

GRAND STRAND WATER & SEWER AUTHORITY  
 BOARD OF DIRECTORS MEETING  
 JULY 22, 2024

	#MEETINGS (Since 7/1/24)	#ATTENDED (Since 7/1/24)	% ATTENDANCE
<b>MEMBERS PRESENT:</b>			
Sidney F. Thompson, Chairman	1	1	100%
Benjy A. Hardee, Vice Chairman	1	1	100%
Arnold T. Johnson, Secretary	1	1	100%
J. Liston Wells, Member	1	1	100%
Wilbur M. James, Member	1	1	100%
Richard Singleton II, Member	1	1	100%
Mark K. Lazarus, Member	1	1	100%

<b>MEMBERS ATTENDING VIA TELECONFERENCE:</b>			
Radha B. Herring, Member	1	1	100%

<b>MEMBERS ABSENT:</b>			
L. Morgan Martin, Member	1	0	0%

**STAFF PRESENT:**  
 Christy Everett, 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

**LEGAL COUNSEL:**  
 Bhumi Patel, Burr Forman

**VISITORS:**  
 Casey Jones, My Horry News  
 Pastor Danny Banks, Grand Strand Christian Church  
 Will Witt, Grand Strand Christian Church

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 JUNE 24, 2024 MINUTES:** Upon motion duly made by Mr. Wells, seconded by Mr. James, the Minutes of the June 24, 2024 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. Singleton, the capital budget appropriation requests for rural water and sewer projects were unanimously approved by the Board as presented.

Mrs. Everett stated the 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: June 2024 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for June 2024 with the Board. As of June 30<sup>th</sup>, our total operating revenues were \$136.4 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, customer fees and tap fees. Monthly water fees were up in all categories with the exception of Bull Creek revenues and fire flow availability fees. The largest increases occurred in water availability, volume and Myrtle Beach revenues. 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. Monthly customer fees were up \$835,133 compared to the prior fiscal year and tap fees were up \$671,130 compared to the same time period. Our total operating expenses were \$114.1 million, which is an increase of \$6.7 million or 6% from the prior fiscal year. The largest increases come from Personnel Services, Outside Services and Supplies and Materials. Personnel Services have increased \$4.4 million or 12% from fiscal year 2023. Outside Services have increased \$1.4 million compared to last year. The increase is due to an increase in utilities, insurance and service and maintenance contracts. Supplies and Materials have increased \$1.3 million mainly due to an increase in supplies and materials for water and wastewater facilities, vehicles and equipment and treatment supplies. Debt service is down \$2.4 million due to the timing of debt service payments. We currently have an operating surplus of \$22.3 million which is an increase of \$5.2 million from the prior fiscal year. Mrs. Jordan reported total non-operating revenues of \$40.3 million, which is an increase of \$9.0 million or 29% from the prior fiscal year. This is mainly due to an increase in investment income of \$6.3 million over fiscal year 2023 and an increase in special fees and contributions of \$2.0 million.

Mrs. Jordan shared the consolidated budget to actual report with the Board. As of June 30<sup>th</sup>, we should be at 100% of our budget. Our operating revenues were budgeted at \$132.1 million. To-date, we have earned \$136.4 million or 103% of our estimated budget. Our operating expense budget is \$132.1 million as well. Year-to-date we have spent \$114.1 million or 86% of the budget. Our expenditures will increase as we continue to receive invoices for items for work done in the fiscal year. Total non-operating revenues were budgeted at \$43.1 million and to-date we have earned \$40.3 million or 94% of budget. Our impact fees and investment income are higher than we originally estimated but our special fees and contributions are lower than estimated because we did not receive some grant money that we originally budgeted for before June 30<sup>th</sup>.

UPDATE/STATUS: Investment Analysis: In our PNC Capital Advisors accounts, we have a balance of \$57.8 million. These funds have a current month yield of 0.73%, a three month yield of 0.77% and a twelve month yield of 3.82%. The balance in our PFM Asset Management LLC accounts is \$61.2 million with a current month yield of 1.14%, a three month yield of 0.99% and a twelve month yield of 4.16%. Truist funds total \$4.8 million with a current month yield of 0.72%, a three month yield of 0.75% and a twelve month yield of 5.43%. Overall, we have \$123.8 million invested with managers. The funds invested by our internal staff total \$113.1 million. Our debt service accounts total \$2.0 million. Our total investment portfolio is \$238.9 million with a current month yield of 0.68%, a three month yield of 1.03% and a twelve month yield of 4.27%.

