

GRAND STRAND WATER & SEWER AUTHORITY
BOARD OF DIRECTORS MEETING
APRIL 27, 2026

	#MEETINGS (Since 7/1/25)	#ATTENDED (Since 7/1/25)	% ATTENDANCE
MEMBERS PRESENT:			
Benjy A. Hardee, Chairman	9	9	100%
Sidney F. Thompson, Member	9	9	100%
J. Liston Wells, Member	9	9	100%
Richard Singleton II, Secretary	9	8	89%
Radha B. Herring, Member	9	9	100%
B. Kemp Floyd, Jr., Member	4	4	100%
MEMBERS ATTENDING VIA TELECONFERENCE:			
Mark K. Lazarus, Member	9	9	100%
MEMBERS ABSENT:			
Arnold T. Johnson, Vice Chairman	9	8	89%
L. Morgan Martin, Member	9	5	56%

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:

Melissa Levin, Raftelis
 Vanessa Bryant, Raftelis

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

Chairman Hardee called the meeting to order and welcomed everyone in attendance. The invocation was given by Board Member, Sidney Thompson.

APPROVAL OF MARCH 23, 2026, MINUTES: Upon motion duly made by Mr. Wells, seconded by Mr. Singleton and carried, the minutes of the March 23, 2026, meeting were approved as presented.

PRESENTATION OF RATE AND IMPACT FEE STUDY BY RAFTELIS. Mr.

Thompson stated that we engaged with Raftelis earlier this year to help review our capital improvement plan, the timing of the expenses and map out the best way to move forward ensuring we remain financially healthy. Raftelis has a long-standing relationship with us. They created the first rate model we used and have revised it over time.

Ms. Levin introduced herself and Ms. Bryant to the Board and provided them with an overview of Raftelis. Ms. Levin stated the overall objective of the study was centered around growth. We have experienced a lot of growth recently and there is more growth to come, which will require capital investments. In addition to growth, there are also regulatory compliance factors that will have to be addressed. The study provides a financial roadmap to meet capital investment needs.

Raftelis also looked at impact fees which are fees to help pay for growth. They pay for capacity in the system. It is a way to relieve your existing customers for paying for fees related to growth.

Ms. Levin stated as part of the financial plan, Raftelis modeled our cash flows over the next five to twenty years. They started with expenses which included operations and maintenance, debt service and capital expenses. They then looked at revenues with the majority of revenues coming from monthly retail rates. They compared how the revenues will cover expenses. Some additional things to consider were debt service ratios and paying attention to the money in the reserves. Ms. Levin reviewed the key assumptions made when reviewing the financial plan as well as the requirements of our financial policies.

Ms. Levin turned the presentation over to Ms. Bryant for her to walk through some of the dollar values behind the assumptions. Ms. Bryant reviewed a chart with the Board showing the total operating expenses as well as existing debt. Ms. Bryant also shared a chart with the Board showing our historical capital spending. Historically, we have spent around \$50 million per year. However, this is projected to increase significantly after fiscal year 2026. Our capital spend in fiscal year 2028 is projected to be close to \$300 million. One of the goals of Raftelis was to try to make sure the rate increases were in place so we are prepared when we reach the years with higher spending.

A lot of utilities are in the same position as us facing higher construction costs, but it is an industry-wide trend. Ms. Bryant shared a chart showing the national water and wastewater inflation trends since 2010. The chart showed the consumer price index as well as some other indices including the water/sewer Handy Whitman index which far outpaces the consumer price index.

Ms. Bryant detailed the capital improvement plan (CIP) put together for fiscal year 2026 through 2031. The total CIP for this time frame is \$832.8 million. Approximately 63% of this cost is proposed to be covered by debt. Some of the projects making up the \$832.8 million are the Bull Creek SWTP expansion, Phase 1 PFAS upgrade, Bucksport WWTP expansion and the new Central WWTP. This CIP will be funded with a blend of revenue bonds, SRF loans, impact fees, rates/reserves. Ms. Bryant outlined several other upcoming bond issuances which we anticipate every other year.

Ms. Bryant also reviewed the revenue sources with the Board. In fiscal year 2025, this totaled over \$190 million. The \$190 million is made up of retail monthly rates, wholesale monthly rates, impact fees and miscellaneous fees.

Ms. Levin reviewed several different variations of changes to rates to help illustrate how these changes would impact our revenues to help cover capital expenses. She also outlined how each of these changes would affect our total debt service coverage and days cash on hand ratios. Raftelis also shared comparisons on how the proposed rates compare to what other local and/or regional utilities charge.

Mrs. Holder, Ms. Levin and Ms. Bryant further discussed the proposed changes and different variations with the Board.

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

DISCUSSION/ACTION: Resolution 02-26: 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 \$20,000,000 for the Perry Road Pump Station Upgrade and to Grant a Pledge of and Lien on Revenues for Repayment. Mrs. Holder stated that this is just approval to submit an application for the loan. The Perry Road pump station is a big work horse for us on the water side. It is located on Highway 501 in the Santee Cooper right-of-way. It allows us to provide water pressure and volume to the Carolina Forest, North Myrtle Beach and Little River areas. We are looking to upgrade this and add another 5 million gallons of ground reservoir.

