

GRAND STRAND WATER & SEWER AUTHORITY
BOARD OF DIRECTORS MEETING
JANUARY 24, 2011

	#MEETINGS (Since 7/1/10)	#ATTENDED (Since 7/1/10)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	6	6	100%
Benjy A. Hardee, Vice Chairman	6	4	67%
John C. Griggs, Secretary	6	6	100%
David F. Singleton, Member	6	6	100%
Arnold T. Johnson, Member	6	6	100%
Robert M. Floyd, Jr. Member	6	6	100%
J. Liston Wells, Member	6	6	100%
Wilbur M. James, Member	6	6	100%
Robert L. Rabon, Member	6	6	100%

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, Arnold Johnson.

APPROVAL OF NOVEMBER 22, 2010 MINUTES: Upon motion duly made by Mr. Griggs, seconded by Mr. James, the Minutes of the November 22, 2010 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 that he did not have an update at this time.

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

DISCUSSION/ACTION: Adoption of Revised GSWA Personnel Manual to be Effective January 24, 2011. Mr. Richardson stated that we did not include the full personnel manual, only the major section we are adjusting in regards to our substance abuse policy. As most of you recall, we did have an incident involving several employees and the methods to conduct drug testing. The revised section has been put together by our attorneys to bring our personnel manual up to date based upon the current laws and circumstances relating to drug testing policies. I recommend that the Board approve this update to our personnel manual. After a brief discussion for further clarification, upon motion of Mr. Griggs, seconded by Mr. Floyd the updated personnel manual was approved.

DISCUSSION/ACTION: Celebrating General Francis Marion Days Sponsorship. Following a brief discussion, upon motion of Mr. Griggs seconded by Mr. Rabon, a sponsorship of \$2,000 was unanimously approved by the Board as presented.

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

DISCUSSION/ACTION: Capital Budget Appropriation Transfer Request to Create the Hucks Road Rural Water Project.

DISCUSSION/ACTION: Capital Budget Appropriation Transfer Request to Create the Lambert Road Extension 5 Rural Water Project.

Upon motion of Mr. Griggs seconded by Mr. Singleton, the above three 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 water treatment was good for both treatment plants. Water quality coming into the plant was about average for Myrtle Beach. Therefore, the chemical dosage was about average. Water quality at Bull Creek was very good. Water was not difficult to treat and we are doing a good job with it.

In December of 2010, our total flow was 30.1 mgd compared to last year of 28.8 mgd, a difference of 1.3 mgd. This difference is about the same amount as Marion's flow. We were pretty much the same on all parts of our system except that we added Marion. If you look at the twelve-month average for the current year, our total was 39.3 mgd and last year's average was 37.5 mgd. Only about 0.8 mgd of the 1.9 mgd difference was attributed to Marion. So we had approximately 1 mgd flow greater this year compared to calendar year 2009.

UPDATE/STATUS: COMPLIANCE WITH DHEC WATER AND WASTEWATER REQUIREMENTS: Mr. Wooley stated we did not have any compliance issues with water or wastewater. At the Myrtle Beach SWTP, we started a pilot filter test. We ran one years worth of filter testing earlier, however DHEC has requested additional data. We are running a four-week cold weather filter test to provide to DHEC. We have received a new ozone generator and the installation is in progress. We are also working on the one that is currently shut down.

In Marion, we are continuing to paint the water tanks and are down to the last two. We have completed the installation of the SCADA system for both the water and wastewater systems of the city of Marion. We will now move on to the Nichols, Sellers and Centenary systems. We are continuing to work on video inspection of the gravity sewer system to identify and eliminate problems. We are also working on the water distribution system as well.

MARGUERITE CARROLL, CHIEF FINANCIAL OFFICER

UPDATE/STATUS: DECEMBER 2010 FINANCIAL STATEMENTS WITH HIGHLIGHTS AND COMMENTS: Mrs. Carroll reviewed the details of the consolidated budget report for December 2010 of the major categories. She reported Total Operating Revenues of \$35.3 million, which are up by \$2.1 million. The Total Operating Expenses are up from \$29.6 million to \$32.4 million for a difference of \$2.7 million or 9%. The Operating Surplus is down from \$3.6 million to \$3 million for the current year for a difference of (\$648,975) or (18%). Mrs. Carroll reported Total Non-Operating Revenues are down from \$5.6 million to \$4.3 million for a difference of (\$1.2 million) or (22%). 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 December 2010. Total Operating Revenues were up from \$5.6 million to \$6.1 million for a difference of \$493,171 or 9%. The Total Operating Expenses are up from \$5.3 million to \$6 million for a difference of \$633,948 or 12%, resulting in an Operating Surplus of \$104,676 as compared to last year's surplus of \$245,453, which is a difference of (\$140,777) or (57%).

