

Jefferson County

Public Service District

Jefferson County Public Service District Regular Board Meeting August 3, 2015

The monthly meeting of the Jefferson County Public Service District was held at 7:00PM on Monday, August 3, 2015 in the meeting room at the Districts office in Kearneysville. Those in attendance included: Chairman, Peter Appignani; Secretary, Richard Weese; Treasurer, Bill Strider; General Manager, Susanne Lawton; Administrative Assistant, Ashley Stottlemeyer; Operations Manager, Joseph Freeze; District Legal Counsel, Jim Kelsh; from Thrasher Engineering, Wayne Morgan; from Dunn Engineering, Fred Hypes; and Liaison for the County Commission, Commissioner Jane Tabb.

CALL TO ORDER

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

Approval of agenda

The Board made no changes to the agenda.

Public Comments

Todd Milliron commented on the strategic plan asking if his comments he submitted were included in the revised plan. Fred Hypes from Dunn Engineering informed Mr. Milliron that some of his comments were incorporated in the final draft.

Jacquelyn Milliron questioned the \$2.07 increase that was approved at the July 20th meeting and wanted to know how much of the increase is toward Senate Bill 234 and how much toward other items. She also requested the Board reconsider moving forward with the Jefferson Utilities acquisition since the last attempt at this showed a rate increase would be required for the purchase.

Martha Zimmerman commented that she has been against Jefferson Utilities for a long time and feels the \$12 surcharge is ridiculous and unfair.

OLD BUSINESS

Review Minutes of July 6 regular board meeting

The minutes of the July 6, 2015 regular board meeting were approved as presented.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to accept the July 6, 2015 regular board meeting minutes as presented. Unanimously approved.

Review Minutes of July 20 work session #1

The minutes of the July 20, 2015 work session #1 were approved as presented.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to accept the July 20, 2015 work session #1 minutes as presented. Unanimously approved.

Review Minutes of July 20 work session #2

The minutes of the July 20, 2015 work session #2 were approved as presented.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to accept the July 20, 2015 work session #2 as presented. Unanimously approved.

Review Minutes of July 20 special board meeting

The minutes of the July 20, 2015 special board meeting were approved as presented.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to accept the July 20, 2015 special board meeting minutes as presented. Unanimously approved.

Update on the water systems improvement project for Glen Haven and Cavaland

Ms. Lawton stated the Infrastructure and Jobs Development Council (IJDC) funding committee approved the Districts request for a grant of \$39,183.37 to cover the project overrun costs at their July 28th meeting. The request will now move onto to the full IJDC council on August 5th for approval.

Action: No action required by the Board.

Discuss sewer collection and transmission project

Mr. Morgan, from Thrasher Engineering, stated the project is progressing and they are working on the final engineering.

Action: No action required by the Board.

Discuss and consider approval of draft Jefferson County PSD strategic plan

Fred Hypes from Dunn Engineering gave a brief overview of the changes that have been made to the draft strategic plan including the addition of appendices. The final plan will be uploaded on the Districts website.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to approve the strategic plan as presented.

A brief discussion was held. Mr. Appignani was disappointed with the plan and had many problems with it. He stated that he can not in good conscience approve the plan as presented.

Motion was approved 2-1. Mr. Appignani voted against the motion.

Discuss acquisition of water and sewer utility assets of Jefferson Utilities, Inc., Shenandoah Junction, Inc., and East Jefferson Sewer, LLC and water project to replace and upgrade Keyes Ferry Acres, Westridge Hills, and Harpers Ferry Campsites

Mr. Kelsh informed the Board of a meeting he and District staff had with Jefferson Utilities (JUI) staff to discuss a possible acquisition of water and sewer utility assets of JUI. To move forward with a project, the Infrastructure and Jobs Development Council (IJDC) application will need to be updated. Mr. Morgan stated the purchase price of the system remains at \$14.9 million dollars, but the costs for the replacement of the mountain water system will be reduced from \$10.2 million to 7.5 million based on work that has been completed by JUI to date via the \$12 surcharge. Also, the soft costs for the acquisition of JUI will be reduced from \$800,000 to \$250,000 based on JUI providing a clear title opinion.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to make changes suggested by Thrasher Engineering to change the IJDC application.

A brief discussion was held. Mr. Appignani stated that moving forward with this project is a waste of money and JUI is not worth \$14.9 million.

Motion was approved 2-1. Mr. Appignani voted against the motion.

Consider approval of Engagement Letter for CoxHollida & Professionals for revised Cash Flow Analysis of Jefferson Utilities, Inc.

Mr. Kelsh explained that both the engagement and representation letter is for CoxHollida & Professionals to revise the cash flow analysis for the Jefferson Utilities project. Mr. Appignani stated that he is against the project.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to approve the engagement and representation letter by CoxHollida & Professionals as presented. Approved 2-1. Mr. Appignani voted against the motion.

Consider approval of Representation Letter for CoxHollida & Professionals work on the Cash Flow Analysis of Jefferson Utilities, Inc.

