

Jefferson County Public Service District

Jefferson County Public Service District Regular Board Meeting March 2, 2015

The monthly meeting of the Jefferson County Public Service District was held at 7:00PM on Monday, March 2, 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; 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 approved the agenda after removing the item to discuss Sparkle Properties, LLC.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to approve the agenda as revised. Unanimously approved.

Public Comments

Jacquelyn Milliron, Breckenridge resident, urged the Board to rethink before spending anymore funds on submittals for the Jefferson Utilities acquisition because she heard that plans are circulating about Jefferson Utilities being interested in purchasing the Harpers Ferry water system. Ms. Milliron also questioned if any of the Districts employees are also employed with the City of Ranson simultaneously.

Todd Milliron, Breckenridge resident, stated that the Jefferson County Comprehensive Plan 2035 was recently approved outlining 12,500 approved building lots and the County's residential impact fees was also being reduced by \$6,724. He claimed that this sum multiplied by the number of available lots equates to a savings of an access of \$84 million. Mr. Milliron asked the Board to approach at least 10 major developers in the District service area and ask them to contribute to the aid and construction for District projects and report any findings at next months meeting.

OLD BUSINESS

Review Minutes of February 2 regular board meeting

The minutes of the February 2, 2015 regular board meeting were approved as presented.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to accept the February 2, 2015 regular board meeting minutes as presented. Unanimously approved.

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

- **Discuss possible non-project related Rule 42 for sewer bond coverage and cash flow needs**

Ms. Lawton stated that the District will need an estimated \$103,000 in payments to cover the disbursements for this month. Chuck Young from CoxHollida & Professionals was also in the audience to discuss the District's financial status. Mr. Young performed an evaluation of the District's financials to determine if a rate increase is needed. In his analysis, Mr. Young found that as of 6/30/14 the District's coverage level was 114.86%. The District's coverage, per the March Budget, is estimated to be 132%. Due to the costs involved with initiating a rate increase and only being required to maintain 115% coverage, Mr. Young would like to revisit this in May or June to reevaluate the coverage level since there is a minimal gap in bond compliance.

Action: No action required by the Board.

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

- Approval of resolution for payment #10
- Approval of change order no. 6 to pay the cost overrun contingent upon additional grant funding being obtained
- Consider filing application to the West Virginia Infrastructure and Jobs Development Council for grant funds for the amount of Change Order No. 6

Last month the Board approved changed orders #4 and #5 which were both approved by the Bureau for Public Health and are included in Resolution #10. Also before the Board for approval was change order #6 for \$39,183.37 which is to pay the cost overrun contingent upon grant funding being obtained. Mr. Appignani read the resolution for payment #10 as follows:

RESOLUTION OF THE PUBLIC SERVICE BOARD OF THE JEFFERSON COUNTY PUBLIC SERVICE DISTRICT APPROVING INVOICES RELATING TO ENGINEERING AND OTHER SERVICES FOR THE CAVALAND & GLEN HAVEN WATER SYSTEM IMPROVEMENTS PROJECT AND AUTHORIZING PAYMENT THEREOF IN THE AMOUNT OF \$158,076.37.

Action: Motion by Mr. Appignani and seconded by Mr. Weese to adopt the resolution as read totaling \$158,076.37. Unanimously approved.

Action: Motion by Mr. Strider and seconded by Mr. Weese to approve change order #6 contingent upon grant funding being obtained. Unanimously approved.

Action: Motion by Mr. Strider and seconded by Mr. Weese to authorize Mr. Kelsh and Gwin, Dobson, & Forman to present a grant application to the West Virginia Infrastructure and Jobs Development Counsel in the amount of the excess project funds. Unanimously approved.

Update on strategic plan

Mr. Hypes from Dunn Engineering stated that his firm is continuing to work on the strategic plan.

Action: No action required by the Board.

Consider revision to annual leave policy in District handbook

Last month the Board directed Ms. Lawton to draft further options in attempting to solve the leave policy issue. Ms. Lawton would like to eliminate the hours given to employees in the 20 years of service or more tier due to staffing issues. She suggested the District continue to contact other local utilities when assistance is needed rather than hiring a new employee due to the District's financial status at this time.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to eliminate the 20 year tier in the annual leave policy.

