Jefferson County Public Service District
Regular Board Meeting
August 7, 2018

The monthly meeting of the Jefferson County Public Service District was held at 7:00PM on Tuesday, August 7, 2018 in the meeting room at the District's office in Kearneysville. Those in attendance included: Chairman, Roger Forshee; Treasurer, Todd Milliron; General Manager, April Shultz; Office Administrator, Ashley Stottlemyer; Operations Manager, Joseph Freeze; new legal counsel from Spilman Thomas & Battle, Susan Riggs; and County Commission liaison, Commissioner Josh Compton. Secretary, Tara Ashley was absent from the meeting.

CALL TO ORDER
Mr. Forshee called the meeting to order at 7:05PM.

The Board welcomed Mrs. Susan Riggs from Spilman Thomas & Battle as the District's new legal counsel.

Approval of agenda
Mr. Forshee suggested the Board postpone the General Manager's evaluation until the next regular monthly meeting.

Action: **Motion made by Mr. Forshee and seconded by Mr. Milliron to approve the agenda as presented with the exception of moving the General Manager's evaluation to the September meeting. Approved 2-0.**

Public Comments
None.

Employee Comments
Joseph Freeze, Operations Manager, questioned again if the Board would consider offering severance packages to employees who do not wish to go to Charles Town when the consolidation is complete. Mr. Forshee stated that this was an item for discussion on tonight's agenda.

OLD BUSINESS

Review minutes of July 9 regular board meeting
Mr Forshee requested the minutes reflect there was an issue with the District's conference call line and not his cell phone reception.

Action: **Motion made by Mr. Milliron and seconded by Mr. Forshee to accept the July 9, 2018 regular board meeting minutes with the noted change regarding the phone line. Approved 2-0.**

Discuss the District's financial status (status of paying bills)
Mrs. Shultz stated the District will have enough to pay the August disbursements for sewer, but will need to collect $2515.88 to cover the previous disbursements for water.

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

Discuss pump station repairs, upgrades and related costs/funding options

- Update on repairs/upgrades to pump station 4-2
- Update on repairs to pump station 3-9
- Update on relocation of office generator

Mr. Freeze informed the Board he received two quotes to repair/upgrade pump station 4-2 and one quote to reline the wetwell. He also spoke with Tom Vance from Godwin for a pump around to stop flows to the pump station when the repair work is taking place. Mr. Freeze also stated that the pumps will not be replaced at this time, but will be evaluated by Marcum once they are pulled.

Mr. Forshee questioned if both quotes were similar in scope since they were quite different in price. Mr. Freeze stated, and Mrs. Shultz later agreed, both estimates were similar using similar materials. He also asked whether the relining and upgrade work should be considered as one project or broken down into two. Mrs. Shultz replied that after talking with the Public Service Commission, they instructed staff to do as one project since it was not a major upgrade. Mrs. Riggs agreed with Mrs. Shultz and stated that two different contractors would be doing two different tasks and would be ok to do as separate projects.

Mrs. Stolipher commented that Charles Town uses a company by the name of Lyttle for relining the wetwells. She suggested the District contact them to provide a quote as well.

Mr. Forshee thanked Mrs. Stolipher for the information and has requested, as he has in the past, that the District use consistency and standardization with Charles Town. He also suggested that staff may want go out to bid for projects to get more feedback. Mrs. Stolipher stated that Charles Town generally tries to get multiple bids as their practice to follow and evaluate warranty and price.

Mr. Milliron proposed staff use the lesser of the prices for the upgrade work and put a ceiling of $20,000 on the relining after going out to bid and then let Mrs. Shultz and Mr. Freeze decide the best value and warranty.

