

GRAND STRAND WATER & SEWER AUTHORITY
 BOARD OF DIRECTORS MEETING
 OCTOBER 28, 2024

	#MEETINGS (Since 7/1/24)	#ATTENDED (Since 7/1/24)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	4	4	100%
Benjy A. Hardee, Vice Chairman	4	4	100%
Arnold T. Johnson, Secretary	4	3	75%
J. Liston Wells, Member	4	4	100%
Wilbur M. James, Member	4	4	100%
Mark K. Lazarus, Member	4	3	75%
Radha B. Herring, Member	4	4	100%

MEMBERS ATTENDING VIA TELECONFERENCE:			
Richard Singleton II, Member	4	4	100%

MEMBERS ABSENT:			
L. Morgan Martin, Member	4	2	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

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 Member, Wilbur James.

APPROVAL OF SEPTEMBER 23, 2024 MINUTES: Upon motion duly made by Mr. James, seconded by Mr. Wells, the Minutes of the September 23, 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. Wells, 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: Green Sea Baptist Church/Hurricane Helene Effort Hay Donation Request. Mrs. Holder stated that we received a letter from Green Sea Baptist Church requesting a hay donation. The church is delivering hay to the western portion of North Carolina. They are partnering with farmers in Western, North Carolina who have livestock but cannot get hay to them. The letter from the church is included in the Board Packet for the Board’s information. We have plenty of hay to offer a donation. Two truckloads would be approximately \$1,260 worth of hay. Upon motion of Mr. Johnson,

seconded by Mr. James, the decision to donate two truckloads of hay was unanimously approved by the Board as presented.

Mrs. Holder stated that the October 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: September 2024 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for September 2024 with the Board. As of September 30th, our total operating revenues were \$36.7 million, which is a 9% increase from the prior fiscal year. Our largest increases in operating revenues were increases in monthly water fees, wastewater fees, tap fees and other revenue. Monthly water fees were up in all categories with the exception of bulk and 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. The largest increases were in wastewater availability and volume. Tap fees were up \$280,928 compared to the prior fiscal year. Other revenues were up \$594,567 mainly due to timber sales we received in the current year. Our total operating expenses were \$30.0 million, which is an increase of \$3.1 million or 11% from the prior fiscal year. The largest increases come from Personnel Services, Outside Services, Supplies and Materials and Capital Outlay. Personnel Services have increased \$1.2 million or 13% from fiscal year 2024. This is due to the addition of 20 employees from Little River and a merit increase. Outside Service have increased \$350,515 from the prior fiscal year due to an increase in professional services, service and maintenance costs and utility costs. Capital Outlay is up \$703,145 or 231% from the prior fiscal year. In September, we received a mini excavator, a track loader and a tractor. We have received more vehicles and equipment this fiscal year than we did in the same time period last fiscal year. We currently have an operating surplus of \$6.7 million which is a decrease of \$147,023 from the prior fiscal year. Mrs. Jordan reported total non-operating revenues of \$16.2 million, which is an increase of \$9.2 million or 132% from the prior fiscal year. This is mainly due to an increase in investment income of \$5.7 million, the receipt of \$1.3 million in ARPA funds for the Bull Creek expansion project, receipt of \$150,000 from RIA for a grant for the Marion berm, receipt of \$1.1 million for the Conway to Bucksport Flow Diversion project and receipt of \$584,000 from FEMA for Hurricane Florence this fiscal year.

Mrs. Jordan shared the consolidated budget to actual report with the Board. As of September 30th, we should be at 25% of our budget. Our operating revenues were budgeted at \$149.0 million. To-date, we have earned \$36.7 million or 25% of our estimated budget. Our operating expense budget is \$149.0 million as well. Year-to-date we have spent \$30.0 million or 20% of the budget. Our expenditures will increase as we continue to receive items from our annual bid throughout the fiscal year. Total non-operating revenues were budgeted at \$55.3 million and to-date we have earned \$16.2 million or 29% of the budget. This is mainly due to our investment income being higher than we originally estimated due to current market conditions and the increase in Special Fees and Contributions.

