Jefferson County Public Service District
Regular Board Meeting
December 5, 2011

The monthly meeting of the Jefferson County Public Service District was held at 7:00PM on Monday, December 5, 2011 in the meeting room at the Districts office in Kearneysville. Those in attendance included: Secretary, Jim Cummins; Treasurer, Peter Appignani; General Manager, Susanne Lawton; Administrative Assistant, Ashley Stottlemyer; Operations Manager, Joe Freeze; Pentree Engineers, John Tuggle and Zane Summerfield; District Legal Counsel, Jim Kelsh; and liaison for the County Commission, Commissioner Lyn Widmyer.

Secretary Jim Cummins called the meeting to order at 7:00PM.

Election of Acting Chairman for Meeting

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to nominate Mr. Appignani as the acting chairman to have all power and authority that the chairman would normally have. The acting chairman will have this authority for the remainder of the calendar year. Approved 2-0.**

Public Comments
Jacquelyn Milliron, Breckenridge resident, read her comment into record regarding the District's response to a recent PSC Staff's information request.

Review Minutes of November Regular Board Meeting
The minutes of the November 2, 2011 regular Board meeting were approved as presented.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to accept the November 2, 2011 minutes as presented. Approved 2-0.**

OLD BUSINESS

Update on Possible Partnership between Jefferson Utilities, Inc and the District Regarding Water on the Mountain

- Mr. Lee Snyder Will Address the Board on the Above

Mr. Lee Snyder, President of Jefferson Utilities, addressed the Board with concerns he had with a letter submitted by John Maxey to the WV Public Service Commission. Mr. Snyder believed the letter had numerous inaccuracies so he sent a rebuttal letter to the District, which he read to the Board tonight. He also informed the Board that the Westridge Hills Test Well Project has been completed with test results indicating that there is sufficient water, at least for now, to use one of the wells as a public water supply. Roger Goodwin, County Engineer, was in the audience to provide a summary of the results from the study. Mr. Snyder would like to get concurrence from the District, County Commission, and the Westridge Hills Homeowners Association to utilize the well as a water supply.

Mr. Maxey presented to the Board an email from the Westridge Hills Homeowners Association indicating that they would like to donate the wells and land to the District. The HOA believes that the District has access to public funding that a private utility does not which will help reduce the impact on customer's rates. Mr. Snyder does not think the donation of the wells and land is necessary for the District and JUI to move forward with a public / private partnership that would enable the use of public money to keep rates from rising. At this point the Board does not fully understand if the deed will allow this transfer with existing easements, and if so, all the positive and / or negative consequences of ownership of the wells and land. The Board discussed with Mr. Snyder possibly modifying the current public / private partnership and the possibility of the District accepting the donation from the HOA and allowing Jefferson Utilities unrestricted water access to the wells but further investigation is necessary.

Public Comments:
Ed Burns had contingencies about neighboring wells losing water supply if these new wells are utilized.

Jacquelyn Milliron believed this to be a good solution to the problem.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to direct Counsel to evaluate the proposal of the Westridge Hills Homeowners Association donation of the land and wells and to investigate what would be involved in pursing this option. Approved 2-0.**

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to direct Counsel to provide, if any, risks that would be involved with giving Jefferson Utilities unrestricted water access from the test wells. Approved 2-0.**

Update on Options and Process Path for Creating/Revising PSD Strategic Plan
This item was tabled until next month.
Action: **No action taken by the Board.**

Update on Payment Options for Upgrades to Pump Station 5-3
This item was tabled until next month.
Action: **No action taken by the Board.**

Update on Upgrades to Glen Haven and Cavaland Water Systems
Ms. Lawton informed the Board that Matt Harper will be giving a presentation next month on his findings.
Action: **No action taken by the Board.**

NEW BUSINESS

To consider and act upon on the proposed Bond Resolution for the issuance of the Sewerage System Revenue Bond, 2011 Series A (the "Bond"). The proceeds of the Bond will be used to permanently finance the Refunding Sewerage System Bond Anticipation Notes, Series 2011, issued to temporarily finance the costs of design of, and other preliminary costs for, additions, betterments, improvements and extensions to the existing public sewerage facilities of the District.
The District is moving forward with a loan financed through MVB Bank to refinance the BAN. The current extension of the BAN expires on January 5th. The BAN was used to partially pay for engineering design work done by Pentree Inc. relating to the Flowing Springs Wastewater Treatment Plant. Mr. Kelsh has requested expedited approval from the Public Service Commission on this issue. The Board now has to approve the 2011 Bond Resolution regarding this.
Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to adopt the Notes Resolution as read into record:**

RESOLUTION AUTHORIZING THE ISSUANCE BY JEFFERSON COUNTY PUBLIC SERVICE DISTRICT OF NOT MORE THAN $750,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BOND, 2011 SERIES A, FOR THE PURPOSES OF PERMANTLY FINANCING THE REFUNDING SEWERAGE SYSTEM BOND ANTICIPATION NOTES, 2011 SERIES A; PROVIDING AS TO THE TERMS AND PROVISIONS OF THE BOND; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BOND; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BOND; AND ENACTING OTHER PROVISIONS WITH REPSECT THERETO.

