

GRAND STRAND WATER & SEWER AUTHORITY
BOARD OF DIRECTORS MEETING
AUGUST 26, 2024

	#MEETINGS (Since 7/1/24)	#ATTENDED (Since 7/1/24)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	2	2	100%
Benjy A. Hardee, Vice Chairman	2	2	100%
J. Liston Wells, Member	2	2	100%
Wilbur M. James, Member	2	2	100%
Richard Singleton II, Member	2	2	100%
Mark K. Lazarus, Member	2	2	100%
L. Morgan Martin, Member	2	1	50%
Radha B. Herring, Member	2	2	100%

MEMBERS ABSENT:			
Arnold T. Johnson, Secretary	2	1	50%

STAFF PRESENT:
Christy Holder, 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
Thomas Neat, Chief of Technology
Mary Hunsucker, HR Manager
Allison Daly, HR Specialist

LEGAL COUNSEL:
Bhumi Patel, Burr Forman

VISITORS:
Michael Lauterbach, PNC Capital Advisors

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 Member, Wilbur James.

APPROVAL OF JULY 22, 2024 MINUTES: Upon motion duly made by Mr. Wells, seconded by Mr. Singleton, the Minutes of the July 22, 2024 meeting were approved as presented.

PRESENTATION OF MANAGED INVESTMENT UPDATE BY PNC CAPITAL ADVISORS: Mr. Michael Lauterbach of PNC Capital Advisors presented a thorough overview of the economy as well as GSWA's portfolio investment information to the Board. Mr. Lauterbach answered questions from the Board and further explained items of interest.

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

DISCUSSION/ACTION: Capital Budget Appropriation Requests – Rural Water Projects.

DISCUSSION/ACTION: Capital Budget Appropriation Requests – Rural Sewer Projects.

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.

DISCUSSION/ACTION: United Way Day of Caring Sod Donation Request. The United Way of Horry County's annual Day of Caring will be held in October. This year they will be working at Ability Beyond Barriers and have several landscaping projects to complete. The sod donation request is for this project. Upon motion of Mr. Lazarus, seconded by Mr. Wells, the sod donation request was unanimously approved by the Board as presented.

Mrs. Holder stated the August monthly report for the Chief Executive Officer was included for the Board's information.

DIVISION REPORTS:

CHRISTEN JORDAN, CHIEF OF ACCOUNTING AND FINANCE

UPDATE/STATUS: July 2024 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for July 2024 with the Board. As of July 31st, our total operating revenues were \$10.4 million, which is a 10% increase from the prior fiscal year. Our largest increases in operating revenues were increases in monthly water fees, wastewater fees and tap fees. Monthly water fees were up in all categories with the exception of Bull Creek revenues. The largest increases occurred in water availability and volume. Monthly wastewater revenues were up in all categories with the exception of bulk and Myrtle Beach revenues. The largest increases were in wastewater availability and volume. Tap fees were up \$202,633 compared to the prior fiscal year. Our total operating expenses were \$8.5 million, which is an increase of \$925,735 or 12% from the prior fiscal year. The largest increases come from Personnel Services, Supplies and Materials and Capital Outlay. Personnel Services have increased \$258,367 or 15% from fiscal year 2024. This is due to the addition of 20 employees from Little River and a merit increase. Supplies and Materials have increased \$413,159 mainly due to an increase in treatment supplies. Capital Outlay is up \$138,099 or 374% from the prior fiscal year due to receiving a sludge spreader in the month of July. We currently have an operating surplus of \$2.0 million which is an increase of \$6,445 from the prior fiscal year. Mrs. Jordan reported total non-operating revenues of \$4.8 million, which is an increase of \$2.1 million or 76% from the prior fiscal year. This is mainly due to an increase in investment income of \$2.0 million over fiscal year 2024.

Mrs. Jordan shared the consolidated budget to actual report with the Board. As of July 31st, we should be at 8% of our budget. Our operating revenues were budgeted at \$149.0 million. To-date, we have earned \$10.4 million or 7% of our estimated budget. Our operating expense budget is \$149.0 million as well. Year-to-date we have spent \$8.5 million or 6% of the budget. Our expenditures will increase as we continue to receive items throughout the fiscal year. Total non-operating revenues were budgeted at \$55.3 million and to-date we have earned \$4.8 million or 9% of the budget. Our investment income is higher than we originally estimated due to market conditions in the month of July.

