Jefferson County Public Service District
Regular Board Meeting
September 10, 2018

The monthly meeting of the Jefferson County Public Service District was held at 7:00PM on Monday, September 10, 2018 in the meeting room at the District's office in Kearneysville. Those in attendance included: Chairman, Roger Forshee; Secretary, Tara Ashley; Treasurer, Todd Milliron; General Manager, April Shultz; Office Administrator, Ashley Stottlemyer; Operations Manager, Joseph Freeze; legal counsel from Spilman Thomas & Battle, Susan Riggs (speakerphone); and County Commission liaison, Commissioner Josh Compton.

CALL TO ORDER
Mr. Forshee called the meeting to order at 7:00PM.

Approval of agenda
Mr. Forshee suggested moving the General Manager's evaluation to the end of the meeting. Commission Compton stated that the employee may request to go into public or executive session for any part of the discussion.

Action: **Motion made by Mr. Forshee and seconded by Ms. Ashley to approve the agenda as presented with the exception of moving the General Manager's evaluation to the end of the meeting. Unanimously approved.**

Public Comments
None.

Employee Comments
None.

OLD BUSINESS
Review minutes of July 31 special board meeting

Action: **Motion made by Mr. Forshee and seconded by Mr. Milliron to accept the July 31, 2018 special board meeting minutes as presented. Unanimously approved.**

Review minutes of August 7 regular board meeting

Action: **Motion made by Mr. Forshee and seconded by Mr. Milliron to accept the August 7, 2018 regular board meeting minutes as presented. Unanimously approved.**

Discuss the District's financial status (status of paying bills)
Mrs. Shultz stated the District will have enough to pay the September disbursements for sewer, but will need to collect $2,450.00 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

Mrs. Shultz explained that Mr. Freeze had asked Marcum Pump for a revised quote to include Ductile Iron rather than Schedule 80 per the suggestions of Charles Town. Staff also received 3 quotes for the relining of the wetwell for that pump station. Mrs. Shultz expressed that Charles Town reviewed the quotes and preferred Lyttle and staff agreed. Mr. Freeze mentioned that he would not like the floor lined at this pump

station due to having problems at 3-6 after the floor is lined. Mr. Freeze stated the 50 year warranty will still be valid if the floor is not lined. Mr. Forshee stated the Board already approved the quote and course of action from Marcum Pump to complete the repairs/upgrades to pump station 4-2 based on Mrs. Shultz and Mr. Freeze's recommendations last month. For consistency and standardization, Mr. Forshee asked staff to work with Charles Town.

Mr. Freeze stated that he is still waiting on the Keen pumps to be delivered from Marcum Pump. Mr. Milliron requested staff keep the Board updated weekly on the status of the pumps at pump station 3-9 and update every two weeks on the status of pump station 4-2.

Regarding moving the office generator, Mr. Freeze spoke with Charles Town's electrician to get a price to install a portable generator hookup at pump station 1-12 and is waiting to hear back from him to visit the site. Mr. Freeze will provide an update and solution at the October meeting.

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

NEW BUSINESS

Discuss and possible action on sewer service request from Shenandoah Junction Public Sewer

The discussion on this item was deferred until the District's attorney, Susan Riggs, was on the phone.

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

Discuss customer feedback from July 31, 2018 Special Meeting regarding Title 150 Sewer Rules

Mr. Forshee explained that a District customer made a public comment at a previous meeting stating the District was not utilizing Title 150 Sewer Rules when formalizing the sewer project and deferring service to Shenandoah Junction Public Sewer, Inc until after the sewer project was completed. The basis for the comment was on page 78 of the November 2017 Public Service Commission documents filed by Shenandoah Junction Public Sewer, Inc that was included in the Board packet.

The Board discussed their concerns with a string of emails that was included in those PSC documents which led to a discussion on the sewer request from Shenandoah Junction Public Sewer. They were concerned with the costs, impact to the District's system and current customers, violation history and did not want to jeopardize consolidation by approving to serve that utility.

