

GRAND STRAND WATER & SEWER AUTHORITY
 BOARD OF DIRECTORS MEETING
 NOVEMBER 25, 2024

	#MEETINGS (Since 7/1/24)	#ATTENDED (Since 7/1/24)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	5	5	100%
Benjy A. Hardee, Vice Chairman	5	5	100%
Arnold T. Johnson, Secretary	5	4	80%
J. Liston Wells, Member	5	5	100%
Wilbur M. James, Member	5	5	100%
Richard Singleton II, Member	5	5	100%
L. Morgan Martin, Member	5	3	60%
Radha B. Herring, Member	5	5	100%

MEMBERS ABSENT:			
Mark K. Lazarus, Member	5	3	60%

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
 Mary Hunsucker, HR Manager
 Longevity Award Recipients

STAFF ATTENDING VIA TELECONFERENCE:
 Thomas Neat, Chief of Technology

LEGAL COUNSEL:
 Stewart Miller, 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 Secretary, Arnold Johnson.

APPROVAL OF OCTOBER 28, 2024 MINUTES: Upon motion duly made by Mr. Hardee, seconded by Mr. James, the Minutes of the October 28, 2024 meeting were approved as presented.

PRESENTATION OF 2024 LONGEVITY AWARDS: Mrs. Holder welcomed this year's longevity award recipients and thanked them for their dedication to GSWSA and our customers. Awards were presented by Mrs. Holder and Mr. Hardee to the employees of GSWSA who reached their longevity of five, ten, fifteen, twenty, twenty-five, thirty, thirty-five, and forty years of service in 2024. The employees were also congratulated and thanked by the Board for their service.

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

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

DIVISION REPORTS:

Mrs. Holder briefly shared the highlights of the October 2024 financial statements with the Board in Mrs. Jordan's absence. As of October 31st, our total operating revenues were \$48.7 million which is an 8% increase from the prior fiscal year. Total operating expenses were \$40.1 million which is an 11% increase from the prior fiscal year. We have an operating surplus of \$8.6 million. Non-operating revenues were \$21.6 million.

Mrs. Holder also called the Board's attention to the consolidated budget to actual report. As of October 31st, our operating revenues were at 33% of budget which is right on target. Our operating expenses were at 27% of budget which is slightly below target.

Mrs. Holder stated the financial statements, investment reports and information on purchase orders over \$3,500 in the month of October are included in the Board packet for the Board's information.

TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The alum dosage at Myrtle Beach averaged 210 mg/l for the month of October which is up 11% compared to last month. The average alum dosage at Bull Creek for the month of October was 116 mg/l, which is down 3% compared to last month. Myrtle Beach is currently running at about 105 mg/l and Bull Creek is currently running at about 58 mg/l. In regards to water flows, Myrtle Beach flows were up 4% and Bull Creek flows were up 7% compared to last year. The total water flows including ASR and blend wells were up 16%. In regards to wastewater flows, flows at Myrtle Beach were down 9% and the flows at Schwartz were up 1% compared to the same time period last year. The total wastewater flows were up 1% compared to last year.

UPDATE/STATUS: Compliance with SC Department of Environmental Services (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 October.

In regards to plant operation activities, at the Myrtle Beach SWTP, the granular activated carbon and ion exchange resin is being retested in a pilot column system for PFAS removal. At the Bull Creek SWTP, the contractor, M.B. Kahn Construction Company, Inc. (M.B. Kahn), is moving along on the project. The base slab for the new 2.7 million gallon clearwell was poured on November 18th and approximately 1,400 feet of the 3,400 feet of 36" raw water pipe has been laid. Design work continues with MBD Consulting Engineers, P.A. on modifications to the Perry Road pump station and reservoir.

