Jefferson County Public Service District
Regular Board Meeting
January 4, 2010

The monthly meeting of the Jefferson County Public Service District was held at 7:00PM on Monday, January 4, 2009 in the meeting room at the Districts office in Kearneysville. Those in attendance included: Chairman, Joe Hankins; Secretary, Jim Cummins; newly appointed Board member, Peter Appignani; General Manager, Susanne Lawton; Administrative Assistant, Ashley Wilt; Pentree Engineers, John Tuggle and Zane Summerfield; District Legal Counsel, Jim Kelsh, and Commission Liaison to the Public Service District, Commissioner Lyn Widmyer.

Chairman Hankins called the meeting to order at 7:00PM.

Mr. Hankins opened the meeting by welcoming newly appointed Board member, Peter Appignani.

Public Comments
Dave Kardock, representing the Mayor of Bolivar, commented on the Mountain Water Project and the Golder Report. He also introduced Barbara Humes and Elizabeth Blake to comment. They both decided to hold their comments until the discussion item.

NEW BUSINESS

Election of Officers
Mr. Cummins nominated Mr. Hankins to serve as the Chairman and he accepted.

Action: **Motion made by Mr. Cummins and seconded by Mr. Hankins to appoint Mr. Hankins as Chairman. Approved 2-0. Mr. Appignani abstained from voting.**

Mr. Cummins nominated Mr. Appignani to serve as the Treasurer and he accepted.

Action: **Motion made by Mr. Cummins and seconded by Mr. Hankins to appoint Mr. Appignani as Treasurer. Unanimously approved.**

Mr. Appignani nominated Mr. Cummins to serve as Secretary and he accepted.

Action: **Motion made by Mr. Appignani and seconded by Mr. Hankins to appoint Mr. Cummins as Secretary. Unanimously approved.**

OLD BUSINESS

Review Minutes of December 7, 2009 Regular Board Meeting
The minutes of the December 7, 2009 regular Board meeting were approved as presented.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to accept the December 7, 2009 minutes as presented. Unanimously approved.**

Clarification of mandatory sewer connection (300 foot) rule
Mr. Kelsh re-drafted the revised policy from the Board's feedback at last months meeting. The Board still had some concerns regarding the options Mr. Kelsh had drafted. Mr. Appignani suggested sending the policy to the Health Department for comments and feedback.

Action: **Motion made by Mr. Appignani and seconded by Mr. Cummins to send the draft sewer connection rule to the Jefferson County Health Department for comments and feedback. After discussion, Mr. Cummins amended the motion to replace the word "standard" with "County Health Department" in item (i) section b) and to add "a County Health Department approved" in item (iii), second paragraph after "may elect to install a". Unanimously approved.**

Revised Joint Applications to West Virginia Infrastructure and Jobs Development Council with Jefferson Utilities Incorporated for Mountain Water Project

John Tuggle completed the IJDC preliminary application and sent to the Board prior to the Board meeting, but the Board did not have time to review. In the preliminary application, Pentree has listed the total cost of the project as $14,450.000 and will use a 50/50 split of loans and grants to cover the debt service. The proposed funding package will be finished up within the next two weeks. Mr. Tuggle stated that Pentree is comfortable with the numbers supplied from Jefferson Utilities' accountant and the draft Golder Report. Mr. Snyder was in the audience and stated that there is a deadline for submitting the application and would like the Board to move forward and not miss another funding cycle. Mr. John Maxey was also in the audience and questioned if it is more cost effective to develop wells than run a line across the mountain. Mr. Tuggle replied by stating that he is not sure if wells on the Mountain will put out more than wells in the Valley. From his professional opinion, the valley is more stable and proven to be the best source. The Board would like to put the IJDC preliminary application on both the Districts and the new Mountain Water Project websites for public review and comment.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to table until next month when the application is complete and the public has had time to review. Unanimously approved.**

NEW BUSINESS

Discussion of any expenses over budget

Mr. Hankins informed the Board that there are no items over budget.

