

GRAND STRAND WATER & SEWER AUTHORITY
 BOARD OF DIRECTORS MEETING
 NOVEMBER 28, 2022

	#MEETINGS (Since 7/1/22)	#ATTENDED (Since 7/1/22)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	5	5	100%
Benjy A. Hardee, Vice Chairman	5	5	100%
Arnold T. Johnson, Secretary	5	5	100%
J. Liston Wells, Member	5	5	100%
Wilbur M. James, Member	5	5	100%
Richard Singleton II, Member	5	5	100%
Radha B. Herring, Member	5	5	100%

MEMBERS ATTENDING VIA TELECONFERENCE:			
Mark K. Lazarus, Member	5	5	100%

MEMBERS ABSENT:			
L. Morgan Martin, Member	5	2	40%

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

VISITORS:
 Longevity Award Recipients
 Sandy Davis, Myrtle Beach Regional Economic Development Corporation
 Carl Schumpert, Myrtle Beach Regional Economic Development Corporation
 Anna Strickland, Santee Cooper

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 OCTOBER 24, 2022 MINUTES: Upon motion duly made by Mr. Hardee, seconded by Mr. Wells, the Minutes of the October 24, 2022 meeting were approved as presented.

PRESENTATION OF 2022 LONGEVITY AWARDS: Ms. Everett commended this year's longevity award recipients for their service. She thanked the recipients for their loyalty and for setting the standard for so many in the organization with their loyalty and dedication. Awards were presented by Ms. Everett and Mr. Thompson to the employees of Grand Strand Water and Sewer Authority who reached their longevity of five, ten, fifteen, twenty, twenty-five, thirty, thirty-five, forty and forty-five years of service in 2022. The employees were congratulated and thanked by the Board for their service.

MYRTLE BEACH REGIONAL ECONOMIC DEVELOPMENT CORPORATION PRESENTATION BY SANDY DAVIS, PRESIDENT & CEO: Ms. Everett stated several representatives from the Myrtle Beach Regional Economic Development Corporation (MBREDC) and Santee Cooper were present to update the Board on the Marine Park and their efforts in marketing for tenants. Mrs. Davis of the MBREDC

shared several different options with the Board that would make the Marine Park more attractive to tenants. Mrs. Davis suggested a longer term lease, selling the property or building spec buildings for tenants. Mrs. Davis also shared with the Board some of the marketing materials being used. Mr. Schumpert recently attended a trade show in Florida and gave the Board feedback on the show. Mrs. Davis welcomed any questions. After a brief discussion, a decision was made to create a committee to focus on the Marine Park.

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

DISCUSSION/ACTION: Sod Donation Request to Habitat for Humanity: Upon motion of Mr. Hardee, seconded by Mr. Singleton, the sod donation request was unanimously approved by the Board as presented.

DISCUSSION/ACTION: Approval of Board Expenses for WEFTEC Conference in New Orleans, LA – October 8th – 13th, 2022. Upon motion of Mr. Wells, seconded by Mr. Johnson, the expenses were unanimously approved by the Board as presented.

Ms. 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: October 2022 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for October 2022 with the Board. As of October 31st, our total operating revenues were \$42.2 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. 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 43% of the total increase in water and wastewater fees. Other revenues were up mainly due to an increase in cross connection fees of approximately \$120,000. Our tap fees have increased \$167,244 or 8%. Our total operating expenses are \$34.7 million, which is an increase of \$2.2 million or 7% from the prior fiscal year. Outside services have increased 9% from fiscal year 2022 due to an increase in professional services, service and maintenance contracts and utilities. Supplies and materials have increased 40% from fiscal year 2022 due to an increase in fuel costs, treatment supplies and water and wastewater facility costs. Debt service is down \$543,312 due to the timing of debt service payments. We currently have an operating surplus of \$7.5 million which is a decrease of \$274,933 from the prior fiscal year. Mrs. Jordan reported total non-operating revenues of \$7.5 million, which is a decrease of \$1.9 million or 20% from the prior fiscal year. This is mainly due to a decrease in investment income.

