

GRAND STRAND WATER & SEWER AUTHORITY  
 BOARD OF DIRECTORS MEETING  
 OCTOBER 24, 2022

	#MEETINGS (Since 7/1/22)	#ATTENDED (Since 7/1/22)	% ATTENDANCE
<b>MEMBERS PRESENT:</b>			
Sidney F. Thompson, Chairman	4	4	100%
Benjy A. Hardee, Vice Chairman	4	4	100%
Arnold T. Johnson, Secretary	4	4	100%
J. Liston Wells, Member	4	4	100%
Wilbur M. James, Member	4	4	100%
Richard Singleton II, Member	4	4	100%
Mark K. Lazarus, Member	4	4	100%

<b>MEMBERS ATTENDING VIA TELECONFERENCE:</b>			
Radha B. Herring, Member	4	4	100%

<b>MEMBERS ABSENT:</b>			
L. Morgan Martin, Member	4	2	50%

**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 Secretary, Arnold Johnson.

**APPROVAL OF SEPTEMBER 26, 2022 MINUTES:** Upon motion duly made by Mr. James, seconded by Mr. Wells, the Minutes of the September 26, 2022 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.

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

Ms. Everett provided the Board with a brief technology update. We recently received proposals from consultants to conduct a needs assessment for a new computer software system. We have issued a purchase order to the Government Finance Officer’s Association (GFOA). GFOA has a division of their organization that is a consulting firm

for technology. They recently completed a similar type of conversion for Charleston Water System. We are excited to get started on the needs assessment.

#### DIVISION REPORTS:

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

UPDATE/STATUS: September 2022 Financial Statements: Mrs. Jordan reviewed the details of the preliminary consolidated budget report for September 2022 with the Board. As of September 30<sup>th</sup>, our total operating revenues were \$31.8 million, which is a 7% 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 bulk. The largest increases were in water availability, volume, Bull Creek revenues and Myrtle Beach revenues. Monthly wastewater revenues were up in all categories. The largest increases were in wastewater availability, volume and Myrtle Beach revenues. Increases in availability and volume make up approximately 54% of the total increase in water and wastewater fees. Other revenues were up mainly due to an increase in cross connection fees of approximately \$167,000. Our tap fees have increased \$405,219 or 29%. Our total operating expenses are \$26.1 million, which is an increase of \$1.5 million or 6% from the prior fiscal year. Outside services have increased 9% from fiscal year 2022 due to an increase in professional services and service and maintenance contracts. Supplies and materials have increased 33% from fiscal year 2022 due to an increase in fuel costs, treatment supplies and water and wastewater facility costs. Debt service is down \$408,296 due to the timing of debt service payments. We currently have an operating surplus of \$5.7 million which is an increase of \$603,859 from the prior fiscal year. Mrs. Jordan reported total non-operating revenues of \$4.9 million, which is a decrease of \$1.0 million or 18% from the prior fiscal year. The overall increase in impact fees was not enough to offset the \$2.5 million decrease in investment income.

Mrs. Jordan shared the consolidated budget to actual report with the Board. As of September 30<sup>th</sup>, we should be at approximately 25% of our budget. Our operating revenues were budgeted at \$126.3 million. To-date, we have earned \$31.8 million or 25% of budget which is right on target. Our operating expense budget is \$126.3 million. Year-to-date we have spent \$26.1 million or 21% of the budget. Total non-operating revenues were budgeted at \$31.6 million and to-date we have earned \$4.9 million or 15% of budget. Impact fees have been slightly higher than budgeted and investment income is currently lower.

UPDATE/STATUS: Investment Analysis: In our PNC Capital Advisors accounts we have a balance of \$54.4 million. These funds have a current month yield of (2.18%), a three month yield of (2.73%) and a twelve month yield of (7.65%). The balance in our PFM Asset Management LLC accounts is \$57.7 million with a current month yield of (1.64%), a three month yield of (2.12%) and a twelve month yield of (6.45%) Overall, we have \$112.1 million invested with managers. The funds invested by our internal staff total \$89.0 million. Our debt service accounts total \$6.3 million. Our total investment portfolio is \$207.4 million with a current month yield of (0.96%), a three month yield of (1.16%) and a twelve month yield of (3.56%).

