

# *Jefferson County*

## *Public Service District*

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### Jefferson County Public Service District Regular Board Meeting July 6, 2015

The monthly meeting of the Jefferson County Public Service District was held at 7:00PM on Monday, July 6, 2015 in the meeting room at the Districts office in Kearneysville. Those in attendance included: Chairman, Peter Appignani; 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; 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**

Debbie Royalty of Summit Point, President of League of Women Voters, had several concerns with the level of openness and accessibility of the District's draft strategic plan. Ms. Royalty requested the District give the public more than a week to comment on the draft plan once it is posted on the website and there be two public meetings during the week for the public to attend.

Jacquelyn Milliron, Breckenridge resident, requested the item on the acquisition of Jefferson Utilities in Executive Session be discussed in public session as well.

#### **OLD BUSINESS**

##### **Review Minutes of June 1 regular board meeting**

The minutes of the June 1, 2015 regular board meeting were approved as presented.

**Action:** Motion made by Mr. Strider and seconded by Mr. Weese to accept the June 1, 2015 regular board meeting minutes as presented. Unanimously approved.

##### **Review Minutes of July 1 regular board meeting**

The minutes of the July 1, 2015 special board meeting were approved as presented.

**Action:** Motion made by Mr. Strider and seconded by Mr. Weese to accept the July 1, 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 project is complete except for a pending decision by the Infrastructure and Jobs Development Council (IJDC) on the grant request for the overage amount. This request is on the July 28<sup>th</sup> IJDC agenda.

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

##### **Discuss sewer collection and transmission project**

Mr. Morgan, from Thrasher Engineering, stated the revised West Virginia Infrastructure and Jobs Development Council (IJDC) application was approved at the June 3<sup>rd</sup> IJDC Council meeting as technically feasible. The funding package recommended was an RUS loan (4%, 40 yrs) for \$3,575,000 and a CWSRF Loan (0%, .5% Admin Fee, 40 yrs) for \$3,575,000 totaling \$7,150,000.

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

##### **Discuss and consider draft of Jefferson County PSD strategic plan**

Fred Hypes from Dunn Engineering gave a brief overview of the draft strategic plan. The plan will be available on the Districts website as of July 7<sup>th</sup>. Mr. Appignani mentioned that public can provide comments to the District by email, mail, or attend one of the public work sessions on July 20<sup>th</sup>. The District will issue a

press release and legal ad to announce the public meetings on July 20<sup>th</sup> and inform the public the draft plan will be available on the Districts website.

**Action:** **Motion made by Mr. Strider and seconded by Mr. Weese to release the draft strategic plan for public comment on the District's website on July 7<sup>th</sup>. Unanimously approved.**

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

Ms. Lawton stated that the District will need an estimated \$71,000 in payments to cover the disbursements for this month.

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

### **NEW BUSINESS**

Consideration of and action on resolution declaring the official intent of the Jefferson County Public Service District pursuant to Treasury Regulation Section 1.150-2 to be reimbursed from proceeds of sewer revenue bonds to be issued by the District for expenditures made by the District for its sewer transmission line project.

Mr. Kelsh explained to the Board that this resolution is to authorize the District to reimburse the general revenue account for capital expenditures made out of the account related to the sewer transmission project that are needed to advance the project. The resolution authorizes up to \$7.5 million dollars for the project.

**Action:** **Motion made by Mr. Strider and seconded by Mr. Weese to approve the resolution to reimburse the District from proceeds of a sewer revenue bond for expenditures made by the District for the sewer transmission project. Unanimously approved.**

Consideration of an action on resolution approving in concept the issuance of the District's sewer revenue bonds in an amount not to exceed \$616,000 to finance professional and other costs relating to the District's sewer transmission line project and to pay issuance costs relating to such bonds.

Mr. Kelsh explained to the Board that this resolution is to authorize the District to issue bonds not to exceed \$616,000 to pay for sewer project costs which will be paid off with final project financing.

**Action:** **Motion made by Mr. Strider and seconded by Mr. Weese to approve the resolution for a note for the sewer project as presented.**

A brief discussion was held. Mr. Appignani commented that by agreeing to this resolution, the District could be back in the same situation as the Flowing Springs wastewater plant if the project is not approved and the costs would be passed onto the rate payers again.

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

Consider approval of filing sewer rate increase with the PSC

Mr. Appignani informed the audience of the Senate Bill (SB) 234 mandate which is requiring Public Service District's to maintain a working capitol reserve account. Chuck Young from CoxHollida & Professionals presented 5 rate increase scenarios to the Board to cover the SB 234 mandate with and without the use of the funds in the District capital improvement fee (CIF) account as well as including a \$616,000 note to cover costs for the sewer transmission project.

**Action:** **Motion made by Mr. Strider and seconded by Mr. Weese to address the Senate Bill 234 and to cover a \$616,000 note for the sewer transmission project by filing a rate increase petition with the Public Service Commission for use of the CIF funds for an increase of \$2.11 or without the funds for an increase of \$2.58. Unanimously approved.**

Mr. Kelsh also informed the Board that they may want to consider in this rate increase petition filling a request to increase the amount of the CIF so the District can use some of the proceeds as well as figure out what type of rate increase the Board wants to file. The Board would like the engineers to work on preparing an amount for a proposed CIF and present it at a Special Meeting on July 20<sup>th</sup> after the first public work session.

