

GRAND STRAND WATER & SEWER AUTHORITY
BOARD OF DIRECTORS MEETING
SEPTEMBER 22, 2025

	#MEETINGS (Since 7/1/25)	#ATTENDED (Since 7/1/25)	% ATTENDANCE
MEMBERS PRESENT:			
Benjy A. Hardee, Chairman	3	3	100%
Arnold T. Johnson, Vice Chairman	3	3	100%
Sidney F. Thompson, Member	3	3	100%
Mark K. Lazarus, Member	3	3	100%
L. Morgan Martin, Member	3	2	67%
Radha B. Herring, Member	3	3	100%

MEMBERS ATTENDING VIA TELECONFERENCE:			
Richard Singleton II, Secretary	3	2	67%
J. Liston Wells, Member	3	3	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:

Richard Underwood, PNC Capital Advisors
Shane Wheaton, Benistar

VISITORS ATTENDING VIA TELECONFERENCE:

Drew Daniels, Benistar
Will Stewart, McGriff Insurance Services

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 AUGUST 25, 2025 MINUTES: Upon motion duly made by Mr. Johnson, seconded by Mr. Thompson, the minutes of the August 25, 2025 meeting were approved as presented.

PRESENTATION OF MANAGED INVESTMENT UPDATE BY PNC CAPITAL ADVISORS: Mr. Richard Underwood of PNC Capital Advisors presented a thorough overview of the economy as well as GSWSA's portfolio investment information to the Board. Mr. Underwood made a recommendation to sell some of the shorter investments and reinvest them as interest rates are coming down. Mr. Underwood answered questions from the Board and further explained items of interest.

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

DISCUSSION/ACTION: Medicare Eligible Retiree Insurance Proposal by Benistar Group Retiree Health Solutions & McGriff Insurance Services. Mrs. Skipper introduced Shane Wheaton with Benistar and Will Stewart with McGriff Insurance Services, who

will be presenting another option for insurance coverage for our Medicare eligible retirees. This coverage would only be for retirees age 65 and older. This option will benefit both our retirees and GSWSA. Mr. Stewart stated we have been looking at creative ways to reduce our claims exposure for the last 2 years. There have been a couple of incidents where retirees have gone to Human Resources with claims issues because they knew their costs would have been cheaper on the type of plan we are proposing. Long-term, in the years to come, we hope that we can go into renewal season with improved demographics and claims to help with our insurance renewal.

Mr. Wheaton introduced himself and answered several initial questions from the Board. Mr. Wheaton explained that Benistar is a third-party retiree insurance administrator that specializes in nothing but retiree insurance. They will serve as the point of contact for retirees who have questions or need assistance with their insurance. Their proposal includes a Medicare supplemental plan through United American and prescription drug coverage through Humana. Mr. Wheaton stated he and his team conduct a market survey every couple of years to ensure that retirees are getting the best coverage at the most affordable prices.

Mr. Wheaton also explained Benistar's no fuss enrollment. Benistar will help all existing retirees enroll in the new plan. GSWSA does not currently have each retiree's Medicare Beneficiary Identifier (MBI), but Benistar will take the lead on obtaining all of this information. They will do outreach calls, a mailing, an online platform, etc. This will apply to the initial enrollment as well as all retirees being added to the plan.

Mrs. Skipper shared additional information with the Board regarding the premiums and cost to both GSWSA and retirees. Currently, our retirees pay 25% of our premiums and GSWSA covers the remaining 75%. GSWSA's costs would decrease approximately \$202 per month. We currently have 37 retirees eligible for the new plan.

In regard to retiree cost, retirees currently pay \$252.03 per month for coverage. Going forward, retirees would only be responsible for the cost of Part B coverage which is proposed to be \$206.50 for 2026. However, retirees with higher incomes will pay higher premiums based upon their tax returns.

Upon motion duly made by Mr. Johnson, seconded by Mr. Martin, the recommendation to move the retirees from our traditional insurance plan to a Medicare supplement plan was unanimously approved by the Board as presented.

