Jefferson County Public Service District
Regular Board Meeting
October 3, 2011

The monthly meeting of the Jefferson County Public Service District was held at 7:00PM on Monday, October 3, 2011 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 Stottlemyer; Pentree Engineers, John Tuggle and Zane Summerfield; District Legal Counsel, Jim Kelsh; and liaison for the County Commission, Commissioner Lyn Widmyer.

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

Public Comments
None.

Review Minutes of September 6 Regular Board Meeting
The minutes of the September 6, 2011 regular Board meeting were approved as presented.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to accept the September 6, 2011 minutes as presented. Unanimously approved.**

OLD BUSINESS

Update on Possible Partnership between Jefferson Utilities, Inc and the District Regarding Water on the Mountain
Last month John Maxey, a member of the Citizens of the Blue Ridge Act, approached the Board to discuss the possibility of the District pursuing a project regarding the County's Westridge Hills test wells under the Public Private Partnership agreement the District currently has with Jefferson Utilities. Last month Mr. Maxey told the board that the project is now complete, resulting in two high production commercial design wells drilled out to 8-inch diameter. This month Mr. Maxey was in attendance and stated the wells are on the property of the Westridge Hills Homeowner Association, which have offered to donate both the land and wells to the District. The Board would like to wait for the final report from the County to be published and discussions with Mr. Snyder from Jefferson Utilities before making any decisions.

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

Discuss Status of Capacity Assurance Agreement (CAA) for Jefferson County Development Authority
Mr. Kelsh updated the Board. With the Public Service Commission denying the Flowing Springs certificate case, they also denied the funding package which included the Capacity Assurance Agreement the District currently has with the Jefferson County Development Authority along with a $1 million payment to reserve capacity. After the Development Authority Board discussed their options, they have requested a refund of the $1 million. The Board would like to include a letter back to the Development Authority with the refund check explaining the rationale of the return due to the denial of the Flowing Springs plant. Mr. Hankins wanted to clarify that the return of this money is different than refunding a Capital Improvement Fee payment.

Action: **Motion made by Mr. Appignani and seconded by Mr. Cummins to return the entire balance of the Capacity Assurance Agreement deposit for $1 million back to the Jefferson County Development Authority, which was voided by the Public Service Commission in the denial of the Flowing Springs case and the District is now obligated to return the money. Unanimously approved.**

Consider Options and Process Path for Creating/Revising PSD Strategic Plan
Last month the Board had directed Ms. Lawton to draft an RFP for the strategic plan advertisement. After sending the document to the Board, their comments increased the size of the RFP to over 20 pages. Jim

Kelsh suggested that we call this document a Statement of Expectations which will be presented to each interested engineering firm who is interested in sending proposals to the District. The actual RFP will just direct firms to contact the District for the Statement of Expectations. At this meeting the board requested that Ms. Lawton prepare a short document with 5 or 6 questions to be presented to interested groups in the County to see what direction they would like to see the District become involved. The final decisions by the Board on the items to be included in the Statement of Expectations will be based, in part, by the results of the public feedback to this short document. The comments are to be back to the District by the November 2nd meeting or people were invited to go to that meeting to give comments. Commissioner Lyn Widmyer suggested adding this topic to the November Council of Governments agenda. The Board suggested staff add provisions such as stormwater, potable water, and septic treatment systems to the State of Expectations document.

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

Consider Refinance or Repayment Options for BAN for Flowing Springs Project Expenses

- Cash Flow Analysis Presentation by Chuck Young of Cox Hollida Price

Chuck Young from Cox Hollida Price completed a cash flow analysis to cover the costs of the Flowing Springs project, particularly the BAN that is set to expire in January. The analysis showed the District has about $7300 available per month to cover these accrued costs along with costs to upgrade pump station 5-3. Ms. Lawton received quotes from MVB for a 10 and 15 year principal and interest loan @ 4.25% interest and from BB&T for a 10, 15, and 20 year loan all at lower interest rates. The Board would like to move forward with the loan option from BB&T for the 20 year with an interest rate of 3.88% totaling an estimated $6,296.34 payment per month. Mr. Kelsh informed the Board that the District must get approval from the Public Service Commission for any type of loan.

Action: **Motion made by Mr. Appignani and seconded by Mr. Cummins to direct staff to pursue the offer from BB&T for a 20 year loan at 3.88% or less to pay off the BAN and upgrades for pump station 5-3. Unanimously approved.**

Discuss Upgrades to Pump Station 5-3

Last month Pentree prepared an estimate to rebuild the pump station, but finding the money to cover the costs was an issue. In the above agenda item, the Board approved rolling these costs into the refinance of the BAN loan through BB&T. The Board would now like Pentree to draft the specifications and design so the project can go out to bid once funding is approved with the Public Service Commission.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to direct Pentree to finalize the design plan and specifications for the Pump Station 5-3 upgrade and prepare the bid documents. Unanimously approved.**

Consider Upgrades to Glen Haven and Cavaland Water Systems

Last month the Board decided to move forward with the upgrade projects for both Glen Haven and Cavaland. Gwin Dobson & Foreman have drafted a supplemental engineering services proposal for the improvement projects totaling $17,900 to move the project forward through an IJDC application. Matt Harper from Gwin Dobson & Foreman was in the audience to review the agreement. Ms. Lawton informed the Board of the Shepherdstown Water and Sewer Board meeting she recently attended. She stated they are interested in providing water for the Cavaland Subdivision. Mr. Harper stated that once the scope of work for each project is determined, Gwin Dobson & Foreman will submit applications to the West Virginia Infrastructure and Jobs Development Council. Ms. Lawton will keep the Board updated on the progress.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to accept the proposal from Gwin Dobson & Foreman for both Glen Haven and Cavaland water systems totaling $17,900 for the engineering services proposal. Unanimously approved.**

