

Jefferson County

Public Service District

Jefferson County Public Service District Regular Board Meeting October 3, 2018

The monthly meeting of the Jefferson County Public Service District was held at 7:00PM on Wednesday, October 3, 2018 in the meeting room at the District's office in Kearneysville. Those in attendance included: Chairman, Roger Forshee; Secretary, Tara Ashley (speakerphone); Treasurer, Todd Milliron; General Manager, April Shultz; Office Administrator, Ashley Stottlemeyer; Operations Manager, Joseph Freeze; legal counsel from Spilman Thomas & Battle, Susan Riggs (speakerphone); and County Commission liaison, Commissioner Josh Compton (speakerphone).

Commission Compton had bad cell service throughout the meeting. Mrs. Riggs also called in late to the meeting due to limited cell service.

CALL TO ORDER

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

Approval of agenda

Action: Motion made by Mr. Forshee and seconded by Ms. Ashley to approve the agenda as presented with the exception of moving the audit discussion to the beginning of the meeting. Unanimously approved.

Public Comments

None.

Employee Comments

None.

OLD BUSINESS

Review minutes of the September 10 regular board meeting

Mr. Forshee suggested deferring the approval of the minutes until next meeting.

Action: Motion made by Mr. Forshee and seconded by Mr. Milliron to defer approval until next meeting. Unanimously approved.

Discuss the District's financial status (status of paying bills)

Mrs. Shultz stated the District will have enough to pay the October disbursements for sewer and 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 the repairs/upgrades to pump station 4-2 are scheduled for the week of October 22nd. She also stated the new pumps for pump station 3-9 arrived and were installed.

Regarding moving the office generator, Mr. Freeze spoke with Charles Town's electrician, Mr. Magha, and he believed the generator would be too top heavy to be put on a trailer and suggested using the Godwin connection that is already there as the backup for this station in the event of an emergency. He explained that Charles Town agreed with this course of action and Mrs. Stolipher suggested that since there isn't an immediate need to move the generator at the office and the pump station could be decommissioned with their proposed sewer project, they would address the relocation when the time

comes. Mr. Forshee appreciated the District and Charles Town staff working together to resolve this matter.

Action: No action required by the Board.

Update on the District's Sanitary Sewer Specifications and Standards

Mrs. Shultz explained that she met with staff and decided to remove the term "Engineer" from the inspections section and insert "or approved equal" to the manhole frame and lids section. She also stated that staff found what specifications were used for the sewer project regarding manhole frames and covers.

Mr. Forshee was concerned that the use of an engineer has been described in the specifications for a number of years and if the norm is to have an engineer then the District should follow that. Mrs. Shultz stated she spoke with Charles Town about the change and they were fine with the District's engineering technician performing the inspections, but if the Board felt an engineer should be doing them then one should be hired.

Mr. Forshee was concerned that one month an engineer is required to perform the inspections according to the specifications and then the next it is removed and questioned if any type of analysis was performed on the qualifications this position requires according to the specifications other than just a staff discussion. Mrs. Shultz stated only staff discussions were held and documented in the staff meeting minutes, a formal analysis was not done. She stated she will leave the specifications as is.

Mr. Forshee also explained how last month he questioned manhole lids from India that were installed and staff has provided information that determined those lids do meet the ASTM specifications. He was still concerned that certain lids were not approved or a point by point comparison had not been done on these alternates. Mrs. Stottlemeyer stated that staff has not looked in the file yet and Mr. Freeze stated that in his opinion the engineer stamp on the plans should be the approval. Mr. Forshee was still concerned that if manhole lids do not meet qualifications then what else doesn't. Mrs. Shultz stated she will work on this further.

Ms. Ashley stated this matter should be tabled until next year if an immediate remedy can't be found at this time. Mr. Forshee agreed with Ms. Ashley, but doesn't want to wait much longer on tackling this issue.

