

# Jefferson County Public Service District

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## Jefferson County Public Service District Regular Board Meeting May 6, 2013

The monthly meeting of the Jefferson County Public Service District was held at 7:00PM on Monday, May 6, 2013 in the meeting room at the District's office in Kearneysville. Those in attendance included: Secretary, Peter Appignani; Treasurer, Bill Strider; General Manager, Susanne Lawton; Finance Manager, April Williams; Administrative Assistant, Ashley Stottlemeyer; Operations Manager, Joe Freeze; District Legal Counsel, Jim Kelsh; from Pentree Engineering, John Tuggle and Zane Summerfield; and liaison for the County Commission, Commissioner Jane Tabb.

Chairman Jim Cummins was absent from the meeting.

### **CALL TO ORDER**

Secretary Peter Appignani called the meeting to order at 7:00PM.

### **APPROVAL OF AGENDA**

The Board tabled the Siemens odor and corrosion control report until next month and moved the Bond Resolution discussion to after the approval of the minutes.

### **PUBLIC COMMENTS**

None.

### **OLD BUSINESS**

#### **Review Minutes of April 1 Regular Board Meeting**

The minutes of the April 1, 2013 regular Board meeting were approved as presented.

**Action:** Motion made by Mr. Strider and seconded by Mr. Appignani to accept the April 1, 2013 minutes as presented. Unanimously approved.

### **NEW BUSINESS**

Consideration of and final action on Bond Resolution authorizing the issuance of not more than \$1,720,000 in principal amount of the District's sewer revenue bonds to finance engineering fees payable to Pentree, Inc., costs of certain improvements to and a truck for the sewer system of the District, to fund a debt service reserve fund for the Bonds and to pay costs relating to the issuance of the Bonds

The District received a final order in the sewer rate case which authorized the District to issue a bond not to exceed \$1,720,000. The District called Cam Siegrist, Bond Counsel, on speakerphone to discuss the Bond Resolution. Mr. Siegrist discussed how the Bond will be used to pay Pentree, relining of a wet well at pump station 1-12A, replacement of pump station 5-3, a strategic plan, and a new truck. Mr. Strider asked Mr. Siegrist if the amount that the District has already paid Pentree totaling about \$60,000, would decrease the principal amount of the bond to reflect this deduction. Mr. Siegrist agreed with Mr. Strider, stating that the current documents reflect the numbers in the Public Service Commission order, but can be revised based on the payments that have been made to Pentree.

**Action:** Motion made by Mr. Strider and seconded by Mr. Appignani to accept the bond resolution as read by Mr. Appignani into the record:

**RESOLUTION OF THE JEFFERSON COUNTY PUBLIC SERVICE DISTRICT AUTHORIZING THE ISSUANCE OF THE DISTRICT'S SEWER REVENUE BONDS, 2013 SERIES A IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN \$1,720,000, FOR THE PURPOSES OF FINANCING ENGINEERING FEES AND COSTS OF CERTAIN IMPROVEMENTS TO AND EQUIPMENT FOR THE SEWER SYSTEM OF THE DISTRICT, FUNDING A DEBT SERVICE RESERVE FUND FOR THE 2013 SERIES A BONDS AND PAYING THE COSTS OF ISSUANCE THEREOF; AUTHORIZING THE PAYMENT OF SAID**

**ENGINEERING FEES AND THE ACQUISITION AND CONSTRUCTION OF SAID IMPROVEMENTS AND EQUIPMENT; PROVIDING AS TO THE TERMS AND PROVISIONS OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; DESIGNATING A REGISTRAR AND PAYING AGENT; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS WITH RESPECT THERETO. BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF JEFFERSON COUNTY PUBLIC SERVICE DISTRICT.**

**Motion was approved 2-0.**

### **OLD BUSINESS**

#### **Update on the Water Systems Improvement Project for Glen Haven and Cavaland**

Mr. Kelsh discussed the easement acquisition issue at the Cavaland Well House which is adding an extra \$22,000 to the project costs. Since the cost of the project has increased, the District will need approval from the West Virginia Infrastructure and Jobs Development Council (IJDC). The approval is on the agenda for the IJDC funding committee meeting in late May and if approved will go to the full IJDC Board on June 5<sup>th</sup>.