Action: **Motion made by Mr. Forshee and seconded by Mr. Milliron to approve the quote from Marcum Pump for repair/upgrade of pump station 4-2. Approved 2-0.**

Action: **Motion made by Mr. Forshee and seconded by Mr. Milliron to approve the relining of pump station 4-2 with material that provides the best value and warranty not to exceed $20,000. Approved 2-0.**

Mrs. Shultz informed the Board that pump station 3-9 has one pump out of service and are having problems with the second pump so staff ordered two new pumps. Mr. Freeze explained that the original pumps were Flygt pumps and being replaced with Keen pumps. He stated that the Keen were about half the costs of Flygts and American made. Mrs. Stolipher stated that Charles Town uses both Flygt and Oman pumps. Mr. Forshee reiterated the use of consistency and standardization with Charles Town.

Regarding moving the office generator, staff suggested moving it to pump station 1-12 or 4-5. Mrs. Stolipher stated she spoke with Dave Payne from Apparatus Repair & Engineering to look at the location, but with Charles Town's possible project, pump station 1-12 could be decommissioned. Since this pump station does need a generator, she suggested possibly speaking with an electrician to do a hookup for a portable generator and staff could borrow Charles Town's portable pump if needed. Mr. Freeze will work with Charles Town's electrician to get a price to install a hookup at pump station 1-12 and hold off on moving the office generator at this time.

Action: **Motion made by Mr. Forshee and seconded by Mr. Milliron to keep this as a standing agenda item. Approved 2-0.**

NEW BUSINESS

Discuss online bill paying/reported or known issues

Mr. Forshee requested this agenda item due to having an online billing issue last month when attempting to pay his monthly bill and hearing other issues from customers. He questioned what staff has done to solve the known billing issues.

Mrs. Shultz explained that staff worked countless hours gathering multiple quotes for a new software company. She worked with multiple companies and the District's IT professional, Neal Nilsen, to find a company that would handle both the billing and accounting needs. Mrs. Shultz took that information to the Board in 2017, but at that time the Board tabled a decision since the County Commission voted to dissolve the District. At that time she also looked at outsourcing billing options. She stated that the Districts current software is out of date and the webpay software is not user friendly on the website, but staff has done all they can to work with the customer to accept payments. Mrs. Shultz commented that she has already began working with Charles Town on how to merge the data into their system since the consolidation is moving forward.

Mr. Forshee read a comment he received from a District customer that was not happy with the online bill paying. He would like to provide a reply to the sender with solutions the District is going to take. Mr. Compton suggested

he inform the customer that consolidation is moving forward and Charles Town's billing software will be utilized at that time. As an interim solution, he suggested possibly using screenshots of the online billing screens to walk the customer through the steps to pay online and include on the website.

Mrs. Stolipher stated that Charles Town uses a company called Tyler for their billing and accounting software.

Mr. Forshee stated he would like to see billing options improved rather than just hearing staff say they have tried to fix the billing issues. He would like to "kick the rudder" and have it going in that direction incase consolidation is delayed or doesn't occur. Mrs. Shultz stated that staff put a lot of time and effort into finding another software company which was presented to the Board last year, but no decisions were made to move forward with consolidation on the table. Mr. Forshee suggested Mrs. Shultz listen to the customers and Board to look for ways to improve known issues. She mentioned both staff and customers are not satisfied with webpay. Mrs. Shultz also stated that they have been working on the problem for years and Mr. Forshee expressed a concern with that and asked Mrs. Shultz to present solutions. She requested direction from the Board at this point in time.

Mr. Forshee commented that a GAP analysis sounds reasonable at this point in time. Mr. Compton stated that the District should wait to see what happens with consolidation. Mr. Forshee replied that his frustration is that staff has known about the issue for a long time and he doesn't want this issue to continue.

Mr. Milliron commented that the District has been dealing with aged equipment, vehicles, pump stations, and software. He stated that everything is currently operating, but requires upgrading when at the end of its useful life. Mr. Milliron realized that the software needs to be updated, but with the consolidation moving forward he wasn't sure how much money and effort the District should put into this. He questioned if there was any type of MOU or agreement with Charles Town that would expedite the use of their software.

Mrs. Shultz stated that the District's software system is terrible and she would welcome a new software system, as would staff, but it may not be the best option at this time. She is in the process of setting up a meeting with Charles Town to discuss transferring the billing and accounting to their system. The Board requested she update the Board at the next regular meeting.

