



P.O. Box 2368 • Conway, South Carolina 29528

MANAGEMENT Team



Fred Richardson
Chief Executive Officer



Marguerite Carroll
Chief Financial Officer



Christy Everett
Chief Operations Officer



Tim Brown
Chief of Plant Operations



David Strickland
Chief of Field Operations



Charles Hucks, Jr.
Chief of Technology

FROM THE
CHIEF Executive Officer

As the economy grows and Horry County experiences continued increases in both tourism and real estate development, Grand Strand Water and Sewer Authority (GSWSA) is positioned to meet the needs of our local communities as a result of sound planning practices and fiscal responsibility.

In 2018, GSWSA added 3,038 water and 3,160 wastewater customers, an increase of 3.9 percent over last year. The Authority now serves more than 92,000 customers throughout Horry, Georgetown, Marion and Dillon Counties in South Carolina and Columbus County, North Carolina.

During the year, GSWSA treated and distributed more than 15.27 billion gallons of water and collected and treated more than 11.49 billion gallons of wastewater. In total, water consumption was down in all customer classes with the exception of wholesale customers. Wastewater consumption was up in all classes with the exception of bulk customers.

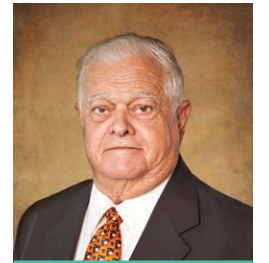
Major GSWSA initiatives included spending approximately \$5.3 million on the Rural Water and Sewer Program to extend water and sewer lines to the rural communities of Horry County. In addition, approximately \$1.5 million was spent on the installation of a 20" force main from the Conway Wastewater Treatment Plant to the force main on Highway 701 South to divert flows from Conway to the Bucksport Wastewater Treatment Plant.

At GSWSA we strive to provide exemplary service to our customers, be good partners with the communities we serve and provide reliable, high quality water in the most efficient manner possible. We are pleased to present to you the Annual Report for the 2018 fiscal year. From our entire staff and board of directors, we appreciate the opportunity to serve you.

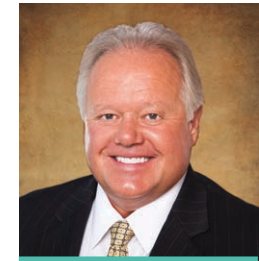
Sincerely,

Fred Richardson
Chief Executive Officer
Grand Strand Water and Sewer Authority

BOARD OF
DIRECTORS



Sidney F. Thompson
Chairman



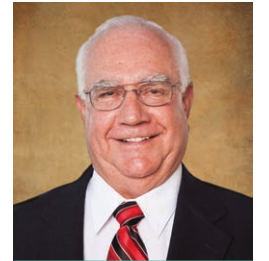
Benjy A. Hardee
Vice Chairman



John C. Griggs
Secretary



Arnold T. Johnson



Wilbur M. James



Robert L. Rabon



Robert M. Floyd, Jr.



J. Liston Wells



Richard G. Singleton II

FINANCIAL Summary

FOR FY 2018

Grand Strand Water and Sewer Authority's (GSWSA) financial statements for fiscal year 2018 were audited by Smith Sapp Bookhout Crumpler & Calliham, P.A. In their opinion, the basic financial statements present fairly the financial position and cash flows in accordance with generally accepted accounting principles.

Growth in our local and national economy positively affected GSWSA's financial position. The solid financial condition of GSWSA enables us to meet the needs of our current and future customers. The highlights of fiscal year 2018's financial performance are displayed in the following charts.

Respectfully,

Marguerite S. Carroll

Marguerite Carroll

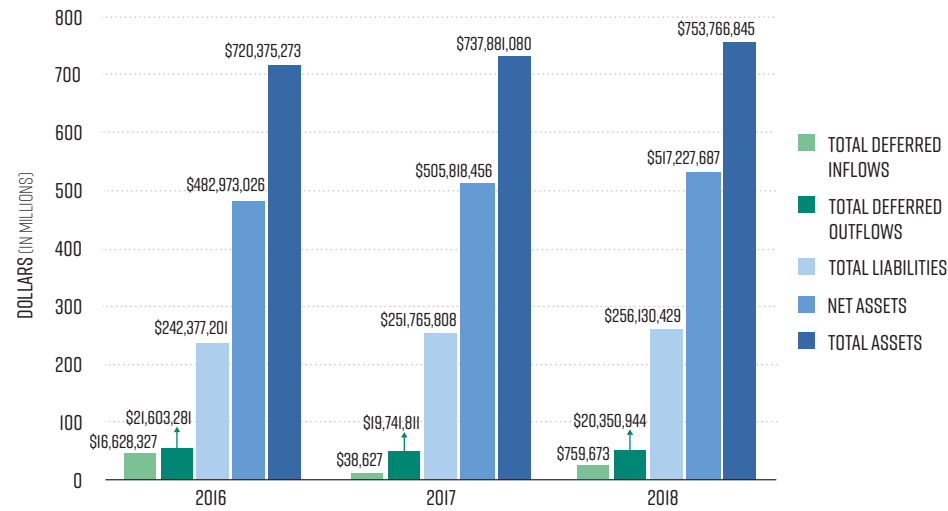
Chief Financial Officer

Grand Strand Water and Sewer Authority

Below are key indicators of GSWSA's financial position. For a more detailed look, please visit www.GSWSA.com to download the 2018 Comprehensive Annual Financial Report (CAFR).