UPDATE/STATUS: Investment Analysis: In our PNC Capital Advisors accounts, we have a balance of \$58.6 million. These funds have a current month yield of 1.46%, a three month yield of 3.16% and a twelve month yield of 5.16%. The balance in our PFM Asset Management LLC accounts is \$62.2 million with a current month yield of 1.77%, a three month yield of 3.83% and a twelve month yield of 5.60%. Truist funds total \$4.9 million with a current month yield of 1.46%, a three month yield of 3.16% and a twelve month yield of 6.97%. Overall, we have \$125.7 million invested with managers. The funds invested by our internal staff total \$112.3 million. Our debt service accounts total \$3.0 million. Our total investment portfolio is \$241.0 million with a current month yield of 1.03%, a three month yield of 2.39% and a twelve month yield of 5.07%.

Mrs. Jordan shared a graph with the Board showing the fiscal year-to-date comparison on our returns for PFM Asset Management LLC, PNC Capital Advisors, Truist, the South Carolina Local Government Investment Pool, Anderson Brothers Bank (ABB) ICS account and Coastal Carolina National Bank (CCNB) ICS account. The current 1-5 year benchmark to-date is 1.81%. PNC Capital Advisors' fiscal year-to-date return is 1.46%

which is below the benchmark but higher than fiscal year 2024 return's of 0.17%. This year's fiscal year-to-date return for PFM Asset Management LLC is 1.77% which is slightly below the benchmark and higher than last year's return of 0.12%. Truist's fiscal year-to-date return is 1.46% which is also below the benchmark. The Local Government Investment Pool's fiscal year-to-date return is 0.47% compared to the fiscal year 2024 return of 0.46%. Our fiscal year-to-date return for the ABB ICS account is 0.40% which is higher than last year's fiscal year-to-date return of 0.03%. Our fiscal year-to-date return for the CCNB ICS account is 0.42% which is consistent with the same time period last year.

UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$76,896 was spent on Business & Travel during the month of July. These costs include membership and license renewals, exam fees and training fees.

UPDATE/STATUS: Purchase Transactions Over \$3,500: Mrs. Jordan called the Board's attention to the information in the Board packet on purchase order transactions over \$3,500. During the month of July, we issued a lot of our annual purchase orders. The largest purchase orders issued during the month were for chemicals including a purchase order for \$1.6 million for aluminum sulfate for the Bull Creek SWTP, \$1.2 million for aluminum sulfate for the Myrtle Beach SWTP and \$849,999.85 for sodium hypochlorite for the Bull Creek SWTP.

TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The alum dosage at Myrtle Beach averaged 72 mg/l for the month of July which is down 8% compared to last month. The average alum dosage at Bull Creek for the month of July was 49 mg/l, which is also down 8% compared to last month. Myrtle Beach is currently running at about 200 mg/l and Bull Creek is currently running at about 260 mg/l following the recent storm. These numbers started decreasing yesterday. It will take about a week and a half for these numbers to return to the normal range at Bull Creek and a little longer for the numbers to return to normal at Myrtle Beach. In regards to water flows, Myrtle Beach flows were up 2% and Bull Creek flows were up 7% compared to last year. The total water flows including ASR and blend wells were up 4%. In regards to wastewater flows, flows at Myrtle Beach were down 9% and the flows at Schwartz were up 1% compared to last year. The total wastewater flows were down 9% compared to last year.

UPDATE/STATUS: Compliance SCDES Water and Wastewater Treatment Plant Requirements: Mr. Brown stated all water and wastewater reporting was in compliance with SCDES requirements for the month of July.

In regards to plant operation activities, at the Myrtle Beach SWTP, the staff is continuing to get gearbox components in for replacement. We are going through and replacing the gear drives on the sedimentation basin sludge removal system. Some of the drives are the original drives from 1985. At the Bull Creek SWTP, the contractor, M.B. Kahn Construction Company (M.B. Kahn), is making good progress. The piling work should be complete this week.