Staff is also waiting on a response from the West Virginia State Historic Preservation Office to determine the next steps for the Glen Haven site after the archeological study reported findings.

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

#### **Discuss Odor and Corrosion Control Report from Siemens for the District and City of Ranson's Collection System**

This item was tabled until next month.

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

### **NEW BUSINESS**

#### **Consider Addendum to 2009 Engineering Agreement with Pentree to prepare an amended Preliminary Engineering Report for a new water source for mountain water project**

Mr. Kelsh gave a brief overview of the history on the mountain water project. In September 2009, the District and Jefferson Utilities entered into an agreement with Pentree for the design of a mountain water project which had been denied by the West Virginia Infrastructure and Jobs Development Council (IJDC). Since that time the County drilled test wells on the mountain and one of the wells has been turned over to the District as a possible source for public water. Mr. Kelsh informed the Board of a revised addendum that modifies the scope and sources for the project. A new IJDC application and new Preliminary Engineering Report would be submitted. Mr. Kelsh stated that the addendum will need to be approved by the Public Service Commission (PSC). Lee Snyder and Mr. Tuggle were in the audience and suggested minor changes to the addendum.

**Action: Motion made by Mr. Strider and seconded by Mr. Appignani to approve the addendum with Pentree and Jefferson Utilities to complete the necessary revisions to the Mountain water project with suggestions noted.**

There was a brief discussion. Mr. Appignani felt there is a problem with the procedures since there is no contract to either purchase Jefferson Utilities or enter into a new Public Private Partnership with Jefferson Utilities. He has no problem extending the public private partnership between the District and Jefferson Utilities that was previously approved by the PSC. Mr. Appignani is trying to protect everyone in this situation. Mr. Kelsh stated that the project could go in a direction which doesn't include a public private partnership. Mr. Strider is prepared to move forward for due diligence that needs to be done. It was suggested that a possible contract between Jefferson Utilities and Pentree could be agreed upon to continue to move the project forward, and a purchase or partnership between the District and Jefferson Utilities could occur at a later time. Jefferson Utilities and Pentree will work together toward an agreement.

**Action: Mr. Strider withdrew his original motion.**

Consider submitting project initiation form with Infrastructure and Jobs Development Council for revised mountain water project

There was no discussion at this time.

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

Consider hiring Region 9 as Administrator for revised mountain water project

Mr. Kelsh informed the Board that if they desired to, they could hire Region 9 to solicit bids for accounting and legal firms for a revised mountain water project. Mr. Appignani believed this was "putting the cart before the horse" since there is no such project approved yet.

**Action:** **Motion made by Mr. Strider and seconded by Mr. Appignani to hire Region 9 as Administrator for a project to possibly purchase Jefferson Utilities or a revised mountain water project.**

There was a brief discussion. Mr. Appignani questioned what project Region 9 would actually be soliciting for bids. To his knowledge there is no offer on the table from Jefferson Utilities or a revised mountain water project. Mr. Kelsh stated that hiring Region 9 would start the process if the Board decides to pursue a revised mountain water project. Mr. Appignani would like to hold off on any decisions until further information is available.

**Action:** **The Board voted 1-1 with Mr. Appignani opposing.**

Choose selection committee for hiring a consulting engineer for day to day engineering issues

Ms. Lawton expressed to the Board the need to choose a selection committee for hiring a consulting engineer and to record all decisions for the file. Mr. Appignani suggested all three Board members to participate on the committee. Mr. Strider suggested adding Ms. Lawton and Mr. Appignani asked Commissioner Tabb to participate on the committee as well. Commissioner Tabb & Ms. Lawton agreed to be included.

**Action:** **With no objections, Mr. Appignani stated the selection committee will be comprised of all three Board members, Ms. Lawton, and Commissioner Tabb.**

Update on Statuses of Current Public Service Commission Cases

Mr. Kelsh gave a brief update on the current cases the District is involved in at the Public Service Commission, including the sewer rate case (12-0513-PSD-42T-PC), Milliron/Parker complaint case (12-1370-PSD-C), BAN for water project soft costs (12-1116-PWD-PC), the proposed application for Certificate of Convenience and Necessity for the water systems project, and the petition to reopen the Alternate Mainline Extension Agreement with Aspen Greens (12-1567-PSD-PC).

