

GRAND STRAND WATER & SEWER AUTHORITY
 BOARD OF DIRECTORS MEETING
 FEBRUARY 25, 2013

	#MEETINGS (Since 7/1/12)	#ATTENDED (Since 7/1/12)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	7	7	100%
Benjy A. Hardee, Vice Chairman	7	7	100%
John C. Griggs, Secretary	7	6	86%
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%
Robert L. Rabon, Member	7	5	71%
Richard Singleton II, Member	7	6	86%

MEMBERS ABSENT:

STAFF PRESENT:

Fred R. Richardson, Chief Executive Officer
 Irv Wooley, Chief of Utility Operations
 Marguerite Carroll, Chief Financial Officer
 Christy Everett, Chief of Engineering & Construction
 Chrystal Johnson, Administration & Human Resources Manager
 Vanessa Hodges, Administrative Assistant
 Tim Brown, Wastewater Treatment Manager
 Jason Poston, Engineering Manager

LEGAL COUNSEL:

Lynn Stevens, McNair Law Firm

CITIZENS ADVISORY COMMITTEE:

Monica Hamer, Chairman

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, John Griggs.

APPROVAL OF JANUARY 28, 2013 MINUTES: Upon motion duly made by Mr. Johnson, seconded by Mr. Floyd, the Minutes of the January 28, 2013 meeting were approved as presented. Mr. Rabon abstained from voting due to his absence at the previous meeting.

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

DISCUSSION/ACTION: Feral Swine Trapping Request on Jackson Bluff Property. Mr. Richardson stated U.S. Fish & Wildlife Service owns the property around our property here off Jackson Bluff Road. They are capturing wild hogs and disposing of them and would like access to our property to continue these efforts. Mr. Richardson recommended the Board approve this request. Upon motion of Mr. Rabon seconded by Mr. James, the decision to allow U.S. Fish and Wildlife Service on GSWSA property was unanimously approved by the Board as presented.

UPDATE/STATUS: Municipal Derivative Settlement. Mr. Richardson stated we received approximately \$206,000 regarding a municipal derivative settlement between the Attorney General and various financial institutions.

Mr. Richardson stated in regards to the Marine Park, we had a new Marine zone created. Horry County Council gave the third reading last week. They have given a first reading to zone our property to the new zone. We also had a meeting down in Bucksport which went very well. There were a few people that had some questions and concerns. Generally speaking, the Bucksport community is behind the development.

DIVISION REPORTS:

MARGUERITE CARROLL, CHIEF FINANCIAL OFFICER

UPDATE/STATUS: JANUARY 2013 FINANCIAL STATEMENTS WITH HIGHLIGHTS AND COMMENTS: Mrs. Carroll reviewed the details of the consolidated budget report for January 2013 of the major categories. She reported Total Operating Revenues of \$42.6 million, which are up by \$1.1 million. The Total Operating Expenses are up from \$37.3 million to \$40.2 million for a difference of \$2.9 million. The Operating Surplus is down from \$4.2 million to \$2.4 million for the current year for a difference of (\$1.8 million). Mrs. Carroll reported Total Non-Operating Revenues are down from \$8.96 million to \$5.5 million for a difference of (\$3.5 million) or (39%). Mrs. Carroll went over 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 2013. Total Operating Revenues are up from \$6.5 million to \$6.6 million for a difference of \$151,109. The Total Operating Expenses are up from \$5.7 million to \$6.1 million for a difference of \$372,216 or 7%, resulting in an Operating Surplus of \$515,982 as compared to last year's surplus of \$737,089, which is a difference of (\$221,107) or (30%).

UPDATE/STATUS: INVESTMENT ANALYSIS: Mrs. Carroll reported the total amount invested was \$139.3 million; the yield for the current month is (0.16%), the yield for the current 3 months is (0.05%) and the yield for the current 12 months is 0.54%. Mrs. Carroll went over the specifics of the Legg Mason and PFM accounts.

UPDATE/STATUS: CUSTOMER/REU MONTHLY REPORT: For the month of January, we had a total of 82,475 customers. Of this total we had 75,549 active, 3,411 inactive, and 3,515 suspended customers. We had a total of 120,141 REUs with 109,248 active, 4,453 inactive, and 6,440 suspended. Mrs. Carroll went over the changes of each major category for this past month.

UPDATE/STATUS: BUSINESS & TRAVEL EXPENSES: Mrs. Carroll noted \$10,808.19 was spent for Business & Travel during the month of January. Year to date, we have spent a total of \$140,923.68.

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.