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 (2.28%). PNC Capital Advisors' one-month return for September was (2.73%) which is below the benchmark and less than the 1919 Investment Counsel fiscal year 2022 return of (0.08%). This year's fiscal year-to-date return for PFM Asset Management LLC is (2.11%) which is better than the benchmark but lower than last year's return of 0.05%. The Local Government Investment Pool's fiscal year-to-date return is 6.81% compared to fiscal year 2022's return of 0.32%.

UPDATE/STATUS: Business & Travel Expenses: Mrs. Jordan noted \$38,905 was spent on Business & Travel during the month of September. Year-to-date, we have spent a total of \$131,661.

TIM BROWN, CHIEF OF PLANT OPERATIONS

UPDATE/STATUS: Bull Creek/Myrtle Beach Regional Water Facility Production: The alum dosage at Myrtle Beach averaged 120 mg/l for the month of September which is up 38% compared to last month. The average alum dosage at Bull Creek for the month of September was 70 mg/l, which is up 15% compared to last month. Myrtle Beach is currently running at about 105 mg/l and Bull Creek is currently running at 92 mg/l. In regards to water flows, Myrtle Beach flows were consistent with the same period last year and Bull Creek flows were up 1%. The total flows were down 15% as compared to last fiscal year. This is due to injecting into ASR last September rather than recovering. In regards to wastewater flows, flows at Myrtle Beach were up 1% and the flows at Schwartz were up 11% as compared to last year. The total wastewater flows were up 9%.

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 September.

In regards to plant operation activities, at the Myrtle Beach SWTP, The Harper Corporation General Contractors (Harper) has started replacing the underdrain system and media for filter #7 because the underdrain failed. It started raising up and we were losing media. Plans are to complete this work by the end of November. At the Bull Creek SWTP, Goodwyn Mills Cawood (GMC) sent us the 100% design drawings on the 15 MGD expansion of the plant to a 60 MGD capacity. We are currently reviewing these plans.

On the wastewater treatment plant side, at the Longs WWTP, the punch list items have been completed for this project. At the Conway WWTP, the effluent structure is continuing. Harper moved off the project for a little while because they are awaiting equipment arrival. At the Bucksport WWTP, we sent out an RFP for engineering services to expand this facility's capacity by 5 MGD. We will select an engineer once we receive these RFPs.

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 September.

UPDATE/STATUS: Aquifer Storage Recovery Well Program: In regards to the Ten Oaks well in Carolina Forest, the provider has completed construction of the wellhouse. We started design of the intertie to connect the well to the water system at the road. In regards to the Braves Village well, the provider has initiated construction of the wellhouse. In regards to the Highway 410 Blend well, mechanical and hydraulic surging continues. We have temporary electrical power to allow 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 September, we had a net recovery of approximately 77.3 million gallons for an average daily recovery of 2.6 million gallons.

UPDATE/STATUS: Field Operations Activities: In regards to other field operations activities, in September we smoke tested 259,312 linear feet of gravity sewer line, cleaned and televised 3,915 linear feet of gravity sewer mains, responded to 237 sewer back-ups and 41 water quality requests, collected 457 water quality samples, inspected 176 cross connection devices, 322 fire hydrants and 427 isolation valves, responded to 26 emergency main line shut-downs and one scheduled shut-down, and completed 4,324 work orders mostly for meter reading services.

Ms. Everett briefly updated the Board regarding the situation with the customer who experienced a sewer back-up as a result of a GSWSA equipment failure. Ms. Everett and

Mr. Patel have prepared sewer back-up procedures for situations such as this in the future. We are currently finishing remediation efforts with the affected customer. Mr. Johnson asked if the procedures were aggressive. The procedures require immediate notification to Ms. Everett and Mr. Patel. We ran the procedures by the Insurance Reserve Fund as well to get their input to ensure we keep them involved throughout the process and any expenses we incur would be reimbursable by them. With the new procedures, the customer will be given the option to receive assistance from GSWSA if needed prior to addressing with the Insurance Reserve Fund. Our staff will be educated on how to handle similar situations going forward. Ms. Everett briefly discussed this further with the Board.

#### 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 \$4.4 million in the rural water program. In September, we authorized 4 projects for design for 6,445 linear feet of pipeline and 21 new REUs. Three projects moved from the design phase to construction for 5,760 linear feet of pipeline and 6 new REUs. We issued service authorization to 6 projects for 16,755 linear feet of pipeline and 26 new REUs.