NEW BUSINESS

Consider Request for the Return of Property at Highland Farms

The developer of Highland Farms has requested this item be tabled until next month, but the Board decided to have a brief discussion. Mr. Kelsh discussed the series of agreements the District has with the developer including the Asset Purchase agreement, Real Estate Purchase and Sale agreement, Ground Lease

agreement, and the Operations & Maintenance agreement. The reversion clause was removed from the Real Estate Purchase and Sale Agreement to prevent the return of property in the event the project does not advance which is currently the case. The Board tabled this item until next month with the developer could attend the meeting.

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

Update on the Ranson Renew Project

Ms. Lawton has been attending meetings for the Ranson Renew. Ranson has received numerous federal grants for improvement projects throughout Ranson which has enabled these improvements. The first phase of the project does not have any impact on the District's service area. Ranson has been hosting numerous public meetings encouraging the public and targeted groups to suggest comments on the plan.

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

Consider Annual Membership for NACWA and Joining the Clean Water America Alliance (CWAA)

Mr. Cummins and Mr. Appignani would like to remain members of NACWA but decline to join the CWAA at this time due to the Districts current financial status. Mr. Hankins refrained from commenting on this discussion due to his relationships with CWAA and the Conservation Fund.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to renew the annual membership with NACWA, but decline the membership to CWAA. Approved 2-0. Mr. Hankins abstained from voting.**

Consider Selling the Unused Myers Snow Plow

Last year the Districts snow plow was destroyed by the theft of 2 major components including the hydraulic pump and light bar. The District has since then purchased a new snow plow and would like permission from the Board to sell the unused blade.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to approve selling the old Myers snow plow blade and donate if staff cannot sell. Unanimously approved.**

Consider Election Day, October 4, as a Holiday for District Staff

Ms. Lawton informed the Board that October 4th is being recognized as a state and local holiday due to the special election of the West Virginia governor. In the past the District has followed the holiday schedule of the County and has requested the Board approve this as a holiday for District staff. The Board has no problem with granting this approval, but Mr. Appignani suggested staff to draft a holiday policy for future occurrences.

Action: **Motion made by Mr. Appignani and seconded by Mr. Cummins to approve October 4th as a holiday for District staff. Unanimously approved.**

Discussion of any Expenses over Budget

There were no items over budget this month.

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 $1,675.66, Glen Haven water expenses in the amount of $2,288.63. Unanimously approved.**

Action: **Motion made by Mr. Appignani and seconded by Mr. Cummins to approve disbursements for the Public Service District expenses in the amount of $158,719.08. Unanimously approved.**

Approve Transfer of $2,707.23 from Sewer Security Deposit Account to Sewer Operating for Security Deposit Refunds

Action: **Motion made by Mr. Appignani and seconded by Mr. Hankins to approve the transfer of $2,707.23 from Sewer Security Deposit Account into Sewer Operating Account for Security Deposit Refunds. Approved 2-0.**

Approve Transfer of $1,250.00 from Future Needs Account to Sewer Operating for Web Pay Invoice

Action: **Motion made by Mr. Appignani and seconded by Mr. Hankins to approve the transfer of $1,250.00 from Future Needs Account into Sewer Operating Account for Web Pay Invoice. Approved 2-0.**

General Manager's Report

Ms. Lawton updated the Board on activities since last month's meeting.

Flow Meters - Data is now available from the three flow meters the PSD staff has recently installed throughout the Districts system. This data can be used to track inflow and infiltration as well as available capacity in the system.

Beallair PSC Case - Beallair has requested to keep their case for a certificate application open with the Public Service Commission and to toll the current statutory due date of December 30, 2011 for an additional twelve months. The District supports this request and must file a response by October 14th. The Board would like Ms. Lawton to talk to the developers of Beallair and Breckenridge about the strategic plan and get their feedback. The developers for Breckenridge East are also planning to construct a treatment plant for their development.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to direct staff to file a letter by the October 14th deadline concurring with Beallair's September 30th filing of tolling support and review after twelve months. Unanimously approved.**

Berkley County CIF PSC Case - Mr. Kelsh updated the Board regarding the Berkeley County CIF case. The Public Service Commission issued an order on September 30th setting this matter to a hearing and calling for additional testimony. He stated the PSC made several statements regarding the standards and use of capacity improvement fees that cause concerns.

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

Route 340 Corridor Meetings – Ms. Lawton has been attending the meetings regarding the Route 340 corridor. The majority of members in the group would like to see a mix of higher density commercial development and light industrial closer to the city and less dense moving out. She will keep the Board updated.

Public Comment

None.

Correspondence

None.

Discuss American Farm Bureau Federation v. Environmental Protection Agency

The due date for filing objections to the administrative record has been postponed. There have been no other new updates in the case.

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

Discuss Availability Charge Case, Public Service Commission Case No. 11-0872-PSD-T

Mr. Kelsh updated the Board. The District received the Staff Memorandum from the Public Service Commission reiterating the terms for the charge.

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

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

Mr. Appignani excused himself from the discussions on the Jefferson Utilities, Inc General Investigation case currently at the Public Service Commission.

Action: **Motion made by Mr. Appignani and seconded by Mr. Hankins to return to public session. 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 10:10PM

The next regular meeting is scheduled for November 2, 2011 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