So the Board could assure the request is handled properly, they wanted to wait to see what happens with the consolidation and if consolidation doesn't happen then the District has a duty to evaluate the request. The Board agreed to allow Mrs. Shultz and Ms. Riggs to provide a response to Mr. Snyder to defer action on this until after consolidation.

Action: **Motion made by Mr. Forshee and seconded by Mr. Milliron to draft a letter to the requester stating the Board's priority to support consolidation and defer consideration until after consolidation at a minimum or potentially next year. Unanimously approved.**

Discuss retaining an engineer for a capacity analysis

Mr. Milliron discussed that a possible inspection of the District's system may need to be completed by an engineer to determine capacity needs and to get a full analysis of the system. He stated this could shift from a capacity inspection to a general system wide inspection. Since the District doesn't have an engineer on staff, Mr. Forshee suggested this be addressed in 2019. Ms. Ashley stated that if consolidation doesn't occur then the Board could evaluate this further by possibly hiring additional staff to perform the inspections or revising the specifications.

Mr. Forshee suggested moving this discussion to the agenda item regarding the District's standards and specifications and Mr. Milliron agreed.

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

Review and execute the addendum to the Yount, Hyde, & Barbour auditing engagement letter dated August 10 2018

Mr. Forshee explained that at the June Board meeting, the Board voted and accepted the bid from Yount, Hyde & Barbour (YHB) in the amount not to exceed $27,000 to prepare the audit and associated reports. After reviewing the August 10th engagement letter from YHB to perform the audit, it mentioned additional costs that will be incurred which would exceed the $27,000. Mr. Forshee executed the engagement letter noting the additional costs, but the Board now needed to approve the $1,500 necessary to cover the out-of-pocket and the fixed asset/depreciation non-attest services.

Action: **Motion made by Mr. Forshee and seconded by Ms. Ashley to approve the additional costs not to exceed $1500 to cover the out-of-pocket and the fixed asset/depreciation non-attest services. Unanimously approved.**

Discuss the District's Sanitary Sewer Specifications and Standards

Mr. Forshee had several concerns relating to the Districts Sanitary Sewer Specifications and Standards, which were revised in 2016, after driving around various locations in the District's service area. His initial concern to these specifications involved manhole covers and I&I. He stated the District approved two vendors, Capitol Foundry of VA, Inc. and East Jordan Iron Works, listed in the approved specifications. Mrs. Shultz stated that in the beginning of the specifications it also contains a clause about the District approving "equal" parts.

Mr. Forshee explained that the two approved vendors were American and a manhole cover he found in Norborne Glebe had India marked on it. Since it was contrary to the specifications, he questioned how inspections of the system were done. Mrs. Shultz stated that when this subdivision was installed, the District utilized Specialized Engineering for inspection services. Mr. Forshee explained that if something was approved that is not an approved standard, then show him the "written point-to-point detailed comparison as stated in the specifications.

Mrs. Shultz stated that the District used Specialized Engineering for all inspections until the dissolution began and then the previous General Manager allowed the District's Engineering Technician to perform the inspections since he did them for Thrasher Engineering and Greenway Engineering. He recently began doing the inspections for the District in 2017 and the only development he had inspected was Phase II of Aspen Greens. Mrs. Shultz stated all other inspections for all developments were completed by Specialized Engineering.

Mr. Milliron discussed that the initial Flowing Springs project was held to ARRA standards, and was curious if the specifications at that time were created based on those standards. Mr. Milliron stated that the document may be too restrictive and would like to substantiate the document prior to hiring an engineer. He questioned who the quality assurance for the document is and how does the District know if the specifications are up to today's standards.

Ms. Ashley suggested if consolidation fails then the District take a deep dive into the specifications and have them reviewed and revised if necessary.

