

HARDY COUNTY PUBLIC SERVICE DISTRICT
JANUARY 13, 2010
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Melvin Shook, Logan Moyers, Chuck Ours, Kevin Markwood and Connie Sherman, HCPSD; Jean Flanagan, Media; Clay Riley, Project Engineer; Tom Michael, Attorney; Anna Marie Lantz, USDA-Rural Development and Jack Miller, Griffith & Associates.

The meeting was called to order at 10:05 a.m. Clyde See made a motion to approve the minutes of the December 9, 2009 special board meeting and December 9, 2009 regular board meeting as submitted. Melvin Shook seconded the motion. It was unanimously approved.

Baker Water Project – Logan Moyers provided an update regarding the Baker Water Project. We need to receive board approval to file with the WVPSC for a certificate case for the Baker Water Project. The filing will keep us on track to meet the project schedule timeline that was provided to EDA and will begin the WVPSC's review period of 180 days which could be extended to 270 days if significant protests are received. Michael Griffith has the revised Rule 42 completed and a copy was provided to Clay Riley, Tom Michael and Anna-Marie Lantz. Tom Michael still needs an amended letter of conditions from USDA-RUS and an amended preliminary engineering report from Clay Riley in order to complete the WVPSC filing. USDA-RUS stated that they need the amended preliminary engineering report prior to being able to create a new letter of conditions for the Project. Clay Riley will amend the preliminary engineering report with the information that has changed and will pass it onto both USDA-RUS and Tom Michael. All parties anticipate being able to provide Tom Michael with the required documentation for filing prior to the end of the month so that we can keep on track with the EDA project schedule. Melvin Shook made a motion to submit the certificate case filing with WVPSC for this project. Clyde See seconded the motion. It was unanimously approved. Discussion was held regarding the revised rule 42 for this project. The proforma tariff indicates that the proposed new minimum monthly bill, following construction of the Baker Water Project, would become \$39.75 for all HCPSD water customers which would be an increase of just under \$9.00 per month from our current minimum bill. Included in the new proposed tariff was an increase in pre-construction tap fees from \$100.00 to \$150.00 and a newly proposed \$25.00 disconnection fee to be collected if water service is shut off due to non-payment and a \$25.00 administrative fee which would apply if a field employee collects a past due water bill at a customer's residence. Discussion was held regarding the newly added fees. Following discussion it was decided to include both the disconnection and administrative fees to the proforma tariff. Clyde See made a motion to include the proposed additions to the proforma tariff however he requested that the disconnect and administrative fees only be applied following the third consecutive violation by any particular customer. Melvin Shook seconded the motion. It was unanimously approved. Logan Moyers provided an updated regarding the status of the pilot testing facility. All site preparation work has been completed with the exception of electric service. We have been waiting for some time on Shenandoah Valley Electric to provide power to the plant site. SVEC has informed us that they needed to secure an easement for the electric lines that will serve the plant site property. That easement should be in SVEC's possession this week and they are now informing us that they can have power on site in two to three weeks following receipt of the easement. Clyde See made a motion to authorize the General Manager to file a complaint at his discretion with WVPSC over SVEC's delay in providing service in hopes that may get them moving faster as it concerns our request for electric service at the plant site. Melvin Shook

seconded the motion. It was unanimously approved. Logan Moyers and HCPSD field staff met with representatives from Tonka, the pilot plant manufacturer, on site yesterday to review the site preparation work. The Tonka representatives noted that all necessary site work with the exception of electric service has been completed and the site is ready for the pilot plant to be delivered once electric service is available. The Tonka representatives requested that we find a local hauler that can transport the testing facility from Parker Hollow Road onto the plant site and back out following testing completion. A Tonka representative will be on site with the pilot testing facility for the initial two or three weeks of testing to ensure that we are familiar enough with the controls and processes to complete the remainder of the necessary testing. Pay requisition #2 was presented for the expenses associated with the pilot testing site preparation. Clyde See made a motion to approve pay requisition #2 as presented. Melvin Shook seconded the motion. It was unanimously approved. Logan Moyers provided an update regarding the property and easement acquisition status for this project. He stated that a couple of additional easements have been identified following WVDOH's review of the plans and he didn't anticipate any problem in obtaining those newly identified easements. Progress is being made in obtaining the remainder of the easements for this project. Moyers also stated that the property owner who had previously denied granting a needed easement has reconsidered following a recent meeting and they will likely grant the easement. If that occurs it would mean that no condemnations will likely be necessary for the water project. Clay Riley provided an update concerning the Baker water project schedule. After submitting our certificate case filing with WVPSC all milestones scheduled to be completed at this time will have occurred as planned. Quarterly project update reports which are a requirement of the EDA-ARRA grant were presented for board approval. Melvin Shook made a motion authorizing the Board Chairman to sign the reports as presented and to submit them as required. Clyde See seconded the motion. It was unanimously approved.