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 3.45%. PNC Capital Advisors' fiscal year-to-date return is 3.81% which is above the benchmark and higher than the fiscal year 2023 return of (0.58%). This year's fiscal year-to-date return for PFM Asset Management LLC is 4.17% which is also above the benchmark and higher than last year's return of 0.34%. Truist's fiscal year-to-date return is 5.43% which is above the benchmark. The Local Government Investment Pool's fiscal year-to-date return is 5.75% compared to the fiscal year 2023

return of 4.02%. Our fiscal year-to-date return for the ABB ICS account is 4.82%. Our fiscal year-to-date return for the CCNB ICS account is 5.14%.

UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$29,200 was spent on Business & Travel during the month of June. These costs include membership and license renewals, exam fees and training fees. Fiscal year-to-date, we have spent a total of \$298,547 in business and travel related expenditures.

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 June, the total of all purchase orders issued was \$3.2 million. The largest purchase order in June was issued to Hazen and Sawyer for design services for the Peachtree Sewer Booster Pump Station for \$295,820. The second largest purchase order was also issued to Hazen and Sawyer for a hydraulic model for \$204,300. Other large purchase orders were issued to Preferred Sources, Inc. for grinder stations for inventory.

Mrs. Everett introduced Mr. Will Witt and Pastor Danny Banks of Grand Strand Christian Church on Burcale Road who were in attendance to address the Board. Mr. Witt stated the church started a project in 2021 for housing for their elderly population. GSWSA signed off on the plans in February of 2022. Mr. Witt has been in correspondence with Engineering since March of 2023. He detailed his experience to the Board which included multiple challenges such as communication, delays and a bore being started in the wrong location. Mr. Witt asked for the Board's help in getting the church service promptly to allow them to complete their project. Pastor Banks also spoke to the Board briefly and explained that he did not know what else to say to his congregation when they ask why they cannot get the project done and begin construction. Pastor Banks asked for the Board's thoughts and advice on how to get this done. Mrs. Everett thanked Mr. Witt and Pastor Banks for bringing this to the Board's attention and assured them that this would be her top priority tomorrow morning.

#### TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The alum dosage at Myrtle Beach averaged 78 mg/l for the month of June which is down 21% compared to last month. The average alum dosage at Bull Creek for the month of June was 54 mg/l, which is down 13% compared to last month. Myrtle Beach is currently running at about 75 mg/l and Bull Creek is currently running at about 42 mg/l. In regards to water flows, Myrtle Beach flows were up 11% and Bull Creek flows were up 13% compared to last year. The total water flows including ASR and blend wells were up 20%. Mr. Brown said he monitors river flows and typically the Great Pee Dee River will have about 4 times the flow as the Little Pee Dee River. Recently, the ratio was as high as 27:1 so most of the water was coming from the Great Pee Dee River. Currently, with the recent rain, this has dropped to about 12:1. In regards to wastewater flows, flows at Myrtle Beach were up 4% and the flows at Schwartz were down 3% compared to last year. The total wastewater flows were consistent compared to last year.

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

In regards to plant operation activities, at the Myrtle Beach SWTP, the staff is working on replacing some clarifier gearboxes. Some of the gearboxes date back to 1985. At the Bull Creek SWTP, the contractor, M.B. Kahn, is making good progress. The pilings are being driven for the new clear well on this 15 MGD expansion project. In the next week or two, the contractor should be moving over to Plant 3 to begin driving pilings. The expansion will be built adjacent to Plant 3.

On the wastewater treatment plant side, at the Myrtle Beach WWTP, the new influent pump station and headworks continues to work well. We are still working with the vendor on the odor control unit. 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. In addition, we will be going out for design for several plant projects soon including the Conway WWTP headworks structure, Vereen clarifier and effluent structure and Schwartz gravity thickener. The Conway WWTP headworks structure is currently a stainless-steel structure and we are seeing degradation on it. We are adding a redundant clarifier and putting in a new effluent structure at the Vereen WWTP.