Mr. Forshee was concerned the District was having its engineering technician perform inspections that he may not be qualified to perform. He suggested staff reach out to Charles Town to find out their practices they use. He also requested Mrs. Shultz think about how she would like to handle this issue and report to the Board next month.

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

Discuss onsite inspections policy and process

Mr. Forshee was concerned that the District may not have a documented process or qualified engineers performing site/other inspections since the District's Engineering Technician is performing the inspections instead of a Professional Engineer as required in the District's specifications.

He also discussed a manhole in the Norborne Glebe subdivision he noticed that was made in India. He was concerned because it was not on the approved vendor list as mentioned in the specifications. Mr.

Forshee stated that the District's specifications list Capitol Foundry of VA, Inc. and East Jordan Iron Works, both American made, as approved vendors so felt the need to ask staff.

Staff informed Mr. Forshee that the District doesn't discriminate against an approved equal frame and cover, as long as it is watertight and bolted, it is acceptable. Mr. Forshee stated that he disagreed with this based upon the minimum specifications listed in the specifications which states a point to point comparison should be done with an alternate and he did not see a point to point comparison.

Mrs. Shultz stated she does not recall what the previous specifications listed as approved manhole lids since they were revised in 2016 and this manhole lid would have been installed prior to that time. Mr. Freeze stated that the approval for the alternate may be in the file for that location.

Action: No action required by the Board.

Discuss grease trap inspection policy and process

Mr. Forshee was also concerned with the District's policy and process of grease trap inspections. He explained that the District was to follow the Sanitary Specifications and Standards in conjunction with the Sewer Use Ordinance District for grease traps requirements. Mr. Forshee had requested from staff the list of monthly grease trap inspections and to validate its accurateness, he drove around the District's service area to verify that establishments were on the list. He noticed numerous establishments not on the list, including Papa John's, numerous hotels, Child's First Development, and the Golden Horseshoe and wondered how they were missed.

Mr. Forshee also discussed the requirement of the maintenance records of the companies that are to be submitted to the District according to the Sewer Use ordinance which staff could not provide because they didn't have them.

Ms. Ashley commented that if consolidation does not go through then the Board and staff can look into this further to make sure processes are being followed and address further issues.

Mr. Milliron requested staff provide the Board with an updated checklist of facilities for next month's meeting.

Mrs. Stolipher explained that Charles Town does not do monthly inspections rather they require the owners of the establishments to submit records twice a year and will do inspections if those records are not submitted. Mr. Freeze stated that the District inspects the tanks every month and doesn't require records be submitted, but does have the grease interceptor contracts for each.

Mr. Forshee requested staff report to the Board next month on the progress.

Action: No action required by the Board.

Discuss topics for the next newsletter edition

Mr. Forshee explained that the District published its' last newsletter at the end of April. He suggested many possible topics including online bill paying and items from the recent Source Water Protection Plan that can educate customers on safe practices.

Ms. Ashley stated she felt a yearly newsletter would suffice.

Mr. Milliron suggested the newsletter include topics such as the status of the Supreme Court appeal, consolidation, status of repairs, extension of the office lease, annual audit update, and an outsourcing corner for customers to offer their services if necessary. Mr. Milliron requested a draft newsletter next meeting.

Ms. Riggs suggested staff refrain from discussing the specifics of the appeal case. Mr. Forshee asked if it would be acceptable to post a link to the WV Supreme Court scheduling site, and Ms. Riggs stated it would be acceptable to include the link to the associated case. Mr. Milliron asked Ms. Riggs to provide a statement about consolidation.

Action: No action required by the Board.

Discuss the District's status on the 16-0616 Project
Last month Mr. Milliron gave a refresher on the approved sewer project and gave a chronology of events that occurred after the March, 2017 Public Service Commission (PSC) approval of the project. Since the Board voted to put this approved PSC project on an indefinite hold at the December 7, 2017 special board meeting, Mr. Milliron stated that he would consider reopening the certificate case and ask the PSC to withdraw the project certificate if necessary.

