

GRAND STRAND WATER & SEWER AUTHORITY
BOARD OF DIRECTORS MEETING
JUNE 27, 2011

	#MEETINGS (Since 7/1/10)	#ATTENDED (Since 7/1/10)	% ATTENDANCE
MEMBERS PRESENT:			
Sidney F. Thompson, Chairman	11	11	100%
Benjy A. Hardee, Vice Chairman	11	9	82%
John C. Griggs, Secretary	11	11	100%
Arnold T. Johnson, Member	11	11	100%
Robert M. Floyd, Jr. Member	11	11	100%
J. Liston Wells, Member	11	11	100%
Wilbur M. James, Member	11	11	100%
Robert L. Rabon, Member	11	9	82%

STAFF PRESENT:

Fred R. Richardson, Chief Executive Officer
Irv Wooley, Chief of Utility Operations
Christy S. Everett, Chief of Engineering & Construction
Chrystal Johnson, Administration Manager
Vanessa Hodges, Customer Service Representative

LEGAL COUNSEL:

Lynn Stevens, McNair Law Firm

CITIZENS ADVISORY COMMITTEE:

Joseph Childs, Chairman
Charles Hinson
Paul McCracken
Monica Hardee Hamer
Sandra Shelley
Kevin Bellamy
Reed Cooper

VISITORS:

Carl Schwartzkopf, County Councilman
Scott Thompson

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 Secretary, John Griggs.

APPROVAL OF MAY 23, 2011 AND JUNE 6, 2011 MINUTES: Upon motion duly made by Mr. James, seconded by Mr. Wells, the Minutes of the May 23, 2011 and June 6, 2011 meetings were approved as presented.

PUBLIC HEARING: RESOLUTION 02-11: Chairman Thompson opened the Public Hearing to comments regarding Resolution 02-11: A Resolution to Raise Revenue, Make Appropriations and Adopt a Budget for Grand Strand Water and Sewer Authority for Fiscal Years Ending June 30, 2012 and June 30, 2013. There were no comments; and the Public Hearing portion of the meeting was closed.

DISCUSSION/ADOPTION: RESOLUTION 02-11: A Resolution to Raise Revenue, Make Appropriations and Adopt a Budget for Grand Strand Water and Sewer Authority for Fiscal Years Ending June 30, 2012 and June 30, 2013. After a motion by Mr. Griggs, seconded by Mr. James, the resolution was approved as presented.

ELECTION OF OFFICERS: CHAIRMAN, VICE-CHAIRMAN, AND SECRETARY: Mr. Thompson stated the following officers are up for nominations for a two-year period: Chairman, Vice-Chairman and Secretary. The floor was opened for nominations. Upon motion of Mr. Floyd seconded by Mr. James the current slate of our officers were elected for another term by acclamation.

INPUT FROM CITIZENS ADVISORY COMMITTEE: Mr. Joseph Childs stated the Committee thoroughly enjoyed touring the Myrtle Beach facilities and look forward to touring some of the other facilities in the future.

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

DISCUSSION/ACTION: SC811 Call Before You Dig Myrtle Beach Pelicans 811 Day Event Sponsorship. Mr. Richardson stated this is a new program that we have just been involved in. This used to be called PUPS (Palmetto Utility Protection Services) and now has a new trademark name SC811. Utility companies within Horry County such as Horry Telephone Cooperative, Horry Electric Cooperative, and Santee Cooper have committed to help sponsor this event. If we participate, we anticipate the sponsorship to be \$500. Upon motion of Mr. Rabon seconded by Mr. Wells, the sponsorship was unanimously approved by the Board as presented.

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

DIVISION REPORTS:

FRED RICHARDSON, CHIEF EXECUTIVE OFFICER

UPDATE/STATUS: MAY 2011 FINANCIAL STATEMENTS WITH HIGHLIGHTS AND COMMENTS: In the absence of Mrs. Carroll, Mr. Richardson reviewed the details of the consolidated budget report for May 2011 of the major categories. He reported Total Operating Revenues of \$64.1 million, which are up by \$3.4 million. The Total Operating Expenses are up from \$54.5 million to \$59.9 million for a difference of \$5.4 million or 10%. The Operating Surplus is down from \$6.2 million to \$4.2 million for the current year for a difference of (\$2 million). Mr. Richardson reported Total Non-Operating Revenues are down from \$11.4 million to \$10.5 million for a difference of (\$871,921) or (8%). Mr. Richardson went over with the Board the year to date actual expenses of each major category compared to budgeted expenses.

Mr. Richardson reviewed the details of the Bull Creek Surface Water Treatment Plant for May 2011. Total Operating Revenues were up from \$10.1 million to \$10.8 million for a difference of \$693,850 or 7%. The Total Operating Expenses are up from \$9.7 million to \$10.4 million for a difference of \$786,666 or 8%, resulting in an Operating Surplus of \$347,566 as compared to last year's surplus of \$440,382 which is a difference of (\$92,816) or (21%).

UPDATE/STATUS: INVESTMENT ANALYSIS: Mr. Richardson reported the total amount invested was \$117 million; the yield for the current month is 1.14%, the yield for the current 3 months is 1.99% and the yield for the current 12 months is 3.40%.

UPDATE/STATUS: CUSTOMER/REU MONTHLY REPORT: For the month of May, we had a total of 75,586 customers. Of this total we had 70,264 active, 1,732 inactive, and 3,590 suspended customers. We had a total of 111,262 REUs with 103,220 active, 1,902 inactive, and 6,140 suspended REUs.

