Jefferson County Public Service District
Regular Board Meeting
February 1, 2010

The monthly meeting of the Jefferson County Public Service District was held at 7:00PM on Monday, February 1, 2010 in the meeting room at the Districts office in Kearneysville. Those in attendance included: Chairman, Joe Hankins; Secretary, Jim Cummins; Treasurer, 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.

Public Comments
-Jim Walker, Keyes Ferry Acres resident
-Mayor Bob Hardy, Bolivar (Gave PSD a copy of letter from Mayor Addy which he read into record. This letter stated that if the District & Jefferson Utilities moved forward with the plan to take water from the Elks Run watershed, they would institute legal action.)
-Roger Either, Chair of Water Advisory Committee
-Dr. Ren Hunter
-Pamela Underhill, National Park Service/Appalachian National Scenic Trail
-Fred Blackmer, Jefferson County resident (Gave PSD a copy of comment read into record)
-Ann Kelican, Harpers Ferry Campsites resident
-Ginger Crawford, Mountain resident
-Ricky McDaniel, Keyes Ferry Acres resident
-Jacquelyn Milliron, Breckenridge resident (Gave PSD a copy of comment read into record)
-Scott Tatina, Westridge Hills resident
-John Maxey, Harpers Ferry resident
-Susanne Koenig, Keyes Ferry Acres resident
-Scott Smiley, Keyes Ferry Acres resident
-Carlen Emanuel, Appalachian Conservancy
-Ed Swartz
-Ed Burns, Mountain resident

OLD BUSINESS

Review Minutes of December 14, 2009 Special Board Meeting
The minutes of the December 14, 2009 special Board meeting were approved as presented. The Board noted a minor typo.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to accept the December 14, 2009 minutes as presented. Unanimously approved.**

Review Minutes of January 4, 2010 Regular Board Meeting
The minutes of the January 4, 2010 regular Board meeting were approved as presented.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to accept the January 4, 2010 minutes as presented. Unanimously approved.**

Consider Acceptance of the Revised Golder Report for the Mountain Water Project
At last months Board meeting, the Board and members of the public shared their concerns with the drafted Golder Report. Brent Waters from Golder Associates had revised the report and was before the Board once again for its acceptance. Mr. Appignani noted that an addition was made to conclusion item # 10 stating, “It is also recommended that a study be conducted on the feasibility of developing a new independent well in the carbonate aquifer system on the east side of the Shenandoah River near Harpers Ferry Campsites. It may be possible that a well in this location could provide adequate sustainable quantities of high quality

water for the Mountain Comminutes." (Golder Report, page ES 2) Mr. Hankins stated this conclusion was an interesting geological revelation and the Board could continue to look into this option if it does turn out in the long run to be a potential supplier. He informed the Board that this specific area represented by this specific aquifer is privately held by subdivisions and no public land is immediately available. Commissioner Widmyer questioned if the Board would consider combining this option with the $30,000 being used for a study regarding water available in Westridge Hills. Mr. Hankins believed there could be a partnership on exploring this option.

Mr. Cummins stated he was also glad to see the report's addition of the potential well source. He could not support conclusions # 8 and # 9 of the report, which state that the proposed mountain communities' component of Valley groundwater withdrawals will not adversely impact the Valley water system, other groundwater users, or surface water resources. Mr. Cummins expressed concern about analytical methods used, noted that only cursory well drawdown information was provided, none for periods when the system was under stress, such as during the 2002 drought, and felt that without such information it was not appropriate to reach those conclusions. He felt that a better, more independent study was still needed. He noted that these difficult mountain water problems were a result of poor oversight during past decades when the communities were proposed and being built, that our oversight needed to be especially careful if we want to solve the problems and not shift them to another part of the county. Mr. Cummins would like to try to move forward with the application, but doesn't want to use this report as the basis for filing an application.

Public comments were received by:
-Scott Smiley, Keyes Ferry Acres resident
-Elizabeth Blake, Bolivar resident (Gave PSD a copy of comment read into record)
-Don Orser, Harpers Ferry Campsites resident
-Mayor Bob Hardy, Bolivar

Brent Waters from Golder Associates was present in the audience and reviewed the changes of the report since last month. He stated the two main changes to the report were to adjust the recommendations and analysis to be more conservative and they backed off of the assessment of potential local impacts to focus more on the impacts of local watersheds from more detailed studies in the watershed basins. Mr. Waters informed the Board that in this report they offered some recommendations for alternative well sources and the potential for future studies to evaluate local impacts. The report still concluded that the Valley has an adequate water supply and it is reasonable to take water from the Valley to the Mountain. Mr. Waters answered questions and concerns from the Board.

