

GRAND STRAND WATER & SEWER AUTHORITY
BOARD OF DIRECTORS MEETING
APRIL 25, 2011

	#MEETINGS (Since 7/1/10)	#ATTENDED (Since 7/1/10)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	9	9	100%
Benjy A. Hardee, Vice Chairman	9	7	78%
John C. Griggs, Secretary	9	9	100%
David F. Singleton, Member	9	9	100%
Arnold T. Johnson, Member	9	9	100%
Robert M. Floyd, Jr. Member	9	9	100%
J. Liston Wells, Member	9	9	100%
Wilbur M. James, Member	9	9	100%
Robert L. Rabon, Member	9	7	78%

STAFF PRESENT:

Fred R. Richardson, Chief Executive Officer
Irv Wooley, Chief of Utility Operations
Marguerite S. Carroll, Chief Financial Officer
Christy S. Everett, Chief of Engineering & Construction
Chrystal Johnson, Administration Manager

CITIZENS ADVISORY COMMITTEE:

Joseph Childs, Chairman

LEGAL COUNSEL:

Lynn Stevens, McNair Law Firm

VISITORS:

Carl Schwartzkopf, County Councilman

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 MARCH 28, 2011 MINUTES: Upon motion duly made by Mr. Johnson, seconded by Mr. James, the Minutes of the March 28, 2011 meeting were approved as presented.

INPUT FROM CITIZENS ADVISORY COMMITTEE: Chairman Thompson called on Mr. Joseph Childs, Chairman of the Citizens Advisory Committee. Mr. Childs stated he did not have an update at this time.

CHIEF EXECUTIVE OFFICER'S REPORT – OLD AND NEW BUSINESS (ACTION ITEMS):

DISCUSSION/ACTION: Resolution 01-11: A Resolution to Authorize Grand Strand Water and Sewer Authority to Establish the Customer Application Criteria for Rural Water and Sewer Project at a Ratio of Three Customers per Mile of Pipeline Installed. Mr. Richardson stated this criterion was discussed at the Budget Retreat. Upon motion of Mr. Griggs seconded by Mr. Johnson, the resolution was unanimously approved by the Board as presented.

DISCUSSION/ACTION: Capital Budget Appropriation Transfer Request to Create the Knotty Branch Road Rural Sewer Project.

DISCUSSION/ACTION: Capital Budget Appropriation Transfer Request to Create the Allen Dew Road Ext. I Rural Sewer Project.

Upon motion of Mr. James seconded by Mr. Singleton, the capital budget appropriation transfer requests were unanimously approved by the Board as presented.

DIVISION REPORTS:

IRV WOOLEY, CHIEF OF UTILITY OPERATIONS

UPDATE/STATUS: BULL CREEK/MYRTLE BEACH REGIONAL WATER FACILITY PRODUCTION: Mr. Wooley stated we had good raw water quality at both facilities although it has been a little bit more challenging at the Myrtle Beach Plant. Our alum dose percentage was up this past month, however Bull Creek was not affected. The overall effect is that we are a little bit below our long-term average. We have had no problems with treating water; and dosage is still very reasonable.

In March of 2011, Myrtle Beach Plant had an average of 11.9 mgd and that is about 1.3 mgd more than it was the same month a year ago. This is the third consecutive month the Myrtle Beach flow has been up. The Bull Creek system is up about .5 mgd. We have a total of approximately 3 mgd more than the same month last year.

UPDATE/STATUS: COMPLIANCE WITH DHEC WATER AND WASTEWATER REQUIREMENTS: Mr. Wooley stated all the samples that we reported were in compliance with DHEC. However, we did receive a letter of violation for a sample from DHEC. One of the two samples they pulled was high in fecal coliform. We pull five samples per week and we have been doing that for as long as we have owned the plant. We have a long history that there has not been any fecal coliform violations at that location. There is no explanation why DHEC would have gotten a high result. There was no equipment or process failure or upset that would have caused a higher than normal result. We did not accuse DHEC of messing up the sample but we implied that we could offer no explanation for the results they received.

In Nichols, we have just about completed the SCADA project on the wastewater side. We then will have all of our SCADA system operating in Marion County.

In regards to the Carolina ASR Well, the pump did lock up on us one more time after we got started operating. That was quickly repaired and we are back into operation.

Mr. Wooley went over the major highlights associated with the wastewater flows.

MARGUERITE CARROLL, CHIEF FINANCIAL OFFICER

UPDATE/STATUS: MARCH 2011 FINANCIAL STATEMENTS WITH HIGHLIGHTS AND COMMENTS: Mrs. Carroll reviewed the details of the consolidated budget report for March 2011 of the major categories. She reported Total Operating Revenues of \$51.6 million, which are up by \$2.8 million. The Total Operating Expenses are up from \$44.1 million to \$47.8 million for a difference of \$3.6 million or 8%. The Operating Surplus is down from \$4.6 million to \$3.8 million for the current year for a difference of (\$866,110). Mrs. Carroll reported Total Non-Operating Revenues are down from \$8.6 million to \$6.6 million for a difference of (\$1.9 million) or (23%). Mrs. Carroll went over with the Board the year to date actual expenses of each major category compared to budgeted expenses.