UPDATE/STATUS: Investment Analysis: In our PNC Capital Advisors accounts, we have a balance of \$59.5 million. These funds have a current month yield of 0.84%, a three month yield of 3.24% and a twelve month yield of 7.71%. The balance in our PFM Asset Management LLC accounts is \$63.5 million with a current month yield of 1.05%, a three month yield of 3.88% and a twelve month yield of 8.64%. Truist funds total \$5.0 million with a current month yield of 0.86%, a three month yield of 3.29% and a twelve month yield of 11.18%. Overall, we have \$128.0 million invested with managers. The funds invested by our internal staff total \$115.5 million. Our debt service accounts total \$5.4 million. Our total investment portfolio is \$249.0 million with a current month yield of 0.67%, a three month yield of 2.40% and a twelve month yield of 6.58%.

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 is 3.93%. PNC Capital Advisors' fiscal year-to-date return is 3.24% which is below the benchmark but higher than fiscal year 2024's return of (0.48%). PNC Capital Advisors is not currently meeting the investment policy of being within 25% of the benchmark. They said this is due to the effective duration of our existing investments being shorter than the benchmark. In the next 3 months we should have an additional \$11.4 million that will mature and they will reinvest with a longer duration. This year's fiscal year-to-date return for PFM Asset Management LLC is 3.89% which is slightly below the benchmark and higher than last year's return of (0.66%). Truist's fiscal year-to-date return is 3.29% which is also below the benchmark and higher than fiscal year 2024's return of (2.06%). This is the portfolio we inherited from the Little River acquisition. As these investments mature over the next few months, we are not going to reinvest with Truist. We plan to reinvest with the Local Government Investment Pool instead. The Local Government Investment Pool's fiscal year-to-date return is 1.38% which is slightly lower than the fiscal year 2024 return of 1.40%. Our fiscal year-to-date return for the ABB ICS account is 1.20% which is higher than last year's fiscal year-to-date return of 1.14%. Our fiscal year-to-date return for the CCNB ICS account is 1.22% which is slightly less than the fiscal year 2024 return of 1.27%.

UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$47,919 was spent on Business & Travel during the month of September. These costs include membership and license renewals, exam fees and training fees. Year-to-date, we have spent a total of \$140,330.

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. The total of all purchase orders included on the report for the month of September is \$4.9 million. The largest purchase order in September was issued to Homewood Metalworks for \$851,300 for the maintenance storage building at the Bucksport WWTP. Other large purchase orders included a purchase order to R.H. Moore Company, Inc. for \$709,000 for the 36" effluent line repair at Fred Nash Boulevard, a purchase order to Dobbs Equipment for \$312,861 for three excavators and a purchase order to Velocity Truck Centers for \$291,768 for two Freightliners.

TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The alum dosage at Myrtle Beach averaged 189 mg/l for the month of September which is up 31% compared to last month. The average alum dosage at Bull Creek for the month of September was 119 mg/l, which is down 42% compared to last month. Myrtle Beach is currently running at about 225 mg/l and Bull Creek is currently running at about 75 mg/l. This is the highest we have seen at Myrtle Beach in a while. The slug of water from Tropical Storm Debby is now at Myrtle Beach. In regards to water flows, Myrtle Beach flows were down 2% and Bull Creek flows were up 10% compared to last year. The total water flows including ASR and blend wells were up 3%. In regards to wastewater flows, flows at Myrtle Beach were down 13% and the flows at Schwartz were down 5% compared to the same time period last year. The total wastewater flows were down 4% compared to last year. It has been very dry lately. We have been 27-28 days without rain which is starting to show on wastewater plant flows and raw water quality.

UPDATE/STATUS: Compliance with 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 September.

In regards to plant operation activities, at the Myrtle Beach SWTP, the staff has been working on the new ozone generation system. The unit was overheating and had to be repaired. We have been working with the company who manufactured it to find a resolution. At the Bull Creek SWTP, Mr. Brown stated he has temporarily relocated to the plant and has been conducting training with the staff, Plant Superintendent, Plant Manager and the employees who haven't obtained their certifications yet. We received RFPs for a new Surface Water Withdraw Permit and Preliminary Engineering Report for

the new Socastee Surface Water Treatment Plant. We received four proposals. Black & Veatch and Hazen & Sawyer were selected to perform this work. We have issued a purchase order. Work continues with MBD Consulting Engineers, P.A. on modifications to the Perry Road Pump station. We are looking to add another reservoir for storage and having a redundant pump station. This is one of our major pump stations on the water side.