Action: **Motion made by Mr. Hankins to accept the Groundwater Resource Evaluation on the Jefferson Utilities valley water system dated January 20, 2010 by Golder Associates for submission to the District for the Mountain Water Project. Motion failed due to a lack of a second. Chairman Hankins opened the floor for further discussion.**

Mr. Cummins would like to see the report reevaluate the conclusions on the impact of adjacent watersheds and streams and reevaluate the methodologies He doesn't feel Golder Associates was provided enough information or money to answer these concerns. Commissioner Widmyer stated that the conclusion of the Golder Report in her opinion is to continue to look for a viable water source on the mountain and in no way the report lessens the need to continue to pursue a source. Mr. Cummins agreed with Commissioner Widmyer's thoughts and doesn't want this decision to be a stop to any actions, but wants the report to be amended. Mr. Hankins asked the Board what way they would like to move this forward and what are the next steps. Mr. Cummins stated he cannot accept the report as written. The Board decided to move to the next agenda item with no motion.

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

<u>Consider Approval of the Revised Joint Applications to West Virginia Infrastructure and Jobs Development Council with Jefferson Utilities Incorporated for Mountain Water Project</u>

Mr. Kelsh updated the Board. At last months Board meeting, Pentree completed the draft IJDC preliminary application and sent to the Board for review. The Board instructed staff to post on the District and Mountain water project website for public comment and review. The District received numerous public comments. Pentree has revised the draft application and Preliminary Engineering Report once again for Board's

approval. In the preliminary application, Pentree has listed the total cost of the project as $14,450.000, with $200,000 committed funds, and will use a 50/50 split of loans and grants to cover the debt service. Mr. Kelsh reviewed the terms of the joint venture agreement with Jefferson Utilities the Board approved in May of last year. One of the terms in the agreement is that the District is the Project Sponsor and can decline to pursue the project as factors are encountered, which include the increase of post-construction rates by more than 20% over the level relied upon by the District in determining to pursue the project. The agreement is currently at the Public Service Commission for approval. Mr. Kelsh stated the deadline for submission of the application to WVIJDC is on the 10th day of the month. Mr. Hankins stated the that the District is on the County Commission agenda in March for submission of an application for the Small Cities Block Grant which is due by March 22nd and the District will need to have submitted the WVIJDC application by the February 10th deadline to be considered for the Small Cities Grant. Mr. Cummins stated he would like the mention of the Golder Report to be taken out of the cover letter of the application since it was not approved by the Board. Mr. Hankins questioned the Board if they were in a position of making a motion to submit the application. Mr. Appignani responded by stating that the Board promised the public for time to review and comment on the application, but the application was only available for public review for five days. Mr. Hankins stated that the general format of the application has been known for some time and the District has received numerous public comments on the application. Mr. Cummins stated that the District has made some good progress and he doesn't want to see progress stopped so it seems ok to move forward with submitting the application.

Action: **Motion made by Mr. Cummins and seconded by Mr. Hankins to submit the WVIJDC application for the mountain water project, with noted changes including striking the Golder Report as a resource in the cover letter and correcting the typo by removing the comma in the financial information. Chairman Hankins opened the floor for further discussion.**

Public comments were received by:
-Barbara Humes, Chair of Elks Run Committee
John Maxey, Harpers Ferry resident (Mr. Maxey suggested adding a paragraph to the cover letter to not endorse the rate hikes as listed in the application and that the project will be funded by the $12 surcharge. The Board will discuss this later in the meeting.)
-Scott Smiley, Keyes Ferry Acres resident
-Mayor Bob Hardy, Bolivar
-Rhonda Lehman, Mountain resident
-Elizabeth Blake, Bolivar resident
-Ann Kelican, Harpers Ferry Campsites resident
- Pamela Underhill, National Park Service/Appalachian National Scenic Trail

The Board discussed the suggestion made by Mr. Maxey. Mr. Hankins stated possibly adding language to the cover letter that it is the District's assumption that the cost of the project is affordable based on the $12 surcharge to cover the debt service. Mr. Cummins suggested adding language to # 4 in the cover letter stating the District is committed to providing water to the mountain communities and due to resistance from the public for using the Valley water as the supply source, the District and Jefferson County Commission are further exploring alternative solutions. Mr. Kelsh stated the cover letter could be reworded, but highlighting discrepancies in the project would not be a favorable idea to send to the WVIJDC. Mr. Cummins amended the language stating the District and Jefferson County Commission are exploring water supply sources in addition to the valley source as listed in the Preliminary Engineering Report. With no further public comments or discussion, the Board amended the original motion.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to amend the original motion by adding language to # 4 in the cover letter to read, "In response to those inputs, the Jefferson County Public Service District and Jefferson County Commission are exploring water supply sources in addition to the valley source as identified in the attached Preliminary Engineering Report". Unanimously approved.**

