

CHARLES TOWN UTILITY BOARD
WEDNESDAY, January 9, 2019 4:00 p.m.
REGULAR MEETING TO BE HELD AT
101 E. Washington Street

REGULAR MEETING:

1. Approval of the December 12, 2018 Regular Meeting Minutes
2. Public Comment - This portion of the agenda is designed for members of the general public to share thoughts on items of interest in the community. By law, Board members may ask clarifying questions or discuss procedural matters but are not permitted to discuss the policy merits of any issue unless it is scheduled for discussion.
3. Utility Manager Report
 - a. Status of Permit Modification for IU02 and Update of JCPSD Asset Acquisition
 - b. Request to Magnolia Springs Developer
 - c. Request from Gerald A. Miller (Sanitary Associates 3 acre parcel)
 - d. City of Charles Town Employee Handbook
 - e. Rental Unit – Request to Refer to Finance Committee
 - f. 2018 Summary of Accomplishments / Review
4. Approval of Bills

January 9, 2019


The Charles Town Utility Board held the regular meeting on January 9, 2019 beginning at 4:00 p.m. at 101 E. Washington Street. Members of the Board present were Daryl Hennessy, Pete Kubic, Duke Pierson, Mike Slover and Kevin Tester. Also present were Micheal George, Hoy Shingleton, Kristen Stolipher, and Jane Arnett. The Chairman called for a motion to approve the December 12, 2018 regular meeting minutes. By motion from Duke, second by Kevin, the Board approved the minutes with one correction. Public comment was received. Kristen then introduced April Shultz to the group.

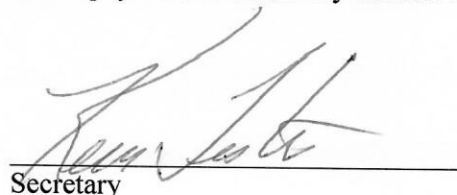
The Chairman next opened the floor for discussion of the status of the Permit Modification for IU02. The Manager informed that the WV DEP had not yet received the transcript from the December 10, 2018 public hearing. Once received, one person at the DEP will be answering all comments prior to any action being taken on the Modification. No timeframe was provided for any action. The next item regarded the questions raised at the January 7, 2019, City Council meeting. The Chairman provided that the Council is still trying to set a date for the vote on the Lease Agreement prior to the bond reading at the Building Commission. Included as part of the questions were clarifications on the application of Rule 5.5 as raised by Mr. Levi through a City Council member. John Kunkle then presented revised calculations to include a leak adjustment rate. The overall impact to the ratepayers was revised to \$0.42 per 1,000 from the initial forecast of \$0.45 per 1,000 per month. The recovery of the leak adjustment would allow the Board to retain approximately 10% of operations costs. The state financing option would allow the Board to retain costs of operations at 61%. John further provided that there would be no cash balance at the end of the Rule 5.5 10-year period. All cash would be initially expended to construct the project. Finally, John stated that there would be an impact to ratepayers should Rule 5.5 be used and/or the state funding not be used. Should Rockwool choose to construct a project to serve only their site, then the Flowing Springs project costs would be much greater with an impact to ratepayers and an impact to rate equalization. Kevin pointed out that the additional impact of the necessary contribution by the Board under Rule 5.5 would have adverse effects on the rate equalization effort. The Manager concluded the discussion with the fact that Rule 5.5 focuses on gross revenue less the minor leak adjustment factor. The state financing option focuses on net revenue that is gross revenues less all operations and maintenance costs. Also noted were the differing leak adjustment rates among the three utilities that will require correction in a "clean up" tariff along with other changes. The proposed tariff changes will be presented to the Board prior to moving through City Council.

The Chairman next opened the floor for discussion of the request to the Magnolia Springs Developer. Hunter Wilson and Kristen presented a proposal to expand the Magnolia Springs pump station and connections so that two existing pump stations could be decommissioned. The Board contribution would be approximately \$250,000 to \$300,000. The Board agreed to pursue working with the developer and present an agreement for review and approval with an internal financing option. Hoy Shingleton indicated that the agreement would have to be approved by the PSC. The next item presented a request from a developer to possibly purchase the 3-acre Sanitary Associates wastewater treatment plant site. The Board asked for the due diligence information that has been completed to date prior to forwarding to City Council.

