

GRAND STRAND WATER & SEWER AUTHORITY  
 BOARD OF DIRECTORS MEETING  
 FEBRUARY 22, 2010

	#MEETINGS (Since 7/1/09)	#ATTENDED (Since 7/1/09)	% ATTENDANCE
<b>MEMBERS PRESENT:</b>			
Sidney F. Thompson, Chairman	8	8	100%
Benjy A. Hardee, Vice Chairman	8	6	75%
John C. Griggs, Secretary	8	8	100%
David F. Singleton, Member	8	8	100%
Arnold T. Johnson, Member	8	7	88%
Robert M. Floyd, Jr. Member	8	7	88%
J. Liston Wells, Member	8	8	100%
Wilbur M. James, Member	8	8	100%
Robert L. Rabon, Member	8	7	88%

**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, Executive Assistant

**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, gave the invocation and welcomed everyone in attendance.

**APPROVAL OF JANUARY 25, 2010 MINUTES:** Upon motion duly made by Mr. James, seconded by Mr. Wells, the Minutes of the January 25, 2010 meeting was approved as presented.

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

**DISCUSSION/ACTION:** Resolution 01-10: A Resolution to Ratify the Agreement to Buy and Sell Real Estate and Authorize the Chief Executive Officer to Execute the Closing Documents for the Purchase of the Bucksport Marina Tract From Weaver Five, LLC. Mr. Richardson went over with the Board the changes that were made since the last draft of this resolution. Upon motion of Mr. Johnson seconded by Mr. James, the purchase was unanimously approved by the Board as presented.

**DISCUSSION/ACTION:** Capital Budget Appropriation Transfer Request to Create the Tarton Drive Rural Water Project.

**DISCUSSION/ACTION:** Capital Budget Appropriation Transfer Request to Create the Highway 746 Ext. III & Liberty Church Road Rural Water Project.

**DISCUSSION/ACTION:** Capital Budget Appropriation Transfer Request to Create the Bonnie Bay I & Pine Level Road I Rural Water Project.

**DISCUSSION/ACTION:** Capital Budget Appropriation Transfer Request to Create the Bills Place Rural Water Project.

**DISCUSSION/ACTION:** Capital Budget Appropriation Transfer Request to Create the Fries Bay Road & Volunteer Drive Rural Water Project.

DISCUSSION/ACTION: Capital Budget Appropriation Transfer Request to Create the Bills Place Rural Sewer Project.

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

DISCUSSION/ACTION: Sod Donation Request From Socastee High School. Upon motion of Mr. Wells seconded by Mr. Floyd, the sod donation request was unanimously approved by the Board as presented.

DISCUSSION/ACTION: Sod Donation Request From Wildlife Action, Inc. Mr. Richardson stated that we typically do not make sod donations to this type of group. Typically, donations have been going to schools, ballparks, etc. After brief discussion, upon motion of Mr. James seconded by Mr. Wells, seven Board Members approved with Mr. Hardee and Mr. Rabon objecting the sod donation request.

Mr. Richardson stated that we just received a letter from Coastal Carolina University on the status of our endowment and scholarships. He wanted to inform the Board of this and noted that we also have one with Horry Georgetown Technical College as well. We currently have a total of \$59,000 of scholarships we have ongoing with Coastal Carolina University.

#### DIVISION REPORTS:

MARGUERITE CARROLL, CHIEF FINANCIAL OFFICER

UPDATE/STATUS: JANUARY 2010 FINANCIAL STATEMENTS WITH HIGHLIGHTS AND COMMENTS: Mrs. Carroll reviewed the details of the consolidated budget report for January 2010 of the major categories. She reported Total Operating Revenues of \$38.2 million, which are up by \$21,111 or .05%. The Total Operating Expenses are down from \$36.4 million to \$34.7 million for a difference of (\$1.8 million) or (5%). The Operating Surplus is up from \$1.8 million to \$3.6 million for the current year for a difference of \$1.8 million or 101%. Mrs. Carroll reported Total Non-Operating Revenues are down from \$10.4 million to \$7.3 million for a difference of (\$3 million) or (29%).

Mrs. Carroll went over with the Board the details of a new statement that was generated per request of Mr. Rabon to show 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 2010. Total Operating Revenues were up from \$6.2 million to \$6.4 million for a difference of \$220,188 or 4%. The Total Operating Expenses are down from \$7.2 million to \$6.2 million for a difference of (\$1.1 million) or (15%), resulting in an Operating Surplus of \$274,073 as compared to last year's deficit of (\$1 million) which is a difference of \$1.3 million or 127%.

UPDATE/STATUS: INVESTMENT ANALYSIS: Mrs. Carroll reported the total amount invested was \$126.8 million; the yield for the current month is 1.04%, the yield for the current 3 months is .63% and the yield for the current 12 months is 2.85%. Last month, Legg Mason and Sterling were down, however they are both back up for this month. Mrs. Carroll noted the details of the Bank of New York Bond Account, which is our debt service reserve fund.

UPDATE/STATUS: CUSTOMER/REU MONTHLY REPORT: For the month of January, we had a total of 69,611 customers with 64,915 active, 1,522 inactive, and 3,174 suspended. Mrs. Carroll stated GSWSA has added approximately 372 customers in FY 2010. For the month of January, GSWSA had a total of 104,712 REUs with 97,574 active, 1,782 inactive, and 5,356 suspended. Mrs. Carroll reviewed with the Board the changes that occurred between the months of December and January.