Upon motion of Mr. Wells, seconded by Mr. Singleton, the resolution was unanimously approved by the Board 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. Singleton, seconded by Mr. Wells, the capital budget appropriation requests for rural water and sewer projects were unanimously approved by the Board as presented.

DIVISION REPORTS:

GREG THOMPSON, CHIEF OF ACCOUNTING & FINANCE

In preparation for the Budget Retreat, Mr. Thompson shared data with the Board comparing customer consumption of water versus the revenue share. Mr. Thompson shared two pie charts with the Board. One chart compared the projected water consumption per 1,000 gallons for wholesale versus retail customers and the other compared projected water sales for wholesale versus retail customers. In regards to consumption, it is about a 50/50 split. In regards to water sales, retail customers pay 68% of the revenue and wholesale pay 32%. If broken down into a rate per 1,000 gallons, the wholesale and bulk customers are getting a 46% discount.

Mr. Thompson shared the same information for sewer flows versus sewer sales. In regards to consumption, 57% of sewer flows are attributed to retail customers and 43% are attributed to wholesale. However, in regards to water sales, retail customers pay 77% of the revenue and wholesale pay 23%. If broken down into a rate per 1,000 gallons, the wholesale and bulk customers are getting a 59% discount.

Mr. Thompson then shared a chart with the Board showing the wholesale gap for our four largest customers. It illustrated that the calculated rate was discounted 20-25% on the water side and 7%-35% on the sewer side.

Mr. Thompson stated that he recently met with our wholesale customers to go over our capital improvement plan, upcoming projects, how we are addressing PFAS, etc. We let them know that there were large costs associated with these projects and their rates may change. We provided them with this information so they could plan and budget accordingly.

Mrs. Holder stated the financials for the month are in the Board packet for the Board's information.

NEERAJ PATEL, CHIEF OF PLANT OPERATIONS

Mr. Patel shared a presentation with the Board to update them on GSWSA's Drought Management Plan. We have two plans: one for the Myrtle Beach SWTP and one for the Bull Creek SWTP and Regional Water System. The plan is in place to address drought conditions, but it is also a legal requirement. The State of South Carolina has a Drought Response Committee made up of several organizations including Special Purpose Districts. Per the plan, as a drought intensifies and certain triggers are met, our responses and water conservation efforts must also increase. Mr. Patel shared the triggers for each plan with the Board. The triggers include river flows, conductivity levels at various locations as well as a determination by the Drought Response Committee based on precipitation. Mr. Patel further explained each of these with the Board. Mr. Patel also shared the response for each system which includes lowering the excess gallons/month threshold, public notification and reduction or elimination of non-essential water use.

Mrs. Holder stated that we are not currently asking the Board to consider implementing the Drought Management Plan. However, if things do not improve over the next several weeks, it may be something that we need to consider. We did send out notifications to our customers this past weekend to voluntarily adjust their irrigation patterns. The 6:00 – 9:00 a.m. demand puts a strain on our system.

Mrs. Herring asked if we had ever had to implement the Drought Management Plan in the past, but Mrs. Holder stated we had not.

Mrs. Holder and the Board further discussed our water supply. Mrs. Holder reiterated that we have water and we are just asking for assistance to help meet the peak hour demand in the mornings. We are maintaining and have plenty of water, but the pressure declines due to the demand on the system.

Mr. Patel added that the hardest draw on our system is Mondays, Wednesdays and Fridays primarily due to irrigation. Mrs. Holder added that in order to meet the high level of demand during drought conditions, there will need to be additional capital projects in place for further improvements to our system. Currently, we are not asking customers not to irrigate. We are simply asking them to modify their irrigation patterns.

Mrs. Holder and the Board further discussed options to consider in the event the drought worsens.

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 March.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regard to the Jackson Bluff and River Oaks wells, we are in the cycle testing phase. We should be able to use both of these wells for recovery in April of 2027. In regard to the International well, the permit to construct well building has been issued by SCDES. We hope to use this well next summer.

In the ASR program, for the month of March, we had a net injection of approximately 201.1 million gallons for an average daily injection of 6.5 million gallons. However, this month we are having to recover from our ASR wells.

UPDATE/STATUS: Field Operations Activities: In regard to other field operations activities, in March, we responded to 8 emergency main line shutdowns, which is great compared to previous months.

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 \$4.0 million in the rural water program. Since the last Board meeting, we have authorized 4 projects for design for 3,360 linear feet of pipeline and 13 new REUs. Six projects moved from the design phase to construction for 10,335 linear feet of pipeline and 8 REUs. We issued service authorization to 5 projects for 4,095 linear feet of pipeline and 5 new REUs.

