

# HARDY COUNTY PUBLIC SERVICE DISTRICT

MAY 2, 2018

4:00 P.M.

2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Rob Harper, Rose Helmick, Logan Moyers, Connie Sherman, Kevin Markwood, HCPSD; Kylea Radcliff, The Thrasher Group; Jean Flanagan, Media.

The meeting was called to order at 4:00 p.m. by Chairman Matthew Gapp. Rose Helmick made a motion to approve the minutes of the April 4, 2018 regular meeting minutes as presented. Robert Harper seconded the motion. The motion was approved.

## ***Unfinished Business:***

***Upcoming Water Project Update*** – Kylea Radcliff, project engineer, provided an update on the upcoming water project including the organics removal system at the Baker water plant and the water line extensions. Mrs. Radcliff reported that work continues on acquiring permits necessary for the project as on design for the new extension areas, the line upgrades and the organics removal system at the Baker water plant. The project will consist of several different construction contracts. The new extension areas are where the bulk of the permitting is required due to the railroad crossing and the environmental clearances required for undisturbed ground in those areas. The goal is to have all permit applications submitted, design work complete and final drawings out to the WVBP by the end of May or early June.

An extensive conference call was held earlier in the week with PSD general manager, Logan Moyers, Ms. Radcliff and representatives at Ixom, the manufacturers of the organics removal system to discuss the process performance guarantee and specifics of the project. During the design and planning of the organics removal system up to this point, the intention has been to install the organics removal equipment outdoors adjacent to the water plant however, during the conference call it was determined that due to weather conditions in our area, the MIEX unit will need to be located in a building. The footprint of the organics removal system is quite large and will prevent the equipment from being installed in the current WTP building. Another building will have to be constructed at the water plant to house the organics removal system. Kylea Radcliff will investigate different types of buildings to determine what building will be best suited for housing the system. Because of this change the cost of the project will be increased to include a total project cost of \$3 million. The funding application with USDA-RUS is being revised to reflect the change in the project cost and will include a request for \$2 million in loan funds and a \$955,000 grant.

A conference call was held with project accountant, Michael Griffith, to discuss the increase in the project costs and to see if it is still possible to construct the project without a rate increase to the District's customers. Logan Moyers expressed that he is optimistic that the project can still be completed without needing to increase rates. Michael Griffith will review the numbers and get back with additional information on the rate impact.

Discussion was held regarding the District's requested changes and revisions to the performance guarantee being offered by Ixom. The performance guarantee states that the MIEX organics removal system will allow for the District to be in compliance with disinfection by-products levels in the Baker distribution system or will, at the least, remove a sufficient amount of organic matter that will allow for DBP compliance based on the testing that has been completed by both the District and Ixom. As part of the performance guarantee, Ixom requires that the raw water entering its MIEX system have parameters within certain allowable ranges in order for the MIEX to be effective at removing organic matter. The District is requesting some changes be made in the allowable raw water characteristics and will continue to work through those requested changes with Ixom representatives until an agreement can be reached Mr. Moyers is confident these details can be worked out in a timely manner and that an agreement can be reached.

**Sewer Service Territory** – Logan Moyers provided an update on the District's efforts, in conjunction with the Moorefield/Hardy County Wastewater Authority, to establish a defined boundary for the two entities sewer service territories. Mr. Moyers reported that since the last meeting, the District received consent from its bondholders to establish the new sewer boundary. Mr. Moyers has also been working with the County Clerk and County Coordinator and recently attended a meeting of the Hardy County Commission where the Commission indicated they would move forward with the process necessary to establish a new sewer boundary between the District and the Authority. The Commission will enter a proposed order establishing the new service territories at their June meeting and will hold a public hearing on the matter to finalize the order prior to their July meeting. Following the completion of these two items, the necessary information will be filed with the West Virginia Public Service Commission to complete the process.

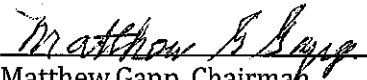
***New Business:***

**FY19 Water/Sewer Budgets** – Proposed fiscal year 2019 water and sewer operating budgets were presented by Mr. Moyers during the meeting. The proposed budgets were included as part of the board packets for review by board members prior to the meeting. This was the first budget approval process for new board members Rob Harper and Rose Helmick. Rose Helmick brought about several questions regarding budget line items. Logan Moyers provided additional information and following discussion, Rose Helmick made a motion to approve both budgets as presented. Robert Harper seconded the motion. It was unanimously approved.

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

There being no further business, Rose Helmick made a motion that the meeting be adjourned. Robert Harper seconded the motion. The meeting was adjourned at 4:50 p.m.

The next regular scheduled board meeting will be held **June 6, 2018, 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 May 2, 2018. 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.*