Mr. Milliron stated that an engineer will most likely be needed to review the specifications, but made a suggestion to lean toward the Charles Town specifications in the meantime. Mr. Forshee agreed and suggested staff use the Charles Town specification in lieu of or an equivalent to when making determinations.

Mrs. Shultz explained that staff has been working together with Charles Town on other items so it made sense to use their specifications as well. Staff will review the Charles Town specifications. This item was added to next months meeting for further discussions.

Action: No action required by the Board.

Update on grease trap inspection policy and process

- Update on Holiday Inn – no grease trap

Mrs. Shultz explained that staff has been working with Charles Town to mirror their policy and process and has drafted a letter, similar to the letter Charles Town sends, to send to the grease trap customers requesting them to submit maintenance records every 6 months. She stated the District will also schedule periodic inspections throughout the year with those customers rather than monthly inspections. Mrs. Shultz had also spoke with Charles Town on how to handle the Holiday Inn since they currently do not have a grease trap. The District will be sending them, along with the Golden Horseshoe, a letter requiring them to install a grease trap according to our ordinance.

Mr. Forshee asked what the level and effort, costs, and time frame is involved with installing a new grease trap. Mr. Freeze stated that it all depends if the customer decided to fight the installation request as he experienced some push back from Holiday Inn initially.

Mr. Forshee asked if there was a timeframe requested from the District for the installation. Mr. Freeze stated he would have to review the letter again, but didn't think there was a deadline given. He stated the letter was already hand delivered. Mrs. Shultz stated she will speak to the manager herself and deal with the issue by Monday.

Action: No action required by the Board.

Update on the next newsletter edition

Staff included a draft of the newsletter in the board packet, but Mrs. Shultz would like to get the draft down to two pages rather than three for mailing purposes. She suggested adjusting the size of the webpay section and sending the newsletter next month after the appeal hearing when more information is available. Mr. Milliron stated that consolidation and the webpay are both important topics to be included in the newsletter.

Mr. Milliron was concerned with the language in the consolidation section stating the consolidation was on hold until resolution of the appeal. He stated he had been to a number of Charles Town meetings and hadn't seen any actions depicting the consolidation as being on hold. Since the statement came from Mrs. Riggs, he questioned the representatives from Charles Town sitting in the audience for their thoughts. Mike George, Charles Town City Council member, stated that technically the consolidation is on hold until there is a decision on the Supreme Court appeal. He stated Charles Town can't proceed with the bonds until the appeal is finalized. Mr. Milliron requested a letter from Charles Town stating that.

Mr. Milliron suggested striking "on hold" from the newsletter and add the text he sent to staff earlier.

Ms. Ashley stated it was fairly standard for everything to be on hold while there is pending litigation and could be moot by the end of the month if the final decision comes in.

Mrs. Stolipher stated that Charles Town cannot approve the final resolution or get bond approval and schedule a closing date until a final decision in the appeal case. She stated Charles Town could provide a schedule of the last remaining items needed prior to closing.

Mr. Forshee was concerned with the timelines after the Supreme Court decision and if it could extend until early next year or after. He suggested possibly listing high level bullets of what needs to happen after the Supreme Court decision and informing the public that final consolidation could still be months out.

Mrs. Stolipher stated that if a verdict comes in October 23rd then closing could ideally happen mid-December at best case scenario.

Mr. Milliron stated that there are a lot of players involved in this matter and this could drag out for months in his opinion. He explained that he doesn't want to tell rate payers the consolidation is on hold, but rather inform them of the progress.

Mr. Forshee and Mr. Milliron both requested the newsletter to be published in this month's bill if possible. Mrs. Shultz stated she will need changes from the Board as soon as possible so staff can start printing in the morning.

Mr. Milliron suggested reducing the size of the webpay section and fix the text in the consolidation section. Mr. Forshee suggested fixing the hyperlinks of the email addresses and webpage links on the electronic version.

Action: No action required by the Board.

