

GRAND STRAND WATER & SEWER AUTHORITY  
 BOARD OF DIRECTORS MEETING  
 FEBRUARY 27, 2023

	#MEETINGS (Since 7/1/22)	#ATTENDED (Since 7/1/22)	% ATTENDANCE
<b>MEMBERS PRESENT:</b>			
Sidney F. Thompson, Chairman	7	7	100%
Arnold T. Johnson, Secretary	7	7	100%
J. Liston Wells, Member	7	7	100%
Wilbur M. James, Member	7	7	100%
Mark K. Lazarus, Member	7	7	100%
Radha B. Herring, Member	7	7	100%

<b>MEMBERS ATTENDING VIA TELECONFERENCE:</b>			
Richard Singleton II, Member	7	7	100%
L. Morgan Martin, Member	7	4	57%

<b>MEMBERS ABSENT:</b>			
Benjy A. Hardee, Vice Chairman	7	6	86%

**STAFF PRESENT:**  
 Christy Everett, Chief Executive Officer  
 Tim Brown, Chief of Plant Operations  
 Neeraj Patel, Chief of Field Operations  
 Chrystal Skipper, Chief of Administration  
 Matt Minor, Chief of Engineering and Construction  
 Christen Jordan, Chief of Accounting and Finance  
 Mary McKellar Hunsucker, HR Manager

**LEGAL COUNSEL:**  
 Amanda Bailey, Burr Forman

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 JANUARY 23, 2023 MINUTES:** Upon motion duly made by Mr. James, seconded by Mr. Wells, the Minutes of the January 23, 2023 meeting were approved as presented.

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

**DISCUSSION/ACTION:** Proposed Bucksport Historical Marker. Ms. Everett stated the Horry County Historical Society contacted us regarding a historical marker being placed on our property in the Bucksport area. Horry County has funded several historical markers over the last several years. Ms. Everett shared the location with the Board. She also shared an image of what the marker would look like and the language that would be included. Upon motion of Mr. Johnson, seconded by Mr. Wells, placement of the historical marker was unanimously approved by the Board as presented.

Ms. Everett stated the monthly Chief Executive Officer's report was included for the Board's information.

Ms. Everett stated the Delegation Dinner with the Horry County Delegates has been scheduled for April 4<sup>th</sup> in Columbia at 5:30 p.m. Ms. Everett stated Mrs. Skipper had sent information regarding the dinner to the Board.

#### DIVISION REPORTS:

##### CHRISTEN JORDAN, CHIEF OF ACCOUNTING AND FINANCE

UPDATE/STATUS: January 2023 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for January 2023 with the Board. As of January 31<sup>st</sup>, our total operating revenues were \$70.3 million, which is a 5% increase from the prior fiscal year. Our largest increases in operating revenues were increases in monthly water and wastewater fees, tap fees and other revenues. Monthly water fees were up in all categories with the exception of excess and bulk. The largest increases were in water availability, Bull Creek revenues and Myrtle Beach revenues. Monthly wastewater revenues were up in all categories. The largest increases were in wastewater availability, volume, bulk and Myrtle Beach revenues. Increases in availability and volume make up approximately 46% of the total increase in water and wastewater fees. Other revenues were up mainly due to an increase in cross connection fees of approximately \$150,000. Our tap fees have increased \$368,322 or 11%. Our total operating expenses are \$60.1 million, which is an increase of approximately \$3.0 million or 5% from the prior fiscal year. Personnel Services have increased approximately 4% from fiscal year 2022. Outside services have increased 6% from fiscal year 2022 due to an increase in service and maintenance contracts, utilities and maintenance to water and wastewater facilities. Supplies and materials have increased 27% from fiscal year 2022 due to an increase in fuel costs, treatment supplies and water and wastewater facility costs. Debt service is down \$981,358 due to the timing of debt service payments. We currently have an operating surplus of \$10.2 million which is an increase of \$231,997 from the prior fiscal year. Mrs. Jordan reported total non-operating revenues of \$16.9 million, which is an increase of \$3.2 million or 23% from the prior fiscal year. This is mainly due to an increase in investment income of \$2.9 million over fiscal year 2022.