Unanimously approved.

To consider and act upon any measures related to the foregoing.
There were no further actions relating to the above agenda item needed from the Board.

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

Discuss Sewer Service for Developments Near Shepherdstown
Last month the Board discussed the possibility of working with Shepherdstown to provide public sewer service for three developments, Heatherfield, Mecklenburg Heights, and Chaplin's Choice, with failing septic systems that are just outside Shepherdstown service area. The Board wanted to include the Health Department on these discussions and suggested staff go back to Shepherdstown and find out the expectations and scope they have for this project. In the audience was Bill Zaleski, Willis Newell, Mark Shields and Paula Burns from the Health Department and Ed Burns from the Planning Commission to discuss this issue. Mr. Zaleski informed the Board that they have no reports or test results showing failing septic systems in this area. The Board appreciates the Board of Health attending the meeting. Staff will continue to work with Shepherdstown to find out their expectations for this project.

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

Discussion of New Public Service Commission Rules on Alternative Sewer Service
Mr. Kelsh informed the Board of the new rules adopted by the Public Service Commission (PSC) for "alternative sewer systems" effective January 23, 2012. The District had filed comments on the proposed rule changes which the PSC considered. The changes will limit utilities abilities to get involved with existing systems.

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

Consider 2012 Board Meeting Dates
The monthly meetings of the District are held on the first Monday of the month unless it falls on a holiday. The Board would like to move the proposed January 9th Board meeting to Tuesday, January 3rd.

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to accept the 2012 board meeting schedule as presented with the change of the January meeting to the 3rd. Approved 2-0.**

Discussion of any Expenses over Budget
There were no items over budget this month. The District has 134% coverage.

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 $2,505.57, Glen Haven water expenses in the amount of $6,634.98. Approved 2-0.**

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to approve disbursements for the Public Service District expenses in the amount of $179,345.50. Approved 2-0.**

Approve Transfer of $5,940.40 from Renewal & Replacement Account to Sewer Operating Account for New Transfer Switch at Pump Station 4-2

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to approve the transfer of $5,940.40 from Renewal & Replacement Account into Sewer Operating Account for New Transfer Switch at Pump Station 4-2. Approved 2-0.**

Approve Transfer of $2,341.88 from Renewal & Replacement Account to Sewer Operating Account for New Omni-Site at Pump Station 1-12

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to approve the transfer of $2,341.88 from Renewal & Replacement Account into Sewer Operating Account for New Omni-Site at Pump Station 1-12. Approved 2-0.**

Approve Transfer of $2,655.47 from Sewer Security Deposit Account to Sewer Operating Account for Security Deposit Refunds

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to approve the transfer of $2,655.47 from Sewer Security Deposit Account into Sewer Operating Account for Security Deposit Refunds. Approved 2-0.**

Approve Transfer of $50.99 from Glen Haven Security Deposit Account to Glen Haven Operating for Security Deposit Refunds

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to approve the transfer of $50.99 from Glen Haven Security Deposit Account into Glen Haven Operating Account for Security Deposit Refunds. Approved 2-0.**

General Manager's Report

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

Pump Station 3-7 Backup – Ms. Lawton informed the Board of the sewer backup at a residence in Breckenridge due to a power failure. District staff will be meeting with Pentree to discuss options for this pump station and residence to prevent this from occurring again.

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

Public Comment

Mr. Tuggle would like the District to take care of outstanding bills the District has with Pentree and possibly propose a payment schedule to cover costs.

Correspondence

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. Approved 2-0.**

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. Cummins and seconded by Mr. Appignani to return to public session. Approved 2-0.**

Action: **Motion made by Mr. Cummins and seconded by Mr. Appignani to adjourn. Approved 2-0.**

There being no further business at this time, the meeting was adjourned at 9:18PM

The next regular meeting is scheduled for Tuesday, January 3, 2012 at 7:00pm at 340 Edmond Road, Suite A at the Districts office in Kearneysville.

Respectfully Submitted,

James D. Cummins
Secretary

Peter L. Appignani
Treasurer