

Jefferson County Public Service District

Jefferson County Public Service District Work Session May 5, 2014

The work session of the Jefferson County Public Service District was held at 5:00PM on Monday, May 5, 2014 at the District's office in Kearneysville. Those in attendance included: Chairman, Peter Appignani; Acting Secretary, Richard Weese; Treasurer, Bill Strider; PSD General Manager, Susanne Lawton; Administrative Assistant, Ashley Stottlemeyer; Finance Manager, April Williams; District Legal Counsel, Jim Kelsh; from Pentree Engineering, Zane Summerfield and Wayne Morgan; from Dunn Engineering, Fred Hypes; the Districts Accountant from Cox Hollida Professionals, Chuck Young; and Liaison for the County Commission, Commissioner Jane Tabb.

Mr. Appignani expressed his concerns regarding the engineering addendum for the Jefferson Utilities Preliminary Engineering Report (PER) and the PER for the sewer transmission project. He believes these items violate the Public Service Commission order of the Joint Stipulation which states the District must use the 5-G process for any new projects. Mr. Kelsh stated that the addendum for the water project PER is an amendment to the previously approved agreement between the District, Jefferson Utilities, and Pentree and it is an adjustment to the engineering work done by Pentree. Mr. Kelsh also explained that the second project discussed, the submittal of a PER for a sewer transmission project, is included in Addendum 18 with Pentree, but final design would have to go through the 5-G process. Mr. Appignani again expressed that he thinks this is a violation of the Joint Stipulation.

Mr. Appignani also expressed his concerns with Mr. Strider being a member of the Ranson Economic Development Authority as well as owning Clay Hill Farm and being involved in the discussion on purchasing Jefferson Utilities and related sewer transmission projects. He believes Mr. Strider could gain financially and feels uncomfortable with this situation. Mr. Kelsh disagreed and stated he doesn't think there is any conflict of interest or any gains financially.

Mountain Water Project scope

Wayne Morgan from Pentree Engineering informed the Board that the opportunity to get the best financing option of 2%, 38 year terms will be ending June 10th. He explained the qualifications for the lower interest rate will be lost when state agencies begin utilizing the 2010 census data for calculating the median household income rather than the 2000 census and when this occurs, they will probably offer 3%, 20 year terms. Regarding both the Mountain Water Project and purchasing the Jefferson Utilities system, Mr. Morgan stated that the District should focus on what is in the best interest of the customers. Pentree would like to work with Jefferson Utilities and District staff to define a scope of improvements for the mountain water project and develop valuation for the purchase of the Jefferson Utilities system.

District sewer transmission project scope

Mr. Summerfield reviewed the nine (9) options for sewer collection and transmission upgrades that were prepared in 2012 after the Flowing Springs wastewater treatment plant project was denied. He stated that the volume of flow will continue to increase and the District needs to be prepared to handle the additional capacity. Mr. Summerfield explained that Pentree owes the District a preliminary engineering report per Addendum 18, but he needs the direction of the Board on which option they would like to pursue.

Asset acquisitions of Jefferson Utilities, Inc. water system, sewer systems of Shenandoah Junction, Inc., and East Jefferson Sewer System, Inc.

Action: Motion made by Mr. Strider and seconded by Mr. Weese to convene in executive session for the purpose of discussing contract negotiations. Unanimously approved.

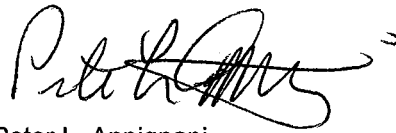
Action: Motion made by Mr. Strider and seconded by Mr. Weese to return to public session. Unanimously approved.

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

There being no further business at this time, the meeting was concluded at 6:39PM

The next regular meeting is scheduled for June 2, 2014 at 7:00pm at 340 Edmond Road, Suite A at the Districts office in Kearneysville.

Respectfully Submitted,



Peter L. Appignani
Chairman



Richard WM Weese
Secretary