Action: No action required by the Board.

Update on JCPSD transition to City of Charles Town

- Update on billing system transfer to Charles Town
- Discuss staffing

Mrs. Shultz stated that staff tried to meet with Charles Town to discuss the billing transfer, but their IT staff was out of the office for personal reasons last month so staff will try to arrange a meeting for this month.

Mr. Milliron mentioned one of the District's employees resigned and made an early migration over to Charles Town this past month. He stated he would like to think there is a way to prevent that from happening in the future, but if other employees quit the Board may have to consider a Memorandum of Understanding (MOU) with Charles Town's Board or other avenues to deal with the lack of staffing.

Mrs. Shultz recommended holding off on hiring a new employee until after the Supreme Court appeal hearing. Mr. Freeze didn't agree, but stated he would hold off on a new employee at the moment if Charles Town was willing to lend a hand in times of needs. Mrs. Stolipher stated that Charles Town will offer help in emergency situations and recommended Mrs. Shultz evaluate efficiencies internally and work through overtime.

Mr. Milliron stated that staffing is the job of the General Manager and she should handle this situation. He mentioned that if she needs to take action to hire/retain necessary staff to maintain operations. If staffing resources are needed with Charles Town to alert the Board so it may convene with CTUB's Board to request personnel from that entity.

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– Ms. Riggs stated she submitted the joint respondents brief to the WV Supreme Court today that she drafted with legal counsel of both the Jefferson County Commission and Charles Town. She mentioned the PSC should have filed their response today as well.

Mr. Forshee asked if the current Supreme Court Justices will remain on the bench until the impeachment is over or have they been replaced. Ms. Riggs stated that two are fighting the impeachment, the two that resigned have been replaced until the election in November and the one under suspension has been replaced indefinitely. She stated she isn't sure if the October hearing will take place or be delayed with all that is happening at the moment, if the Supreme Court will rule without a hearing, or if the Supreme Court will send back to the Public Service Commission.

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 Yount Hyde and Barbour were onsite August 21-24 to begin their field work for the audit. They plan on attending the October meeting to discuss the audit.

Last month the Board requested that staff contact the PSC regarding on-site training. Mrs. Stottlemyer stated that David Acord, Public Utilities Director at the PSC, sent her an email detailing numerous training options.

Mr. Milliron asked when the beds at Deerfield should be serviced since Snyder Environmental replaced all the 2" piping at the plant. Mr. Freeze stated it should be replaced soon or at least be raked to get more life out of it. He would find out the costs involved to replace and dispose. Mr. Forshee commented that in the specifications of the Deerfield system, it stated the lifetime of the sand is the lifetime of the plant.

Ms. Ashley requested Mrs. Shultz let her know when staff meets with Charles Town to discuss the billing/IT.

Action: No action required by the Board.

Other staff reports

Mr. Forshee questioned a sewer backup that was listed on Mr. Freeze's Operations Manager Report. Mr. Freeze explained that the backup was at Countryside Vet and was found to be the District's responsibility. Mr. Forshee requested staff put the results in their reports for inspections and testing.

Mr. Milliron questioned Mr. Freeze on the repairs needed at pump station 4-4 and 4-5. Mr. Freeze stated that pump station 4-4 needed one pump replaced and the other pump repaired while at pump station 4-5 the pumps wore out the saddles and sockets. Mr. Milliron explained that these two pump stations were not included in the sewer project to be repaired or replaced which goes back to his suggestion of a system wide assessment to get a better picture of the system's condition.

Mr. Forshee questioned the Tema site plan that was described in the Engineering Technician Report. Mrs. Shultz explained that they would like to add an additional building and canopy that would be placed over existing sewer infrastructure. She stated staff was still reviewing the information.

Mr. Forshee also asked about the employee injury that was also listed in the Engineering Technician Report. Mr. Freeze stated that one of the maintenance technician's cut his leg at pump station 4-5 during pump station rounds which required stitches. Staff had filed all the proper paperwork with Workers Compensation and OSHA.

