Jefferson County Public Service District
Special Board Meeting
February 8, 2010

The special meeting of the Jefferson County Public Service District was held at 7:00PM on Monday, February 8, 2010 at the District's office in Kearneysville. Those in attendance included: Chairman, Joe Hankins; Secretary, Jim Cummins (by speakerphone); Treasurer, Peter Appignani; PSD General Manager, Susanne Lawton; Administrative Assistant, Ashley Wilt; District Legal Counsel, Jim Kelsh (by speakerphone); and Pentree Engineer, John Tuggle.

Chairman Hankins called the meeting to order at 7:10PM.

Consider Approval of a Revised Joint Application to the W.Va. Infrastructure and Jobs Development Council with Jefferson Utilities, Inc. for Mountain Water Project using a Surface Water Treatment Plant on the Shenandoah River as the Source of Supply

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to approve the revised joint application to the W. Va. Infrastructure and Jobs Development Council with Jefferson Utilities, Inc..**

After the motion was made by the Board, a discussion was held. At the February 1st regular Board meeting, the Board voted 2-1 to not submit the WVIJDC application which focused on taking water from the valley as the preferred supply option. This negative decision at the February 1st meeting was due, in part, to an objection and the threat of litigation from Harpers Ferry and Bolivar. They stated that the removal of water from the valley aquifer will affect their water supply which currently comes from Elk Run. At tonight's Special meeting, Mr. Tuggle informed the audience that a revised application has been drafted for the Board's consideration that reflected a change in the recommended water source supply for the project. This new application includes the recommendation that the preferred option is to build a surface water treatment plant on the Shenandoah River, and indicates this as the preferred supply option in the engineering and financial analysis. The change in the source of water supply will affect both the capital cost of the project and the post-construction O&M. The cost of the project has jumped from $14 million to $18 million, but the debt service shown on this revised application has remained the same with any extra costs being indicated as covered by grants. The proposed customer rates, developed from a Draft Rule 42 prepared by Jefferson Utilities (JUI), went from an estimated $81 to $83, but Mr. Kelsh informed the audience that the Public Service Commission has the overall rate-making authority not the District or JUI. This rate was included as it is the responsibility of the utilities to state on the application the highest possible rate believed to be required at the time of the project's completion. JUI has submitted a notice to the PSC that they will soon be applying for a rate increase, so to not consider both non-project and project related increases in the Draft Rule 42 prepared for this application would be withholding of information known to the District as the application sponsor.

Mr. Appignani suggested two changes to the application. On page 4, part C of the application, he suggested the figure for the average monthly rate per customer be changed to reflect and include the $12 surcharge. He also suggested on page 2, item 6 of the Preliminary Engineering Report, the word "files" be changed to "filed". This changed also needs to be reflected in the Project Summary. The other Board members agreed with these changes.

Public comments were received by:
-Mayor Bob Hardy, Bolivar (also speaking on behalf of Mayor Jim Addy, Harpers Ferry) (Gave PSD a copy of the letter he read into record)
-John Maxey, Harpers Ferry Resident
-Jacquelyn Milliron, Breckenridge Resident
-Frank Gesmer, Gapview Resident

-Todd Cole, Breckenridge Resident
-Heidi Parker, Breckenridge Resident
-Patsy Noland, Jefferson County Commission
-Ed Rhodes, Gapview Resident
-Kathy Katzenberger, Harpers Ferry Resident

After the public comment period, the Board members had a chance to comment and advance the discussion. Mr. Cummins appreciated all public comments. He stated that this is only a preliminary application and he would like to see the project costs go way down. Mr. Appignani had a prepared statement he read into record. He believed that wells on the mountain as the source is much more effective and felt the District needs to start over with this project. He does not support the application as it stands now. Mr. Hankins stated that he supported this project a week ago at the last Board meeting and supports the project now. He believed the state should be a partner in this project, but we have not yet asked for assistance from them since an application has not been submitted. He felt the community deserves to have an application before the IJDC.

After discussion, the motion to submit the revised joint application to the W. Va. Infrastructure and Jobs Development Council was approved 2-1. Mr. Appignani opposed.

Staff and consultants will make the necessary changes to the application and forward onto the Infrastructure Council. Mr. Appignani expressed the need for the community to continue to work together on this project and have continued support of the stakeholder group and future meetings. Mr. Hankins stated he is open and committed to the idea of broadening the outreach to appropriate stakeholders and supports the continuing of the stakeholder meetings. He felt the District has made positive steps with the creation of the mountain water project website and public engagement. Mr. Hankins suggested that another public meeting on the Mountain should be scheduled once the District receives feedback from the Infrastructure Council on the application that will be submitted. Mr. Appignani appreciated Mr. Hankins commitment to public outreach.

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

There being no further business at this time, the meeting was adjourned at 8:30PM

The next regular meeting is scheduled for March 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