

HARDY COUNTY PUBLIC SERVICE DISTRICT
OCTOBER 4, 2017
1:00 P.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Rose Helmick, Rob Harper, Logan Moyers, Connie Sherman, HCPSD; Kylea Radcliff, District Engineer, The Thrasher Group; Jean Flanagan, Media; Melissa Scott, Hardy County Planner; Lee Lehman and Greg Greenwalt, Hardy County Planning Commission.

The meeting was called to order at 1:05 p.m. by Chairman Matthew Gapp. Rob Harper made a motion to approve the minutes of the September 6, 2017 regular meeting minutes as presented. Rose Helmick seconded the motion. The motion was approved.

Unfinished Business:

Hardy County Planning Commission – Melissa Scott, Hardy County Planner, along with the President and Vice-President of the Hardy County Planning Commission were present at the meeting to discuss the District's proposed water extension projects and how they coincide with the Hardy County Comprehensive Plan. A letter was given to each District board member along with a soils and flood plain map of the proposed extension areas. Ms. Scott explained to the board that part of her job as County Planner is to ensure compliance with the County's Comprehensive Plan. Ms. Scott said that she and the Hardy County Planning Commission had reviewed the proposed extensions and that following review they did not oppose the District's proposed extension projects. The only extension the Planning Commission had reservations about was the extension on Killdeer Lane which is located in the 100 Year Floodplain and on what is considered to be "prime agriculture soils". The primary concern was that public water may promote further development in the area. Development in floodplain areas is discouraged by the Comprehensive Plan, as is the addition of more septic systems that would accompany further development. The District was previously notified by Bill Ours, Hardy County Sanitarian, that in order for Killdeer Lane property owners to install public water on their property it will be necessary for those property owners to have or install a septic system. Logan Moyers contacted property owners on Killdeer Lane with this information and the majority of the property owners have septic systems, those that didn't informed they will be installing septic systems prior to the public water being installed. Ms. Scott noted some concern because soils in some locations are not conducive to numerous septic systems being installed in the same area; something that ultimately leads to failing septic systems. These factors will be considered when the extension is designed by the District's engineer in an effort to avoid future development in this area. Ms. Scott stated the ideal situation would be for public sewer to be extended to serve areas where public water is present or where new extensions will be located. Logan Moyers stated that any extensions of the public sewer system in the Moorefield area of western Hardy County would be carried out by the Moorefield/Hardy County Wastewater Authority as the District's sewer service area is the eastern side of Hardy County only. This is because the District was required to relinquish its sewer service area on the western side of the County with the creation of the Moorefield/Hardy County Wastewater Authority. Ms. Scott stated that it may be a good idea for the Planning Commission to reach out to the Wastewater Authority and ask that they consider extending public sewer service to areas where public water is present. All in attendance agreed the ultimate goal of the District and the Planning Office is to work together when developing future extension projects to avoid any conflicts with the County's Comprehensive Plan.

Upcoming Water Project Update – Project Engineer, Kylea Radcliff provided information on the industry's latest development to aid in the reduction of DBP formation in aged water which is part of the issue with the Baker Water System. A new chemical by the name of Oracle can be injected into the water distribution system to aid in the prevention of DBP formation. The City of Weirton is presently conducting a pilot test by injecting this non-toxic, EPA approved chemical into the main waterline. The representative for the Oracle chemical is The CI Thornburg Company which is where the District currently purchases all of its water treatment chemicals. Mrs. Radcliff is going to contact CI Thornburg representatives who are working with the chemical manufacturer to see if the District would be able to conduct its own pilot test using the chemical. If the pilot test proves successful in preventing the formation of DBP's in the Baker distribution system, a permanent setup for this chemical feed could be included in the upcoming project. If included in the project, this chemical feed process would be implemented in conjunction with the Xiom organics exchange removal system whose role is to address the issue of the organic matter in the raw source water. Mrs. Radcliff is hoping to have additional information regarding the initiation of a pilot study for this chemical at the next meeting. Rose Helmick asked if the use of this chemical could be used to improve the quality of the water at the schools. Mrs. Radcliff explained that while this chemical would certainly aid in preventing the formation of DBP's at the school's location, DBP's are not an issue at the school like they are on WV SR 259 because the water age for the water used at the schools is not near the age of water on WV SR 259. The water going to the schools receives constant water turnover due to the significant volumes of water used at the mulch plant and the nursing and rehab center. DBP's are formed over time in areas of the system where the age of the water is weeks old and as a result, areas of the system that receive continuous water turnover are not heavily influenced by DBP's. EPA rules mandate that the District test the water for the DBP's at the point in the water system with the oldest water because that is where DBP are mostly likely an issue. The oldest water in the Baker Water system is located at the end of the line on WV SR 259 near the Lost River Animal Hospital