On the wastewater treatment plant side, at the Myrtle Beach WWTP, design work is complete for the influent pump station odor scrubber. We are awaiting a new permit for this and the permit and delivery of equipment. In regards to the new Central 4 MGD WWTP, expansion of the Green Sea Floyds WWTP, the new headworks structure at the Conway WWTP, the new clarifier and effluent structure at Vereen and the Schwartz digester blower upgrade, design meetings continue on these projects. We have narrowed down the equipment selection for the new Central WWTP. The Plant Operations staff has also been working with the Wastewater Collections group to get additional flow from Highway 90 over to the Longs WWTP.

NEERAJ PATEL, CHIEF OF FIELD OPERATIONS

UPDATE/STATUS: Compliance with 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 October.

In regards to the new lead and copper rules, as mentioned last month, we have submitted our inventory to the SCDES and EPA. This information is also available on our website. In addition, as required by the new rule, we have issued letters to approximately 51,000 customers whose service line material is unknown. This was done electronically through text messages and email as well as through the traditional mailing of notices. In addition to the required notice, we included a survey to allow customers to relay information regarding their service line material and/or the construction date of their home back to us. Mr. Patel shared copies of the information sent to customers with the Board. Mr. Patel further discussed the new lead and copper rules briefly with the Board.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regards to the Jackson Bluff, Cool Springs and River Oaks wells, we are awaiting bids for wellhouse construction. In regards to the International Drive well, we are selecting well screens and coordinating with the well driller. In regards to the Carolina Pines well, we are finalizing bid documents for well drilling.

In the ASR program, for the month of October, we had a net injection of approximately 57.2 million gallons for an average daily injection of 1.8 million gallons.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in October, we smoke tested 231,118 linear feet of gravity sewer line, cleaned and televised 5,705 linear feet of gravity sewer mains, responded to 191 sewer back-ups and 189 water quality requests, collected 430 water quality samples, inspected 239 cross connection devices, tested and inspected 247 fire hydrants and 771 isolation valves, responded to 22 emergency main line shut-downs, completed 2 scheduled shutdowns and completed 6,241 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 \$4.9 million in the rural water program. Since the last Board meeting, we authorized 6 projects for design for 10,620 linear feet of pipeline and 15 new REUs. One project moved from the design phase to construction for 635 linear feet of pipeline and 2 REUs. We issued service authorization to 2 projects for 5,450 linear feet of pipeline and 4 new REUs.

On the sewer side, in the fiscal year 2024/2025 budget, the Board has approved over \$6.2 million in the rural sewer program. Since the last Board meeting, we authorized 4 new projects for design that will add 9,750 linear feet of pipeline and 26 new REUs. Three projects moved from the design phase to construction for 3,225 linear feet of pipeline and 4 REUs. We issued service authorization to 4 projects for 6,390 linear feet of pipeline and 15 new REUs.

Currently there are 81 active rural projects in design and 37 projects in construction that will total 48 miles of pipeline and 753 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 10 miles of sewer line and 16 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 October. In the month of October, we received 17 new letters of intent. Of the total, 7 were developer extension projects for 692 REUs. The other 10 projects were single-service commercial projects totaling 99 REUs. We issued service authorization to 5 projects for 399 REUs. These projects added approximately \$4.3 million in developer contributions. We held 10 preconstruction meetings in October. Overall, we have a total of 264 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. Hardee asked about our policy for extending services in Columbus County. Mrs. Holder explained that we have a designated service area in Columbus County and pointed out the area on a map. The original service area was a commissioner's service but was later amended to provide service to a school. Mrs. Holder, Mr. Minor and the Board briefly discussed Columbus County further.

Mr. Minor also called the Board's attention to the trend charts in the Board packet.

UPDATE/STATUS: Capital Projects: In regards to the Bucksport Access Road (Marine Park Road), the road had a 3-year warranty inspection required by Horry County as part of the dedication process. During this time, we are responsible for completing any warranty work identified by the engineer. Once completed, the road and associated bridge will be the County's responsibility. We requested quotes for the warranty work from qualified contractors based on the engineer's report. We received two responses – one from Construction Resource Group, Inc. for \$128,000 and one from Cekra, Inc. for \$275,000. We are awarding the work to Construction Resource Group, Inc. with a start date of early January. The work is expected to take approximately three weeks to complete.