Mrs. Carroll reviewed the details of the Bull Creek Surface Water Treatment Plant for March 2011. Total Operating Revenues were up from \$8.1 million to \$8.8 million for a difference of \$641,418 or 8%. The Total Operating Expenses are up from \$7.9 million to \$8.6 million for a difference of \$699,244 or 9%, resulting in an Operating Surplus of \$193,205 as compared to last year's surplus of \$251,031, which is a difference of (\$57,826) or (23%).

UPDATE/STATUS: INVESTMENT ANALYSIS: Mrs. Carroll reported the total amount invested was \$113.9 million; the yield for the current month is 0.03%, the yield for the current 3 months is 0.19% and the yield for the current 12 months is 3.09%.

UPDATE/STATUS: CUSTOMER/REU MONTHLY REPORT: For the month of March, we had a total of 75,337 customers. Of this total we had 70,004 active, 1,783 inactive, and 3,550 suspended customers. We had a total of 111,011 REUs with 102,978 active, 1,965 inactive, and 6,068 suspended REUs.

UPDATE/STATUS: BUSINESS & TRAVEL EXPENSES: Mrs. Carroll noted \$17,777.30 was spent for Business & Travel during the month of March. Year to date, we have spent a total of \$155,515.40.

UPDATE/STATUS: PURCHASE TRANSACTIONS OVER \$2,500: Mrs. Carroll called to the Board's attention the information contained in the Board packet on purchase transactions over \$2,500.

CHRISTY EVERETT, CHIEF OF ENGINEERING & CONSTRUCTION

UPDATE/STATUS: RURAL AND MINOR SUBDIVISION WATER AND SEWER PROJECTS: Mrs. Everett stated we currently have 41 projects in our rural water and sewer program that total almost 90 new customers. With the resolution that was approved tonight, we have had several projects that have gone into design. This is going to be a big boost for the program. We have several petitions that we have shortened as a result that we will be able to get customers to sign up for a project. Year to date the Board has approved nearly \$2 million dollars in our rural water program and has approved nearly \$1.6 million dollars in our rural sewer program.

Mrs. Everett referenced a chart that shows the cumulative miles of pipeline that have been installed in the rural program. We average just under 24 miles of water line and 24 miles of sewer line per year. We are right at 25 miles, which has been pretty consistent since the program has started. We are in the 20th year of the rural water program and 15th year of our rural sewer program.

We gave service authorization to 4 projects that are in our program and added over 20 customers. We recently gave approval for design our first water project in Marion. Currently the customers are on wells and we would like for those customers to hook onto our system.

UPDATE/STATUS: DEVELOPER PROJECTS: Mrs. Everett stated we had 11 projects that were under the construction status that were moved to the inactive status this month that total 719 REUs. Those are projects have been inactive for more than a year. However, we did have one project, Windsor Plantation, move to active status for 202 REUs.

We had 3 developer extension projects submitted for review for 103 REUs and 5 commercial application reviewed for 15 REUs. We are getting another Bojangles off Hwy 707. We held 2 preconstruction meetings this month that were basically redevelopments. One project is looking to redevelop the old Kroger down in Surfside at the intersection of Hwy 17 and Hwy 544.

We issued 2 service authorizations for a total of 71 REUs and currently have 39 active projects under construction. We are seeing more positive activity on the developer side.

UPDATE/STATUS: CAPITAL PROJECTS: Mrs. Everett stated DHEC has renewed our general construction water permit. This permit is for our rural program as well as for hydraulic improvement projects. This gives GSWSA the ability to design and install pipelines and place them into operation without going through the permitting process through DHEC. We only are required to provide an annual report to DHEC of the linear footage of pipeline that we install. The permit certainly speeds up our process and is good for five years.

M.B. Kahn is continuing work at the Bucksport Composting Facility. They are continuing to pour concrete and build sheds. The pond liners will be going in this week and next week.

RWF Construction is still installing force main on Hwy 301 from Sellers to Latta. They have had a couple of issues where I-73 corridor is coming through on Hwy 301. We have a town meeting set up next Thursday with the residents in Sellers to begin conversations with them about the project.

RH Moore is finishing work at the Backgate Project. The new 36" pipeline has been installed. As of next Monday, the 36" line should be back into operation, just in time for our peak season. We have a preconstruction meeting set up for next Wednesday with the contractor that will be doing the roadwork and the bridge there.

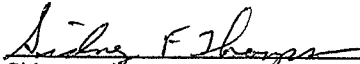
Greenwall Construction has mobilized the crane barge at the ICWW at the Vereen Discharge pipeline. They should be dredging in the waterway tomorrow. The project should be completed by the end of May.

OTHER BUSINESS:

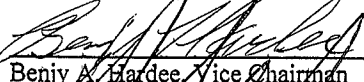
Chairman Thompson called to the Board's attention to the Employee Recognition, Monthly Report, Sod Donation Report, and upcoming AWWA and WEFTEC Conference dates.

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


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



Sidney F. Thompson, Chairman



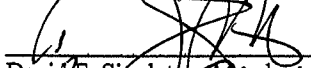
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