On the wastewater treatment plant side, at the Myrtle Beach WWTP, design work continues on the influent pump station odor scrubber. We are awaiting a new permit for this. We have signed an agreement on the scrubber system. It has about a 30 week delivery time. In regards to the new Central 4 MGD WWTP, expansion of the Green Sea Floyds WWTP and the Schwartz digester blower upgrade, design meetings continue on these projects. We have proposals out for equipment for the Central WWTP. We ordered the equipment for the Schwartz digester blower upgrade. In addition, we reviewed RFPs for the design of several projects including the Conway WWTP headworks structure, Vereen clarifier and effluent structure and Schwartz gravity thickener. MBD Consulting Engineers, P.A. (MBD) was selected for the Conway WWTP and the Schwartz WWTP projects. Goodwyn Mills Cawood (GMC) was selected for the Vereen WWTP project. We selected the low bid for all three of these. We are also working with MBD on modifications to the Perry Road pump station.

NEERAJ PATEL, CHIEF OF FIELD OPERATIONS

UPDATE/STATUS: Compliance with SC Department of Environmental Services (SCDES) Water Distribution and Wastewater Collection Requirements: Mr. Patel stated all monitoring was reported and all system operations were conducted in compliance with SCDES requirements for the month of July.

However, in August, due to the extreme rainfall received from Tropical Storm Debby, we experienced higher than normal flows due to inflow and infiltration that resulted in several sanitary sewer overflows (SSOs). Parts of our service area received up to 14 inches of rain and many areas received 7-8 inches. We had a total of 16 SSOs. Of the total, 7 SSOs were in Latta, one in Mullins, 7 in Marion and one in Little River. SCDES was notified and mitigation efforts were implemented. As a reminder, we do not own the Town of Latta's water and sewer system. We have an operations agreement to operate the system. We are currently working with the Town on some capital improvements to ensure the system is more resilient. Mr. Patel detailed some of the improvements we are currently working on. Some of the SSOs in Marion were due to flash flooding.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regards to the Jackson Bluff, River Oaks and Cool Springs wells, we are coordinating with the SCDES on review comments on the follow-up packages. In regards to the International Drive well, we received the revised/updated underground injection permit. In regards to the Carolina Pines well, site work continues.

In the ASR program, for the month of July, we had a net recovery of approximately 222.9 million gallons for an average daily recovery of 7.2 million gallons.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in July we smoke tested 313,917 linear feet of gravity sewer line, cleaned and televised 3,765 linear feet of gravity sewer mains, responded to 165 sewer back-ups and 189 water quality requests, collected 443 water quality samples, inspected 271 cross connection devices, 132 fire hydrants and 412 isolation valves, responded to 12 emergency main line shut-downs, completed 2 scheduled shutdowns and completed 6,624 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 2024/2025 budget the Board has approved over \$4.2 million in the rural water program. Since the last Board meeting, we authorized 2 projects for design for 3,710 linear feet of pipeline and 2 new REUs. Two projects moved from the design phase to construction for 2,050 linear feet of pipeline and 2 REUs. We issued service authorization to 4 projects for 4,830 linear feet of pipeline and 18 new REUs.

On the sewer side, in the fiscal year 2024/2025 budget, the Board has approved over \$4.7 million in the rural sewer program. Since the last Board meeting, we authorized 6 new projects for design that will add 11,205 linear feet of pipeline and 36 new REUs. Three projects moved from the design phase to construction for 5,740 linear feet and 10 REUs. We issued service authorization to 4 projects for 5,720 linear feet of pipeline and 12 new REUs.

Currently there are 70 active rural projects in design and 46 projects in construction that will total 41 miles of pipeline and 442 new REUs.

Mr. Minor called the Board's attention to the chart showing the cumulative miles of pipeline installed since the beginning of the rural program in the Board packet. To-date, in calendar year 2024, we have installed 8 miles of sewer line and 13 miles of waterline.

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 July.

In the month of July, we received 23 new letters of intent. Of the total, 6 were developer extension projects for 415 REUs. The other 17 projects were single-service commercial projects totaling 93 REUs. We issued service authorization to 10 projects for 821 REUs. These projects added approximately \$7.0 million in developer contributions. We held 9 preconstruction meetings in July. Overall, we have a total of 265 active developer projects. Of the total, 118 developer projects are 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.

Mr. Minor also shared a chart with the Board showing the number of new water meter work orders issued versus installed each month over the last year. In July, we issued 781 work orders for new water meters and installed 735 new water meters. This is the most we have issued and installed in a single month. Mr. Minor also shared a chart showing the same information for new sewer tanks.