The original motion has been amended and now includes submitting the WVIJDC application for the mountain water project, with three modifications; 1) striking the Golder Report as a resource in the cover letter, 2) correcting the

typo by removing the comma in the financial information, and 3) modifying the language to # 4 in the cover letter.

The Board went back into discussion on the amended original motion. After a discussion about the rate indicated on the application, Mr. Hankins stated that he intended to vote positively and felt this is a good positive step for the community. He also stated that the Board has received a 10-1 ratio of positive public feedback for moving this project forward. Mr. Cummins responded to the statement by Mr. Hankins about the 10-1 ratio by referencing the letter from the Mayor Harpers Ferry representing the 1700 customers threatening legal action against the District if the project is pursued using the Valley as a water source. Mr. Cummins felt the 10-1 ratio is not accurate. Mr. Appignani questioned why the current JUI customers should pay for the proposed new customer lots that will benefit from the project. Mr. Kelsh informed Mr. Appignani that the Public Service Commission had denied a $12,000 impact fee proposed by JUI in 2004 and that Jefferson and Berkeley Counties are the only two in the state to offer impact fees. Customers generally just have to pay a $250 tap fee for water service. The $12,000 impact fee requested by JUI would have contributed greatly to the project but because the PSC denied the request for the fee, the customers are the ones to pay for upgrades to the system.

After Discussion, the Board voted on the amended original motion. Motion failed by 1-2 vote. Mr. Cummins and Mr. Appignani opposed.

Mr. Cummins would like the Board to proceed with the application by using an alternative water supply source other than the Valley source. The Board would like staff to continue to work on the application exploring alternate water supplies.

Clarification of mandatory sewer connection (300 foot) rule
Mr. Kelsh will redraft next month.

Action: No action taken by the Board.

Reconsider EDU Calculation for Proposed Hampton Inn in Jefferson Crossing Center
Ms. Lawton had received a request from Uniwest for the reconsideration of the EDU calculation for a 125 room Hampton Inn at Jefferson Crossing II. The Districts current calculation for a hotel is 120 gallons per day (GPD) per room which is equal to .80 of an EDU. Uniwest provided a list of 70 Hampton Inn hotels with the average consumption equaling 62.28 GPD per room. Uniwest would like the District to use the 62.28 GPD per room when calculating the EDU total and Capacity Improvement Fee (CIF), which is $7500 per EDU. Ms. Lawton, Mr. Kelsh, and Mr. Summerfield recommended that the Hampton Inn use the calculation of 66.6 GPD per room (0.44 EDU's per room per day), same as the Holiday Inn Express had used. For a 125 room hotel, Uniwest would pay for 55 total EDU's. Michael Collier from Uniwest was present to answer any questions by the Board. The Board and Uniwest are comfortable with the calculations of the EDU's, but will need to work out the terms of the payment of the CIF. In such a case where the number of rooms for the hotel would change, the Board would like to approve the number of EDU's per room per day rather than a total number of EDU's for the hotel as a whole.

Action: Motion made by Mr. Appignani and seconded by Mr. Cummins to accept staffs recommendation of the calculation of 0.44 EDU's per room per day for the Hampton Hotel project. Unanimously approved.

Update on RFP for Inspection Engineering Firms
Ms. Lawton informed the Board that she sent notification to the two existing engineering firms that the District will not be renewing the current contracts. She will draft an RFP and send out next month.

Action: No action taken by the Board.

Discuss WV Funding Stakeholder Group February 2nd Meeting
The meeting on February 2nd will be held in Martinsburg to discuss potential funding sources for capital improvements for public facilities made necessary by the obligation of nutrient removal requirements. Mr. Kelsh, Mr. Hankins, and Ms. Lawton planned on attending the meeting.

Action: No action taken by the Board.

NEW BUSINESS

Discussion of any expenses over budget
Mr. Hankins stated that there are no items over budget.