Mr. Forshee also had a question regarding the number of disconnections listed on the Billing Report and if that number should match the number of disconnections listed on the Operations Manager Report. Mrs. Shultz stated she would look into where the numbers are being pulled from to determine if they should be the same or labeled different on each report.

Action: No action required by the Board.

Correspondence

None discussed.

Action: No action required by the Board.

Discussion of any expenses over budget for the year

There were no items over budget for the year, but Mrs. Shultz informed the Board that the Admin & General Insurance line item will have to be revised when the budget revision was prepared. The quarterly payment went from $12,203 a quarter to $12,514 as of 7/1/18.

Mr. Forshee asked if the 206% coverage could warrant a rate decrease. Mrs. Shultz explained that the minimum coverage required for bond coverage was 115%. She stated that the 206% was the monthly coverage and not for the year.

Mr. Milliron requested that any extra cash surplus be used to pay down the greatest interest debt, which would be the $660,000 loan. Mrs. Shultz stated this was an automatic withdrawal, but will look into after the October 23rd appeal hearing. Both Mr. Forshee and Mr. Milliron liked the idea of paying down the BCT debt with surplus funds.

Action: No action required by the Board.

Approve monthly disbursements
Mr. Milliron questioned several invoices including Fluid Solutions, R. M. Roach and Sons, and USA Bluebook.

Mr. Forshee questioned the invoice from Cox Hollida & Professionals listed on the disbursement list. Mrs. Shultz explained the $441 was for the services relating to the District out of the $879 invoice from last month.

Action: **Motion made by Mr. Milliron and seconded by Ms. Ashley to approve disbursements for Public Service District sewer expenses in the amount of $196,111.43. Unanimously approved.**

Mr. Milliron questioned why Mrs. Shultz only paid $500 toward the amount due back to sewer since last month she paid $1500. Mrs. Shultz explained that there were three paychecks in July which increased the labor. Mr. Milliron asked what it would take to pay down the remainder by next month. Mrs. Shultz commented that it would depend on what is collected this month, but she should have it paid in full within the next two months.

Mr. Forshee questioned the finance charge that is on the Sheetz invoices. Mr. Forshee and Mr. Milliron highlighted that the District appeared to have paid over $100.00 each month for many months for finance charges. Mr. Milliron asked if it's a charge as a credit card then possibly the District look into other options. Mr. Forshee raised a concern about the District receiving a discount from Sheetz while being charged much more than the amount saved each month. Mrs. Shultz would look into it.

Ms. Ashley suggested staff add the DHHR and other agencies that offer financial assistance to customers to the next newsletter.

Action: **Motion made by Mr. Milliron and seconded by Ms. Ashley to approve disbursements for the Public Service District water expenses in the amount of $6,608.57. Unanimously approved.**

Approve transfer of $5,530.51 from the New Sewer Security Deposit account to the Sewer Operating account for 51 security deposit refunds
Approve transfer of $114.24 from the Water Security Deposit account to the Water Operating account for 2 security deposit refunds
Approve transfer of $1508.96 from the Renewal & Replacement account to the Sewer Operating account for upgrade/repair to pump station 3-6
Approve transfer of $6158.20 from the Renewal & Replacement account to the Sewer Operating account for new pump at pump station 4-4
Approve transfer of $1600.42 from the Renewal & Replacement account to the Sewer Operating account for pump repair and capacitors at pump station 4-4

Action: **Motion made by Mr. Milliron and seconded by Mr. Forshee to approve the transfer amounts as presented in the board packets. Unanimously approved.**

Conduct annual evaluation of the General Manager
Mrs. Shultz requested her evaluation take place in public session. She explained that staff normally evaluated the General Manager rather than the Board since they are not involved in staffing unless there was a problem, so she provided the Board with the recent evaluations from her staff.