Action: **Motion made by Mr. Forshee and seconded by Mr. Milliron to have an update from the General Manager on this issue next month. This will be a standing agenda item. Approved 2-0.**

Review and execute the general legal services representation letter dated July 23, 2018

Mrs. Shultz stated that last month the Board approved Mrs. Susan Riggs of Spilman Thomas & Battle, PLLC to represent the District for general legal services. Mrs. Riggs sent the Board a General Legal Services Representation Agreement to review and sign.

Action: **Motion made by Mr. Forshee and seconded by Mr. Milliron to sign the general services representation agreement dated July 1, 2018. Approved 2-0.**

Discuss employee/management training opportunities

Mr. Forshee requested this agenda item to initiate an employee training discussion. He asked if there was mandatory training for office staff. Mr. Freeze replied that all field staff have mandatory training/classes they take to keep their licenses current. Mrs. Shultz stated that the office staff does not have mandatory training they are required to take, but the yearly training budget allows for staff to pursue classes if they would like. Mr. Forshee then asked Mrs. Shultz if she had completed any training on the following topics;

- Utility Cases
- Financial Management & Funding Options
- Quality Based Selection of Engineers
- Open Government Meetings & Ethics Commission
- Parliamentary Procedures
- DEP
- Managing Risk
- Bureau for Public Health

- Asset Management
- Introduction to Municipal Bond Commission
- PSC Water & Sewer Rules

Mrs. Shultz stated she received training in some of the topics above, some she did not have training and the remaining she would have to look into her file since she has been employed with the District for so long. She stated she does have her Master's Degree. Mr. Forshee stated he thought it was a good opportunity for her to have the same training as the Board members and suggested she attend the next Board member seminar in Charleston. Mrs. Shultz stated that she is unable to attend the class in September, but could attend the next one.

Mrs. Riggs explained that the Public Service Commission will reply to training requests which could be an option for the District and possibly Charles Town to attend locally. Both Mr. Milliron and Mr. Forshee requested staff look into this and report their findings at the next regular meeting.

Mr. Milliron commented he thought it was great to see the staff options in the Charles Town due diligence package. He asked whether the staff should start training now for job opportunities at Charles Town. Mrs. Shultz explained that she and Mrs. Stolipher have discussed this have talked with staff about who would be interested at the water plant, collections systems or wastewater plant. Mrs. Stolipher explained that there are still a lot of unknowns with staffing and there would be different opportunities for employees regarding training and job placement. Mrs. Shultz mentioned that one of her staff could begin the training for the Class II water license since Charles Town's water plant is a Class II and obtain the license once he begins working at the plant. Mrs. Stolipher stated this class was recently offered locally so that individual may have to wait until it is offered locally again or the employee could travel away to take it which would incur travel costs.

Mr. Forshee suggested possibly job shadowing between the District and Charles Town employees and Mrs. Stolipher and Mrs. Shultz both agreed this would be a positive avenue to begin.

Action: No action required by the Board.

Discussion of any expenses over budget for the year

There were no items over budget. Mr. Forshee had a question regarding a line item on the June 30, 2018 Balance Sheet. The item was listed as Damage to Pump Station 1-12A for $3,700. Mrs. Shultz explained that this was the amount the District's insurance company didn't cover and staff attempted to recover from the individual, with no insurance, who hit the pump station, but was unable to collect after several attempts were made, including a signed payment agreement. This was recognized as an Accounts Receivable since the District intended to collect the money, but could now be written off since the money will most likely not be collected.

Mrs. Riggs stated that the District could take her to magistrate court if she could be found, but Mrs. Shultz stated legal costs would probably cost more to pursue a case.

Mr. Forshee also questioned what happens to other companies the District has judgements against, such as Commercial Associates. Mrs. Shultz explained that this flat rate customer, which is also owned by her brother-in-law's company, had their property taken by the bank leaving a $1000 unpaid bill. She stated that a judgement was placed on the property which is filed at the court house. The balance has since been wrote off, but the judgement is still on the property.