The Chairman then informed that the City Council had approved an Employee Handbook to become effective February 1, 2019 with a series of presentation meetings scheduled. The Chairman informed that the Council would be receptive to an Addendum from the Board during the roll out period. By motion from Duke, second by Mike, the Board approved the Employee Handbook. Next, the Board considered referring to City Council the sale of the rental unit at Tuscawilla. The Board agreed that both sale requests would be forwarded at the same time. Finally, the Manager noted that a request had come forward from Jefferson Utilities to forego disconnection of service to federal employees who have been affected by the government shutdown. This would initially apply to the January disconnect cycle and include no penalty being applied. By motion from Kevin, second by Pete, the Board approved this procedure for the month of January. Hoy Shingleton then corrected with apology, a statement made at the January 7, 2019, Council meeting. The comment was that Rockwool would be required to pre-treat their industrial waste when in fact, that decision is solely up to the WV DEP.

The Chairman next distributed the Manager's review to be considered at the next Board meeting. By motion from Kevin, second by Duke, the Board approved the payment of bills. By motion from Duke, second by Mike, the meeting adjourned at 4:58 p.m.


Chairman


Secretary

CHARLES TOWN UTILITY BOARD
WEDNESDAY, January 23, 2019 4:00 p.m.
REGULAR MEETING TO BE HELD AT
101 E. Washington Street

REGULAR MEETING:

1. Approval of the January 9, 2019 Regular Meeting Minutes
2. Public Comment - This portion of the agenda is designed for members of the general public to share thoughts on items of interest in the community. By law, Board members may ask clarifying questions or discuss procedural matters but are not permitted to discuss the policy merits of any issue unless it is scheduled for discussion.
3. Utility Manager Report
 - a. Update from the January 22, 2019 City Council meeting
 - b. Status of Permit Modification for IU02
 - c. Request to Refer to City Council the sale of the Sanitary Associates - 3 acre parcel and the Tuscawilla Hills Rental Unit
 - d. Gwin, Dobson and Foreman Task Order No. 1
 - e. Facilities Update and Customer Notification Information
 - f. Discussion / Review of Proposed Water and Sewer Tariff Changes
 - g. 2018 Summary of Accomplishments / Review
4. Approval of Bills

January 23, 2019

The Charles Town Utility Board held the regular meeting on January 23, 2019 beginning at 4:00 p.m. at 101 E. Washington Street. Members of the Board present were Daryl Hennessy, Pete Kubic, Duke Pierson, Mike Slover and Kevin Tester. Also present were Michael George, Hoy Shingleton, April Shultz, Kristen Stolipher and Jane Arnett. The Chairman called for a motion to approve the January 9, 2019 regular meeting minutes. By motion from Duke, second by Kevin, the Board approved the minutes. Public comment was received.

The Chairman next opened the floor for discussion on an update from the January 22, 2019 City Council meeting. The Chairman provided that John Kunkle and Kristen worked through the Route 9 Sewer Project packet provided and answered questions the Council had outstanding. Council had scheduled the vote on the Bond Resolution for March 4th and approved a statement in opposition of the industrial development. Kristen offered that she had positive dialogue with Council on the summary sheet provided. She had reviewed the state funding option with Council, which she reiterated would be a very beneficial option to the ratepayers, and discussed a potential change to the term in the commitment letter from the State. Kristen had also discussed mainline and alternate mainline extension options, permitting, and addressed specific questions Council had from the previous meeting. Kristen provided that a potential meeting was requested by Councilman Brittingham to review the Rule 5.5 with John Kunkle, but she will need to get further details. The Manager concluded that John Kunkle was trying to convey the message that with Rule 5.5, the rate impact of \$0.42 to the rate payers would be immediate. There would be a payback period of potentially 12 years to the developer where the increase would take effect. Whereas the state funding package had a longer payback period, there would be no immediate impact to the ratepayers. Pete stated, and Kevin agreed, that the information presented to Council was well prepared by all parties. Hoy pointed out the discussion last night under Rule 5.5 did not take into account the impact rate equalization is going to have in the future on available cash. Also, not taken into account were the capital projects listed in the Sewer Strategic Plan and the annual debt service it will take to fund them. Councilman George agreed the Council meeting went well and appreciated the documents provided, but there are Council members who want to review the available cash at the end. Kevin pointed out that historically the City has been hurt for not properly preparing for expansion when laying sewer lines and this is a prime example where the Board does not want to make that same mistake. Hoy reiterated on that point that large transmission and collection infrastructure should be built/planned for the future. The Chairman clarified an earlier statement that Council had approved a resolution in opposition of Rockwool as an industrial site, but wanted to be clear that it was a Statement of Values and there was still the question of financing and the legal obligations to do that which will be taken up by the voting process at a later time. Mike Slover provided that rather than looking at this in parts, it should be looked at proforma with all projects and rate equalization.