Ms. Ashley asked why the Board was conducting an evaluation of the General Manager and if it was a written policy which Mrs. Shultz replied that it was not a written policy. She stated that if there are no standards stating this then why not follow what has been stated earlier tonight with following written standards and procedures. She stated that based on what is currently written, the Board has no authority to perform the evaluation.

Mr. Forshee disagreed and stated that an employee who reports to the Board and has their salary set by that Board, then they should be able to evaluate that employee. Mr. Forshee commented that in the WV

code, the Board has overview over the General Manager and should be able to provide feedback on that performance. He stated that page 21 of the employee manual, all employees are evaluated after their 90 day employment and each July after. He said it also stated that each employee will have an action plan each year and the evaluation will be based on that. Mr. Forshee commented that Mrs. Shultz was a great financial manager, but as a General Manager there are things that could be improved upon and requested an evaluation.

Ms. Riggs reviewed the WV code and was unable to identify a stipulation denying the practice, most likely since not addressing this granularity of oversite. It stated the Board may employ and set the salary of the General Manager.

Mrs. Shultz stated in the past, the General Manager was evaluated by the staff and the Board only got involved if she requested a performance-based increase from the Board. Mrs. Shultz stated she is not asking for an increase in pay. She commented that raises were given in July to all staff and she did not receive one.

She stated that if Mr. Forshee wanted to provide his feedback then that is fine, but it would not go in her employee file or be the official review of the entire Board, but the Chairman's opinion. Mr. Milliron stated he is fine with each Board member providing comments if they wish.

Ms. Ashley stated she had no comments and thanked Mrs. Shultz for her efforts.

Mr. Milliron stated he viewed this as more of a 180 review and asked her several questions regarding her job performance, the Board's performance, and suggested areas of her work performance she could improve upon.

Mr. Forshee began his feedback by reviewing her job description and suggested Mrs. Shultz review it and revise if necessary. He also discussed her major accomplishments and strong points as the General Manager and made her aware of several things that he felt she could improve upon.

Commission Compton commented that Mrs. Shultz has done a fantastic job as General Manager and has far exceeded the previous General Manger in her short tenure.

Action: No action required by the Board.

Public Comment

Jacquelyn Milliron commented that listening to the pump stations that are in need of repair are not the ones listed in the sewer project and felt that $6.9 million proposed for the project could have been used much better. Mrs. Milliron also asked the Board if they have investigated any alternatives that Shenandoah Junction had mentioned in their consent decree. She also commented on the 2016 revised specifications and that certain things may be grandfathered in as long as they are operating properly. She stated that she had received several phone calls on how great the last newsletter was and wanted to reiterate the value of it. Mrs. Milliron also commented that in the proposed sewer project, it never stated Shenandoah Junction would be served and when the previous General Manager told them to wait until after the project was complete to get service, why didn't Shenandoah Junction come forward and contribute money for the project. She thanked the Board and staff for continuing to do a good job and to not feel guilty for the last night meetings because in the past the meetings were long as well.

Joe Freeze commented on how things have changed for the better at the District since Mrs. Shultz took over as the General Manager. He stated she is doing an excellent job and does not micromanage her staff. Mr. Freeze stated that he has noticed Mrs. Shultz upset over emails from Mr. Forshee, which are almost to the point of harassment. He stated he believed that some of the manuals do need to be updated. He commented that staff will get to the revision/changes to the policies because staff are professionals and perfectionist. Mr. Freeze also commented that Mrs. Shultz is an asset to the District and he supported her.

Action: Motion made by Mr. Forshee and seconded by Ms. Ashley to adjourn.

Unanimously approved.

There being no further business at this time, the meeting was adjourned at 11:17PM.

The next regular meeting is scheduled for Wednesday, October 3, 2018 at 7:00PM at 340 Edmond Road, Suite A at the Districts office in Kearneysville.

Respectfully Submitted,

Tara D. Ashley
Secretary

Todd M. Milliron
Treasurer