In regards to Contract 20, RWF Construction, LLC (RWF) has started installing the pipeline associated with the Highway 378 Ext. 1 rural sewer project. Other sewer projects included in the contract are Pee Dee Highway Hydraulic Improvement, Hendricks Shortcut, Pauley Swamp Ext. 2 and Pee Dee Highway Ext. 1.

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 with nearly 50% complete. R.H. Moore Construction, Inc. (R.H. Moore) has installed approximately 12,000 linear feet of the 40,000 linear feet of 20" sewer force main along Highway 701 South.

In regards to the Highway 90 to Highway 905 Hydraulic Improvement project, we recently held a kickoff meeting with Bolton & Menk for the design of the water hydraulic improvement to be located along Red Bluff Road. The project will consist of approximately 20,000 linear feet of 16" waterline and a booster pump station that will improve capacity west of the Waccamaw River.

In regards to the administration building expansion, the architect, Mozingo & Wallace, recently completed the plans and specifications for expansion of the administration building. The associated civil site plans are still in design but will be submitted for final review by GSWSA once completed.

In regards to the new health clinic renovations, Stalvey Construction continues their work to modify the existing space for the clinic. The work is expected to be completed in early December in anticipation of McLeod's delivery of equipment.

In regards to the pump repair building addition, Stalvey Construction has completed erecting the metal building expansion and has started work on the interior of the building.

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 November 2023 through October 2024. During the month of October, our customer base increased by 582 customers which brings our customer account total to 143,090. Over the last consecutive twelve months, our total customer base has increased by 4.86%. During the month of October, our active accounts increased by 632, inactive accounts decreased by 41 and our suspended accounts decreased by 9 for a net change of 582 customers.

In regards to REUs, during the month of October, our total REUs increased by 751, which brings our REU total to 210,371. Over the last consecutive twelve months, our total REUs have increased by 4.14%. During the month of October, our active REUs

increased by 931, inactive REUs decreased by 86 and our suspended REUs decreased by 94 for a net change of 751 REUs.

Mrs. Skipper invited the Board to our annual Pig Pickin' on Thursday, December 19th at noon.

THOMAS NEAT, CHIEF OF TECHNOLOGY

UPDATE/STATUS: ERP Project & Technology Update. Mr. Neat stated we have been working to do more outreach to our customers. We are printing QR codes on our bills to attempt to collect up-to-date information from customers such as phone numbers, email addresses and the lead and copper updated information. We are collecting this information so that we have good contact information for our customers as we transition to the Cayenta system. We are communicating through the Twilio application. In the future, we will be able to send out rate change information, weather information and outage information quickly and easily to our customers. This will lead into us notifying customers of high utilization as well.

Mr. Neat also provided the Board with a security update and the things that we are doing as a company to monitor, prevent and address security concerns.

In regards to our transition to the Cayenta ERP system, we are looking at a project kick-off date of January 2025. We are currently filling out the staffing matrix and answering questionnaires for the CIS and interface requirements. We are also looking to establish milestones so we can gage our success over time. We are having several meetings a week to prepare for the transition. Mr. Neat shared screenshots of our current AS400 system and the new system with the Board.

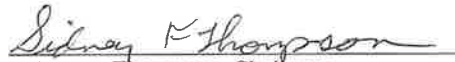
OTHER BUSINESS:


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.

Upon motion duly made by Vice-Chairman Hardee, seconded by Mr. Singleton and carried, pursuant to Section 3(b) of the Employment Agreement effective February 1, 2022, the Board reviewed the CEO's compensation, benefits and work performance and found the CEO eligible to receive a bonus for outstanding performance of 10%.

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

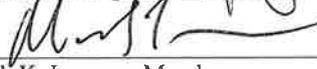

Arnold T. Johnson, Secretary


J. Liston Wells, Member


Wilbur M. James, Member



Richard G. Singleton II, Member



Mark K. Lazarus, Member

L. Morgan Martin, Member

Approved via teleconference

Radha B. Herring, Member