Action: No action required by the Board.

Approve monthly disbursements

Mr. Milliron requested that staff get a breakdown of hours and costs on the invoice from Cox Hollida & Professionals which listed services relating to the audit conducted by the Jefferson County Commission. He requested this amount, $879.00, be removed from the disbursement total until more information is received.

Action: Motion made by Mr. Milliron and seconded by Mr. Forshee to approve disbursements for Public Service District sewer expenses in the amount of $166,827.07. Approved 2-0.

Action: **Motion made by Mr. Milliron and seconded by Mr. Forshee to approve disbursements for the Public Service District water expenses in the amount of $8,248.63. Approved 2-0.**

Approve transfer of $6,896.36 from the New Sewer Security Deposit account to the Sewer Operating account for 72 security deposit refunds

Action: **Motion made by Mr. Milliron and seconded by Mr. Forshee to approve transfer of $6,896.36 from the New Sewer Security Deposit account to the Sewer Operating account for 72 security deposit refunds. Approved 2-0.**

Approve transfer of $91.97 from the Water Security Deposit account to the Water Operating account for 1 security deposit refund

Action: **Motion made by Mr. Milliron and seconded by Mr. Forshee to approve transfer of $91.97 from the Water Security Deposit account to the Water Operating account for 1 security deposit refund. Approved 2-0.**

Approve transfer of $1,563.42 from Renewal & Replacement account to the Sewer Operating account for new PLC at pump station 4-4

Action: **Motion made by Mr. Milliron and seconded by Mr. Forshee to approve transfer of $1,563.42 from the Renewal & Replacement account to the Sewer Operating account for new PLC at pump station 4-4. Approved 2-0.**

Update on Sewer Transmission Project 16-0616

Mr. Milliron requested this agenda item. He explained that given the recent appeal by the intervenors and new legal counsel, he thought it was a good idea to give a refresher on the approved sewer project and events that occurred. Mr. Milliron gave a chronology of events that occurred after the March, 2017 Public Service Commission approval of the project. Three key measures of the Project that may prove a hindrance if built: sufficient capacity after connecting Shenandoah Junction; rates associated with the project where not calculated since there were to be no new customers; and any significant changes in scope would require PSC approval. He also touched on the history of events and violations for Shenandoah Junction and history of the requests of Harvest Hills, both of which are intervenors in the appeal at the Supreme Court.

He noted that the reimbursement to developers in the past for building onsite system should no longer be considered, and in its place the use of main line extension agreements similar to that of Aspen Greens and Driswood Elementary School for both on and offsite sewer lines.

During his presentation, Mr. Milliron referenced a map of the District's system and discussed the current approved project along with multiple future projects that were listed in the Districts Strategic Plan. He questioned how the District address the developers concerns if the project is not completed and if they request service how the District will commit to that.

Mr. Milliron also mentioned that possibly there could be an alternative to the current sewer project the Board could consider so they aren't deemed negligent of not serving those developers. He explained that alternatives could include amending the current project, utilizing Baker Place, or working with Charles Town on alternative paths. He stated that developers could bring their requests/plans to the Board and actions can be taken, similar to the ones taken with Aspen Greens and Driswood Elementary for on/offsite infrastructure and Capacity Improvement Fees.

Mrs. Stolipher mentioned that Mr. Snyder requested service for Shenandoah Junction, but they passed that request to the District since the consolidation was not complete yet.

Mr. Forshee stated that since the District has no current customers in Shenandoah Junction, Mr. Snyder, an intervenor in the PSC project case, cannot argue that the Board is not supporting its current customers. He mentioned the same goes for Harvest Hills as well. Mr. Forshee stated he would like to focus on consolidation and making current customers a priority and not make any decisions to disrupt that.