Following a request from the Board at last month's board meeting, Project Engineer, Kylea Radcliff, provided detailed information on funding opportunities for the upcoming water project which includes the Dover/Fort Run and Killdeer Lane extensions as well as the Baker water system upgrades and the Trough Rd. and Trout Run Cutoff Rd. line replacements. Mrs. Radcliff presented estimates for the each portion of the project totaling approximately \$2.7 million. She presented funding scenarios for the project and provided an overview of each: Scenario #1 - Funding this project through the West Virginia Bureau for Public Health (WVBPH) would consist of a 30 loan term at a rate of between 2.5% and 3.5% without the possibility for WVBPH grant funding due to the ratio of the District's current water rates and Hardy County's Median Household Income (MHI); Scenario #2 - Funding this project through the West Virginia Infrastructure Jobs and Development Council (WVIJDC) funding would consist of a 20 year loan with an interest rate, determined by the District's water rates, of 2.0% to 3.0% without the possibility for WVIJDC grant funding due again to the ratio of the District's current water rates and Hardy County's Median Household Income (MHI); Scenario #3 - USDA-Rural Utility Service would consist of a 40 year loan with an interest rate, based on MHI, of approximately 1.875% with a possibility of obtaining several hundred thousand dollars in grant funds. It was also noted that USDA-RUS funding has been used in for every major project of the District's and that as a result the District has a good working relationship and a level of comfort with USDA-RUS. Mrs. Radcliff went on to discuss the difference in the funding applications of the different funding sources.

Following discussion regarding the preferred funding option for the District's upcoming project, Rob Harper made a motion to proceed with an application for USDA-RUS funding for the District's project. Rose Helmick seconded the motion. It was unanimously approved. The District Board selected the USDA funding scenario because it offered longer loan terms, a lower interest rate and the possibility of obtaining grant funding for the project, all of which means a lesser rate increase for the District's customers as a result of project. Mrs. Radcliff stated that the

first piece of information needed for a USDA application is an environmental report and that USDA applications do not need to be submitted for approval by the WVIJDC board. Review by the WVIJDC board can be a time consuming process and the other two funding scenarios require WVIJDC approval prior to moving forward with the project, meaning the USDA-RUS funding scenario is not only more cost effective for the District it should also be less time consuming. Once prepared, the USDA-RUS application will be sent to USDA's State Office for review. Once USDA has reviewed the application, should the District be awarded funding for the project, the District will then be given a Letter of Conditions which outlines the items needed before closing of the loan.

Rose Helmick asked about a projected project completion date. Logan Moyers reported that the date of completion given in the response to the WVDEP's Administrative Order was December 2019. Mrs. Radcliff explained that it will take several months to complete the testing necessary for project permitting as well as preliminary engineering and project design but that all that work could be performed simultaneously. Once that has been completed, the WVPSC process and the bidding process will take the better part of a year to complete prior to beginning project construction. Construction on the many different portions of the project may then take up to one year.

Rose Helmick had previously requested that Kylea Radcliff look at two specific grant opportunities through USDA for this project and Mrs. Radcliff provided the information that she has researched as well as responses from USDA staff regarding those grant funding possibilities. In regard to the USDA Emergency Assistance Grant, USDA staff informed that while the work on the Baker water system as part of this project is work to be completed to bring the existing facility into compliance, it is not considered an emergency situation based on the requirements of this grant. In regard to the Search Grant, it is for a max amount of \$30,000 to be used for feasibility studies to pay for preliminary engineering fees for the project and that only PSD's with insufficient working revenue to fund this part of a project qualify, which eliminates the District.

In a final bit of related news, Logan Moyers reported that the Parker Hollow Impoundment has been added to the DEP's 303d List of Impaired Waters in the State of West Virginia. He also reported that the District is currently dealing with an algae bloom on the Parker Hollow Impoundment as a result of an overload of organic matter.

Sewer Rate Increase – Logan Moyers reported that the District has filed a 19A sewer rate case with the WVPSC. As part of the necessary information for the case, the WVPSC needs the District's Fiscal Year 2017 Annual Report. The District's auditor was contacted and she will have the report completed and submitted to WVPSC by October 20, 2017. WVPSC has issued a response date from WVPSC staff for the case as January 29, 2018. At that time WVPSC intends to have completed its review of the District's sewer system and made a determination as to where the new rate will be set.

Miscellaneous Business:

Election of Vice Chairman – With the resignation of Melvin Shook from the board, the District needs to fill the vice chairman seat. Due to a schedule conflict, Matthew Gapp had to leave the meeting prior to the election. No action was taken and this agenda item was tabled until the next meeting when a full quorum of the board can be present.

District Board Meeting Time Change – Rose Helmick requested the time of the District’s board monthly meetings be changed due to her work schedule. Rose Helmick made a motion to change the start time of the board meetings to 4:00 p.m. beginning with the November 1, 2017 meeting. Rob Harper seconded the motion. It was unanimously approved.

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

There being no further business, the meeting was adjourned at 3:00 p.m.

The next regular scheduled board meeting will be held ***November 1, 2017, 4:00 p.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 October 4, 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.