Action: **No action taken by the Board.**

Disbursements

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to approve disbursements for Cavaland water expenses in the amount of $881.01, Glen Haven water expenses in the amount of $1,346.47, and for the Public Service District expenses in the amount of $148,365.12. Unanimously approved.**

Approve Transfer of $128.45 from Cavaland Security Deposit Account into Cavaland Operating for Security Deposit Refunds

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to approve the transfer of $128.45 from Cavaland Security Deposit Account into Cavaland Operating Account for Security Deposit Refunds. Unanimously approved.**

Approve Transfer of $4,321.22 from Sewer Security Deposit Account into Sewer Operating for Security Deposit Refunds

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to approve the transfer of $4,321.22 from Sewer Security Deposit Account into Sewer Operating Account for Security Deposit Refunds. Unanimously approved.**

Consider Approval of 2010 Holiday Schedule

Action: **Motion made by Mr. Appignani and seconded by Mr. Cummins to accept the 2010 holiday schedule as presented. Unanimously approved.**

To consider and act upon on a proposed Supplemental Resolution relating to the issuance of the Refunding Sewerage System Bond Anticipation Notes, Series 2010

In November 2009, the Board approved a 6-month extension that was approved by MVB Bank for the BAN which is being used to pay for engineering design work done by Pentree Inc. relating to the Flowing Springs Wastewater Treatment Plant. MVB has now approved another 6-month extension if needed and has renamed the series bond as 2010 since the District will close on the BAN in 2010. The Board now has to approve the Notes Resolution regarding this.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to approve and authorize the Chairman to execute the Supplemental Resolution entitled:**

SUPPLEMENTAL RESOLUTION AMENDING CERTAIN SECTIONS OF THE NOTES RESOLUTION; REDESIGNATING THE NOTES TO THE REFUNDING SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 2010 OF JEFFERSON COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH NOTES TO MVB BANK, INC.; AND MAKING OTHER PROVISIONS AS TO THE NOTES.

Unanimously approved.

Consider Acceptance of the Golder Report for the Mountain Water Project Review Draft
Brent Waters from Golder Associates reviewed the findings of the report with the Board. The report found that the Valley has an adequate water supply and it is reasonable to take water from the Valley to the Mountain. The Board had comments and concerns with the report. Mr. Cummins felt that with the cost given for the study, it was not sufficient for what answers need to be answered. Mr. Hankins asked Mr. Waters if he would consider answering public questions and concerns once they review the report. Mr. Waters stated he had no problem answering questions as long as within reason. Barbara Humes and Budge Blake, both from the Elks Run Committee, were in the audience and commented on the report.

Action: No action taken by the Board.

Discussion and Next Steps on Glen Haven Meeting on December 16th
This item was tabled until next month.

Action: No action taken by the Board.

Discussion and Next Steps on Mountain Water Systems Meeting on December 17th
The District and Jefferson Utilities had a public meeting at the Chestnut Hill Church for the proposed upgrades to the existing public water system serving Keyes Ferry Acres, Westridge Hills, and Harpers Ferry Campsites. The Board felt the meeting was a success and now the critical issue is to submit a completed IJDC application.

Action: No action taken by the Board.

Discuss WV Funding Stakeholder Group February 2nd Meeting
The next meeting will be to discuss funding sources for capital improvements for public facilities made necessary by the obligation of nutrient removal requirements is on February 2nd. Mr. Kelsh is going to use the previous meeting minutes to draft comments on behalf of the District.

Action: No action taken by the Board.

Discuss Federal Leadership Committee's meeting Tuesday, January 5th at 7pm, Holiday Inn Martinsburg to discuss Draft Chesapeake Bay Strategy
Mr. Hankins is going to attend the meeting and try to provide comments on behalf of the District.

Action: No action taken by the Board.

Discuss Filing Comments on Federal Leadership Committee's Draft Chesapeake Bay Strategy due 1/9/2010
This item was discussed in the above agenda item.