Mr. Appignani stated that by eliminating this option, it would not have an effect on the current staffing issues since no employees have been employed with the District for 20 years or more yet. He believed this policy does have benefits for both the employer and employee. Mr. Strider withdrew his motion. The Board will revisit this item at a later date.

NEW BUSINESS

Consider new Bioxide payment related to Senate Bill 373

Since the chemical spill in Charleston a few months ago, above ground tank regulations have been revised. Ms. Lawton explained that Evoqua, the owners of the District's three Bioxide tanks, don't want to be in violation so will need to upgrade the single walled tanks to double walled. Evoqua has offered the District a deal on using three used tanks for \$16,000. Ms. Lawton stated the Board had three options; (1) one time payment of \$16,000, (2) down payment of \$3,000 and the balance in 60 monthly payments of \$216.67, or (3) down payment of \$3,000 and an increase in Bioxide costs from \$2.95/gallon to \$3.23/gallon. Ms. Lawton recommended option #3 because it will allow staff to decide how much the District can afford to pay each month and staff can adjust the Bioxide purchased accordingly.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to accept staff's recommendation of Option #3 and enter into the five year contract with Evoqua. Unanimously approved.

Update on Status of Current Public Service Commission Cases

PSC case # 12-0513 -PSD-PC (2012 sewer rate case) – Last month Mr. Kelsh filed a motion with the Public Service Commission to reopen the case and file a four month extension for submitting the strategic plan. PSC staff responded and does not object to the District's request to file a strategic plan within 270 days of the November 25, 2014.

PSC case # 13-1175-S-C (Old Standard, LLC complaint) & Circuit Court case # 14-C-51 – There has been no update since last month.

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 \$5,591.57. 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 \$189,651.92. Unanimously approved.

Approve transfer of \$1,556.50 from the renewal & replacement account to the sewer operating account for pump repair at pump station 4-6

Approve transfer of \$4,114.61 from the sewer security deposit account to the sewer operating account for security deposit refunds

Approve transfer of \$127.99 from the water security deposit account to the sewer operating account for security deposit refunds

Action: Motion made by Mr. Strider and seconded by Mr. Weese to approve transfer of \$1,556.50 from the renewal & replacement account to the sewer operating account for pump repair at pump station 4-6; approve transfer of \$4,114.61 from the sewer security deposit account to the sewer operating account for security deposit refunds; approve transfer of \$127.99 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 – Ms. Lawton informed the Board that this pump station was hit by a car last month, which the driver was not insured. She has been working with the District's insurance company and other contractors getting estimates to repair the damage.

Action: No action required by the Board.

Other staff reports

None discussed.

Action: No action required by the Board.

Correspondence

None discussed.

Public Comment

None.

Mr. Hypes and Commissioner Tabb exited the meeting. Mr. Morgan stayed for executive session.

- Action:** Motion made by Mr. Strider and seconded by Mr. Weese to convene in executive session for the purpose of discussing litigation and contract negotiations. Unanimously approved.
- Action:** Motion made by Mr. Strider and seconded by Mr. Weese to return to public session. Unanimously approved.
- Action:** Motion made by Mr. Strider and seconded by Mr. Weese to approve the sewer transportation agreement with the City of Ranson for the sewer transmission project with the amendment that Ranson would apply CIF's to the Ranson Builders Consortium or its successor. The Board would also like staff to communicate this decision with the City of Ranson prior to their next meeting. Approved 2-1. Mr. Appignani voted against the motion.


Mr. Appignani noted that the Ranson Builders Consortium had terminated their LLC status with the West Virginia Secretary of State in 2011. Therefore, the District did not know whom they were paying, what they were paying for and how much they would be paying. Since this was not stated in the agreement he was opposed to approving the agreement.

- Action:** Motion made by Mr. Strider and seconded by Mr. Weese to authorize Thrasher to submit the application to RUS for funding for the 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. Approved 2-1. Mr. Appignani voted against the motion.
- Action:** Motion made by Mr. Strider and seconded by Mr. Weese to adjourn. Unanimously approved.

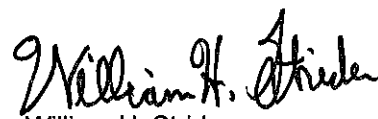
There being no further business at this time, the meeting was adjourned at 8:35PM.

The next regular meeting is scheduled for Monday, April 6, 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
Treasurer