On the sewer side, in the fiscal year 2022/2023 budget, the Board has approved over \$7.6 million for the rural sewer program. In September, we authorized 6 new projects for design that will add 7,420 linear feet of pipeline and 12 new REUs. Four projects moved from the design phase to construction for 18,318 linear feet of pipeline and 21 new REUs. We issued service authorization to 4 projects for 15,235 linear feet of pipeline and 30 new REUs.

Calendar year-to-date, we have installed 33 miles of pipeline. This includes 22 miles of sewer line and 11 miles of waterline. Mr. Minor called the Board's attention to the cumulative totals in the Board packet.

Currently, we have 84 rural water or sewer projects in the construction phase and 54 projects in design. In total, we have 138 active water and sewer projects currently in design and construction totaling 58 miles of pipeline and 478 new REUs.

UPDATE/STATUS: Developer Projects: Mr. Minor shared a map with the Board showing the location 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, 11 were developer extension projects for 1,867 REUs. Sixteen were single service applications totaling 160 REUs. This is the second highest number of REUs to ever have been submitted in a single month. We issued service authorization to 5 projects for 226 REUs. These 5 projects added over \$1.1 million in developer contributions. We held 2 preconstruction meetings. Currently, we have 217 active developer projects.

Mr. Minor briefly reviewed and 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 are working with DN Engineering Inc. on the design of an expansion to the campground to include 13 new camp sites, a bathhouse and pool area. Plans and specifications are now complete and the project will be advertised for bids in the next couple of weeks.

In regards to the Bucksport Marina Parking Lot, we consulting with Development Resource Group LLC (DRG) to provide a design for a new parking lot for the boat ramp at the marina since the Bucksport Marine Park took the place of the original boat trailer parking.

In regards to the Bull Creek 15 MGD Expansion and Water Main Upgrade, we received 100% plans from Goodwyn Mills Cawood (GMC) which we are currently reviewing. We expect to advertise for bids by early November.

In regards to the Bull Creek Drainage Improvements, we are working with A.O. Hardee & Son, Inc. to get the contract document squared away in anticipation of issuing a Notice to Proceed in the coming weeks.

In regards to the Conway to Bucksport WWTP Flow Diversion, MBD Consulting Engineers, P.A. (MBD) continues to await approval from the permitting agencies for the 20" sewer force main.

In regards to the Conway Parallel 24" Water Transmission Upgrade project, we provided GMC with comments on the plans and they have made some changes. We are working to get the 100% drawings for this project.

In regards to the Conway WWTP Effluent Structure Upgrade, as Mr. Brown mentioned, the contractor, The Harper Corporation General Contractors (Harper), is currently awaiting equipment delivery. However, they have completed approximately 50% of this project.

In regards to the Directional Bore Contract 4 (Rural Water & Sewer) project, LWC Construction started working on the Roberts Road Area Sewer project and Lawrimore Construction should be mobilizing this week to the Highway 45 sewer project.

In regards to Pipeline Contract 15, RWF Construction LLC (RWF) continues work on this project with a couple different crews. They have completed work on the Bay View Drive Area water project and the St. John Road Ext. 1 sewer project. The first crew continues work on the Highway 45 and Ino Drive water project while the second crew has moved to the Gilbert Road area sewer project.

In regards to Pipeline Contract 16, we held preconstruction meetings with MJL, Inc. and RCB Contractors on September 29<sup>th</sup>. Notices to Proceed were issued for October 17<sup>th</sup>. MJL, Inc. has mobilized to the Roberts Road Area Sewer project and RCB Contractors intends to mobilize to the Brown Swamp Road Developer Extension project in the next week or two.

In regards to the International Drive Booster Pump Station project, we received some material deliveries that we had been waiting on. The VFDs have been replaced. We are working with GMC and Harper to schedule the start-up.

In regards to the International Drive to North Booster Pump Station 36" Waterline project, GMC continues work on design of the new 36" waterline from the new International Drive Booster Pump Station to the existing North Booster Pump Station. We expect to have 60% design plans soon.

In regards to the Lake View WWTF Embankment Improvement project, we are working on getting quotes from contractors but are having a tough time finding qualified contractors to do the work.