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

Disbursements

Action: **Motion made by Mr. Appignani and seconded by Mr. Cummins to approve disbursements for Cavaland water expenses in the amount of $1,062.89, Glen Haven water expenses in the amount of $4,989.14, and for the Public Service District expenses in the amount of $146,735.63. Unanimously approved.**

Approve Transfer of $30,000 from Future Needs into Sewer Operating Account

Action: **Motion made by Mr. Appignani and seconded by Mr. Cummins to approve the transfer of $30,000.00 from Future Needs Account into Sewer Operating Account. Unanimously approved.**

Approve Transfer of $1,556.00 from Future Needs Account into Sewer Operating Account for AskNeal Invoices

Action: **Motion made by Mr. Appignani and seconded by Mr. Cummins to approve the transfer of $1,556.00 from Future Needs Account into Sewer Operating Account for AskNeal Invoices. Unanimously approved.**

Approve Transfer of $7,076.00 from Renewal & Replacement into Sewer Operating Account for a New Pump for PS 1-10

Action: **Motion made by Mr. Appignani and seconded by Mr. Cummins to approve the transfer of $7,076.00 from Renewal & Replacement Account into Sewer Operating Account for a new pump for PS 1-10. Unanimously approved.**

Approve Transfer of $2,657.51 from Sewer Security Deposit Account into Sewer Operating Account for Security Deposit Refunds

Action: **Motion made by Mr. Appignani and seconded by Mr. Cummins to approve the transfer of $2,657.51 from Sewer Security Deposit Account into Sewer Operating Account for Security Deposit Refunds. Unanimously approved.**

Approve Transfer of $65.02 from Glen Haven Security Deposit account into Glen Haven Operating Account for Security Deposit Refunds

Action: **Motion made by Mr. Appignani and seconded by Mr. Cummins to approve the transfer of $65.02 from Glen Haven Security Deposit Account into Glen Haven Operating Account for Security Deposit Refunds. Unanimously approved.**

Consider Approval of Revised Alternate Main Line Extension Agreement with School Board
Mr. Kelsh updated the Board. PSC staff recommended three changes to the agreement in its January 4th Memorandum which the District and School Board did not object. Mr. Kelsh filed the revised agreement with the PSC and an order approving the agreement was granted on January 25th by the PSC.

Action: **Motion made by Mr. Hankins and seconded by Mr. Cummins to approve the agreement amended by PSC order. Unanimously approved.**

Discussion and Next Steps on Glen Haven Meeting on December 16th
The Board discussed the possibility of having an afternoon work session in the coming months to discuss options of which upgrades need to be done in the community. Any new work needed to be completed by Gwin, Dobson & Foreman will incur new costs.

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

General Manager's Report
Ms. Lawton updated the Board on activities since last month's meeting. Ms. Lawton submitted applications for Green SRF grant money for the Flowing Springs wastewater treatment plant project and the Water Reuse

project. Ms. Lawton also received a call from the owner of the Woodland and Park View trailer park, Mr. Charles Eckstine, regarding the costs of installing proper meters/pits for all residents and the possibility of turning over the metering of water and sewer over to the District. Mr. Eckstine is going to get back to Ms. Lawton once he gets some costs together. In the meantime, the Board would like to visit the site.

Action: No action taken by the Board.

Correspondence
None discussed.

Public Comments
None.

Discuss Charles Town's Certificate and Municipal Appeal Cases related to Tuscawilla
Mr. Kelsh updated the Board. The District has protested Charles Town's ordinance to increase its sewer CIF for the Tuscawilla sewer project and the second ordinance to increase its volumetric rate. The District has also filed a petition to intervene in Charles Tow's Certificate application case for its Tuscawilla sewer project. There will be a PSC hearing on February 23rd for the CIF case.

Action: Motion made by Mr. Appignani and seconded by Mr. Cummins to designate Mr. Hankins with settlement authorization on behalf of the Board at the February 23rd Charles Town Municipal Appeal Hearing. Unanimously approved.

Update on Kevin Wilt PSC Case
Mr. Kelsh has filed with the PSC a petition to abandon Mr. Wilt as a customer. The District is hoping for a decision in the case in July.

Action: No action taken by the Board.

City of Martinsburg NPDES Permit Appeal before WV EQB
Mr. Kelsh informed the Board that the EQB has not issued its written order as stated they would in August 2009. Mr. Kelsh filed a letter with the EQB asking them to issue its order in a timely manner.

Action: No action taken by the Board.

Discuss Uniwest Overpayment
Mr. Kelsh stated he had to talk to Michael Collier from Uniwest about the payment terms of the CIF for the new Hampton Inn so he offered to discuss this overpayment issue with him. Staff will continue to work on this issue.

Action: No action taken by the Board.

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 11:56PM

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