UPDATE/STATUS: Capital Projects: In regards to Contract 20, we held a bid opening on August 22nd for a rural pipeline contract that includes 5 sewer projects containing over 18,000 linear feet of pipeline. We only received one bid which came from RCB Contractors LLC for \$1.6 million. After this contract is awarded, we will advertise for Pipeline Contract 21 which will contain an additional 20,000 linear feet of pipe.

In regards to the Conway to Bucksport WWTP Flow Diversion project, M.B. Kahn continues construction of the new diversion pump station at the Conway WWTP. R.H. Moore Company, Inc. has been issued a Notice to Proceed for September 6th for the 20" sewer forcemain portion of the project. They have been waiting on delivery of plug valves.

In regards to the Forestbrook Road Widening project, we sent out an RFP to several engineering consultants for the design of the water and sewer relocations associated with this RIDE 3 widening project. We plan to upgrade the existing utilities as part of the project including a new 20" waterline. Proposals for this project are due back on September 6th.

In regards to the Highway 90 to Highway 905 Hydraulic Improvement project, we sent out an RFP to several engineering consultants for design of a new waterline hydraulic improvement to serve the western portion of Horry County.

In regards to the Lake View WWTF Embankment Improvements project, Seven Seas Marine Construction has completed installation of the vinyl sheet piling to prevent seepage along the embankment to the plant.

In regards to the Old Highway 90 Elevated Water Storage Tank project, Phoenix Fabricators and Erectors' subcontractor has completed the fence installation and is nearly complete with the remaining sitework. All work is expected to be complete by the beginning of September.

As a requirement for SRF Funding, we have to do a public notice for projects. In lieu of a special meeting, we can do this as part of a normally scheduled Board meeting. Mr. Minor shared the Public Notice for the Bucksport WWTP Expansion with the Board. This information was also put on our website last month. No one from the public was in attendance to discuss.

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 August 2023 through July 2024. During the month of July, our customer base increased by 566 customers which brings our customer account total to 141,382. Over the last consecutive twelve months, our total customer base has increased by 15.9%. During the month of July, our active accounts increased by 613, inactive accounts decreased by 48 and our suspended accounts increased by 1 for a net change of 566 customers.

In regards to REUs, during the month of July, our total REUs increased by 647, which brings our REU total to 208,253. Over the last consecutive twelve months, our total REUs have increased by 14.3%. During the month of July, our active REUs increased by 619, inactive REUs increased by 20 and our suspended REUs increased by 8 for a net change of 647 REUs.

DISCUSSION/ACTION: Sick Leave Donation Policy. We have an Employee Advisory Committee that meets quarterly. Several times during these meetings employees have requested for us to consider adding a policy where employees can donate some of their leave to other employees in need due to the employee's immediate family member experiencing a medical emergency and the employee has exhausted all of their available leave. We worked with Jim Gilliam with Burr Forman to create a sick leave donation policy that can be added to our Personnel Manual if approved. The policy is a voluntary policy and donation of leave will be treated confidentially. The policy would be administered and managed by the HR Department. Mrs. Skipper and Mrs. Holder briefly outlined the policy to the Board. Upon motion of Mr. James, seconded by Mr. Martin, the sick leave donation policy was unanimously approved by the Board as presented.

Mrs. Skipper reminded the Board that Board pictures will be taken right before next month's Board Meeting at 5:00 p.m. on September 23rd.

THOMAS NEAT, CHIEF OF TECHNOLOGY

Mr. Neat did not have any updates this month.


OTHER BUSINESS:


Chairman Thompson called the Board's attention to the Employee Recognition and Sod Donation Report.

Upon motion duly made, seconded and carried the Board went into executive session for the discussion of contractual and legal 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.

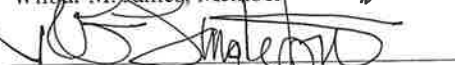

Sidney F. Thompson, Chairman


Benjy A. Hardee, Vice Chairman

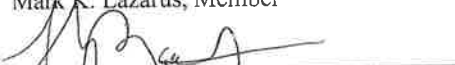

Arnold W. Johnson, Secretary


J. Liston Wells, Member


Wilbur M. James, Member


Richard G. Singleton II, Member

Mark K. Lazarus, Member


L. Morgan Martin, Member


Radha B. Herring, Member