Mrs. Jordan shared the consolidated budget to actual report with the Board. As of October 31st, we should be at approximately 33% of our budget. Our operating revenues were budgeted at \$126.3 million. To-date, we have earned \$42.2 million or 33% of budget which is right on target. Our operating expense budget is \$126.3 million. Year-to-date we have spent \$34.7 million or 27% of 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 \$7.5 million or 24% of

budget. Impact fees have been slightly higher than budgeted and investment income is currently lower due to the mark-to-market showing a loss to-date.

Ms. Everett called the Board's attention to total Personnel Services. Personnel Services are currently at 28% of budget which is 5% less than the anticipated total to-date due to the vacancies we currently have.

UPDATE/STATUS: Investment Analysis: In our PNC Capital Advisors accounts we have a balance of \$54.2 million. These funds have a current month yield of (0.36%), a three month yield of (4.25%) and a twelve month yield of (7.62%). The balance in our PFM Asset Management LLC accounts is \$57.6 million with a current month yield of (0.22%), a three month yield of (3.05%) and a twelve month yield of (6.24%) Overall, we have \$111.8 million invested with managers. The funds invested by our internal staff total \$92.9 million. Our debt service accounts total \$7.3 million. Our total investment portfolio is \$212.0 million with a current month yield of (0.07%), a three month yield of (1.71%) and a twelve month yield of (3.30%).

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 (2.47%). PNC Capital Advisors' fiscal year-to-date return is (3.08%) which is below the benchmark and less than the 19/19 Investment Counsel fiscal year 2022 return of (0.48%). This year's fiscal year-to-date return for PFM Asset Management LLC is (2.33%) which is better than the benchmark but lower than last year's return of (0.39%). The Local Government Investment Pool's fiscal year-to-date return is 10.27% compared to fiscal year 2022's return of 0.42%.

Ms. Everett stated we have had several conversations with PFM Asset Management LLC and PNC Capital Advisors about our investments to determine the best strategies. Right now, everything is very short and things are starting to move in the right direction.

UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$26,363 was spent on Business & Travel during the month of October. These expenses include membership renewals and conference fees. Year-to-date, we have spent a total of \$158,023.

TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The alum dosage at Myrtle Beach averaged 106 mg/l for the month of October which is down 12% compared to last month. The average alum dosage at Bull Creek for the month of October was 77 mg/l, which is up 9% compared to last month. Myrtle Beach is currently running at about 70 mg/l and Bull Creek is currently running at 36 mg/l. In regards to water flows, Myrtle Beach flows were down 2% compared to the same period last year and Bull Creek flows were up 1%. The total flows were down 6% as compared to last fiscal year. In regards to wastewater flows, flows at Myrtle Beach were up 14% and the flows at Schwartz were up 5% as compared to last year. The total wastewater flows were up 14%.

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 October.

In regards to plant operation activities, at the Myrtle Beach SWTP, The Harper Corporation General Contractors (Harper) completed the replacement of the underdrain system and media for filter #7 last week. At the Bull Creek SWTP, Goodwyn Mills Cawood (GMC) encountered an issue with the new flood plain map which will delay bidding of the project by a few months.

On the wastewater treatment plant side, in regards to the Longs WWTP, this plant is performing well. Flows at the plant have averaged 0.8 MGD since start-up of the plant in January. At the Conway WWTP, the effluent structure work continues. However, Harper moved off the project for a little while because they are awaiting equipment arrival. Some

of the components should be coming in over the next couple of weeks. At the Myrtle Beach WWTP, staff is replacing the sodium bisulfite tanks for the plant's dichlorination system. At the Bucksport WWTP, we are reviewing proposals from an RFP that was sent out for engineering services to expand the facility's capacity by 5 MGD. In regards to the Yauhannah Tract, the NPDES sludge disposal renewal process is underway. A public notice has been issued for comments for renewal of this permit. If there are no comments, this should be reissued.