Mrs. Jordan shared the consolidated budget to actual report with the Board. As of January 31<sup>st</sup>, we should be at approximately 58% of our budget. Our operating revenues were budgeted at \$126.3 million. To-date, we have earned \$70.3 million or 56% of budget which is slightly under our target. Our operating expense budget is \$126.3 million. Year-to-date we have spent \$60.1 million or 48% of the budget. Our expenditures will continue to increase as the year progresses and expenses are incurred. Total non-operating revenues were budgeted at \$31.6 million and to-date we have earned \$16.9 million or 54% of budget. Impact fees have been slightly lower than budgeted and investment income is currently higher than budgeted due to the positive returns in January.

UPDATE/STATUS: Investment Analysis: In our PNC Capital Advisors accounts, we have a balance of \$55.7 million. These funds have a current month yield of 1.42%, a three month yield of 2.79% and a twelve month yield of (4.05%). The balance in our PFM Asset Management LLC accounts is \$59.1 million with a current month yield of 1.19%, a three month yield of 2.50% and a twelve month yield of (2.90%) Overall, we have \$114.7 million invested with managers. The funds invested by our internal staff total \$90.9 million. Our debt service accounts total \$7.4 million. Our total investment portfolio is \$213.0 million with a current month yield of 0.84%, a three month yield of 1.80% and a twelve month yield of (1.16%).

Mrs. Jordan shared a graph with the Board showing the fiscal year-to-date comparison on our returns for 1919 Investment Counsel, PFM Asset Management LLC, PNC Capital Advisors and the South Carolina Local Government Investment Pool. The current 1-5 year benchmark to-date is (0.34%). PNC Capital Advisors' fiscal year-to-date return is (0.38%) which is below the benchmark and above than the 19/19 Investment Counsel fiscal year 2022 return of (1.51%). This year's fiscal year-to-date return for PFM Asset

Management LLC is 0.11% which is better than the benchmark and higher than last year's return of (1.41%). The Local Government Investment Pool's fiscal year-to-date return is 25.04% compared to fiscal year 2022's return of 0.83%.

UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$28,279 was spent on Business & Travel during the month of January. These costs include membership renewals, exam fees, travel reimbursements and meeting expenses. Year-to-date, we have spent a total of \$199,903.

#### TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The recent rainfall we have had has changed the raw water characteristics at both water plants. The alum dosage at Myrtle Beach averaged 61 mg/l for the month of January which is up 2% compared to last month. The average alum dosage at Bull Creek for the month of January was 53 mg/l, which is up 31% compared to last month. Myrtle Beach and Bull Creek are both currently running at about 105 mg/l. In regards to water flows, Myrtle Beach flows were up 2% compared to the same period last year and Bull Creek flows were down 3%. The total flows were consistent when compared to last fiscal year. In regards to wastewater flows, flows at Myrtle Beach were down 6% and the flows at Schwartz were down 1% as compared to last year. The total wastewater flows were up 2%.

UPDATE/STATUS: Compliance with DHEC Water and Wastewater Treatment Plant Requirements: Mr. Brown stated all water reporting was in compliance with DHEC requirements for the month of January. On the wastewater side, we had an e-coli violation at the Longs WWTP. This is a bacteria sample. Sometimes this is not uncommon. This violation could be the result of a sampling technique, UV, a speck of a solid trapped in a sample, etc. We followed up with other samples which is required by our permit and the other samples were great. All other required reporting was in compliance with DHEC requirements.

In regards to plant operation activities, at the Myrtle Beach SWTP, we have been working with the City of Myrtle Beach and having quarterly meetings with their Operations staff. They were experiencing issues with their tanks not turning over. In working with them, we adjusted the pressures from the plants. We have had several follow-up meetings and this has helped them out. We are currently trying to setup another meeting to implement some sewer odor control. We would like to put a chemical in the collection system to reduce the corrosion at the headworks and reduce the odor coming in. At the Bull Creek SWTP, repair work continues on the backwash pump. We sent the pump off and it took approximately 8 months to build the new pump casing. We are expecting to get this back in the next week and then we will install.

