

GRAND STRAND WATER & SEWER AUTHORITY  
 BOARD OF DIRECTORS MEETING  
 MAY 23, 2011

	#MEETINGS (Since 7/1/10)	#ATTENDED (Since 7/1/10)	% ATTENDANCE
<b>MEMBERS PRESENT:</b>			
Sidney F. Thompson, Chairman	10	10	100%
Benjy A. Hardee, Vice Chairman	10	8	80%
John C. Griggs, Secretary	10	10	100%
David F. Singleton, Member	10	10	100%
Arnold T. Johnson, Member	10	10	100%
Robert M. Floyd, Jr. Member	10	10	100%
J. Liston Wells, Member	10	10	100%
Wilbur M. James, Member	10	10	100%
Robert L. Rabon, Member	10	8	80%

**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  
 Craig Dunn, Engineering Technician

**LEGAL COUNSEL:**

Lynn Stevens, McNair Law Firm

**VISITORS:**

Christy 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 Board Member, Robert Floyd, Jr.

**APPROVAL OF APRIL 25, 2011 MINUTES:** Upon motion duly made by Mr. Griggs, seconded by Mr. Wells, the Minutes of the April 25, 2011 meeting were approved as presented.

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

**PRESENTATION/DISCUSSION:** 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. Mr. Richardson stated that we will have a Public Hearing scheduled for Monday, June 6<sup>th</sup> at 6:00 p.m. for those that can attend. Our second Public Hearing will be held at our Annual Meeting on June 27<sup>th</sup>. Mr. Richardson went over the budget letter that was provided in the Operating and Capital Annual Budgets FY 2012 and 2013 document previously provided to the Board. Mr. Richardson stated with our proposed increase of our monthly bill from \$41.10 to \$42.80, our rates are still below the surrounding utility companies. Mr. Richardson went over the specifics of those rates. What is being presented tonight is a direct reflection of the outcome of our Budget Retreat.

Mr. Rabon asked Mr. Richardson how GSWSA compares salary wise to the County, Horry Electric, and other companies of that nature. Mr. Richardson stated we had been doing a salary survey every two years prior to the economic downturn. We have not done one for the last three years because we were not going to raise the salary scales. The last time we did a salary survey, our salaries were towards the high-end but not the highest. We measured different groups according to what we could find information on. Some positions are easier to compare however there is more difficulty in measuring technical positions. Two years ago we did not give a salary increase. During the good

times, we had been giving 5 to 6% increases. We averaged a 3% increase last year and are proposing an average of 3% this year. Our salaries are in line with other entities. Further discussion was made between Mr. Richardson and the Board regarding the sensitivity of this issue.

DISCUSSION/ACTION: Capital Budget Appropriation Transfer Request to Create the Quail Run Road & Hwy 701 Rural Water 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 with the reduction in the criteria of the rural program to 3 customers per mile, we have seen quite a good bit of activity this past month. We have authorized almost 10 projects to design in water and sewer. We submitted 3 additional rural water projects and have been still targeting the Aynor/Green Sea area. The Board has approved over \$2 million dollars in the rural water program and has approved over \$1.9 million in our rural sewer program. This past month, we issued service authorization to 5 new projects in our rural program that will add 12 customers. Year to date, we have 44 projects in design and construction that will add almost 90 customers to our program.

UPDATE/STATUS: DEVELOPER PROJECTS: Mrs. Everett stated we saw very little activity in the month of April. We had zero developer extension projects submitted, only a few commercial applications submitted, held zero preconstruction meetings and issued zero service authorizations this past month. The new Target is under construction off Hwy 544 at the Bypass. Currently we have 38 active developer extension projects in the construction stage.

UPDATE/STATUS: CAPITAL PROJECTS: Mrs. Everett stated the Backgate Project is getting ready to go to construction. RH Moore has completed the 36" effluent pipeline relocation. The only thing we have left on this project is the distribution lines on Macklen.

We are beginning to work on the Carolina Bays Phase III Parkway project. We will be relocating some lines as the contractor begins their clearing in that section.

M.B. Kahn is finishing work on the Bucksport Composting Facility. The concrete and shed work has been completed and sitework is nearly complete. They are putting in pond liners and electrical this week. We hope to have this facility completed by the end of the month.

Greenwall Construction is finishing up the diffuser into the waterway for the discharge from the Vereen WWTP. The last section of the diffuser was dropped today. We have requested approval from SCDHEC; and are going to send effluent through the diffuser tomorrow while the dive team inspects the operation.