Mr. Forshee questioned the District's current service request process and if there was a written process since the recent request from Shenandoah Junction was received. Mrs. Shultz stated that a written response should be sent back to Mr. Snyder with the District's intentions. She drafted a letter agreeing to service with contingency's which was reviewed by Mrs. Riggs and Charles Town and sent to the Board for review. Mrs. Riggs explained that she reworked the draft letter to explain the District is evaluating the request and make the request of a capacity study and inflow and infiltration study which would both be evaluated by the District. Also requested in the letter is for Shenandoah Junction to present an agreement where they would still be required to handle the O&M of their section of the system.

Mr. Forshee would like to use Charles Town's concept that if someone comes in for sewer service then they pay rather than the District paying for these costs. Mrs. Riggs agreed, but also believed it to just be a process of a public body as the District will recover in future revenue. Mr. Milliron stated that in the past the District used an engineer to review and evaluate these requests, but today this avenue is not readily available so the District will most likely have to get this request reviewed by an engineer to validate the evaluation. He would much rather have this validation done now then later.

Mr. Forshee also questioned a July letter from USDA which states if consolidation goes through then they would de-obligate the funding for the sewer project. Mrs. Stolipher stated that Charles Town would not be using a USDA loan for their sewer project.

Mr. Forshee requested to see the final letter before it gets sent to Shenandoah Junction. Mr. Milliron also requested that any type of agreement be signed off by the Board.

Action: No action required by the Board.

Update on JCPSD transition to City of Charles Town

- Discuss offering an Employee Assistance Program to District employees
- Discuss employee options for transition

Mrs. Shultz stated that she and Mrs. Stottlemyer met again with Jane Arnett, Utility Manager at Charles Town Utility Board, and Kristen Stolipher, Assistant Utility Manager, regarding the organizational structure and employee concerns. They will next discuss IT issues.

Mrs. Shultz explained that last month the Board also discussed a program offered by Magellan Healthcare that could provide employees (and families) assistance with a variety of issues or concerns in both their professional or personal lives. Currently Charles Town does not offer a program similar to this for their employees so the Board chose to drop from the agenda.

Also expressed last month was the consideration for the Board to offer severance packages to employees not interested in the merge to Charles Town. Mr. Freeze explained that he was aware of three employees, including himself, that would be interested in severance packages or at least pay for COBRA while they find other employment. Mrs. Shultz stated that she spoke with staff and was under the impression that all staff was satisfied with the exception of Mr. Freeze.

Mr. Forshee stated that each employee will be given a job at Charles Town and Mr. Milliron added that they are also offering training as well.

Mrs. Stolipher explained that she believed that the "two year employment period" described in the purchase agreement is being misconstrued as being negative when that is not the case. The intent was to be positive. She stated that every employee will be getting a slight increase in pay, offered career enhancements, and additional licenses.

Mr. Freeze stated that he does not want to be an operator in the wastewater plant at Charles Town like they would like for him to be and was hoping to retire in four years.

Mr. Compton commented that working with other companies, they did not offer severance packages to employees if they were offering employees employment at another company. Mr. Forshee agreed with Mr. Compton and stated that if you are getting employment at the merged company then doesn't see any evidence of providing a

severance package. Mr. Milliron commented that he appreciated staff and realized it has been a tough situation, but thanked them for their patience and working with Charles Town.

Action: No action required by the Board.

Update on Status of Current Public Service Commission Cases

- Jefferson County Commission PSC Case No. 17-0915-PSWD-PC consolidated with Complaint Case PSC no. 18-0006-PSD-C– Mrs. Riggs explained that the intervenors in that case filed a petition with the WV Supreme Court to appeal the final order. She requested to discuss the case further and a possible strategy with the Board in executive session.

Mr. Forshee questioned whether the recent issues with the West Virginia Supreme Court judges will have an impact on a decision from the courts. Mrs. Riggs replied they will have judges seated prior to the fall term and should not delay a decision. Mr. Forshee asked if a hearing would be warranted since one was not given in the initial PSC case rather than a memo by the courts. Mrs. Riggs explained that it is hard to say how the courts will react.