On the wastewater treatment plant side, in regards to the Longs WWTP, this plant is performing well other than the recent e-coli violation. We have been adjusting some of the control logic to try to minimize the denitrification occurring in the clarifier. At the Conway WWTP, we purchased a standby generator for the effluent structure project. When we ordered it last March, we were told we had a 52-week delivery schedule. Then, last month we were notified that the delivery had been delayed until October 2023. The contractor needs a generator to make the tie-ins and finish the project. Therefore, we purchased a used generator which will be delivered this week and used to finish the tie-in. When the other generator arrives, we will mount it permanently and use the temporary generator for other projects. At the Bucksport WWTP, we had a kick-off design meeting with Hazen & Sawyer for the plant upgrade.

Mr. Brown stated we currently have a permit public notice out for the Conway WWTP and Central WWTP until March 5<sup>th</sup>. With no issues, we should get the Central WWTP permit back and renew the Conway WWTP permit.

#### NEERAJ PATEL, CHIEF OF FIELD OPERATIONS

UPDATE/STATUS: Compliance with DHEC Water Distribution and Wastewater Collection Requirements: Mr. Patel stated all monitoring was reported and all system operations were conducted in compliance with SCDHEC requirements for the month of January.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regards to the Ten Oaks well in Carolina Forest, we received commercial power so we are able to move forward with the pump station start-up. In regards to the Braves Village well, the electrical and instrumentation controls are being installed by our internal staff. In regards to the Highway 410 Blend well, we are currently awaiting review comments from SCDHEC. In regards to the Cool Springs well, well development continues at this site. In regards to the Carolina Pines and River Oaks Elementary wells, we received proposals for these new wells. The Carolina Pines well is located on Old Highway 90 and the River Oaks Elementary well is just behind with school. Based upon anticipated work schedules, we intend to award this work to Professional Pump & Well, Inc. to allow multiple providers to work concurrently to meet customer demands.

In the ASR program, for the month of January, we had a net injection of approximately 191.2 million gallons for an average daily injection of 6.2 million gallons.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in January we smoke tested 65,615 linear feet of gravity sewer line, cleaned and televised 6,248 linear feet of gravity sewer mains, responded to 221 sewer back-ups and 91 water quality requests, collected 516 water quality samples, inspected 210 cross connection devices, 162 fire hydrants and 731 isolation valves, responded to 44 emergency main line shut-downs and one scheduled shut-down, and completed 5,026 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 2022/2023 budget, the Board has approved over \$5.1 million in the rural water program. In January, we authorized 3 projects for design for 2,575 linear feet of pipeline and 4 new REUs. Nine projects moved from the design phase to construction for 9,155 linear feet of pipeline and 17 new REUs. We issued service authorization to 3 projects for 21,770 linear feet of pipeline and 15 new REUs.

On the sewer side, in the fiscal year 2022/2023 budget, the Board has approved over \$8.6 million for the rural sewer program. In January, we authorized one new project for design that will add 1,070 linear feet of pipeline and one REU. Eight projects moved from the design phase to construction for 7,530 linear feet of pipeline and 18 new REUs. We issued service authorization to 6 projects for 31,090 linear feet of pipeline and 42 new REUs.

In total, we have 134 active water and sewer projects currently in design and construction totaling over 52 miles of pipeline and 595 new REUs.

Calendar year-to-date, we have installed 10 miles of pipeline. This includes 6 miles of sewer line and 4 miles of waterline. Mr. Minor called the Board's attention to the cumulative totals in the Board packet.

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 January. In the month of January, we received 21 new letters of intent. Of the total, 9 were developer extension projects for 910 REUs. A little more than half were multi-family. The other 12 projects were commercial projects totaling 68 REUs. We issued service authorization to 10 projects for 935 REUs. These 3 projects added approximately \$6.1 million developer contributions. We held 4 preconstruction meetings. Currently, we have 100 active developer projects in the construction phase and 234 active projects in the review, permitting or construction phase.

Mr. Minor called the Board's attention to the trend charts in the Board packet. We continue to stay around an average of 20 projects per month and 1,000 REUs per month. UPDATE/STATUS: Capital Projects: In regards to the Bucksport Campground Expansion and Bucksport Marina Parking Lot projects, the low bidder was D&L Sitework, Inc. They have been awarded both of the contracts. A pre-construction meeting was held on February 22<sup>nd</sup>.

In regards to the Bull Creek Drainage Improvements project, A.O. Hardee & Son, Inc. is nearing completion of the drainage improvements for the access road to the Bull Creek SWTP. Paving is complete and the road has reopened. Final grassing and stabilization is now taking place to complete the project.