NEW BUSINESS

Consider for approval the District's draft financial statement audit for the fiscal year ended June 30, 2018, presentation by Yount, Hyde & Barbour PLLC

Jennifer Files of Yount, Hyde & Barbour presented the draft financial audit for Fiscal Year 2018 to the Board. She thanked the Board and stated that management and staff was a pleasure to work with and thanked them for their assistance with the audit. In her overview, she stated YHB would be issuing an unmodified opinion (clean opinion) on the 2018 financial statements and on internal control over financial reporting in accordance with the Government Auditing Standards. She also stated her firm was not aware of any material modifications that should be made to the financial statements for them to be in accordance with the Generally Accepted Accounting Principles. Mrs. Files reported the minimum covenant (115%) was met as of June 30, 2018.

Mrs. Files gave a brief overview of the District's net position and trend analysis over the last three fiscal years where she discussed the write-off of roughly \$1 million of capital projects. She stated the General Manager identified the sewer collection project and the purchase of Jefferson Utilities as abandoned projects and were written off in the draft audit. Both Mr. Forshee and Mr. Milliron were very concerned and questioned Mrs. Shultz. Mrs. Shultz and Mrs. Files explained that this audit was still in draft form and the entry could be deleted if the Board wished. Mr. Milliron and Mr. Forshee both would have liked to have a discussion before it was done and requested those entries be added back onto the books. They requested to have these items approved by the Board in the future. Ms. Ashley stated she did not see a problem with it if it was a normal accounting practice.

Mrs. Files continued her overview of the audit answering several questions that Mr. Milliron and Mr. Forshee had on the draft including bad debt, Senate Bill 234, debt coverage, including the General Manager's salary or not, etc. Mrs. Files stated that overall it was a very clean audit and for the Board to send her comments on the draft once they reviewed.

Since Mrs. Riggs had cell service at this time in the meeting, the Board wanted to go into executive session while they were able to have her on the phone.

Action: Motion made by Mr. Forshee and seconded by Mr. Milliron to convene in executive session to discuss the consolidation case 17-0915-PSWD-PC and complaint case 18-0006-PSD-C as well as the District's status on the 16-0616 project. Unanimously approved.

Action: Motion made by Mr. Forshee and seconded by Mr. Milliron to return to public session. Unanimously approved.

The Board then discussed the annual reports that Mrs. Shultz submitted on September 28th, prior to their due date. Mrs. Shultz stated they can be revised with changes the Board may have as well as incorporate the changes from the draft audit that was discussed earlier. Both Mr. Milliron and Mr. Forshee had several questions and suggested changes to the annual reports they each discussed. In the interest of time, Mr. Forshee suggested he send his changes/suggestions to Mrs. Shultz via email. Mr. Milliron and Ms. Ashley both agreed.

Action: No action required by the Board.

Consider for approval the 2018-2019 contract pricing with Evoqua for Bioxide

Mrs. Shultz explained the District has a 5-year contract with Evoqua that ends on August 31, 2020, but Evoqua submits a yearly pricing contract. She stated the new price is \$3.39 from \$3.23.

Mr. Forshee questioned if the District needed to purchase Bioxide and asked what it does for the system. Mr. Freeze explained that Bioxide helps stop hydrogen sulfide which causes corrosion of cement in pump station wetwells and manholes and it helps with odor control. Mr. Forshee questioned if Charles Town used Bioxide and Mrs. Stolipher shook her head no.

Mr. Forshee asked Mrs. Shultz if the District needed to continue using Bioxide and she replied that it is up to the Board to continue to use or not.

Ms. Ashley asked whether it would be better to have an engineer evaluate the need of it or not.

Mr. Forshee informed Ms. Ashley that Mrs. Stolipher shook her head no when asked whether Charles Town used Bioxide. Ms. Ashley questioned what the difference was of why the District is using it and Charles Town is not.

Mrs. Stolipher suggested the District reevaluate the amount that is used in the different areas of the system. Mrs. Shultz stated Evoqua installed flow monitors recently and the District hadn't been ordering as much as it used to. Mr. Freeze added that the new equipment had cut the amount ordered in half compared to previous years. He stated it is used at pump station 5-1, 3-9, and 3-7.