On the wastewater treatment plant side, at the Myrtle Beach WWTP, design work has been completed for the influent pump station odor scrubber. We are awaiting a new permit for this. 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. Last week, Mr. Brown stated he, one of our Wastewater Plant Managers and our engineer went to Wisconsin to view a pilot plant with the ceramic membrane that was proposed on one of the systems. They also toured the facility where the membranes are manufactured in Austin, Texas and feel like this is probably the best solution to meet the required limits. We will have an oxidation system similar to Bucksport and then we will have the membrane. Right now we are in motion for this design. Design meetings on the Vereen clarifier and effluent structure have begun.

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 September.

In addition, we have submitted our initial service line inventory to SCDES for the following water systems: Bull Creek Regional, City of Marion, City of Mullins, Town of Lake View, Town of Nichols, Town of Latta and Myrtle Beach SWTP. As discussed at the Budget Retreat, there have been some revisions to the lead and copper rules. Part of the new regulation is to identify the water service on both the utility side and customer side. We have been working diligently on this. In total, there are about 129,000 taps, most of which have been identified. Work continues in the field for all of the unknown services. Mr. Patel shared a snapshot of our inventory with the Board. This service line inventory is also available on our external webpage. Mr. Patel briefly discussed this further with the Board.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regards to the Jackson Bluff and Cool Springs wells, we received the construction permit from SCDES. In regards to the River Oaks well, we are coordinating with SCDES on review comments on the follow-up package. In regards to the International Drive well, the contractor is performing electric logs. In regards to the Carolina Pines well, we are compiling bid documents for well drilling.

In the ASR program, for the month of September, we had a net recovery of approximately 135.5 million gallons for an average daily recovery of 4.5 million gallons.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in September, we smoke tested 443,370 linear feet of gravity sewer line, cleaned and televised 3,430 linear feet of gravity sewer mains, responded to 176 sewer back-ups and 129 water quality requests, collected 409 water quality samples, inspected 191 cross connection devices, 249 fire hydrants and 660 isolation valves, responded to 10 emergency main line shut-downs, completed 3 scheduled shutdowns and completed 6,047 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 \$4.8 million in the rural water program. Since the last Board meeting, we authorized 2 projects for design for 1,260 linear feet of pipeline and 2 new REUs. Two projects moved from the design phase to construction for

6,898 linear feet of pipeline and 20 REUs. We issued service authorization to 5 projects for 8,085 linear feet of pipeline and 32 new REUs.

On the sewer side, in the fiscal year 2024/2025 budget, the Board has approved over \$6.0 million in the rural sewer program. Since the last Board meeting, we authorized 7 new projects for design that will add 37,770 linear feet of pipeline and 247 new REUs. The majority of this is associated with developer extension projects in the Columbus County area along Highway 905. Three projects moved from the design phase to construction for 15,564 linear feet of pipeline and 80 REUs. We issued service authorization to one project for 510 linear feet of pipeline and 1 new REU.

Currently there are 76 active rural projects in design and 39 projects in construction that will total 45 miles of pipeline and 533 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 9 miles of sewer line and 15 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 September. In the month of September, we received 27 new letters of intent. Of the total, 15 were developer extension projects for 1,728 REUs. The other 12 projects were single-service commercial projects totaling 62 REUs. We issued service authorization to 10 projects for 658 REUs. These projects added approximately \$5.3 million in developer contributions. We held 8 preconstruction meetings in September. Overall, we have a total of 280 active developer projects. Of the total, 108 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, we held a bid opening on September 26th for the rebid of a rural pipeline contract that includes 5 sewer projects containing nearly 19,000 linear feet of pipeline. RWF Construction, LLC (RWF) was the only bidder with a bid of \$2,023,680. We awarded the contract to RWF and a preconstruction meeting was held on October 17th. A Notice to Proceed has been issued with a start date of November 4th.

In regards to the Conway to Bucksport WWTP Flow Diversion project, M.B. Kahn Construction Company, Inc. (M.B. Kahn) continues construction of the new diversion pump station at the Conway WWTP. R.H. Moore has installed approximately 10,000 linear feet of the approximately 40,000 linear feet of 20" sewer force main along Highway 701 South. The anticipated completion date for this project is late summer 2025.

In regards to the Forestbrook Road Widening project, we held a kick-off meeting on October 8th with Mead & Hunt, Inc. for the design of the water and sewer utility relocates associated with the RIDE 3 widening project. Design, utility coordination and permitting is expected to take approximately 6 months. We intend to use this corridor for a significant water transmission upgrade with an expected 20" waterline replacing mostly 6" and 8" waterlines.