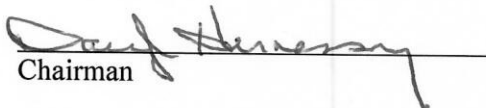
The next item regarded an update on the state of Permit Modification for IU02. The Manager emailed WV DEP and did not receive an answer yet, but assumed the transcript had been released to the public based on comments at last night's meeting. Now starts the process of one person at the DEP answering each individual comment prior to any action being taken on the Modification. There is still no timeframe for any action. Next, Kevin asked the Chairman if the Board could discuss preparing a recommendation on the two options presented in the Route 9 Sewer Project review and present that to City Council to assist them in making a decision. The Chairman welcomed a discussion, but did not feel the Board was in a position to take action at this time. The Chairman suggested adding this discussion to a future meeting. The next item regarded the request to refer to City Council the sale of the Sanitary Associates – 3 acre parcel and the Tuscowilla Hills Rental Unit. Kristen stated she will draft a summary of both properties with conditions and what may need to be incorporated with a deed and bring back to the Board for their consideration before forwarding on to City Council to take action to pursue the auction of the properties if the City Council chooses to do so.

The next item considered was the Gwin, Dobson and Foreman Task Order No. 1. Kristen provided information regarding a Preliminary Engineering Report for the Renewal and Replacement Project of items the Board has discussed in the past as detailed in the engineering services proposal provided by Gwin, Dobson, and Foreman totaling \$42,000. Kristen further discussed that the next step would be for the engineers to provide cost estimates for these items to get a feel of what the project will cost. By motion from Mike, second by Duke, the Board approved the Task Order No. 1. The next item regarded

Facilities Update and Customer Notification Information. The Manager presented a copy of the moving notification to be sent to customers and vendors on February 15th. The 108 W. Congress Street location will be closed on March 1st and reopen on March 4th at the new location at 661 S. George Street. The 832 S. George Street and 340 Edmond Road (PSD) move will occur in March. Kristen stated that an open house/ribbon cutting is in the works. The Manager further provided a draft lease agreement between the Utility Board and City Council will be added to the next agenda for discussion. The Manager will also send a letter to the landlord of 108 W. Congress giving notice to terminate the lease on March 31.

The Chairman next opened the floor for discussion on the review of proposed water and sewer tariff changes. The Manager presented information regarding utility taxes. Both the City of Charles Town and the City of Ranson have a Utility Tax Ordinance that is applicable to not only water and sewer utilities, but also First Energy, Comcast, Frontier, etc. During the acquisition process, staff discovered that PSD customers within the Corporations of Charles Town and Ranson were not receiving the 2% utility tax on the sewer portion. That tax will now be applied to those customers and that payment will go to the City of Charles Town or Ranson. Staff also discovered that Ranson water customers were not receiving the water tax either so this will be applied as well. The Manager further provided that this will be corrected and the water and sewer utility taxes will be applied per the Ordinances and a 1959 West Virginia law rather than a tariff change. Duke reiterated that it is in State Code and for whatever reason Ranson was not charging it, but it will now be corrected. As far as a tariff change, the Manager explained, with the assistance of April, that the Step 2 water rate was excluded from the PSD tariff which will now need to be revised to include that rate to be charged in February as ordered by the Public Service Commission. On the sewer tariff, the Manager would like to standardize the security deposits to \$50 for both water and sewer and standardize the leak adjustment rate to \$0.95 per 1,000 gallons for Charles Town, Ranson, and the PSD. The tariff changes will be proposed for a first reading on February 18th and public hearing March 19th with a 3rd reading in April. Mike S. was concerned there will be a number of calls coming in when customers see a new tax on their bill. He suggested a standard approach of informing those concerned. The Manager also mentioned she had a follow-up to Mrs. Milliron's concern last month with the Jefferson Utilities billing error. They have recognized the problem and are working through a resolution with the adjustments/credits.

By motion from Pete, second by Kevin, the Board approved the payment of bills. By motion from Kevin, second by Pete, the Board convened into executive session at 4:55 p.m. to discuss the Utility Manager's performance review. The Chairman declared the executive session over at 5:10 p.m. By motion by Duke, second by Kevin, the Board made the Utility Manager's position whole as it relates to the new policy for employees and congratulated and thanked her for the job she has done in 2018. The Chairman provided that the Board is very pleased with the performance of the Utility Manager this past year and appreciates what she, Kristen and the rest of the staff are doing. The Manager requested an agenda item to brief the City Council on the utility tax issue and how it will be corrected. Duke will update the Ranson City Council as well. By motion from Mike, second by Pete, the meeting adjourned at 5:13 p.m.


