

Jefferson County

Public Service District

Jefferson County Public Service District Work Session July 30, 2014

The work session of the Jefferson County Public Service District was held at 9:00AM on Wednesday, July 30, 2014 at the District's office in Kearneysville. Those in attendance included: Chairman, Peter Appignani; Treasurer, Bill Strider; PSD General Manager, Susanne Lawton; Administrative Assistant, Ashley Stottlemeyer; District Legal Counsel, Jim Kelsh; from Thrasher Engineering, Wayne Morgan; Liaison for the County Commission, Commissioner Jane Tabb; from Cox Hollida & Professionals, Chuck Young; Mayor of Charles Town, Peggy Smith; Charles Town City Manager, Dave Mills; Charles Town Utility Manager, Jane Arnett; Charles Town Legal Counsel, Hoy Shingleton; Charles Town Utility Board Vice Chair, Pete Kubic; Charles Town Utility Board member, Kristen Stolipher; from RK&K, John Cole; Ranson City Manager, Andy Blake; and Executive Director of Jefferson County Development Authority, John Reisenweber.

Update from Charles Town on status of current sewer construction project

Jane Arnett gave a brief update on the sewer construction project that is expected to be completed by October 2015. Currently tertiary treatment addition at the Charles Town plant and construction of an effluent line from the new Tuscowilla wastewater treatment plant directly to Evitts Run required by Department of Environmental Protection to meet the Chesapeake Bay criteria is under construction. The costs for these two projects are just under \$6 million to complete including \$1.4 million in grants.

Information from JCPSD on purchase of Jefferson Utilities, Inc.

Jim Kelsh gave a brief update on the purchase of Jefferson Utilities, Inc.. An agreement has been reached to acquire the JUI water systems and associated assets including two sewer systems for \$14.9 million. Wayne Morgan from Pentree submitted a Preliminary Engineering Report to the West Virginia Infrastructure and Jobs Development Council (IJDC) on June 9th which included a \$14.9 million purchase of JUI and a \$10.2 million upgrade project for the mountain water systems. The application was reviewed by the funding committee on July 29th and will be discussed at the full council meeting on August 6th.

Information from JCPSD on future use of Old Standard Treatment Plant

Wayne Morgan gave a brief update on the \$15.3 million sewer collection and transmission upgrade project that was filed with IJDC on June 9th. After meeting with several agency representatives at the IJDC, there was a consensus for the District to evaluate another transmission alternative which would eliminate the use of the Old Standard treatment plant at this time. Mr. Morgan stated that the application has been tabled from being discussed at the Funding Committee until further information is developed.

Charles Town to propose feasibility of acquiring assets of JCPSD

Dave Mills raised the idea of Charles Town purchasing approximately 1,000 District customers located within Charles Town's Urban Growth Boundary. He stated that Charles Town wants to support the District's proposed projects and the efforts of the District servicing where Charles Town doesn't intend to serve. Mr. Mills was not proposing consolidation, but Charles Town has a vested interest in serving customers in their own service area and urban growth boundary since they have the ability to do so.

Sue Lawton expressed that the District could not lose 1000 customers without great financial harm. She also stated that the currently proposed sewer project was not going to serve anyone in the Charles Town Urban Growth Boundary but current and proposed customers in the Flowing Springs watershed. With only 50 to 150 EDUs of available capacity in the District's collection system, and without the proposed District sewer project that there would not be capacity for the further development of Burr Industrial Park or the planned development in the Flowing Springs Road/Country Club Road area.

Andy Blake expressed Ranson's main concern of the limited capacity its system has to accept additional flows due to the District's use of the transmission facilities. He stated that Ranson would like to get out of the sewer business and would be interested in exploring the alternative that is most cost effective for the customers.

John Reisenweber shared his discussions he has had with representatives on the Consolidation Committee at the IJDC who would like to see consolidation among the utilities. Mr. Reisenweber suggested a new engineering study be developed with a consolidated approach for sewer and a smaller District project for the "priority fixes".

Mr. Appignani requested that Charles Town make a formal written proposal for purchasing the District customers.

Discuss other topics as appropriate

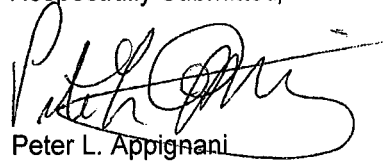
No other topics were discussed.

Plan next meeting

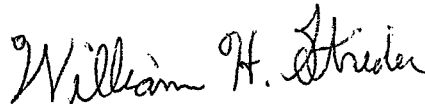
The next meeting will be held on Tuesday, September 2nd at 2:00PM at the Districts office.

There being no further business at this time, the meeting was concluded at 10:40AM

Respectfully Submitted,



Peter L. Appignani
Chairman



William H. Strider
Treasurer