PRESENTATION/DISCUSSION: Town of Lake View – Veteran Memorial. Mrs. Holder stated we received a letter from the Town of Lake View requesting assistance on a water tap and irrigation meter for a new veteran memorial park. Mrs. Holder stated we do not typically waive fees, but it was up to the Board to consider an alternative payment method or waiver. The fees for these services are approximately \$3,000. Upon motion of Mr. Johnson, seconded by Mr. Martin, the Board unanimously approved to waive the fees as requested.

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. Lazarus, seconded by Mr. Johnson, the capital budget appropriation requests for rural water and sewer projects were unanimously approved by the Board as presented.

PRESENTATION/DISCUSSION: Construction Manager At-Risk Alternative Project Delivery Method. Mrs. Holder stated that in the industry we have seen a move toward using a Construction Manager At-Risk (CMAR) which is an alternative construction delivery method for capital projects. GSWSA would still contract with an engineering

team and get a project to 30-60% design then enter a contract with a Construction Manager during design. This brings the contractor into the mix sooner. There is a bid process to acquire a CMAR. The CMAR would provide pre-construction services for the project to include cost estimating, value engineering, constructability, and pre-procurement of materials. This also helps speed up the schedule.

Mrs. Holder shared several benefits of using a CMAR with the Board. One of the benefits is that GSWSA has higher control over the cost from the start of the project. Using a CMAR results in a very collaborative effort and lots of transparency. It also limits our risk because we know what the costs will be.

Mrs. Holder explained the process of how we would procure a CMAR. The first step is to issue an RFP package with a comprehensive list of qualifications.

In regard to the CMAR contract, we would just have a letter agreement. The agreement includes an "off-ramp" to allow us to end all contractual obligations to the CMAR at any point. For example, if we hire a CMAR at 30% and get to 90% and we are not happy with the process, we can cancel the contract. There is no obligation to continue. We can also choose to negotiate and accept a guaranteed maximum price (GMP) provided by the CMAR at the established design points and enter a construction contract.

Mr. Johnson asked about the process before the idea of a CMAR. Mrs. Holder explained that we would design, bid and build. This is the traditional delivery, but the construction projects have become very complicated.

Mrs. Holder and the Board further discussed the concept of a CMAR and other options. The Board had many questions so Mrs. Holder stated that she would have our engineering team come do a presentation to provide further clarification on the process.

DIVISION REPORTS:

GREG THOMPSON, CHIEF OF ACCOUNTING & FINANCE

UPDATE/STATUS: August 2025 Financial Statements: Mr. Thompson shared several charts regarding the fiscal year 2026 financials with the Board. In August, our operating revenues are \$25 million compared to \$23.9 million during the same period in fiscal year 2025. This year, our non-operating revenues are \$8.3 million compared to \$10.7 million during the same period in fiscal year 2025. In summary, fiscal year-to-date we have total revenues of \$33.3 million this year compared to \$34.6 million last year. In regard to operating expenses, our expenses are up \$1.4 million in fiscal year 2026 as compared to fiscal year 2025.

Mr. Thompson shared information to help explain these changes. The \$1 million or 4% increase in operating revenues is due to a combination of a 5.74% average rate increase, an increase to our customer base of approximately 6,000 customers and a decrease in water flow but increase in wastewater flow. Regarding operating expenses, the increase of \$1.3 million or 7% is due to an increase in capital outlay. We budgeted and ordered 11 vehicles last year, but we did not receive them until this year. The decrease in non-operating revenues stems from a different interest rate environment this year compared to 2025.

Regarding our budget-to-actual comparison, fiscal year-to-date we are at 16% of budgeted operating revenues, 24% of budgeted non-operating revenues and 14% of budgeted expenses. Our operating revenues are trending right in line with the budget. Our non-operating revenues are trending above the budget due to strong investment income and money received from FEMA for Hurricane Florence and in SCIIP Funds for the Bull Creek Expansion. Our operating expenses are trending below budget in all categories except capital outlay.