In regards to the Marion WWTP Flood Mitigation Berm, we have been back-and-forth working with the RIA and CDBG to get approval. Mr. Minor stated he thought we received approval but it was actually a request for one more item.

In regards to the Myrtle Beach WWTP Influent Pump Station and Headworks project, Harper is waiting on materials and plans to mobilize at the beginning of December.

In regards to the Old Highway 90 Elevated Water Storage Tank project, the contractor, Phoenix Fabricators and Erectors, Inc., completed the installation of the pilings. This project has an estimated completion date of August 2023.

In regards to the Bucksport WWTP Expansion project, as Mr. Brown mentioned, we sent out an RFP for the design of the expansion. Proposals are due back at the end of the week.

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 October 2021 through September 2022. During the month of September, our customer accounts increased by 418, which brings our customer account total to 117,183. Over the last consecutive twelve months, our total customer base has increased by 4.6%. In September, our active accounts increased by 316, inactive increased by 82 and our suspended accounts increased by 20 for a net increase of 418.

In regards to REUs, for the month of September, our total REUs increased by 450, which brings our REU total to 175,291. Over the last consecutive twelve months, our total REUs have increased by 4.3%. For the month of September, our active REUs increased by 50, inactive REUs increased by 57 and suspended REUs increased by 343 for a net increase of 450 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 September was approximately \$4.5 million. The two largest purchase orders were issued to MJL Inc. and RBC Contractors for rural pipeline contract #16. Other large purchase orders included phase one of a unified access control system, wood grindings for our compost facility, meter boxes and grinder stations for our warehouse inventory and a new excavator for the Repairs Department.

UPDATE/STATUS: Purchasing Quotes/Bids vs. State Contract Pricing: As a follow-up to last month's Board Meeting, Mrs. Skipper shared information comparing request for bids to state contract pricing. Mrs. Skipper shared two different examples. Based on the value of an equipment trailer, we sent out a request for quotes. Quotes were sent to 45 vendors that were registered on our eProcurement site for trailers. We only received one quote back. The quote was from Lee Transport who currently also holds the state contract for Better Built Trailers. The price came back at the exact same amount that we would have purchased through the state contract. Based on the value of a Caterpillar mini excavator, we sent out sealed bids for this equipment. There is only one Caterpillar dealership in South Carolina so we also sent the request to dealers in North Carolina and Georgia. We received no responses. Therefore, we had no other choice than to purchase from the state contract.

Mrs. Skipper updated the Board on the personnel changes that took place in the first quarter of fiscal year 2023. We ended the quarter with 343 full-time employees. We had a total of 33 job postings. We hired 26 new employees externally, 18 employees were selected for internal job openings and 25 employees left GSWSA which included 3 retirements, 20 resignations and 2 deaths. Over the last two weeks, two Fleet Mechanics resigned to go work for another company. These employees left for a yearly pay increase of \$20,000 - \$25,000. We have had the Fleet Mechanic job posted for 2 weeks and have only received 4 applications. We have other mechanics in the company who may have to help the Fleet Services Department in the interim. Since October 1<sup>st</sup>, we have had 8 additional employees turn in a notice. They have already left or will be leaving. Fiscal year-to-date we have lost 28 employees. Mrs. Skipper, Ms. Everett and the Board discussed this further. Mr. Lazarus asked about the status of the Classification and Compensation Study. Mrs. Skipper provided the Board with an update on the ongoing study being conducted by CBIZ.

OTHER BUSINESS:


Chairman Thompson called the Board's attention to the Employee Recognition, Sod Donation Report, an article titled "GSWSA Efforts Regarding Garden City Fire" and the CEF -- GSWSA Endowed Scholarship Trust.

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.

Mr. Lazarus made a motion to authorize the Chairman to execute the Memorandum of Understanding between Grand Strand Water and Sewer Authority and Little River Water & Sewerage Company, Inc. for Transfer of Operations, Services and Assets. The motion was seconded by Mr. Johnson and unanimously approved by the Board.

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


  
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Sidney F. Thompson, Chairman

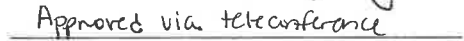
  
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Benjy A. Hardee, Vice Chairman

  
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Richard G. Singleton II, Member

  
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Approved via teleconference  
Mark K. Lazarus, Member

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L. Morgan Martin, Member

  
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Radha B. Herring, Member