UPDATE/STATUS: INVESTMENT ANALYSIS: Mrs. Carroll reported the total amount invested was \$111.7 million; the yield for the current month is 1.02%, the yield for the current 3 months is (0.99)% and the yield for the current 12 months is 4.01%. The reduction in the total amount invested is due to payment of bonds and the loss of interest income.

UPDATE/STATUS: CUSTOMER/REU MONTHLY REPORT: For the month of December, we had a total of 74,947 customers. Of this total we had 69,594 active, 1,947 inactive, and 3,406 suspended customers. We had a total of 120,200 REUs with 111,942 active, 2,196 inactive, and 6,062 suspended REUs.

UPDATE/STATUS: BUSINESS & TRAVEL EXPENSES: Mrs. Carroll noted \$11,234.76 was spent for Business & Travel during the month of December. Year to date, we have spent a total of \$123,065.78.

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, we had 5 projects that have gone into design. The Board has approved over \$1.6 million in the rural water program. We issued service authorization to 8 water projects and added almost 25 customers to the rural water program. On the sewer side, we have authorized 5 projects for design, which will add several customers to the rural sewer program. The Board has approved over \$1.3 million dollars in the rural sewer program. We issued service authorization to 4 sewer projects. Currently we have 28 projects in the design and construction phases that will add 71 customers to the rural program.

We are working on several mail outs in the Marion area for water and sewer service. We have had several interests and inquiries in that area. We hope to be getting these out in a couple of weeks.

UPDATE/STATUS: DEVELOPER PROJECTS: Mrs. Everett stated we had a couple of projects that were submitted in the months of November and December. We received 4 developer extension projects for 75 REUs. These were mostly single-family developments. We held 3 preconstruction meetings in November and one in December. Currently we have 36 active developer extension projects in construction.

Mrs. Everett stated if the Board recalls, we did a study for the Schwartz WWTP and the Vereen WWTP where DHEC approved a decrease in the flow inventory in our checkbook for permitted allocated flows. They awarded us a reduction in flows for the Vereen and Schwartz plants. So we recently went through the same process with our Conway WWTP and DHEC has granted us a reduction of 1,145,500 gpd in our flow inventory. This gives us over a million gpd capacity that we can permit to this plant. When we took over Conway WWTP, DHEC had the plant rated at 400 gpd per residence, however DHEC has also reduced this to 300 gpd per residence.

UPDATE/STATUS: CAPITAL PROJECTS: Mrs. Everett stated in regards to the Vereen Discharge Pipeline Project, R.H. Moore is completing the 30" pipeline installation. Greenwall Construction was awarded the contract for the diffuser that will go out into the ICWW.

M.B. Kahn is under construction with the Bucksport Composting Facility. The clearing has been completed and they have started bringing in stone this week. We should start seeing concrete start going down within the next week or two depending on the weather.

Mr. Hardee discussed with the Board the discharge permits we currently have to the Bays and potential future development.

RWF Construction was awarded the contract for the Sellers to Latta FM Project and they have started construction. We are hoping this will be completed over the next four or five months. We will then begin starting to convert settling tanks to gravity systems.


We have several DOT relocation projects under construction. R.H. Moore is continuing on the Backgate Project. Hopefully in the next three or four months we will see a lot of this work come to completion. We have also begun in house work on the Aynor Overpass relocations. We will also be working on the Carolina Bays Extension. Further discussion was made in regards to the Backgate Interchange Project.

OTHER BUSINESS:

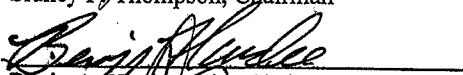
Chairman Thompson called to the Board's attention to the Employee Recognition, Monthly Report, Sod Donation Report, budget retreat dates, and upcoming AWWA Conference dates.

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.

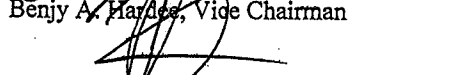
There being no further business, upon motion duly made, seconded and carried, the meeting was adjourned.



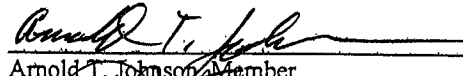
Sidney F. Thompson, Chairman



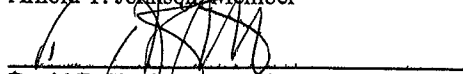
Benjy A. Hardee, Vice Chairman




John C. Griggs, Secretary



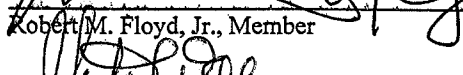
Arnold T. Johnson, Member



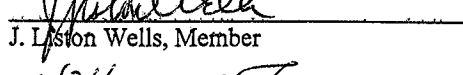
David F. Singleton, Member



Robert M. Floyd, Jr., Member



J. Linton Wells, Member



Wilbur M. James, Member

Robert L. Rabon, Member