Mrs. Everett stated she attended the 208 committee COG meeting. The COG approves all major amendments to discharges from wastewater treatment facilities. We were on the agenda last month and they tabled it. We were back on the agenda this month for approval. There were no comments. The 208 COG approved the extension of the discharge permit for a new Central plant to be located directly behind our facilities here. We are getting ready to start the RFP process for design of the plant.

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 October.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regards to the Ten Oaks well in Carolina Forest, our internal staff continues to perform electrical and instrumentation work. In regards to the Braves Village well, construction of the wellhouse continues. The well driller is installing all of the above ground wellhead piping. In regards to the Highway 410 Blend well, we have received temporary electrical power which allowed us to continue with the well development. In regards to the Cool Springs well, we have applied for temporary power to allow us to continue with well development.

In the ASR program, for the month of October, we had a net injection of approximately 131.9 million gallons for an average daily injection of 4.3 million gallons.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in October we smoke tested 133,686 linear feet of gravity sewer line, cleaned and televised 2,261 linear feet of gravity sewer mains, responded to 223 sewer back-ups and 59 water quality requests, collected 397 water quality samples, inspected 191 cross connection devices, 283 fire hydrants and 443 isolation valves, responded to 26 emergency main line shut-downs and 8 scheduled shut-downs, and completed 3,956 work orders mostly for meter reading services.

Mr. Patel also mentioned the hydration station which was parked in front of the building tonight for Board Members to see as they arrived to the meeting. We hope to use the hydration station to participate in community events in 2023. Mr. Patel also shared pictures of our new mascots, a toilet and a water drop which our employees have named Swirly and Drip. We plan to have Swirly and Drip attend community events as well.

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 \$4.5 million in the rural water program. In October, we authorized 4 projects for design for 5,710 linear feet of pipeline and 18 new REUs. Four projects moved from the design phase to construction for 4,080 linear feet of pipeline and 4 new REUs. We issued service authorization to 3 projects for 6,675 linear feet of pipeline and 10 new REUs.

On the sewer side, in the fiscal year 2022/2023 budget, the Board has approved over \$7.8 million for the rural sewer program. In October, we authorized 4 new projects for design that will add 3,370 linear feet of pipeline and 14 new REUs. Six projects moved from the

design phase to construction for 6,525 linear feet of pipeline and 6 new REUs. We issued service authorization to 4 projects for 5,725 linear feet of pipeline and 10 new REUs.

In total, we have 139 active water and sewer projects currently in design and construction totaling over 57 miles of pipeline and 496 new REUs.

Calendar year-to-date, we have installed 36 miles of pipeline. This includes 23 miles of sewer line and 13 miles of waterline. Mr. Minor called the Board's attention to the cumulative totals in the Board packet. These 36 miles of pipeline added 412 REUs.

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 25 new letters of intent. Of the total, 12 were developer extension projects for 970 REUs. A little more than half of these were single-family developments. The other 13 projects were commercial projects totaling 35 REUs. We issued service authorization to 3 projects for 227 REUs. These 3 projects added approximately \$980,000 in developer contributions. We held 2 preconstruction meetings. Currently, we have 104 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.

UPDATE/STATUS: Capital Projects: In regards to the Bucksport Campground Expansion project, we held a bid opening on November 23rd for expansion of the campground to include 13 new camp sites, a bathhouse and pool area. We received 2 bids. The low bidder was D&L Sitework, Inc. with a bid of \$1,008,229.28 which includes a \$125,000 pool allowance as well. We will be looking at this closely to determine how to move forward.

In regards to the Bucksport Marina Parking Lot, we held a bid opening on November 13th for the new boat trailer parking lot at the Marina. We received 6 bids. D&L Sitework, Inc. was the apparent low bidder with a bid of \$269,315.18. We are working with the contractor in anticipation of award. Ms. Everett stated these projects came in slightly over budget. There is some value engineering we can do to get these projects within budget.