UPDATE/STATUS: BUSINESS & TRAVEL EXPENSES: Mr. Richardson noted \$18,745.56 was spent for Business & Travel during the month of May. Year to date, we have spent a total of \$189,374.23.

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

Mr. Griggs and Chairman Thompson congratulated the management staff for their accomplishments over the last two years during these hard economic times.

CHRISTY EVERETT, CHIEF OF ENGINEERING & CONSTRUCTION

UPDATE/STATUS: RURAL AND MINOR SUBDIVISION WATER AND SEWER PROJECTS: Mrs. Everett stated we authorized 3 new projects that have gone into design. With the reduction in criteria, we are still seeing some activity. Year to date, the Board has approved \$2.2 million dollars in the rural water program and over \$1.9 million in our rural sewer program. In the past month, we issued final approval to 5 projects that added almost 10 customers to our system. Currently we have 11 water projects in design and construction for 36 customers and 22 sewer projects for 63 customers. We still have about 100 customers in the design and construction phase in our rural program. Mr. Hardee requested Mrs. Everett to include total linear feet of pipeline installed in our system in the board packet next month.

UPDATE/STATUS: DEVELOPER PROJECTS: Mrs. Everett stated we had one developer extension project submitted in the month of May and 2 commercial applications for 18 REUs. We are still having little activity in the developer extension program. We held 2 preconstruction meetings and one of these projects was for an elementary school in Carolina Forest. We currently have 42 active developer extension projects that are under construction.

Mrs. Everett referenced a chart that showed a trend line of line locates. Our line locates have increased since we have joined PUPS, which is now the SC811 program. With going online or paperless through the program, we have reduced the staffing and have been able to keep up with the workflow. Just recently a state law was passed for utility companies to be a mandatory member of the SC811 program.

UPDATE/STATUS: CAPITAL PROJECTS: Mrs. Everett stated we received DHEC's final approval to place into operation the Vereen discharge pipeline into the ICWW. Last Monday they opened the valve and we are now discharging directly into the waterway. We also received DHEC's final approval on the Bucksport Composting Facility.

In regards to the Sellers to Latta Forcemain Project, we are nearing completion. RWF Construction is finishing installation of the forcemain. We are still having some issues with SCDOT in regards to the I-73 corridor. The construction schedule has been pushed back to October for completion. As a result we are trying to work with SCDOT to obtain access.

R.H. Moore has started working again at the Backgate Project. We have some distribution lines that we are now relocating at this time.

We received two DHEC construction permits for a 60 mgd intake capacity at our Bull Creek and Myrtle Beach SWTPs. We wanted to ensure that we had enough capacity reserved for future capacity.

IRV WOOLEY, CHIEF OF UTILITY OPERATIONS

UPDATE/STATUS: BULL CREEK/MYRTLE BEACH REGIONAL WATER FACILITY PRODUCTION: Mr. Wooley referenced the alum usage for the month of May. The chemical usage was average; and water quality was very good. We did not experience any treatment problems for the month of May.

The Myrtle Beach Plant averaged 15.8 mgd, which is down approximately .5 mgd from last May and the Bull Creek system was down approximately 1.5 mgd. Overall we were down 2.2 mgd. This is the first month in the past twelve months we have had a reduction in flow.

UPDATE/STATUS: COMPLIANCE WITH DHEC WATER AND WASTEWATER REQUIREMENTS: Mr. Wooley stated we did not have any violations in the month of May. However, on June 19th at the Myrtle Beach WWTP, we had a sewer spill from the influent pump station to the treatment plant. It occurred right after a lightning storm went through the area. The lightning did knock out the power to the influent pump station. The pump station did not restart automatically. The Operator's initial attempt to restart the pump station was not successful. It took almost one and one half hours to stop the spill. During that time, we lost about 400,000 gallons of wastewater that went into a canal right beside the pump station that runs through the plant, approximately 300 to 400 yards to the waterway. The Myrtle Beach facility is the only wastewater facility we have with an influent pump station. All of the other facilities pump by force main. Mr. Wooley went over some alternatives in which he is going to look at for preventing this from occurring again. We were required to issue a public notice and place the information in the newspaper. We collected samples upstream and downstream the same evening the spill occurred. The sample results did not indicate a problem and you could not see the wastewater in the waterway.

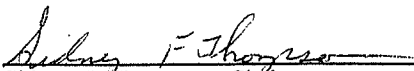
At the Myrtle Beach SWTP, DHEC approved the rerating of the facility to 45 mgd. This was in regards to previous follow-up testing we completed back in February.

OTHER BUSINESS:

Chairman Thompson called to the Board's attention to the Employee Recognition, Monthly Report, Sod Donation Report, Scholarship Recipients 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.



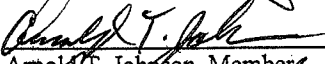
Sidney F. Thompson, Chairman



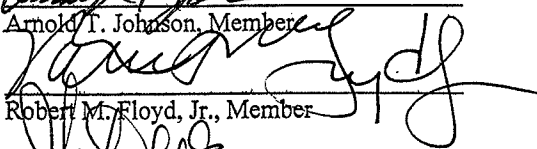
Benjy A. Hardee, Vice Chairman



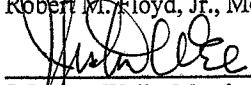
John C. Griggs, Secretary



Arnold T. Johnson, Member



Robert M. Floyd, Jr., Member



J. Laston Wells, Member



Wilbur M. James, Member



Robert L. Rabon, Member