Mr. Brown stated that last week we received some complaints regarding the taste of our water. Customers complained of an earthy taste. Usually when you hear of taste and odor issues you look for two compounds that are secreted from algae and actinomyces. They are harmless compounds but do impart a different taste and odor. We are doing some testing now. We pulled samples and sent them to a doctor in North Carolina who specializes in algae. We are awaiting an official report. These compounds are usually created in higher water temperatures. To address this, you feed powder activated carbon which is an effective method to absorb the compounds. We usually feed a maintenance dose of 2 mg/L but we have increased this to 6 mg/L. The complaints started dissipating at the end of last week. The increased rainfall and lower ratio with the Great Pee Dee and Little Pee Dee Rivers will help with this as well.

Mr. Brown shared a map with the Board showing a 30-acre tract of land adjacent to our existing property. The Town of Lake View approached us about purchasing the land. We have not given them an answer but we recently had the property appraised. The tract is mostly wetlands. The Board and Mrs. Everett briefly discussed how the property may benefit GSWSA. The Board authorized Mrs. Everett to pursue negotiations on the purchase of the land.

#### NEERAJ PATEL, CHIEF OF FIELD 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. Mr. Patel shared several charts with the Board including one outlining the water available for sale for the last five years and the precipitation levels in Horry County over the last several months which shows June and July being very dry months. To address drought conditions, we have a drought management plan which 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 with the Board which includes lowering the excess gallons/month threshold, public notification and reduction or elimination of non-essential water use. Mrs. Everett stated that we wanted to share this with the Board because we have experienced some drought conditions recently however, the recent rainfall has helped this. We have not had to implement the Drought Management Plan and doing so would require Board action.

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 June.

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 June, we had a net recovery of approximately 227.5 million gallons for an average daily recovery of 7.6 million gallons. The Braves

Village and Ten Oaks wells have been added to the list because they have been approved for service.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in June we smoke tested 162,177 linear feet of gravity sewer line, cleaned and televised 8,807 linear feet of gravity sewer mains, responded to 128 sewer back-ups and 172 water quality requests, collected 394 water quality samples, inspected 176 cross connection devices, 176 fire hydrants and 507 isolation valves, responded to 20 emergency main line shut-downs, completed 9 scheduled shutdowns and completed 6,646 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 \$4.0 million in the rural water program. Since the last Board meeting, we authorized 2 projects for design for 925 linear feet of pipeline and 4 new REUs. One project moved from the design phase to construction for 1,868 linear feet of pipeline and 1 REU. We issued service authorization to 4 projects for 1,622 linear feet of pipeline and 6 new REUs.

On the sewer side, in the fiscal year 2024/2025 budget, the Board has approved over \$4.3 million in the rural sewer program. Since the last Board meeting, we authorized 4 new projects for design that will add 2,870 linear feet of pipeline and 6 new REUs. Two projects moved from the design phase to construction for 3,375 linear feet and 10 REUs. We issued service authorization to 5 projects for 7,875 linear feet of pipeline and 34 new REUs.

Currently there are 68 active rural projects in design and 49 projects in construction that will total 39 miles of pipeline and 428 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 7 miles of sewer line and 12 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 June. In the month of June, we received 20 new letters of intent. Of the total, 8 were developer extension projects for 510 REUs. The other 12 projects were single-service commercial projects totaling 302 REUs. We issued service authorization to 4 projects for 542 REUs. These projects added \$3.6 million in developer contributions. We held 5 preconstruction meetings in June. Overall, we have a total of 266 active developer projects. Of the total, 117 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.

UPDATE/STATUS: Capital Projects: In regards to Contract 20, our staff has identified several rural projects to be advertised for bid. The contract will include 5 sewer projects containing over 18,000 linear feet of pipeline. We are currently finalizing bid documents and hope to advertise for this project by the end of July.

In regards to the Conway Parallel 24" Water Transmission Upgrade project, Goodwyn Mills Cawood (GMC) is working diligently to finalize these plans to submit to permitting agencies. GMC has started preparing bid documents with anticipation of advertising the project for construction in late fall. This project includes approximately 60,000 linear feet of 24" waterline from the Bull Creek SWTP to the Conway Reservoir.