CHRISTY EVERETT, CHIEF OF ENGINEERING & CONSTRUCTION

UPDATE/STATUS: RURAL AND MINOR SUBDIVISION WATER AND SEWER PROJECTS: Mrs. Everett stated on the rural water side, the Board year to date has approved over \$3 million dollars. On the rural sewer side, the Board has approved over \$1.6 million dollars. In the past month for the rural water program, we authorized 6 new projects that have gone into the design stage. We will be adding 1.5 miles of water line and will add at least 6 new customers as a result of that. One of the water line extensions is in Marion. We are issuing service authorization to one water project. We are getting ready to issue the first phase of service authorization for the Valley Forge Project. We currently have 14 projects in design for 27 new customers and 9 projects in construction for 40 new customers. In total, we have 23 projects that will add 67 rural water customers.

On the sewer side, we authorized one new project that will go to design that will add an additional customer. We issued service authorization to 3 projects in that area. We have 7 projects in design for 9 REUs and 4 projects in construction for 11 REUs. In total we have 11 sewer projects for 20 new customers for our sewer program.

Mrs. Everett referenced the chart within the Board packets that display the cumulative miles of rural water and sewer lines installed. In the month of January, we authorized 2 miles of water line and one mile of sewer line.

UPDATE/STATUS: DEVELOPER PROJECTS: Mrs. Everett referenced the distinction between active and inactive projects. In January, we had one developer extension project for 28 REUs and one commercial application for 16 REUs. We had 2 preconstruction meetings in January. One of the meetings was for a new single-family development, The Diamond, off Freewoods Road. The next meeting was for Phase 18A of The Farm in Carolina Forest. Currently, we have 22 active developer extension projects that are at various stages of construction.

In regards to capital projects, Mrs. Everett stated the Myrtle Beach SWTP is completed; the contractor has finished that work. R.H. Moore is still working on the Hwy 707 Widening Project. We have been doing some field investigation work and relocating some utilities. We have started the new 5 MGD Bucksport WWTP. There has been a lot of clearing going on and the contractor is getting mobilized. In regards to the Bucksport Boat Ramp, we have a grant to put in a new ramp. I received plans today from the engineers and I am currently putting together the bid package. We hope to have this out on the street the next week or two and have the boat ramp in by the end of March, first of April.

IRV WOOLEY, CHIEF OF UTILITY OPERATIONS

UPDATE/STATUS: BULL CREEK/MYRTLE BEACH REGIONAL WATER FACILITY PRODUCTION: Mr. Wooley stated for January our alum dosage were pretty close to average. We had good raw water and slightly below normal cost in relation to chemicals. We did not have any treatment problems last month.

For January, we are running about the same total flow at 28.3 mgd for 2013 in comparison to 28.5 in 2012.

UPDATE/STATUS: COMPLIANCE WITH DHEC WATER AND WASTEWATER REQUIREMENTS: Mr. Wooley stated we did have a violation in January. This is the first time we have had a violation in approximately 5 years. Our violation was at the Mullins plant. Our lab did not come back with an absolute for the contribution of this violation. At this point, we do not have very much to go on to correct this problem.

Mr. Wooley stated the Myrtle Beach SWTP blend well is also complete and ready to go online. We have three different ASR wells that are in various stages of construction. The farthest along is at the North Booster Pump Station. All three of those projects are moving along well. At Lake View, staff has completed a rehabilitation of the sand filters there. Starting Monday we will begin the conversion of the western part of Horry County to the chlorine disinfectant. This should run to the end of March.


Mr. Wooley went over the details of the wastewater flows for the month of January.

OTHER BUSINESS:

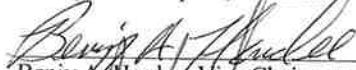
Chairman Thompson called to the Board's attention to the Employee Recognition, Monthly Report, Sod Donation Report, Budget Retreat dates, upcoming AWWA Conference, and May Board meeting date.

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



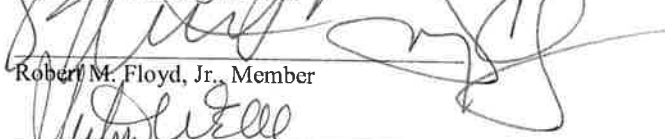
Benjy A. Hardee, Vice Chairman



John C. Griggs, Secretary



Arnold F. Johnson, Member



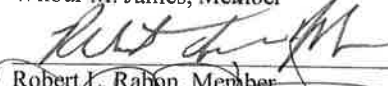
Robert M. Floyd, Jr., Member



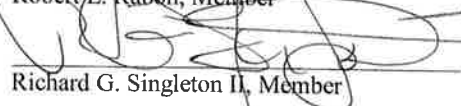
J. Liston Wells, Member



Wilbur M. James, Member



Robert L. Rabon, Member



Richard G. Singleton II, Member