

GRAND STRAND WATER & SEWER AUTHORITY  
BOARD OF DIRECTORS MEETING  
FEBRUARY 28, 2011

	#MEETINGS (Since 7/1/10)	#ATTENDED (Since 7/1/10)	% ATTENDANCE
<b>MEMBERS PRESENT:</b>			
Sidney F. Thompson, Chairman	7	7	100%
Benjy A. Hardee, Vice Chairman	7	5	71%
John C. Griggs, Secretary	7	7	100%
David F. Singleton, Member	7	7	100%
Arnold T. Johnson, Member	7	7	100%
Robert M. Floyd, Jr. Member	7	7	100%
J. Liston Wells, Member	7	7	100%
Wilbur M. James, Member	7	7	100%

<b>MEMBERS ABSENT:</b>			
Robert L. Rabon, Member	7	6	86%

**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

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, Robert Floyd, Jr.

**APPROVAL OF JANUARY 24, 2011 MINUTES:** Upon motion duly made by Mr. Griggs, seconded by Mr. James, the Minutes of the January 24, 2011 meeting was approved as presented.

**INPUT FROM CITIZENS ADVISORY COMMITTEE:** Chairman Thompson called on Mr. Joseph Childs, Chairman of the Citizens Advisory Committee. Mr. Childs stated we met this past Monday. Mrs. Everett gave us a very informative presentation in regards to the engineering and construction divisions.

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

**UPDATE/STATUS:** Bucksport WWTP. Mr. Richardson stated we had talked about this approximately four years ago when the economy was booming and we felt like we would run out of treatment plant capacity. Even though the economy has slowed down, with what we have going on at Bucksport with the Marine Park, we will need the additional WWTP capacity. One of the things that has occurred for us to do would be to have a rapid infiltration system, which is without discharge. There is only one plant such as this that is operated in the state. However, there are several plants in Florida with this type of system. One of the things we have asked for is an alternative discharge into Bull Creek that would be used for a plant malfunction. We have asked for a discharge that must go through a public notice and hearing with the Waccamaw Council of Governments. I do not anticipate any objections to this. We have also gone out for proposals for engineering companies to proceed with this design.

DISCUSSION/ACTION: Capital Budget Appropriation Transfer Request to Create the Knotty Branch Road Rural Sewer Project. Upon motion of Mr. Johnson seconded by Mr. Singleton, the capital budget appropriation transfer request was unanimously approved by the Board as presented.

DIVISION REPORTS:

CHRISTY EVERETT, CHIEF OF ENGINEERING & CONSTRUCTION

UPDATE/STATUS: RURAL AND MINOR SUBDIVISION WATER AND SEWER PROJECTS: Mrs. Everett stated on the rural water side, we have sent several petitions into the rural communities again. We are still working on trying to extend the rural system as much as we can. We authorized 3 new projects that have been sent to the design group, which will add 5 customers to the water system. Year to date, the Board has approved over \$1.9 million dollars for the FY 2010/2011 budget.

On the sewer side, we sent out quite a good many packages to generate sewer projects. We have sent 4 petition packages for over 50 customers. We added 3 projects to the design schedule that will add 6 sewer customers. The Board has approved \$1.34 million dollars year to date. Currently we have 15 rural water projects and 19 sewer projects in design and construction for a total of almost 80 customers.

UPDATE/STATUS: DEVELOPER PROJECTS: Mrs. Everett stated we did not have any developer extension projects submitted for review. However, we did have 10 commercial applications for almost 50 REUs. Quite a good many of those were for Coastal Carolina University and Horry County Schools. We conducted a pre-construction meeting for a developer extension project. We issued service authorization and final approval for 2 projects that will total 33 REUs. Currently we have 34 active developer extension projects.

Mr. Richardson stated that he is currently working on the rural water and sewer criteria and its financial impact with changing our current program. This will be discussed at our upcoming Budget Retreat.

UPDATE/STATUS: CAPITAL PROJECTS: Mrs. Everett stated M.B. Kahn is continuing work at the Bucksport Composting Facility. We started pouring concrete two weeks ago. Foundation has been completed and the first building was delivered as well. We are also finishing up site work and are still on schedule to have this completed mid-May.

RWF Construction has begun the installation of the force main at the Latta WWTP back towards Sellers. They are making slow progress due to congested areas but are beginning work on Hwy 301. The project is going very well.

In regards to the Backgate project, RH Moore is still working. We have relocated our 12" water line and 16" force main and tied those in to the new system. We pressure tested the 36" effluent line and it was successful. We are getting geared up to begin the bypass for the 36" effluent line. Santee Cooper and HTC are working out there now, so there is a good bit of utility work going on.

Our construction crews are still working on the relocation efforts in Aynor for the Aynor Overpass Project. This is certainly going well.

RH Moore's portion of the Vereen Discharge Project is now complete. Greenwall Construction's contract will begin the end of the month. Also, we have a contractor that is doing some routine dredging work at the Myrtle Beach WWTP intake structure.

IRV WOOLEY, CHIEF OF UTILITY OPERATIONS

UPDATE/STATUS: BULL CREEK/MYRTLE BEACH REGIONAL WATER FACILITY PRODUCTION: Mr. Wooley stated raw water has been really good and we

have not had any trouble treating it at both plants. Our chemical usage has been down at both plants and well below average.