Mr. Forshee suggested the District's engineering technician perform an evaluation study on the use of Bioxide.

Mr. Freeze stated that Bioxide is expensive and there are other alternatives including Chlorine. Mr. Million stated that he totaled about \$48,000 a year the District spends on Bioxide.

Ms. Ashley asked if there was a contractual way to get out of the contract. Mr. Milliron suggested speaking with Evoqua and informing them of the current situation and informing them that Charles Town will not continue using the product. He suggested Mrs. Shultz ask whether there was a way to slowly ease away from the Bioxide.

Mrs. Shultz stated she will discuss the contract options with Evoqua and report back to the Board. Mr. Freeze stated that the Bioxide has helped with odor control, but if Charles Town is not going to continue to use then there is no point renewing.

Mr. Forshee also suggested possibly having the District's engineering technician do a quick analysis and explore other options.

Action: No action required by the Board.

Update on JCPSD transition to City of Charles Town

- Update on billing system transfer to Charles Town

Mrs. Shultz stated her and Mrs. Stottlemeyer met with Charles Town to discuss the billing transfer and are now working on gathering information. She stated that Charles Town has also invited her for a demo by their software company. Mrs. Shultz also contacted JUI who is looking into taking over the billing of their customers.

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— Mr. Forshee stated there is a hearing scheduled for October 23rd.

Action: No action required by the Board.

General Manager's Report

Mr. Milliron stated it was good to see pump station 3-9 back up and running with new pumps and the work for pump station 4-2 had been scheduled.

Mr. Milliron also wanted to confirm the response letter to Shenandoah Junction Public Sewer was sent and Mrs. Shultz stated it was sent both via email and mail.

Action: No action required by the Board.

Other staff reports

Mr. Forshee requested from Mr. Freeze a copy of the lead and copper results that were sent to customers.

Mr. Forshee also questioned in the Engineering Technician report, if providing maps to customers as stated in his report was a normal practice. Mrs. Shultz stated he would have to ask Mr. Markley, but she thought it was ok to send a map of vacant lots to that customer. Mr. Forshee stated that it was ok if that was the District's normal practice, but to make sure to be fair and consistent with other customers.

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

Mrs. Shultz stated there were no items over budget for the year.

Mr. Milliron requested staff label the CAFs converted to CIFs for Beallair on the commitment list chart.

Regarding the budget, Mr. Milliron asked what the difference was for in the Power and Fuel line item. Mrs. Shultz stated this was for fuel used for the Godwin at pump stations 3-9, 4-4, and 4-5. She stated that since the pump stations are fixed, this should decrease.

Mr. Milliron also asked what the difference was in the Special Expense line item. Mrs. Shultz stated it was for the payment of the audit.

Action: No action required by the Board.

Approve monthly disbursements

- Update on Sheetz finance charge

Mr. Forshee requested staff verify Ms. Ashley's board member salary for this quarter is correct and also questioned several invoices including Finely Finished Floors, Roach, and Sheetz. Mrs. Shultz explained that she spoke with Sheetz regarding the District's account and the finance charge received on a monthly basis. She asked if they could change the due date and the representative stated it would require a new account with new credit cards. Their recommendation was to pay online after the disbursements are approved by the Board to eliminate the sending of a check in the mail. Mr. Forshee stated another option would be to use another fuel vendor because it seems the finance charges are more than the savings.

Mrs. Shultz stated she didn't see the need to change vendors if Charles Town will be using another vendor and to approve Mrs. Stottlemeyer to pay the account online to avoid the late fees once it is approved by the Board each month. Mr. Forshee stated he would think the District would be rewarded for purchasing fuel from them rather than penalized.

Mr. Milliron stated if there is a way to avoid paying late charges then the District staff should do it. Mr. Forshee and Ms. Ashley both agreed.