On the sewer side, in the fiscal year 2026/2027 budget, the Board has approved over \$5.5 million in the rural sewer program. Since the last Board meeting, we have authorized 8 new projects for design that will add 9,425 linear feet of pipeline and 19 new REUs. Seven projects moved from the design phase to construction for 7,915 linear feet of pipeline and 7 REUs. We issued service authorization to 9 projects for 11,248 linear feet of pipeline and 13 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 2026, we have installed 7 miles of pipeline which includes 4 miles of waterline and 3 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 March. In March, we received 16 new letters of intent. Two projects were developer extension projects totaling 141 REUs. The other 14 projects were single-service commercial projects totaling 43 REUs. We issued service authorization to 5 projects for 359 REUs which accounted for just over \$3.2 million in developer contributions. We held 6 preconstruction meetings in March.

Overall, we have a total of 96 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. The new projects are back up but the REUs associated with the projects are still lower.

UPDATE/STATUS: Capital Projects: In regard to the Administration Building Expansion, we held a preconstruction meeting with Chancel Construction, Inc. on April 6th. Clearing for the parking lot expansion started today. This project is expected to take 250 days.

In regard to the Conway Parallel 24" Water Transmission Upgrade, our consultant Goodwyn Mills Cawood (GMC) recently obtained the Water Quality Certification, Coastal Zone Consistency, USACOE permit and the permit to construct from SCDES/SRF. All documentation has been submitted to SCDES for issuance of the land disturbance permit. GMC is also awaiting issuance of the SCDOT encroachment permit. Bid documents and specifications have been prepared and submitted to SRF for approval.

In regard to the Highway 701 Widening project, this is a RIDE project that SCDOT in partnership with Horry County has awarded to Palmetto Corp of Conway. GSWSA is in contract for the water/sewer relocations. A pre-construction meeting is scheduled for April 30th.

In regard to the Highway 90 to Highway 905 Water Hydraulic Improvement project, our engineering consultant, Bolten & Menk, has completed the Preliminary Engineering Report and it has been sent to SRF for review. We are also working on purchasing a site for the booster pump station.

In regard to the International Drive to North Booster Pump Station project, we are working with GMC on this project. They have completed 95% plans and are submitting them to permitting agencies. We are also working on the requirements that SCDNR had as part of the agreement for giving us an easement around the Lewis Ocean Bay Heritage Preserve.

In regard to the Peachtree Sewer Booster Pump Station project, this project is moving along well.

CHRISTAL SKIPPER, CHIEF OF ADMINISTRATION

UPDATE/STATUS: Employee Morale Survey. We do an Employee Morale Survey annually. This year, we had 211 employees complete the survey which represents a little over 50% of our workforce.

Mrs. Skipper shared a chart with the Board showing the overall averages from between 2010 and 2026. This year, the average was 1.96 on a scale of 1 to 5 with 1 being the highest rating and 5 being the lowest rating. This year we have the highest rating, so we are very pleased with the results.

Mrs. Skipper called the Board's attention to the list of the highest and lowest ratings in the Board packet. The areas that showed the most improvement were morale, safety and leadership. The lowest ratings were the same as they were last year.

UPDATE/STATUS: Human Resources Quarterly Update. Mrs. Skipper called the Board's attention to the quarterly update regarding personnel activities in the Board packet.

UPDATE/STATUS: HGTC/CCU Scholarship Recipients. Every year, employees who have children attending HGTC or CCU are able to submit a scholarship application for their children. This year, we had a total of 6 applications for HGTC and 7 for CCU. All applications submitted met the requirements with the exception of one. These students will receive a \$300 scholarship per semester. Any scholarships not covered through the endowment funds will be funded by our operating budget.

THOMAS NEAT, CHIEF OF TECHNOLOGY

Mr. Neat shared several cybersecurity and security updates with the Board.

OTHER BUSINESS:

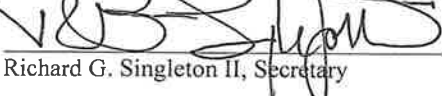
Chairman Hardee called the Board's attention to the Employee Recognition, Sod Donation Report, GFOA Certificate of Achievement for Excellence in Financial Reporting and upcoming Budget Retreat on Friday, May 1st.

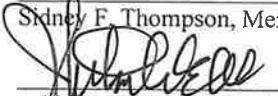
Upon motion duly made, seconded and carried the Board went into executive session for the discussion of contractual matters. Following executive session, the Board returned to regular session.

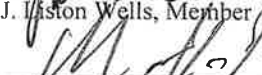
There being no further business, upon motion duly made, seconded and carried, the meeting was adjourned.

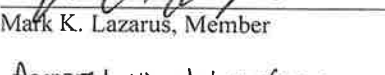

Benjy A. Hardee, Chairman


Arnold T. Johnson, Vice Chairman


Richard G. Singleton II, Secretary



Sidney E. Thompson, Member


J. Liston Wells, Member


Mark K. Lazarus, Member

Approved via teleconference
L. Morgan Martin, Member


Radha B. Herring, Member


B. Kemp Floyd, Jr., Member