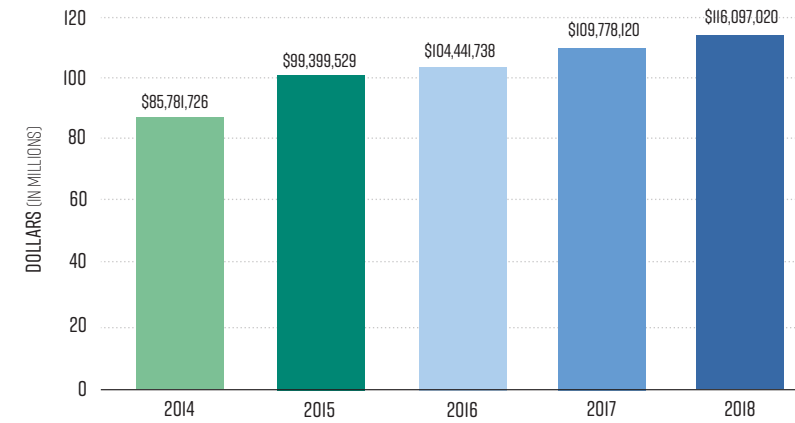
TOTAL ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS

During FY 2018, total assets and deferred outflows increased by \$16.5 million and exceeded liabilities and deferred inflows by \$517 million.



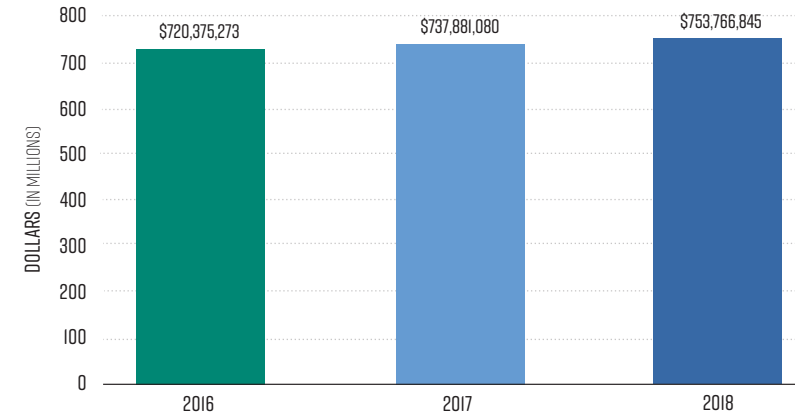
TOTAL OPERATING REVENUE

Operating revenue was up \$4.7 million over last year, an increase of 5.5 percent.



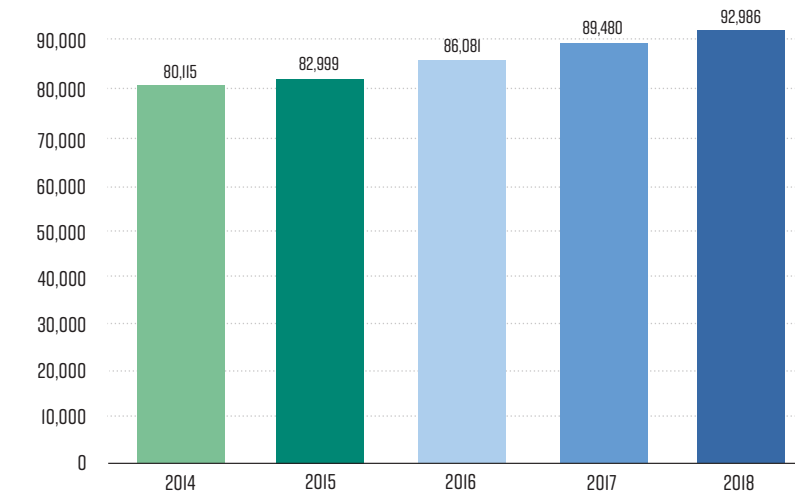
TOTAL REVENUE

Total revenue was up by \$6.3 million over FY 2017.



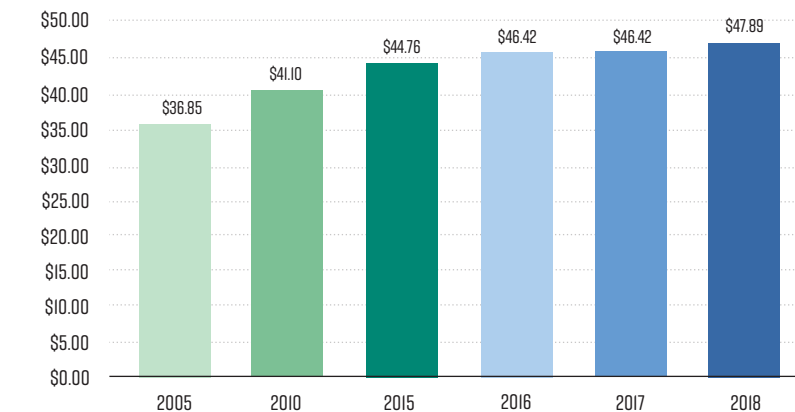
TOTAL ASSETS

Total Assets were up 2.1 percent over last year.



TOTAL CUSTOMERS

In 2018, GSWSA added 3,506 customers.



TYPICAL RESIDENTIAL BILL

GSWSA rates are among the lowest in the region. A typical residential monthly water and sewer bill based on an average of 8,000 gallons in 2005 was \$36.85. For FY 2018, the same typical monthly bill was \$47.89, an increase of 2 percent per year.