Chairman


Secretary

CHARLES TOWN UTILITY BOARD
WEDNESDAY, FEBRUARY 13, 2019 4:00 p.m.
REGULAR MEETING TO BE HELD AT
101 E. Washington Street

REGULAR MEETING:

1. Approval of the January 23, 2019 Regular Meeting Minutes
2. Public Comment - This portion of the agenda is designed for members of the general public to share thoughts on items of interest in the community. By law, Board members may ask clarifying questions or discuss procedural matters but are not permitted to discuss the policy merits of any issue unless it is scheduled for discussion.
3. Utility Manager Report
 - a. Request to Refer to City Council the sale of the Sanitary Associates – 3 acre parcel and the Tusawilla Hills Rental Unit
 - b. Utility Billing Agreement with Jefferson Utilities, Inc. – Amendment
 - c. Engineering Services Agreement – Hatch / Chester and Task Order No. 1
 - d. Discussion of Route 9 Sewer Project Statement
4. Approval of Bills

February 13, 2019

The Charles Town Utility Board held the regular meeting on February 13, 2019 beginning at 4:00 p.m. at 101 E. Washington Street. Members of the Board present were Daryl Hennessy, Duke Pierson, Mike Slover and Kevin Tester. Also present were Hoy Shingleton, April Shultz, and Kristen Stolipher. The Chairman called for a motion to approve the January 23, 2019 regular meeting minutes. By motion from Mike, second by Duke, the Board approved the minutes. Public comment was received.

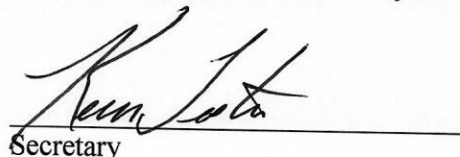
The Chairman next opened the floor for discussion on the request to refer to City Council the sale of the Sanitary Associates 3 acre parcel and the Tuscawilla Hills Rental Unit. Kristen provided the advantages and disadvantages of auctioning off both properties. The Chairman suggested the Board consider including a reserve bid on the Sanitary Associates property as described on the Tuscawilla Hills property. Kristen agreed and stated an appraisal will be completed on both properties. Hoy added that from a legal standpoint, the Patrick Henry property is more of a liability since there is no use for it in the future as opposed to the Tuscawilla Hills property which has a structure. Mike questioned if the WV Municipal Home Rule provisions apply to both properties even though they are not located within the City as mentioned in the staff recommendations. City staff will seek clarification that Home Rule applies to properties outside the City limits. Mike also questioned if a liability insurance policy was discussed as mentioned in the past. Kristen informed that this was mentioned by the environmental attorney and could be purchased by the property acquirer and the deed would include more of an "as is" clause. Hoy added that hazardous material liability stays with the property forever, but the decommissioning of the plant at the Sanitary Associates property was done properly so he is not aware of any liability issues. By motion from Mike, second by Duke, to move forward with Staff's recommendation to refer to City Council for possible sale of public assets.

The next item discussed was the Amendment to the Utility Billing Agreement with Jefferson Utilities. Kristen discussed the agreement is a result of the PSD acquisition and allows for Jefferson Utilities to process the billing for the sewer customers that Jefferson Utilities provides water for. She clarified for the Chairman that the \$3.50/customer fee was not passed on to the customers. The Chairman also questioned if the \$25 termination fee was consistent with the tariff and Kristen indicated that it was. By motion from Duke, second by Kevin, the Board approved the Amendment to the Billing Agreement with Jefferson Utilities. The Chairman next opened the floor for discussion on the Engineering Services Agreement with Hatch/Chester and Task Order No. 1. Kristen stated that the Services Agreement with Chester should first be reviewed and approved. She discussed that Hatch/Chester was chosen through the 5-G process at a previous meeting and the Agreement is now finalized and ready for approval. Mike was concerned with taking action on this since it is not on the agenda. Kristen stated the agenda listed both the Engineering Services Agreement as well as the Task Order No. 1. The Chairman commented that he read the agenda item as one item and did not realize the Board had not yet taken action. Kristen then discussed the impact if the items were tabled. The PSC 5.5 Mainline Extension request from Rockwool requires a cost estimate within 45 days that will take time for Chester to prepare. The Chairman discussed there may be flexibility with the 45 days since Rockwool submitted a revised letter to City Council. He suggested scheduling a special meeting to take action. By motion from Duke, second by Kevin, the agenda item was tabled and rescheduled for a special meeting to allow the time needed.