Mrs. Shultz stated that if the amount is over \$1500 then she would get a Board signature on the EFT after it is approved.

Mr. Forshee stated that from this point forward, Mrs. Stottlemeyer will pay Sheetz electronically to avoid late fees.

Mrs. Shultz also stated that the large Potomac Edison bill has not been received yet, but will need to pay when it arrives. Ms. Ashley stated she would come in and sign the bill to allow staff to pay.

Action: Motion made by Mr. Milliron and seconded by Mr. Forshee to approve disbursements for Public Service District sewer expenses in the amount of \$208,632.79. Unanimously approved.

Mr. Forshee questioned what Dennie Sales & Services was and Mrs. Shultz stated it was Dennis Sales and was to have the chlorinator repaired.

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 \$6,904.56. Unanimously approved.**

Approve transfer of \$5,353.20 from the New Sewer Security Deposit account to the Sewer Operating account for 44 security deposit refunds

Approve transfer of \$5,874.41 from the Renewal & Replacement account to the Sewer Operating account for re-piping at Deerfield wastewater treatment plant

Approve transfer of \$2,678.48 from the Renewal & Replacement account to the Sewer Operating account for check valves at pump station 4-2

Approve transfer of \$1,316.37 from the Renewal & Replacement account to the Sewer Operating account for new pump at Deerfield wastewater treatment plant

Approve transfer of \$965.50 from the Renewal & Replacement account to the Sewer Operating account for repair at pump station 4-4

Approve transfer of \$760.12 from the Water Renewal & Replacement account to the Water Operating account for repair to LMI pump for water systems

Action: **Motion made by Mr. Milliron and seconded by Mr. Forshee to approve the block of transfers from and for the Sewer Security Deposit account and Renewal and Replacement accounts dated 9/28/2018. Unanimously approved.**

Public Comment

Jacquelyn Milliron commented that she has looked through tons of old meeting minutes and those meetings lasted until midnight so it is appreciated. As far as the generator/Godwin issue, Mrs. Milliron commented that a PSC Engineer recommended a generator over a Godwin and she agreed. She commented on grease traps and recommended grease traps be discussed with the potential customer at the CIF/CAF payment point of the process.

Mrs. Milliron also commented that if the PSC order to dissolve the District is "on hold" eninged on the complaint case with the Supreme Court, then the PSC order for the project should be no good either. She commented on the strategic plan and stated the District waited a year and a half to do the plan which she believed became a giant advertisement for the project not a plan. She stated she was also interested in the septicity at pump stations and why build a giant pump station with low flow.

Mrs. Milliron commented that formal legal counsel stated in a previous PSC case that the General Manager's salary is public knowledge and should be made public. Regarding the SB234, she commented that she still doesn't know where the money went to and no one has to be held accountable for it. She commented that the project 16-0616 case can be revised and sent to the State to ensure rates will be sufficient and it can go to the Consolidation Committee.

Lastly, Mrs. Milliron commented that she has watched staff and the Board over the last several months and has watched behaviors and read everyone. She stated the District is under the gun which puts stress on the Board and staff and has come to the conclusion that there is an entity out there that is driving the wedge and in her opinion it is the development community. She stated the Board and staff must work together as she is tired of seeing the constant friction. Mrs. Milliron stated that staff needs to bring solutions and let the Board pick the best one.

Action: **Motion made by Mr. Forshee and seconded by Mr. Milliron to adjourn. Unanimously approved.**

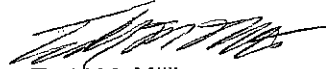
There being no further business at this time, the meeting was adjourned at 11:50PM.

The next regular meeting is scheduled for Monday, November 5, 2018 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 'Tara D. Ashley', with a long horizontal flourish extending to the right.

Tara D. Ashley
Secretary

A handwritten signature in black ink, appearing to read 'Todd M. Milliron', with a long horizontal flourish extending to the right.

Todd M. Milliron
Treasurer