In January of 2011, the Myrtle Beach plant flow at 9.3 mgd was higher than it was a year ago. This is the first month we have had a higher flow in comparison to the previous year. Bull Creek was up about 400,000 gpd. Myrtle Beach was up approximately 1 mgd. The Marion system also added 1.4 mgd. Overall, we were up approximately 2.8 mgd.

UPDATE/STATUS: COMPLIANCE WITH DHEC WATER AND WASTEWATER REQUIREMENTS: Mr. Wooley stated a year or so ago we conducted a pilot test of the Myrtle Beach Surface Water Treatment Plant to see if we could get the plant rerated with some major parts to 45 mgd. If this was allowed, we would be able to provide some additional pumping capacity and get the entire plant rerated. They approved parts of it but indicated they were concerned about the short filter runs during the coldest of weather. They recommended us to run additional tests during January. So we set up to run a one-month test beginning the last week in January. We had very good filter runs. The water quality was exceptionally good and had no problem with meeting DHEC standards. The results were real good and expect to be able to provide this information back to them for approval.

The ozone generator has been installed, tested and started up. We now have both generators operable now at the Myrtle Beach Plant.

In regards to Marion, we have completed repainting the interior of the storage tanks. At the Schwartz WWTP, we have relocated the truck waste receiving station. We are having to run a test for DHEC to demonstrate the addition of the truck waste will not effect the odor from the digester.

Mr. Wooley discussed with the Board an issue that occurred due to a malfunctioning water valve that feeds most of Conway's system.

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

MARGUERITE CARROLL, CHIEF FINANCIAL OFFICER

UPDATE/STATUS: JANUARY 2011 FINANCIAL STATEMENTS WITH HIGHLIGHTS AND COMMENTS: Mrs. Carroll reviewed the details of the consolidated budget report for January 2011 of the major categories. She reported Total Operating Revenues of \$40.6 million, which are up by \$2.7 million. The Total Operating Expenses are up from \$34.2 million to \$36.9 million for a difference of \$2.7 million or 8%. The Operating Surplus is down from \$3.73 million to \$3.72 million for the current year for a difference of (\$10,530). Mrs. Carroll reported Total Non-Operating Revenues are down from \$7.3 million to \$5.1 million for a difference of (\$2.2 million) or (30%). 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 January 2011. Total Operating Revenues were up from \$6.4 million to \$6.9 million for a difference of \$511,408 or 8%. The Total Operating Expenses are up from \$6.2 million to \$6.8 million for a difference of \$600,848 or 10%, resulting in an Operating Surplus of \$184,633 as compared to last year's surplus of \$274,072, which is a difference of (\$89,440) or (33%).

UPDATE/STATUS: INVESTMENT ANALYSIS: Mrs. Carroll reported the total amount invested was \$112.8 million; the yield for the current month is 0.22%, the yield for the current 3 months is (1.20)% and the yield for the current 12 months is 3.17%. Mrs. Carroll stated we do have some money with HCSB. She stated she had discussed with Mr. Richardson in regards to still keeping funds with the bank. HCSB takes payments for us at all of their branches so we keep a certain dollar amount in this account. HCSB assured us that our money is secure with their bank. In addition, the bids for our investment RFP are due back March 5<sup>th</sup>.

UPDATE/STATUS: CUSTOMER/REU MONTHLY REPORT: For the month of January, we had a total of 75,017 customers. Of this total we had 69,613 active, 1,936 inactive, and 3,468 suspended customers. We had a total of 120,265 REUs with 111,959 active, 2,171 inactive, and 6,135 suspended REUs.

UPDATE/STATUS: BUSINESS & TRAVEL EXPENSES: Mrs. Carroll noted \$9,931.90 was spent for Business & Travel during the month of January. Year to date, we have spent a total of \$132,997.68.

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.

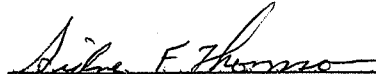
OTHER BUSINESS:

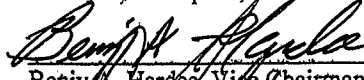
Chairman Thompson called to the Board's attention to the Employee Recognition, Monthly Report, Sod Donation Report, budget retreat dates, and upcoming AWWA Conference dates.

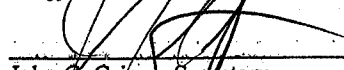
Mr. Richardson presented a sod donation request from Wildlife Action, Inc. We received a request from the same organization last February. The letter we received this year was written exactly the same as last year. The Board has agreed to allow Mr. Richardson to make a decision regarding this year's donation.

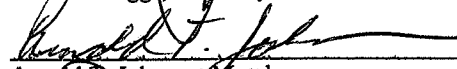
Upon motion duly made, seconded and carried the Board went into executive session for the discussion of legal and contractual matters. Following the executive session, the Board returned to regular session.

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


  
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Sidney F. Thompson, Chairman

  
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Benjy A. Hades, Vice Chairman

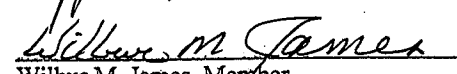
  
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