In regards to the Bull Creek 15 MGD Expansion and Water Main Upgrade, Goodwyn Mills Cawood (GMC) has nearly finalized plans and specifications for the expansion of the plant to a 60 MGD plant. The original intent was to advertise for bids by early November. However, due to a portion of the proposed improvements being within the recently revised FEMA special flood hazard area, we have to request a FEMA Letter of Map Revision before we can obtain all remaining permits. This should not be an issue, but it will push the project down the road several months.

In regards to Pipeline Contract 15, RWF Construction LLC (RWF) is nearing completion of all the projects associated with this rural pipeline contract. Completed projects include: St. John Road Ext. 1 sewer project, Bay View Drive area water project, Highway 45 Ext. 5 water project and Highway 19/Highway 45 hydraulic improvement water project. Crews continue to work on the Ino Drive water project and Gilbert Road area sewer project. It is anticipated that these projects will be completed in the next couple of weeks.

In regards to Pipeline Contract 17, we held a bid opening on November 10th for four different rural water and sewer projects. MJL, Inc. was the low bidder for the Watts Road area sewer project and was awarded a contract in the amount of \$824,100. RCB Contractors (RCB) was the low bidder on the remaining three projects which include the Inman Circle Ext. 4 water project, the Inman Circle sewer project and the Hardwick Road area water developer extension project. RCB was awarded a contract in the amount of \$801,587 for these projects.

In regards to the International Drive Booster Pump Station project, we conducted a start-up with GMC and Harper on November 15th. Based on the results of the start-up, several items were noted on a punch list. Several of these have already been completed. A generator start-up/load test is now scheduled for November 22nd.

In regards to the Marion WWTP Flood Mitigation Berm project, we have awarded a contract to MB Kahn Construction Co., Inc. in the amount of \$1,827,771 for this project. A pre-construction meeting is anticipated to take place the week of December 5th. This is a 270-day contract.

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 2021 through October 2022. During the month of October, our customer accounts increased by 283, which brings our customer account total to 117,466. Over the last consecutive twelve months, our total customer base has increased by 4.6%. In October, our active accounts increased by 323, inactive accounts decreased by 67 and our suspended accounts increased by 27 for a net increase of 283 accounts.

In regards to REUs, for the month of October, our total REUs increased by 785, which brings our REU total to 176,076. Over the last consecutive twelve months, our total REUs have increased by 4.6%. For the month of October, our active REUs increased by 836, inactive REUs decreased by 66 and suspended REUs increased by 15 for a net increase of 785 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 October was approximately \$3.0 million. The largest purchase order was issued to Harper for \$261,000 for the filter #7 underdrain and media replacement at the Myrtle Beach SWTP. The second largest purchase order was issued to Ferguson Waterworks for \$250,970 for 1,000 meter boxes to be placed in inventory. Other large purchase orders included professional services for a needs assessment/RFP for a new software system which was mentioned during last month's Board meeting, an elevated storage tank annual maintenance contract and grinder stations and meters for our warehouse inventory.

Mrs. Skipper also updated the Board regarding options for the upcoming budget retreat. Mrs. Skipper presented three different options to the Board. However, the Wampee Conference and Training Center is now available for the dates we originally requested. Their Board cancelled the meeting that originally conflicted with our requested dates. A decision was made to continue holding the budget retreat at the Wampee Conference and Training Center as we have in previous years.

Mrs. Skipper briefly updated the Board regarding the classification and compensation study being conducted by CBIZ. All of the interviews have been completed. CBIZ received 12 out of the 16 responses requested. Nine of the 12 companies who responded provided complete information. CBIZ is currently analyzing the data. We hope to have this information ready to present to the Board in January. Ms. Everett stated we may have a separate workshop before the Board Meeting or on another day for CBIZ to present and discuss the results of the study with the Board.

Mrs. Skipper invited the Board to our annual Pig Pickin' on Thursday, December 15th at Noon.

OTHER BUSINESS:

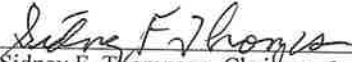
Chairman Thompson called the Board's attention to the Employee Recognition and Sod Donation Report.

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


Upon motion duly made, seconded 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



Radha B. Herring, Member