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

Consider budget revision

Finance Manager, Ms. Williams, discussed the FY2013 budget revisions. This revised budget shows 148% coverage.

**Action:** **Motion made by Mr. Strider and seconded Mr. Appignani to accept the FY 2013 budget revision as presented. Approved 2-0.**

Consider approval of FY 2014 sewer operating budget

Ms. Williams discussed the FY2014 sewer operating budget. There were two budgets drafted, one containing the bioxide expense showing 115% coverage and one without showing 123%.

**Action:** **Motion made by Mr. Strider and seconded Mr. Appignani to accept the FY 2014 sewer operating budget without the bioxide expense showing 123% coverage. Approved 2-0.**

Consider approval of FY 2014 water operating budget

Ms. Williams discussed the FY2014 water operating budget.

**Action:** **Motion made by Mr. Strider and seconded Mr. Appignani to accept the FY 2014 water operating budget as presented. Approved 2-0.**

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. Strider and seconded by Mr. Appignani to approve disbursements for Public Service District water expenses in the amount of \$6,640.18. Approved 2-0.

**Action:** Motion made by Mr. Strider and seconded by Mr. Appignani to approve disbursements for the Public Service District sewer expenses in the amount of \$147,141.55. Approved 2-0.

Approve transfer of \$2,949.23 from Sewer Security Deposit account to Sewer Operating account for security deposit refunds

**Action:** Motion made by Mr. Strider and seconded by Mr. Appignani to approve the transfer of \$2,949.23 from sewer security deposit account into sewer operating account for security deposit refunds. Approved 2-0.

Approve transfer of \$4,891.00 from Renewal & Replacement account to Sewer Operating account for a new pump at pump station 1-12A

**Action:** Motion made by Mr. Strider and seconded by Mr. Appignani to approve the transfer of \$4,891.00 from renewal & replacement account into sewer operating account for a new pump at pump station 1-12A. Approved 2-0.

Approve transfer of \$51.38 from Water Security Deposit account to Water Operating account for security deposit refunds

**Action:** Motion made by Mr. Strider and seconded by Mr. Appignani to approve the transfer of \$51.38 from water security deposit account into water 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.

Lysimeter at Deerfield- Ms. Lawton informed the Board of the "homemade" lysimeter staff has made to determine if another location for testing would result in better Nitrogen test results at the Deerfield treatment plant. This new addition is strictly experimental at this point. If it is successful the District will need to request a permit modification from DEP to use that point for pulling samples.

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

Operations Manager's Report

Mr. Freeze updated the Board on activities since last month's meeting.

Pump station wire replacement – Mr. Freeze informed the Board that staff has been working on replacing wiring at various pump stations.

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

Public Comment

None.

Correspondence

The District staff will be meeting with the City of Charles Town on June 3<sup>rd</sup> to discuss their upgrade plans and how they will affect the District.

Mr. Freeze, Commissioner Tabb, Mr. Tuggle, and Mr. Summerfield exited the meeting.

**Action:** Motion made by Mr. Strider seconded by Mr. Appignani to convene in executive session for the purpose of discussing litigation, personnel matters, and contract negotiations. Approved 2-0.

**Action:** Motion made by Mr. Strider and seconded by Mr. Appignani to return to public session. Approved 2-0.

**Action:** Motion made by Mr. Appignani and seconded by Mr. Strider to authorize

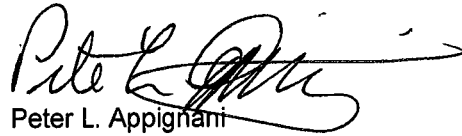
**Counsel to move forward with filing the certificate of need and convenience with the Public Service Commission for the water system improvement project for Glen Haven and Cavaland. Approved 2-0.**

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

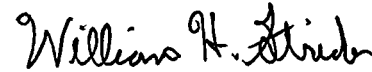
There being no further business at this time, the meeting was adjourned at 8:47PM

The next regular meeting is scheduled for Monday, June 3, 2013 at 7:00pm at 340 Edmond Road, Suite A at the Districts office in Kearneysville.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Peter L. Appignani", with a long horizontal flourish extending to the right.

Peter L. Appignani  
Secretary

A handwritten signature in black ink, appearing to read "William H. Strider", with a stylized, cursive script.

William H. Strider  
Treasurer