

HARDY COUNTY PUBLIC SERVICE DISTRICT
APRIL 5, 2017
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Melvin Shook, Logan Moyers, Connie Sherman, HCPSD; Jean Flanagan, Media; Vickie Dyer, resident, Town of Wardensville; Kylea Radcliff, The Thrasher Group; John Stump, Steptoe & Johnson, PLLC.

The meeting was called to order at 10:10 a.m. by Chairman Matthew Gapp. Melvin Shook made a motion to approve the minutes of the March 1, 2017 regular meeting minutes as presented. Matthew Gapp seconded the motion. It was unanimously approved.

Election of 2017 Officers: According to the WV State Code, the District must elect officers each calendar year. Previously the District was holding the election at the beginning of each fiscal year. Melvin Shook made a motion that the District's current officers remain in place for 2017. Matthew Gapp seconded the motion. It was unanimously approved. The officers are as follows: Matthew Gapp, Chairman; Melvin Shook, Vice-Chairman; and Connie Sherman, Secretary/Treasurer. This election is necessary as part of the requirements for the pre-closing for the bond refinancing project.

Unfinished Business:

Town of Wardensville – Logan Moyers provided an update on the transfer proposal from the Town of Wardensville for their water and sewer systems. Mr. Moyers reported that since the last board meeting both the Mayor and Recorder of the Town of Wardensville have resigned from their seats following pressure from residents opposing the transfer of ownership of the water and sewer systems. Because of the change in leadership, the proposed systems transfer is at a standstill. The District will pull the sewer flow meters and will share the information with the Town. The Mayor seat was filled by a council member so a new council member and recorder must be appointed. The Town of Wardensville has asked for some time to decide what direction the new administration wants to pursue regarding the water and sewer systems. The District will set aside its plans regarding the proposed transfer until the Town of Wardensville informs the District on how they plan to proceed.

Bond Refunding Pre-Closing – John Stump, Steptoe & Johnson, the District's bond counsel, was present at the meeting to present the bond refinancing pre-closing resolution for approval. Mr. Stump presented the board with a summary showing the current USDA bonds including the existing rates, existing annual payments versus the new interest rates and the new annual payments. The District will realize an annual savings of \$10,715.00 and a total net savings of over \$213,000.00 over the life of the bonds. Highland Bank Shares (Capon Valley /Grant Co Bank) offered interest rates for the bond refunding from a low of 2.95% to 3.4%. A Resolution authorizing the refunding of the water revenue bonds was presented. Melvin Shook made a motion to approve the resolution as presented. Matthew Gapp seconded the motion. It was unanimously approved. A Supplemental Resolution providing as to dates, maturity, interest rates and other terms of the water refunding revenue bonds was presented. Melvin Shook made a motion to approve the supplemental resolution as presented. Matthew Gapp seconded the motion. It was unanimously approved. A Sweep Resolution authorizing the monthly debt service payments be made to the Municipal Bond Commission by electronic transfer by the State was presented. Melvin Shook made a motion to approve the sweep resolution as presented. Matthew Gapp seconded the motion. It was unanimously approved. The closing date for the refunding of the bonds will be April 19, 2017.

Baker Water Quality Issues – Logan Moyers provided an update on the District’s plans to install an organics removal system to resolve the DBP issue in Baker. An agreement for completion of a 12-month pilot testing period and implementation of the organics removal system between the District and manufacturer, Ixom, is still being negotiated by the District along with our attorney and engineer. The District is requesting a 5-year performance guarantee on compliance with TOC and DBP levels whereby Ixom will refund the cost of the system less the cost of the pilot study if the system is unable to keep the Baker Water system within regulatory compliance. In return, the District will acquire funding necessary to complete full scale implementation of the MIEX system at a cost of \$500,000.00. A conference call is scheduled for tomorrow with the District, our engineer and Ixom representatives to work on the contractual agreement. Once finalized, the agreement will be reviewed by the District’s attorney before being returned to Ixom for final approval. Once the agreement is approved by both parties it is anticipated to take 6-8 weeks before startup of the pilot testing will occur. Logan Moyers reported that District field staff will do the majority of the assembly and set-up of the pilot system but will need the assistance of a contractor for plumbing work and an electrician. It is anticipated to have the agreement ready for approval at next month’s meeting. John Stump informed the board of the need for a Reimbursement Resolution which would permit the District to reimburse should funding be acquired from a non-governmental source. Mr. Stump will have this document prepared and available for approval at the next board meeting. Mr. Stump also mentioned when evaluating funding options for this project, a lease option should also be considered. In a separate update, Mr. Moyers informed the board that the new membrane filters are performing as advertised and continue to allow the plant to run at its designed capacity.

There were no other members of the public in attendance for comment.

There being no further business, Melvin Shook made a motion that the meeting be adjourned at 10:55 a.m. The meeting was adjourned.

The next regular scheduled board meeting will be held ***May 3, 2017, 10:00 a.m.*** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew Gapp, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the regular meeting held on April 5, 2017. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.