The Chairman next asked if Kristen had any updates from the Utility Manager's perspective. Kristen informed the Board that the notification about the utility tax will be included on the March bills before applied to the April bills. She also gave an update on the City Council meeting from the night prior that included addressing numerous questions from Council and several from Councilman Tolbert that will be answered before the next meeting. Kristen also discussed a significant water leak that has possibly been located in Ranson. The Chairman added that a series of water tests were completed and came back within the permitted limits, but a statement was issued and posted multiple places informing the public. Duke reaffirmed that tests were done and the water was deemed safe to consume. The next agenda item was the discussion on the Route 9 Sewer Project Statement. The Chairman did not anticipate the Utility Board to issue a statement this evening, but if the Utility Board wanted to express a statement on the financing options to share with City Council, the Board could discuss and get scheduled for the next meeting. If the Board wanted to talk about the substance of the statement then he would recuse himself since his role is to carry out what City Council instructs him to do. The Chairman asked if this was the will of the group to add to the next meeting to be acted upon prior to the next City Council meeting on March 4th. Duke would like to see all questions answered from City Council prior to issuing a statement. Mike and Kevin agreed that it can be added to the agenda even if not acted upon. Kristen discussed that she can have questions answered and sent to the Board by Friday. Mike suggested a special meeting a week from today in addition to the meeting on February 27th.

By motion from Kevin, second by Duke, the Board approved the payment of bills. By motion from Duke, second by Mike, the meeting adjourned at 4:43 p.m.


Chairman


Secretary

CHARLES TOWN UTILITY BOARD
THURSDAY, FEBRUARY 21, 2019 4:00 p.m.
SPECIAL MEETING TO BE HELD AT
101 E. Washington Street

REGULAR MEETING:

1. Public Comment - This portion of the agenda is designed for members of the general public to share thoughts on items of interest in the community. By law, Board members may ask clarifying questions or discuss procedural matters but are not permitted to discuss the policy merits of any issue unless it is scheduled for discussion.
2. Utility Manager Report
 - a. Engineering Services Agreement – Hatch / Chester
 - b. Task Order No. 1 – Hatch / Chester
 - c. Route 9 Sewer Project Statement
 - d. Next Meeting Date
3. Approval of Bills

February 21, 2019

The Charles Town Utility Board held a special meeting on February 21, 2019 beginning at 4:00 p.m. at 101 E. Washington Street. Members of the Board present were Daryl Hennessy, Pete Kubic, Duke Pierson, Mike Slover and Kevin Tester. Also present were Michael George, Kristen Stolipher and Jane Arnett. Public comment was received.

The Chairman next opened the floor for discussion on the Hatch Chester Engineering Services Agreement. The Agreement is the same document from the February 13, 2019 regular Utility Board meeting agenda that was tabled. By motion from Kevin, second by Duke, the Board approved this Engineering Services Agreement. The Chairman next opened the floor for discussion of the Hatch Chester Task Order No. 1 that was also tabled at the February 13, 2019 meeting. Discussion was held on the initial usage request versus their request dated January 24, 2019 was held. The Chairman asked if this Rockwool only option was one included as one of the engineering options. Kristen indicated that Option 1 from the Hatch Chester Study was the Rockwool only line option. The Manager reported that the Rule 5.5 request from Rockwool was for anticipated sanitary sewer discharge of 27,500 gallons. The schedule for Rockwool Phase 1b and Phase 2 has not yet been forecast by Rockwool. Mike S. clarified that the current permit modification for Phase 1 is for 14,900 gallons and that an additional request would trigger a major modification if in total the gallons were to exceed 25,000. By motion from Mike, second by Pete, the Board approved the Hatch Chester Task Order No. 1.

The Chairman next opened the floor for discussion of the Route 9 Sewer Project Statement. The Chairman announced that his job is to carry out whatever City Council asks him to do and that he would step out during the discussion of this Statement. The question of whether a meeting was needed on February 27, 2019. Duke requested that a decision on the meeting date be decided first. The Manager discussed possible reasons for holding a meeting. Duke made a motion that we cancel the February 27, 2019 meeting, second by Mike, the Board cancelled the February 27, 2019 meeting. The Chairman then turned the meeting over to the Vice Chairman.