This was approved in the above agenda item.

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

Ms. Lawton stated that the District will need an estimated \$89,000 in payments to cover the disbursements for this month.

Action: No action required by the Board.

NEW BUSINESS

Consider engagement letter with Crawford for easement attainment for sewer transmission project

Ms. Lawton explained that the District has about 80% of the easements already that are needed for the project which Mr. Crawford helped to attain. She would like the Board to approve the engagement letter with Mr. Crawford to help acquire the remaining easements.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to approve the engagement letter with Mr. Crawford for easement attainment for the sewer transmission project. Approved 2-1. Mr. Appignani voted against the motion.

Consider status of Local Power Act amendment and lobbying

Last month the Board discussed Mr. Kelsh moving forward to draft legislation for 2016 regular legislative session to amend the Local Powers Act for the District to have the ability to charge Capital Improvement Fees if the Public Service Commission denies the request. Mr. Kelsh should have a lobbying proposal with Bowles Rice for the Board next month and working on setting up a meeting with the County Commission's attorney.

Action: No action required by the Board.

Update on Status of Current Public Service Commission Cases

Jefferson County PSD intent to file a general sewer rate increase – NOIR Jefferson Co PSD 15A – Mr. Kelsh filed the notice in the Spirit on July 29th and can file the petition to the PSC on August 13th.

Action: No action required by the Board.

Discussion of any Expenses over Budget

There were no items over budget this month.

Action: No action required by the Board.

Disbursements

Action: Motion made by Mr. Strider and seconded by Mr. Weese to approve disbursements for Public Service District water expenses in the amount of \$3,563.46. Unanimously approved.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to approve disbursements for the Public Service District sewer expenses in the amount of \$197,479.27. Unanimously approved.

Approve transfer of \$8,770.39 from the Renewal & Replacement account to the Sewer Operating account for new pumps at pump station 4-5

Approve transfer of \$10,768.75 from the Series 2013A Bond account to the Sewer Operating account for strategic plan expenses

Approve transfer of \$3,853.16 from the Sewer Security Deposit account to the Sewer Operating account for security deposit refunds

Approve transfer of \$128.09 from the Water Security Deposit account to the Water Operating account for security deposit refunds

Action: Motion made by Mr. Strider and seconded by Mr. Weese to approve transfer of \$8,770.39 from the Renewal & Replacement account to the Sewer Operating account for new pumps at pump station 4-5; approve transfer of \$10,768.75 from the Series 2013A Bond account to the Sewer Operating account for strategic plan expenses; approve transfer of \$3,853.16 from the Sewer Security Deposit account to the Sewer Operating account for security deposit refunds; and approve transfer of \$128.09 from the Water Security Deposit account to the Water Operating account for security deposit refunds. Unanimously approved.

General Manager's Report

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

Pump Station 1-12 – This pump station is in the process of being repaired.

Action: No action required by the Board.

Other staff reports

None discussed.

Action: No action required by the Board.

Correspondence

None discussed.

Public Comment

Dale Manuel, speaking on behalf of himself not the Jefferson County Commission, questioned who the costs of the Jefferson Utilities acquisition would fall on. Mr. Kelsh stated there will be no increase to the District sewer customers for the Jefferson Utilities acquisition project.

Jacquelyn Milliron commented that she was disappointed with the Boards decision to approve and forward the strategic plan onto the PSC before the public had a chance to view the changes. She also made the comment that the District should pursue merging with other utilities. Mrs. Milliron also stated that the Jefferson Utilities surcharge should not be converted in the rates if the acquisition goes through. She requested from District staff a record of maintenance for the Breckenridge pump station.

Charles Cheezum requested a copy of the Districts employee handbook and questioned the protocol that is taken when customer bills are not paid.

Marchel Pitcher made the comment that she has lived in different parts of the country, but to pay \$150-\$200 a month for water and sewer is outrageous.

Heidi Parker commented that she was grateful to see a representative, Representative Jill Upson, in the audience. She questioned why the Board is making the customers pay for growth with such high rates.

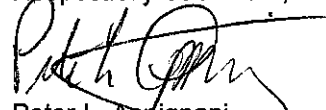
Alex Uhlenhopp questioned what the \$89,000 shortfall was for that was discussed earlier in the meeting. Ms. Lawton stated that the District needs \$89,000 to cover the disbursements for this month. Mr. Uhlenhopp also questioned if this shortfall could increase after the sewer transmission project is complete.

Action: Motion made by Mr. Weese and seconded by Mr. Strider to adjourn.
Unanimously approved.

There being no further business at this time, the meeting was adjourned at 7:56PM.

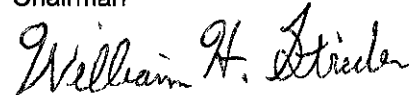
The next regular meeting is scheduled for Tuesday, September 8, 2015 at 7:00pm at 340 Edmond Road, Suite A at the Districts office in Kearneysville.

Respectfully Submitted,



Peter L. Appignani

Chairman



William H. Strider

William H. Strider
Treasurer