In regards to the Conway to Bucksport WWTP Flow Diversion project, MBD Consulting Engineers, P.A. (MBD) has received all permits associated with the project with the exception of the SCDOT Encroachment Permit. We are now working with MBD to compile bid documents in anticipation of advertising the project for construction.

In regards to Pipeline Contract 16, RCB Contractors (RCB) has completed the Pee Dee Road Ext. 6 Water project and the Brown Swamp Road Sewer project. MJL, Inc. has also completed installation of both of their projects, Roberts Road Area Sewer project and Highway 129 Ext. 3 Water project.

In regards to Pipeline Contract 17, we held a preconstruction meeting on January 25<sup>th</sup> with RCB for the Inman Circle Ext. 2 Water project, Inman Circle Sewer project and Hardwick Road Area Water project. A Notice to Proceed was issued with a start date of February 13<sup>th</sup>. MJL, Inc. recently mobilized to the Watts Road Area Sewer project.

In regards to the Marion WWTP Flood Mitigation Berm project, MB Kahn Construction Co., Inc. has mobilized to the site in preparation of beginning construction once site conditions allow. This is a 270-day contract.

In regards to the Old Highway 90 Elevated Water Storage Tank project, Phoenix Fabricators & Erectors, Inc. continues work on the foundation for the elevated tank as well as fabrication and painting of the steel structure.

#### CHRISTAL 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 February 2022 through January 2023. During the month of January, our customer accounts increased by 297, which brings our customer account total to 118,434. Over the last consecutive twelve months, our total customer base has increased by 4.2%. In January, our active accounts increased by 340, inactive accounts decreased by 59 and our suspended accounts increased by 16 for a net increase of 297 accounts.

In regards to REUs, for the month of January, our total REUs increased by 617, which brings our REU total to 177,488. Over the last consecutive twelve months, our total REUs have increased by 4.4%. For the month of January, our active REUs increased by 691, inactive REUs decreased by 67 and suspended REUs decreased by 7 for a net increase of 617 REUs.

UPDATE/STATUS: Purchase Transactions Over \$3,500: Mrs. Skipper called the Board's attention to the information in the Board packet on purchase order transactions over \$3,500. The grand total for all purchase orders over \$3,500 issued in January was approximately \$3.9 million. The largest purchase order was issued to Hazen and Sawyer for \$1.95 million for professional design services for the Bucksport WWTP Expansion project. Other large purchase orders included purchase orders for meter boxes, grinder stations, meters and E1 grinder parts for our inventory warehouse. We continue to experience supply chain issues with meter boxes, ford brass inventory parts and ERTs. .

Mrs. Skipper briefly updated the Board regarding their request for the Purchasing Department to send out bids for items to see if the pricing was any different than what we

would normally receive through the state contract or another cooperative purchasing source such as Sourcewell.

We did this in October for two pieces of equipment and were recently able to look into this again when purchasing a John Deere 60G Compact Excavator. In all three situations, the pricing was exactly the same for each approach. Because these items have already been bid out by these other entities, it saves us lots of time and effort with the exact pricing results.

Mrs. Skipper also updated the Board on the personnel changes that took place in the fourth quarter of 2022 or second quarter of fiscal year 2023. We ended the quarter with 345 full-time employees. We had a total of 19 job postings. We hired 18 new employees externally, 11 employees were selected for internal job openings and 15 employees left GSWSA which included 3 retirements, 11 resignations and one termination.

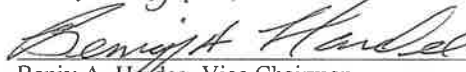
OTHER BUSINESS:

Chairman Thompson called the Board's attention to the Employee Recognition, Sod Donation Report, upcoming Budget Retreat dates and upcoming 2023 AWWA Conference dates in Toronto, Canada.

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

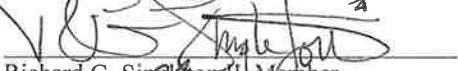
  
Sidney F. Thompson, Chairman


  
Benjy A. Hardee, Vice Chairman


  
Arnold T. Johnson, Secretary

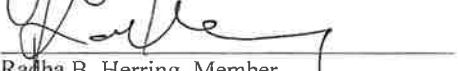
  
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