**Action:** **Motion made by Mr. Appignani and seconded by Mr. Weese to request a CIF for the District with the petition to file a sewer rate increase and utilize a Rule 42 rate increase strategy. Unanimously approved.**

Consider approval of representation letter with CoxHollida & Professionals for Rule 42 for sewer transmission project

**Action:** **Motion made by Mr. Strider and seconded by Mr. Weese to approve the representation letter with CoxHollida & Professionals for a Rule 42 for the sewer transmission project. Unanimously approved.**

Discuss/consider the District's role in consolidation discussions with the Jefferson County Commission

The District has offered assistance to the County on their discussions regarding consolidation. Commissioner Tabb will inform the District when more information is available. Mr. Strider made the comment that he supports the County Commission's effort to evaluate the use of impact fees to help fund the costs for providing sewer service to new customers and the County Commission's efforts to address the consolidation of utilities. However, Mr. Strider stated that for the purpose of processing the District's sewer transmission project to receive a certificate of need and convenience from the Public Service Commission, secure project funding, and construct the project he suggested the District not consider any formal agreements with other utilities regarding consolidation until the sewer transmission project is constructed due to the liability of the project being jeopardized while waiting for approval at the Public Service Commission.

**Action:** **Motion made by Mr. Strider and seconded by Mr. Weese for the District to not consider any formal agreements to sell, acquire or consolidate sewer utility assets to or with another publicly owned sewer utility provider until the District's sewer transmission project is constructed.**

A brief discussion was held. Mr. Appignani stated that it is wrong to a priori rule out any offers that come to the table while the sewer transmission project is moving forward.

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

Consider accrued leave policy modification in District Handbook

Ms. Lawton discussed a couple of administrative changes that need to be made to the handbook including adding a section for optional health benefits and a clarification on accrued leave and retirement benefits.

**Action:** **Motion made by Mr. Strider and seconded by Mr. Weese to approve the administrative changes to the handbook relating to optional health benefits and a clarification on accrued leave and retirement benefits. Unanimously approved.**

Consider retirement plan modification in District Handbook

This item was discussed in the above item.

Update on Status of Current Public Service Commission Cases

East Jefferson Sewer Service, LLC vs JCPSD civil action case # 14-C-51 – There have been no new updates on this case.

American Farm Bureau Federation v. Environmental Protection Agency – Mr. Kelsh informed the Board that the case went in favor of the EPA in upholding the TMDL requirements. The District was an intervener in the case supporting the EPA.

**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.**

Consider Fiscal Year 2015 budget revision

Ms. Lawton explained to the Board that there were a few accounts that were over budget for Fiscal Year 2015 so the Finance Manager moved money from accounts that were under budget for the year to cover these deficits.

**Action:** **Motion made by Mr. Strider and seconded by Mr. Weese to approve the changes to the following accounts; the Collecting System Supplies account, Pumping System-Power & Fuel account, Treatment and Disposal-Rents,**

**Miscellaneous & General Expense account, and the Special Expense account.  
Unanimously approved.**

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 \$6,932.16. 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 \$192,557.94. Unanimously approved.

Approve transfer of \$3,422.50 from the Series 2013A Bond account to the Sewer Operating account for strategic plan expenses

Approve transfer of \$7,233.23 from the Sewer Security Deposit account to the Sewer Operating account for security deposit refunds

Approve transfer of \$128.65 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 \$3,422.50 from the Series 2013A Bond account to the Sewer Operating account for strategic plan expenses; approve transfer of \$7,233.23 from the Sewer Security Deposit account to the Sewer Operating account for security deposit refunds; approve transfer of \$128.65 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 scheduled to be repaired later this month.

**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, Jefferson County Commissioner, made the comment that the Board should consider sewer impact fees section in the Local Powers Act to justify the establishment of capital improvement fees.

Debbie Royalty of Summit Point, President of League of Women Voters, expressed her gratitude with the Board for addressing her concerns she made earlier in public comments regarding the strategic plan.

Todd Milliron, Breckenridge resident, thanked the Board for getting the strategic plan drafted and making the initiative to get the plan on the website for public comments sooner than anticipated. He also suggested the Board attach the formula to the strategic plan for calculating a capital improvement fee if possible. Mr. Milliron also questioned Mr. Strider's motion about not wanting to pursue consolidation with the sewer transmission project underway since there is an agreement between the District and another public utility in the sewer project and if it will be affected by his motion.

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

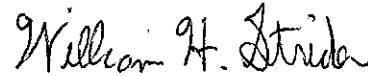
There being no further business at this time, the meeting was adjourned at 8:16PM.

The next regular meeting is scheduled for Monday, August 3, 2015 at 7:00pm at 340 Edmond Road, Suite A at the Districts office in Kearneysville.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Peter L. Appignani", with a stylized flourish at the end.

Peter L. Appignani  
Chairman

A handwritten signature in black ink, appearing to read "William H. Strider", with a stylized flourish at the end.

William H. Strider  
Treasurer