In regards to the new health clinic renovations, we obtained quotes for modifications to transform the existing Inspections offices to the health clinic. This work consists of adding two exam rooms in the existing space, retaining the existing office and bathroom but installing new flooring and paint throughout. Stalvey Construction was the low bid and has recently obtained a building permit. Work is expected to be completed in early December in anticipation of McLeod's delivery of equipment to the newly modified space.

In regards to the pump repair building addition, we are expanding the pump repair building to accommodate the significant growth in the rural sewer program. We now

have approximately 9,000 single service grinder pump stations. The addition includes a new climate-controlled bay, office, breakroom and restroom with a shower. Stalvey Construction recently obtained a building permit and completed the slab installation. This project is expected to be completed by late spring 2025.

In regards to the warehouse renovation, our contractor, Consensus Construction & Consulting, Inc., recently completed the warehouse renovations that included new offices, a storage room, a break room, mezzanine with stair access and an open work space with walk-up windows for inventory issuances.

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 October 2023 through September 2024. During the month of September, our customer base increased by 496 customers which brings our customer account total to 142,508. Over the last consecutive twelve months, our total customer base has increased by 4.9%. During the month of September, our active accounts increased by 366, inactive accounts increased by 145 and our suspended accounts decreased by 15 for a net change of 496 customers.

In regards to REUs, during the month of September, our total REUs increased by 601, which brings our REU total to 209,620. Over the last consecutive twelve months, our total REUs have increased by 4.1%. During the month of September, our active REUs increased by 709, inactive REUs increased by 150 and our suspended REUs decreased by 258 for a net change of 601 REUs.

UPDATE/STATUS: Health Insurance Benefits and Renewal Rates. We received our final health insurance renewal this month. Initially, we received a 20% increase, but fortunately McGriff was able to negotiate with BCBS down to a 5% increase. This increase includes no changes to our current benefits.

We received a rate pass for our vision and dental coverages as well as our coverages through Mutual of Omaha which includes LTD, AD&D and basic life insurance. The supplemental policies and STD policy that are employee-paid received a rate pass as well.

After including our vision and dental insurances with no rate increase, the final rate increase for most employees is approximately 4.8%. Mrs. Skipper called the Board's attention to the current rates, renewal rates and associated premiums in the Board packet.

Mrs. Skipper also briefly reviewed the two plans that we offer with the Board. We will continue to offer both the Copay and HDHP next year. Currently we have 54 participants on the HDHP which is a considerable increase from 2023 when we had 4 participants on the plan. We hope to continue to see an increase in participation in the HDHP next year.

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 386 full-time employees. Over the course of the fiscal year, we had a total of 32 job postings, hired 19 new employees externally, had 18 employees selected for internal job openings and had 10 employees leave GSWSA which included 3 retirements, 5 resignations and 2 terminations.

THOMAS NEAT, CHIEF OF TECHNOLOGY

Mr. Neat did not have any updates for the Board this month.

OTHER BUSINESS:

Chairman Thompson called the Board's attention to the Employee Recognition, Sod Donation Report and GSWSA Endowed Scholarship Trust.

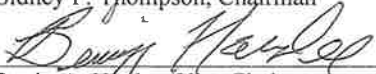
Upon motion duly made, seconded and carried the Board went into executive session for the discussion of contractual and legal matters. Following executive session, the Board returned to regular session.

Upon return to open session, upon motion of Mr. Hardee, seconded by Mr. James, the Board unanimously approved for the CEO to sign a memorandum of understanding involving Strategic Shipping Services LLC and GSWSA.

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



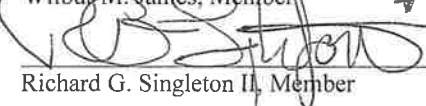
Arnold T. Johnson, Secretary



J. Liston Wells, Member

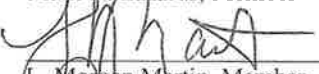


Wilbur M. James, Member

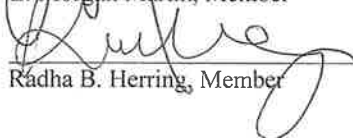


Richard G. Singleton II, Member

Mark K. Lazarus, Member



L. Morgan Martin, Member



Radha B. Herring, Member