Action: No action taken by the Board.

General Manager's Report
Ms. Lawton updated the Board on activities since last month's meeting. She reminded the Board that she will need a Board member around on pay days to sign her paycheck.

Consider Engagement of Outside Professional Financial and Accounting Support for the District
Ms. Lawton informed the Board that there are times when the District needs a CPA familiar with accounting to answer accounting questions regarding the Districts financials. The District would like to hire an outside professional for an "on-call" basis. The District now relies on Cox Hollida Price to perform the yearly audit and that limits them as to their ability to advise on other financial issues.

Action: Motion made by Mr. Cummins and seconded by Mr. Appignani to direct staff to move forward in exploring the possibilities and develop a scope/proposal

and cost estimate for outside professional financial and accounting support. Unanimously approved.

Consider RFP for Inspection Engineering Firms

The District has been with its two (2) existing inspection engineering firms since 2005. The Board has decided to send out a new Request for Proposals (RFP) for inspection services to consider what other firms have to offer.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to direct staff to notify the two (2) existing inspection engineering firms to terminate/not automatically renew the current contract and re-advertise for inspection engineering firms. Unanimously approved.**

Consider Letter from PSD to PSC for Exemption Meter for Lawn Sprinkler for Deerfield Customer

There is currently a complaint case at the PSC filed against Jefferson Utilities (JUI) by a JUI water customer PSD sewer customer) regarding the cost of installation of a deduct meter. Due to high usage during summer months resulting from watering the lawn, plants, and other outdoor activities, this customer would like Jefferson Utilities to install a meter that would measure how much water was used on the lawn separate from that water that was used in the house and into the sewer. Jefferson Utilities presented the customer with the cost of installation for a deduct meter and the customer then filed a complaint with the PSC due to the high cost. The PSC would now like a letter from the District stating that this deduct meter installation was ok. The Districts current policy and resolution that was passed in October 2004, does not allow deduct meters to be installed. The Board would like District staff to send a letter to Jefferson Utilities stating the Districts current policy and resolution and have Mr. Snyder forward to the PSC.

Action: **Motion made by Mr. Appignani and seconded by Mr. Cummins to direct staff to prepare a letter to Jefferson Utilities stating the Districts current policy and adopted resolution on exemption meters. Unanimously approved.**

Odor Control and Proposal from Siemens

The District has been getting complaints from customers about the foul smell of certain pump stations. The District contacted Siemens Water Technologies Corp. to solve the odor and corrosion control problems. Siemens explored the system and sent the District a proposal demonstrating the use of Bioxide treatment. Siemens will install and maintain testing of the system as long as the District purchases the Bioxide at $2.95 per gallon. With the Districts current financial situation, the Board would like to accept the proposal, but postpone the installation until the Districts rate increase takes effect to cover the expenses.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to authorize staff to accept the proposal by Siemens for the odor and corrosion control contingent upon the rate increase sufficient to cover the expenses. Unanimously approved.**

Correspondence

None discussed.

Public Comments

None.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to convene in executive session for the purpose of discussing litigation and contract negotiations. Unanimously approved.**

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to return to public session. Unanimously approved.**

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to direct staff to intervene in the Municipal Appeal Case for the Charles Town Ordinance Rate Case. Unanimously approved.**

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to direct staff to intervene in the Certificate Application Case for Tuscawilla. Unanimously approved.**

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to authorize that the Board delegates the Chairman with settlement authority in the January 26, 2010 PSC rate case, # 09-1915-PSD-42T-PC. Unanimously approved.**

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to adjourn. Unanimously approved.**

There being no further business at this time, the meeting was adjourned at 12:02AM

The next regular meeting is scheduled for February 1, 2010 at 7:00pm at 340 Edmond Road, Suite A at the Districts office in Kearneysville.

Respectfully Submitted,

Joseph A. Hankins
Chairman

James D. Cummins
Secretary