RWF Construction is finishing up the force main from Sellers to Latta. We had a couple of modifications due to the I-73 corridor as well as the discharge into the lagoon in Latta. We did have a community meeting in the Town of Sellers to explain the project where the contractor will be making modifications to their settling tanks. We will have to get easements from all of the property owners. The meeting went very well and the customers were very receptive of the information.

#### IRV WOOLEY, CHIEF OF UTILITY OPERATIONS

UPDATE/STATUS: BULL CREEK/MYRTLE BEACH REGIONAL WATER FACILITY PRODUCTION: Mr. Wooley referenced the alum dosage for the month of April. Bull Creek and Myrtle Beach's alum usage was up slightly. We are still running

barely above average for the long term in regards to alum. We had a little bit more color in the river than we have had over the last few months. This is just a little bit of additional alum but treatment was still good.

The Myrtle Beach Plant averaged 14.2 mgd, which is down .5 mgd from last April and the Bull Creek system was up approximately .5 mgd. All together, they offset each other and our net overall is up about 1 mgd, which is due to the additional of Marion's system.

UPDATE/STATUS: COMPLIANCE WITH DHEC WATER AND WASTEWATER REQUIREMENTS: Mr. Wooley stated we had a violation of our wastewater permit at the Vereen WWTP. This was the first violation since July 2008. The violation was in regards to ammonia levels. Mr. Wooley explained the details of this violation.

In regards to Marion County, we finished the SCADA system in Nichols. We have one left in Marion County for Sellers and we will have that ready as soon as we get the tower completed.

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

FRED RICHARDSON, CHIEF EXECUTIVE OFFICER

UPDATE/STATUS: APRIL 2011 FINANCIAL STATEMENTS WITH HIGHLIGHTS AND COMMENTS: In the absence of Mrs. Carroll, Mr. Richardson reviewed the details of the consolidated budget report for April 2011 of the major categories. He reported Total Operating Revenues of \$57.3 million, which are up by \$2.8 million. The Total Operating Expenses are up from \$49.6 million to \$52.7 million for a difference of \$3.1 million or 6%. The Operating Surplus is down from \$4.8 million to \$4.6 million for the current year for a difference of (\$248,792). Mr. Richardson reported Total Non-Operating Revenues are down from \$9.9 million to \$8.4 million for a difference of (\$1.6 million) or (16%). 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 April 2011. Total Operating Revenues were up from \$9 million to \$9.7 million for a difference of \$698,614 or 8%. The Total Operating Expenses are up from \$8.8 million to \$9.5 million for a difference of \$740,335 or 8%, resulting in an Operating Surplus of \$242,523 as compared to last year's surplus of \$283,986, which is a difference of (\$41,463) or (15%).

UPDATE/STATUS: INVESTMENT ANALYSIS: Mr. Richardson reported the total amount invested was \$114.7 million; the yield for the current month is 0.82%, the yield for the current 3 months is 0.77% and the yield for the current 12 months is 3.33%.

UPDATE/STATUS: CUSTOMER/REU MONTHLY REPORT: For the month of April, we had a total of 75,464 customers. Of this total we had 70,121 active, 1,761 inactive, and 3,582 suspended customers. We had a total of 111,153 REUs with 103,100 active, 1,916 inactive, and 6,137 suspended REUs.

UPDATE/STATUS: BUSINESS & TRAVEL EXPENSES: Mr. Richardson noted \$15,018.27 was spent for Business & Travel during the month of April. Year to date, we have spent a total of \$170,628.67.

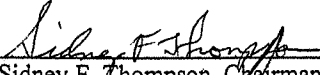
UPDATE/STATUS: PURCHASE TRANSACTIONS OVER \$2,500: Mr. Richardson called to the Board's attention the information contained in the Board packet on purchase transactions over \$2,500.


OTHER BUSINESS:

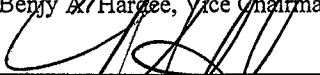
Chairman Thompson called to the Board's attention to the Employee Recognition, Monthly Report, Sod Donation Report, upcoming Budget Hearing, and AWWA and WEFTEC Conference dates.

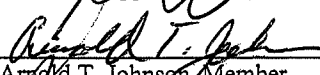
Upon motion duly made, seconded and carried the Board went into executive session for the discussion of legal and contractual matters. Following the executive session, the Board returned to regular session.

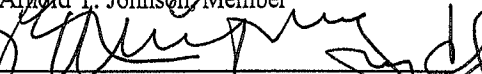
There being no further business, upon motion duly made, seconded and carried, the meeting was adjourned.

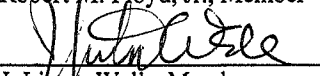
  
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Sidney F. Thompson, Chairman

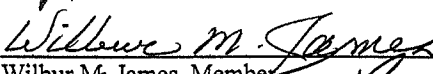
  
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