UPDATE/STATUS: BUSINESS & TRAVEL EXPENSES: Mrs. Carroll noted that \$3,141.79 was spent for Business & Travel during the month of January.

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 that we issued 5 new mail outs into several communities to try to generate some projects. This past month, we authorized 5 new projects that met the application process and have gone into design, which will add over 10 new customers. YTD on the rural water side, the Board has approved nearly \$600,000 and nearly \$525,000 in the rural sewer program. We gave final approval on 4 new projects. One of these projects was water and 3 were sewer. The projects have been installed, constructed and completed. We added almost 20 customers this past month in the rural program. Currently we have 37 projects in design and construction, with 23 water projects and 14 sewer projects that total 124 customers. Mr. Rabon requested that Mrs. Everett provide him information on Hucks Road.

UPDATE/STATUS: DEVELOPER PROJECTS: Mrs. Everett stated we did some clean up on the developer spreadsheet this month. If there was a project that had been reviewed and it was older than a year and had not been moved to the permitting status, we took the project off the spreadsheet at this time. This will give more accurate information. Mrs. Everett stated in January, we received 4 developer extension projects and 6 commercial applications. Our developer extension projects totaled 118 REUs. We held 1 pre-construction meeting in January and issued service authorization to 5 developer extension projects for a total of 166 REUs. We currently have 44 active developer extension projects that are under construction. We are seeing a little bit of activity.

UPDATE/STATUS: CAPITAL PROJECTS: Mrs. Everett stated we received a DHEC permit for the elevated storage tank off Highway 90. We also received a DHEC construction permit for the force main that will divert wastewater from Sellers to the Latta WWTP. We will be moving forward with bidding this project out. We did receive bids last week on the Backgate Interchange Relocation Project. The low bidder was R. H. Moore Construction at \$1.66 million, which was 45% below the budgeted amount.

#### IRV WOOLEY, CHIEF OF UTILITY OPERATIONS

UPDATE/STATUS: BULL CREEK/MYRTLE BEACH REGIONAL WATER FACILITY PRODUCTION: Mr. Wooley stated, we have had high river levels lately. We thought this would affect our water quality, however through January at the Myrtle Beach Plant we are only 5% above the 5-year average and at the Bull Creek Plant, we are 23% below the 5-year average. We have had good water quality.

Looking at flows and the current year, Myrtle Beach's flow was 8.9 mgd in January compared to last year of 10.4 mgd, down by 1.5 mgd. When looking at the total of both plants, it was 28.6 mgd last year and 27.7 mgd, which is down by .9 mgd. Although Myrtle Beach is down 1.5 mgd, our overall water flow is only down approximately 900,000 gallons per day. The Bull Creek's system is up approximately 600,000 gallons per day. Overall for the year, Myrtle Beach is down 2.5 mgd and Bull Creek is down approximately 1 mgd.

UPDATE/STATUS: COMPLIANCE WITH DHEC WATER AND WASTEWATER REQUIREMENTS: Mr. Wooley stated that we had no violations for the month of January. At the Myrtle Beach WWTP, we are still working on some concrete repairs at the main influent pump station. This should be finished this month. At the Myrtle Beach SWTP, we have a 36" pipeline we have had to take out of service for repair and installed a bypass while the line was being repaired.


Mr. Wooley went over with the Board the wastewater flows for the month of January in comparison to last year's figures. In the last three months flows have been up, however on a yearly average, we are down approximately 1 mgd of all plants.

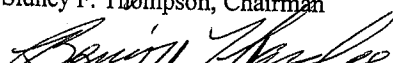
OTHER BUSINESS:

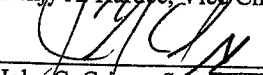
Chairman Thompson called to the Board's attention to the Employee Recognition, Monthly Report, Sod Donation Report, AWWA Conference dates, and confirmed Budget Retreat dates.

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.

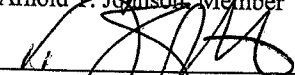
There being no further business, upon motion duly made, seconded and carried, the meeting was adjourned.

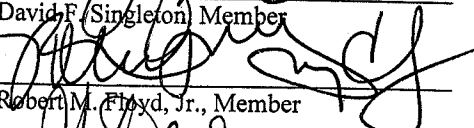
  
\_\_\_\_\_  
Sidney F. Thompson, Chairman


  
\_\_\_\_\_  
Benjy A. Hardee, Vice Chairman

  
\_\_\_\_\_  
John C. Griggs, Secretary

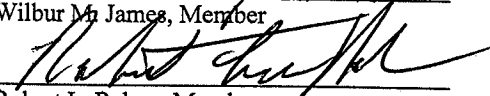
  
\_\_\_\_\_  
Arnold T. Johnson, Member

  
\_\_\_\_\_  
David F. Singleton, Member

  
\_\_\_\_\_  
Robert M. Floyd, Jr., Member

  
\_\_\_\_\_  
J. Liston Wells, Member

  
\_\_\_\_\_  
Wilbur M. James, Member

  
\_\_\_\_\_  
Robert L. Rabon, Member