In regards to the Highway 9 Widening project East of Loris, RWF Construction, LLC has completed all tie-ins and abandoned all lines. The only remaining item in the contract is raising the existing meter pit.

In regards to the Lake View WWTF Embankment Improvements project, Seven Seas Marine Construction has nearly completed installation of the vinyl sheet piling to prevent seepage along the embankment to the plant. Only 20 linear feet remain. Crews plan to have this work complete by the end of July.

In regards to the Old Highway 90 Elevated Water Storage Tank project, Phoenix Fabricators and Erectors sitework subcontractor is in the process of completing the remaining sitework. They will then have to complete fencing and the required landscaping. GSWSA is coordinating the installation of the electrical service that will feed the tank as well as the future ASR well.

#### 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 the entire 2024 fiscal year. We ended the fiscal year with 140,816 customers. Our customer base increased by 18,947 customers or 15.5%. Over 12,000 customers were from the Little River acquisition. During the month of June, our active accounts increased by 598, inactive accounts decreased by 79 and our suspended accounts increased by 25 for a net change of 544 customers.

In regards to REUs, we ended the fiscal year with 207,606 REUs. During the fiscal year, our REUs increased by 25,618 REUs or 14.08%. In the month June, our active REUs increased by 718, inactive REUs decreased by 120 and our suspended REUs increased by 51 for a net change of 649 REUs.

UPDATE/STATUS: Human Resources Update: Mrs. Skipper updated the Board on the personnel changes that took place during fiscal year 2024. We ended the fiscal year with 376 full-time employees. Over the course of the fiscal year, we had a total of 68 job postings – an 18% decrease from the previous year, hired 44 new employees externally – a 38% decrease from the previous year, had 37 employees selected for internal job openings – a 29% decrease from last year and had 37 employees leave GSWSA which included 2 retirements, 29 resignations, 5 terminations and one death.

Mrs. Skipper shared a graph with the Board showing a breakdown of the number of employees who left employment over the last 8 fiscal years. The number of employees who left employment is significantly lower than the previous fiscal year and is more in line with what we experienced in fiscal year 2021. For fiscal year 2024, we have a turnover ratio of 9.85% compared to 8.85% for fiscal year 2021. Research shows a good turnover rate is around 10% or less. We are now below this so we are moving in the right direction.

UPDATE/STATUS: June Customer Billing Insert: Mrs. Skipper shared the June customer billing insert with the Board. The insert was related to hurricane preparedness. June 1<sup>st</sup> is the start of hurricane season so we provide tips for our customers to prepare for such events.

Mrs. Skipper also shared information with the Board about the Scavenger Hunt that was organized and prepared by the Division Chiefs in an effort to promote teamwork within the organization and increase morale. The hunt included a series of clues each month from February to June. Employees were paired with others outside of their department which allowed them to create relationships with other employees and learn more about GSWSA. The teams participating had to complete one clue before moving on to the next clue. Teams were awarded points every week for completing the clues, creativity and team participation. Mrs. Skipper shared photos of the winning teams with the Board.

#### THOMAS NEAT, CHIEF OF TECHNOLOGY

UPDATE/STATUS: Technology Update. Mr. Neat shared the term internet parking with the Board. Internet parking can be both normal and malicious. Mr. Neat further discussed how internet parking affects GSWSA.

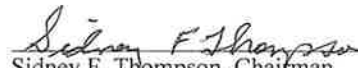
Mr. Neat also shared with the Board how the global CrowdStrike outage affected GSWSA. We were able to restore fairly quickly and were back up and running internally by about 10:00 a.m.

OTHER BUSINESS:

Chairman Thompson called the Board's attention to the Employee Recognition, Sod Donation Report and upcoming WEFTEC Conference in New Orleans, LA October 5<sup>th</sup> – 9<sup>th</sup>.

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 and Chairman Thompson announced a salary increase for Mrs. Everett, effective immediately and to be memorialized by an amendment to the existing employment agreement between GSWSA and Mrs. Everett.

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


  
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Sidney F. Thompson, Chairman

  
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Benjy A. Hardee, Vice Chairman

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Arnold T. Johnson, Secretary


  
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