Member

Approved via teleconference

Radha B. Herring, Member

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