Discussion was held on the pros and cons of the WV State funding package for the Route 9 Sewer Line. Duke provided that when you can receive free money from the State, this should be taken advantage of. Further, that the City Council should approve the Bond for this project. Finally, Duke expressed concern that if you look at the Rockwool only line, then this would eliminate future connections to be made to a Rockwool only line. Mike S. indicated that with a Rockwool only line, the Utility would still be responsible to serve the area acquired with the JCPSD. Then, the question of how to provide service to that area would be an issue. Kristen informed that this area has had constraints for many years. Pete summarized that if Roxul constructs Rule 5.5 route, the preliminary Hatch Chester estimate is \$9,000,000 with an additional \$2,000,000 impact to the ratepayers. The other option would be to accept the State funding package at \$10,500,000 and allow the capability to upsize the project for future development. This also would include major improvements at the Burr / Bardane Industrial Park. Clarification was provided that the design for Rockwool only would be for buildout of Phase 1, Phase 1b and Phase 2 of 46,800 gallons, but that only Phase 1 Industrial gallons of 14,900 are included in the minor permit modification application. Kevin expressed concern over the impact to the Flowing Springs project and the duplication of parallel lines if the Rockwool only line was constructed. With the capacity issues at the Burr / Bardane Industrial Park, how quickly would a project be needed and how would this impact ratepayers. Pete asked if the State funding package was still in place. The Manager noted that one compromise was reached to reduce the payback period from 30 years to 25 years. Also, the impact to the Flowing Springs project was considered in the March 15, 2018 WV PSC case and included an estimated reduction of \$2,000,000 if the State funding package was used. The Manager then noted the information from John Kunkle that had been presented both to Board and the City Council that a Rockwool only line would affect the timeline for rate equalization and the ability to complete future capital projects without higher rate impacts. Duke raised the issue of the forecasted rate impact of \$0.42 per 1,000 gallons to each customer. Duke made a motion to forward a statement of recommendation reflecting what the Board's thoughts are in support of the State funding package. The Vice Chairman asked for clarification that the motion direct staff to prepare a statement for Council in support of the current State funding package for the Route 9 Sewer Project. The motion was seconded by Kevin, and approved by the four members of the Board.

By motion from Pete, second by Duke, the Board approved the payment of bills. The Manager then informed that the response to the Jefferson County Vision Legal Counsel would be available on March 28, 2019. A letter to their Legal Counsel would be sent tomorrow to provide this update. A motion from Mike, second by Duke, the meeting adjourned at 4:56 p.m.


Chairman


Secretary

CHARLES TOWN UTILITY BOARD
WEDNESDAY, March 13, 2019 4:00 p.m.
REGULAR MEETING TO BE HELD AT
101 E. Washington Street

REGULAR MEETING:

1. Approval of the February 13, 2019 Regular Meeting Minutes
2. Approval of the February 21, 2019 Special Meeting Minutes
3. Public Comment - This portion of the agenda is designed for members of the general public to share thoughts on items of interest in the community. By law, Board members may ask clarifying questions or discuss procedural matters but are not permitted to discuss the policy merits of any issue unless it is scheduled for discussion.
4. Utility Manager Report
 - a. Approval of Cranes Lane Pump Station Quote
 - b. January 24, 2019 Rule 5.5 Request Update
5. Approval of Bills

March 13, 2019

The Charles Town Utility Board held the regular meeting on March 13, 2019 beginning at 4:00 p.m. at 101 E. Washington Street. Members of the Board present were Daryl Hennessy, Pete Kubic, Duke Pierson, and Kevin Tester. Also present were Michael George, Hoy Shingleton, Jane Arnett and Kristen Stolipher. The Chairman called for a motion to approve the February 13, 2019 regular meeting minutes and the February 21, 2019 special meeting minutes. By motion from Kevin, second by Duke, the Board approved both minutes. Public comment was received.

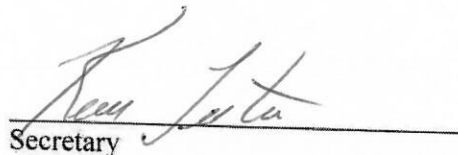
The Chairman next opened the floor for discussion on the approval of the Cranes Lane Pump Station quote. The Manager discussed that out of three bids, only one proposal was received from STH for the pump station rehab. The Chairman called for a motion to approve the quote with STH for the Cranes Lanes pump station rehab. By motion from Duke, second by Kevin, the Board approved the quote.