Mr. Freeze asked if Charles Town could do some sort of O&M agreement with the District as it did with Ranson if the appeal would hold up the consolidation. Mr. Forshee thought that was a good idea, but if consolidation doesn't happen then he wouldn't want to risk losing the good employees currently at the District. Mr. Compton mentioned that this item was not on the agenda for discussion.

Action: No action required by the Board.

General Manager's Report

In the General Manager's report this month, Mrs. Shultz informed the Board that staff received a quote from Snyder Environmental to replace piping at the Deerfield plant since they originally installed it. They will begin the work in a couple of weeks.

Mrs. Shultz also explained that she has been working with the new accounting firm, Yount Hyde and Barbour on the audit.

As far as the suspected inflow and infiltration at pump station 4-4, Mrs. Stolipher stated she would work with staff to address this concern.

Mr. Forshee questioned information he found on the EPA site regarding the District and its noncompliance on its permit over the years. Mr. Freeze explained that the noncompliance referred to the Royal Vendors Silver issue that was addressed and corrected. There was also a noncompliance report for Apple Valley Waste for their Total Suspended Solids that has also been corrected. Mr. Freeze stated that the four industrial users on the District's NPDES permit collect their own samples, complete the permit, and send to staff for review before they are submitted to the State.

Mr. Forshee requested that noncompliance issues be discussed in the General Manager's report in the future. Mr. Freeze stated that all permit reports are sent to Charles Town as well as the monthly grease trap inspections.

Action: No action required by the Board.

Other staff reports

Mr. Freeze informed the Board of a sewer backup concern called in by a District customer. He stated that staff checked the clean out on the property and saw no backup so suggested the customer contact a plumber to check inside the home.

Mr. Milliron thanked staff for noting on the agenda which Capacity Assurance Fee's from Beallair have applied for building permits and transferred to Capacity Improvement Fee's.

Action: No action required by the Board.

Correspondence

None discussed.

Action: No action required by the Board.

Public Comment

Jacquelyn Milliron provided the Board a map and the calculated flows of Shenandoah Junction from over the years she got from their annual reports that she provided to Charles Town. She asked if the District has ever had a WV DEP violation. Mrs. Milliron also mentioned that as far as the project goes, she recalled that over the years dealing with the PSC, particularly Ron Robertson who was very informative of Alternate Mainline Extension Agreements which need PSC approval. Also she stated that the rate effect of new customers on current customers is very important to the PSC. Mrs. Milliron commented that in regards to Shenandoah Junction, she is concerned with an agreement at this point in time and wouldn't want the District to do anything to ruin the consolidation.

Mrs. Milliron suggested that as an interim solution, staff may want to include screen shots for the webpay in the quarterly newsletter. She stated that she isn't sure why the District has the highest rates in the state and doesn't have a good billing system. Mrs. Milliron also commented that the PSC training was a good suggestion and may want to include the developers on that. She commented that Baker Place was mentioned in the February 2017 testimony of Andy Blake.

Mrs. Milliron also commented that she agreed with Mr. Forshee to hold off on an O&M agreement with Charles Town. She stated that the District is on the right track with consolidation. She reassured Mr. Freeze that she feels for him, but hope staff understands why customers are pushing for consolidation. Mrs. Milliron thanked staff and the Board for all their time and effort on the consolidation.

Action: **Motion made by Mr. Forshee and seconded by Mr. Milliron to convene into executive session to discuss the consolidated cases 17-0915-PSWD-PC and 18-0006-PSD-C. Approved 2-0.**

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

Action: **Motion made by Mr. Forshee and seconded by Mr. Milliron to approve the expenditure of 1/3 of $15,000 (which equals $5000 or less) for the purpose of a joint response brief to the Supreme Court Approved 2-0.**

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

There being no further business at this time, the meeting was adjourned at 10:50PM.

The next regular meeting is scheduled for Monday, September 10, 2018 at 7:00PM at 340 Edmond Road, Suite A at the Districts office in Kearneysville.

Respectfully Submitted,

Roger C. Forshee
Chairman

Tara D. Ashley
Secretary