UPDATE/STATUS: Investment Analysis: Mr. Thompson called the Board's attention to the Investment Portfolio in the Board packet. As of August 31st, our total investment portfolio is approximately \$250 million. As mentioned both last month by PFM and this

evening by PNC, both investment managers are recommending extending the length of our portfolios from 3.5 years to more of a 4-5 year average. The Board agreed with this recommendation.

Mr. Thompson shared a graph with the Board showing the fiscal year-to-date investment returns for several accounts.

UPDATE/STATUS: Purchase Transactions Over \$3,500: Mr. Thompson called the Board's attention to the list of purchase orders over \$3,500 in the Board packet totaling \$5.2 million for the month of August.

NEERAJ PATEL, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Surface Water Treatment Report. In August, we treated and produced an average of 31.7 million gallons a day at Bull Creek and 19.9 million gallons a day at Myrtle Beach for a combined total of 51.6 million gallons a day. 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 110 mg/l and at Myrtle Beach the average alum dosage was 134 mg/l. This is in line with our running annual averages, which are 74 mg/l at Bull Creek and 113 mg/l at Myrtle Beach.

Mr. Patel also shared information regarding the water quality parameters for the month of August. The average color for raw water at Bull Creek was 102 color units and at Myrtle Beach it was 307 color units.

UPDATE/STATUS: Wastewater Treatment Report. For the month of August, we treated an average daily flow of 50.8 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 50.0 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 August.

On the project status side, at the Bull Creek SWTP, construction for the 15 MGD expansion continues. We are almost 70% complete with this project from a timing and cost standpoint.

On the wastewater side, at the Bucksport WWTP, all permit applications have been submitted. Regarding the Schwartz WWTP digester blowers, we are coordinating start-up of the blower systems with the contractor, engineer and equipment provider. We hope to have them online in the next week or so. In regard to the Myrtle Beach WWTP biological scrubber, the construction permit for air has been drafted and is currently under public notice. This will end soon, and we can start construction on the project.

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 August.

This month we had a significant sewer spill which is considered significant because it was over 5,000 gallons. On August 29, 2025, a public notice was issued due to a wastewater spill that occurred on August 28, 2025, along (under) Highway 707 in the Socastee community in front of the Conway Medical Center Health Plaza South. The spill resulted from a pipeline failure on a 20" sewer force main. Mr. Lewis shared pictures with the Board showing the break as well as the condition of the pipe. The ductile iron pipe was corroded. We had to utilize bypass piping in order to make the repair. We replaced 100 feet of pipeline with PVC pipe. An estimated 50,000 gallons was spilled but we were able to recover 41,000 gallons. SCDES was happy with our efforts

and there was no violation. We had lots of traffic control efforts in place as well because a portion of the road was not accessible for a period of approximately 2 weeks.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regard to the Jackson Bluff well, the well building has been completed. In regard to the River Oaks well, the CO has been issued by Horry County. We will be scheduling the start-up for both the Jackson Bluff and River Oaks wells in early October. In regard to the International Drive well, we are waiting on results from the water quality analysis samples. In regard to the Carolina Pines well, Professional Pump and Well, Inc. has mobilized and is setting up the well drilling rig. In regard to the East Cox Ferry and Longs wells, the permits to construct applications have been submitted to SCDES.

In the ASR program, for the month of August, we had a net recovery of approximately 121.5 million gallons for an average daily recovery of 3.9 million gallons.

UPDATE/STATUS: Field Operations Activities: In regard to other field operations activities, in August, the Wastewater Collections Department smoke tested 403,483 linear feet of gravity sewer line. Our crews responded to 24 emergency main line shutdowns in August and completed 6,938 work orders.

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 \$950,800 in the rural water program. Since the last Board meeting, we authorized one project for design for 5,360 linear feet of pipeline and 30 new REUs. This is a developer extension project on the other side of Loris. Five projects moved from the design phase to construction for 3,940 linear feet of pipeline and 7 REUs. We issued service authorization to 2 projects for 3,220 linear feet of pipeline and 3 new REUs.