The next item considered was the January 24, 2019 Rule 5.5 Request Update. Kristen stated she has been working with Hatch Chester on the cost estimate for the Rockwool Only request. She also explained the utility share and developer costs associated with PSC Rule 5.5 request. Kristen walked through with the Board how the utility share was developed. She stated that if City Council does not move forward with the State funding being offered then the Utility Board will be responsible for determining how to fund this share. The Chairman indicated that this analysis is consistent with what John Kunkle has presented Council in previous meetings. The utility share has been concluded as borrowed money which has been shown as a debt service cost. Kristen reported that the Hatch Chester cost estimate should be available by the end of the week, but it does not have an impact on the utility share under Rule 5.5. The Chairman provided that even if an engineering cost estimate is not consistent with the final construction costs, the customer would be charged any overage. The Manager also noted that if the Utility Board would be required to move forward with providing sewer under Rule 5.5, Hoy is not recommending an internal borrowing. As John Kunkle has shown this as borrowed money, it would require three readings at City Council, public hearing, and a possible rate increase for the \$0.42/1,000 gallons in the future. In addition, Rockwool has sent a letter to the Utility Board extending the 45-day requirement to provide the engineering cost estimate until March 22, 2019. The Chairman also mentioned the referenced PSC correspondence regarding an informal opinion on the Rockwool matter which has been shared with City Council.

The Manager also shared that staff has moved into the new building at 661 S. George Street and stated the transition went fairly smooth with online payments being down only two days due to an IP address error. She also mentioned the final walk-through with the landlord has been done at 108 Congress and one will be scheduled at the PSD building by April 30th. Also, everything will be out of 832 S. George by April 30th. The Manager noted she has also been working on re-budgets for FY19 incorporating all the new employees and then full budgets for FY20 which should be drafted by next meeting. Kristen updated that one significant leak had been repaired and work was in process on repairing one additional leak.

The Chairman questioned an invoice from Dewberry regarding the water model update. Kristen stated they are working on calibrating the model in order to report back to the Board once it is final. By motion from Duke, second by Pete, the Board approved the payment of bills. By motion from Duke, second by Pete, the meeting adjourned at 4:32 p.m.


Chairman


Secretary

CHARLES TOWN UTILITY BOARD
WEDNESDAY, March 27, 2019 4:00 p.m.
REGULAR MEETING TO BE HELD AT
101 E. Washington Street

REGULAR MEETING:

1. Approval of the March 13, 2019 Regular Meeting Minutes
2. Public Comment - This portion of the agenda is designed for members of the general public to share thoughts on items of interest in the community. By law, Board members may ask clarifying questions or discuss procedural matters but are not permitted to discuss the policy merits of any issue unless it is scheduled for discussion.
3. Utility Manager Report
 - a. Approval of Dewberry Water and Wastewater Capacity Improvement Fee Analyses and Benchmarking Studies
 - b. President's Pointe, LLC – Alternate Mainline Extension Agreement
 - c. Presentation and review of proposed FY19 Water and Sewer Rebudgets
 - d. Update/discussion on the question of City Council's review of the privileged FOIA documents as tabled by City Council on March 18, 2019
(Possible Executive Session of the Board pursuant to the following statutory exception to the Open Governmental Proceeds Act):
WV State Code Section §6-9A-4(b)(12) - To discuss any matter which, by express provision of federal law, or state statute or rule of court is rendered confidential, or which is not considered a public record within the meaning of the Freedom of Information Act, specifically in this case, matters protected by Attorney-Client Privilege.
 - e. Location Change for April 10, 2018 Meeting
4. Approval of Bills

March 27, 2019

The Charles Town Utility Board held the regular meeting on March 27, 2019 beginning at 4:00 p.m. at 101 E. Washington Street. Members of the Board present were Daryl Hennessy, Duke Pierson, and Kevin Tester. Also present were Hoy Shingleton, Jane Arnett, Kristen Stolipher, and April Shultz. The Chairman called for a motion to approve the March 13, 2019 regular meeting minutes. By motion from Kevin, second by Duke, the Board approved the minutes. Public comment was received.

The Chairman opened the floor for discussion on the approval of the Dewberry Water and Wastewater Capacity Improvement Fee Analyses and Benchmarking Studies. The Manager provided that Dewberry was instrumental in the recent reviews of Berkeley County water and sewer capacity improvement fees that are scheduled for public hearing before the Berkeley County Commission on April 4. Dewberry's fees are consistent with what Berkeley County was charged. Kristen informed the water capacity improvement fee was evaluated in 2005, at the current rate of \$2,576.00 per residential unit. Dewberry will evaluate the cost of expansion for water supply, treatment and the distribution systems. Kristen stated the sewer fee was evaluated in 2001, at the current rate of \$1,127.00 per residential unit. In addition, there is a Huntfield capacity improvement fee of \$2,875.00, a Flowing Springs Development District fee of \$1,625.00, and a PSD fee of \$3,207.00, all per residential equivalent unit. The intent is for Dewberry to do an overview and evaluation for more consistency between those if possible. The Manager further clarified the difference between a capacity improvement fee and a tap fee. By motion from Duke, second by Kevin, the Board approved the Water and Wastewater Capacity Improvement Fee Analyses and Benchmarking Studies by Dewberry.

The next item considered was the Alternate Mainline Extension Agreement with President's Pointe, LLC. Kristen included an overview of the property along with the agreement as reviewed by Hoy. The property is adjacent to the Home Depot at the Potomac Marketplace shopping center on 144 acres with 76 townhomes in Phase I. The Agreement requires the developer to pay the \$1,127.00 as well as the \$1625.00 capacity improvement fees per residential unit with no cost to the Utility. By motion from Kevin, second by Duke, the Board approved the Alternate Mainline Extension Agreement with President's Pointe, LLC. Hoy explained the WV PSC will next review and approve the agreement.

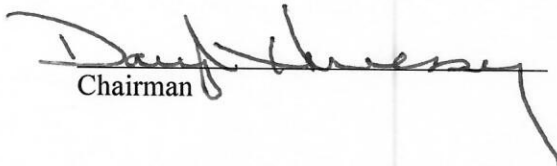
The next item discussed was the presentation and review of the FY19 Water and Sewer Re-budgets. The Manager explained that the sewer re-budget includes only 6 months of PSD revenues and expenses and will differ from the full FY20 year. The 2018B bond and the 2018A-3 bond payments will begin in June that will also cause a difference. The Chairman asked whether there was an impact on the budget from the consolidation. The Manager explained that a full year would give a more accurate picture rather than just six months. The Manager informed the drafts are only for review and will be an agenda item for approval at the next meeting.

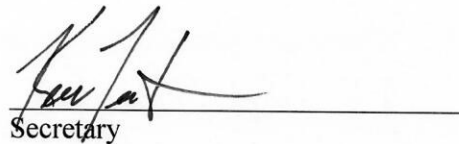
The Chairman next opened the floor for discussion on the update/discussion on the question of City Council's review of the privileged FOIA documents as tabled by City Council on March 18, 2019. The Chairman was asked by City Council, the view of the Board on privileged documents and whether or not these are protected or could be shared with Council. Hoy explained that he believes the Utility Board is a separate entity. He explained that recently the Board responded to a FOIA request by a public group, withholding privileged documents, and believes that same practice should be used with City Council. Duke further indicated the Board is not trying to hide information, rather the Board is an independent entity and should adhere to Article 147 of the Charles Town Ordinances. Hoy added there are statutes in WV law regarding FOIA requests and court processes for determining what documents are privileged if the Board chooses that avenue. Kevin suggested the Board go into executive session to discuss the approach or ask legal questions. He explained he is not against sharing the documents with City Council, however, if the Board shares with them then what prohibits the Board from having to share those documents with other groups that request that information. Duke suggested a lawyer look at the WV code and the statutes of a Utility Board. The Chairman stated he will work on preparing a list of the different options for getting an opinion for the Board to pursue.

Next, the Manager asked the Board to consider moving the April 10th board meeting to the new office at 661 South George Street, as well as move the meetings to Thursday's for the next 90 days on behalf of the Vice Chairman. By motion from Duke, second by Kevin, the Board approved moving the next meeting to the new building on April 11th and conduct meetings on Thursdays at 4:00 p.m. for the next 90 days.

The Chairman was opposed to moving the meeting to the new building until the streaming capability is set up. Kristen stated it should be set up within the next month. By amendment of the previous motion from Kevin, second by Duke, the Board approved changing the next meeting to April 11th to be held at 101 E. Washington Street and move the April 25th meeting to the new building. Finally, the Manager mentioned that the Westridge Hills HOA has requested the lot, which houses a well, be transferred back that was purchased by the PSD and acquired by the City of Charles Town. This item will be added to the April 11th agenda for Board approval prior to being sent to City Council for consideration.

The Chairman asked if a report was received from Hatch Chester and Kristen responded that no report was finalized before Roxul withdrew their Rule 5.5 request. By motion from Duke, second by Kevin, the Board approved the payment of bills. By motion from Duke, second by Kevin, the meeting adjourned at 4:50 p.m.


Chairman


Secretary