On the sewer side, in the fiscal year 2026/2027 budget, the Board has approved over \$2.0 million in the rural sewer program. Since the last Board meeting, we have authorized 6 new projects for design that will add 12,245 linear feet of pipeline and 16 new REUs. Five projects moved from the design phase to construction for 2,490 linear feet of pipeline and 7 REUs.

Currently, there are 96 active rural projects in design and 28 projects in construction that will add a total of 50 miles of pipeline and 921 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 27 miles of pipeline which includes 11 miles of waterline and 16 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 August. In August, we received 23 new letters of intent. Thirteen of these projects were developer extension projects totaling 1,244 REUs. The other 10 projects were single-service commercial projects totaling 75 REUs. We issued service authorization to 8 projects for 766 REUs which accounted for just over \$5.5 million in developer contributions. We held 8 preconstruction meetings in August.

Overall, we have a total of 257 active developer projects in the varying statuses. 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 Highway 701 Widening (N of Conway), we are in contract for this project so the prime contractor will provide the water and sewer relocations for utilities within our service area. A bid opening was held in August and Palmetto Corporation of Conway was the low bidder. They intend to use

Richardson & Richardson, Inc. as the utility contractor. Our portion of the utility relocation is \$1.35 million for water and \$1 million for sewer. This includes upgrading the waterline size from 10" to 24".

In regard to the office renovations for the Little River and Marion offices, we consulted with D3G Architects, LLC for these renovations. The renovations include various improvements to the workspace as well as security improvements including security windows and steel plating. We held a bid opening on September 9th. We received two bids. Stalvey Construction Company, Inc. was the low bidder with a bid of \$275,900. They are being awarded the contract.

In regard to the Peachtree Sewer Booster Pump Station project, our consultant, Hazen & Sawyer (Hazen), recently submitted 30% of plans to GSWA for review. The booster pump station is located at the major intersection of transmission lines that will have the ability to pump through the newly converted 36" force main to the Bucksport WWTP. Our staff reviewed the plans and provided comments to Hazen.

In regard to the Peachtree Water Booster Pump Station & Reservoir project, our consultant, Goodwyn Mills Cawood (GMC), recently submitted 30% of plans to GSWA for review. The nearly 4-acre site will be shared with the sewer booster pump station. Our staff has reviewed the plans and provided comments to GMC.

In regard to the SCDOT transportation improvement projects in Marion, the SCDOT held a bid opening in August for three different road projects in Marion. These projects include an intersection improvement at Foxboro Road and Shannon Road, the S-41 bridge replacement over Maiden Down Swamp and the US 76 Bridge Replacement over Catfish Branch. In total, our cost to relocate utilities for these projects is \$855,374 for water and \$985,340 for sewer.

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 September 2024 through August 2025. During the month of August, our customer base increased by 512 customers which brings our customer account total to 148,312. Over the last consecutive twelve months, our total customer base has increased by 4.1%. During the month of August, our active accounts increased by 397, inactive accounts increased by 100 and our suspended accounts increased by 15.

In regard to REUs, during the month of August, our total REUs increased by 619, which brings our REU total to 217,306. Over the last twelve consecutive months, our total REUs have increased by 3.7%. During the month of August, our active REUs increased by 550, inactive REUs increased by 110 and our suspended REUs decreased by 41.

Mrs. Skipper stated that our on-site health clinic is now open. Mrs. Skipper shared information regarding the Nurse Practitioner and Medical Assistant with the Board along with several pictures of the clinic.

Mrs. Skipper reminded the Board that as of October 1st our customers will incur a 2% fee on all credit card transactions.

Mrs. Skipper also stated that we have not received our health insurance renewal information yet, but we hope to have the information by the next Board Meeting.

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 and Sod Donation Report in the Board packet.

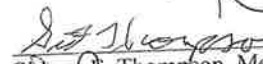
Upon motion duly made, seconded and carried the Board went into executive session for the discussion of contractual matters. Following executive session, the Board returned to regular session.

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

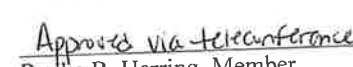

Richard G. Singleton II, Secretary


Sidney F. Thompson, Member


J. Liston Wells, Member


Mark K. Lazarus, Member

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