Baker Sewer Project – Logan Moyers provided a project update for the Baker sewer project. Moyers stated the project remains at a stand-still until proposed line location revisions, as requested by the HCRDA, have been finalized. He stated that he had contacted the HCRDA Board Chairman as was requested by the HCPSD Board in an effort to schedule a time when discussion could be held with the HCRDA Board regarding line locations. Moyers informed the Board that the HCRDA Chairman responded to him that the HCRDA Board has approved the line locations that had been developed by the HCRDA engineer and made no offer to further discuss line location options as had been requested. Melvin Shook questioned if it would be feasible to move the sewer plant location off HCRDA owned property to another location. Clay Riley informed the Board that it would be possible to move the plant site to an alternate location. Discussion ensued regarding potential alternative plant site locations. Matthew Gapp questioned why the HCRDA has been so adamant that they control the location of the sewer lines on an HCPSD project. Logan Moyers stated that the HCRDA was unhappy with line locations within the Baker Industrial Park and believed the lines as proposed would deter future development within the Park. Melvin Shook questioned if the plant were to be moved out of the Industrial Park could the Park still receive public sewer service in the future. Logan Moyers stated that the Park could still receive sewer service in the future through an alternate mainline extension agreement with the HCPSD. Under an alternate mainline extension the design of the system within the Industrial Park would need to be approved in advance by the HCPSD and the lines within the Park would be owned, operated and maintained by the HCPSD. Moyers also stated that if the HCPSD and HCRDA could not agree on a system design within the Industrial Park, the Park could still be served by placing a master meter at the location where public sewer enters the Park. This option would allow the HCRDA to design and construct the system within the Park to their preferences however it would also mean the HCRDA would own the system within the Park and would be responsible for the continued operation and maintenance throughout the life of the system. Moyers stated that under either option the complete cost of the system within

the Industrial Park including design and construction would be the responsibility of the HCRDA. Melvin Shook made a motion to evaluate alternative sewer plant locations outside of the Baker Industrial Park. Clyde See seconded the motion. It was unanimously approved. Clay Riley will evaluate alternative locations for the sewer plant site and hopes to be prepared to report those alternatives to the board at next month's meeting. The HCPSD Board agreed that the only way to move this project toward construction is to eliminate the ability of the HCRDA to influence the project.

Sewer-Only Public Service District – Logan Moyers informed the board that the WVPSC denied the request of the joint petitioners (Town of Moorefield, Pilgrim's Pride and the Hardy County Commission) to issue an advanced ruling regarding the proposed make up of the board of the planned new sewer only PSD prior to filing a formal case proceeding. Following WVPSC's decision the joint petitioners have decided to request an amendment to WV Statutes which define the allowable make up of the members of a Regional Wastewater Authority. It is hoped that an amendment can be passed during the current legislative session so that the board can include a representative from Pilgrim's Pride. Should the amendment be approved by the legislature as requested the position of the HCPSD regarding county wide sewer jurisdiction of the proposed Regional Wastewater Authority would not change. There would still need to be a formal WVPSC case proceeding during which the service territory would need to be defined for the new Regional Wastewater Authority. During that case proceeding, the HCPSD would reiterate our position that the jurisdiction should be county wide in order to prevent unnecessary duplication of resources.

NEW BUSINESS:

Dover Hollow Extension – The HCPSD is conducting income surveys to determine if an area would be eligible to receive a Small Cities Block Grant for the construction of a water extension to serve approximately 25 residences located on Oak Hill Road, Ridge Top Drive and Twin Maple Drive off of Dover Hollow Road. This is the first step in the application process. Clyde See requested that the HCPSD evaluate including the Fort Run Trailer Park in with this extension as part of the grant request.

There were no members of the public in attendance of the meeting to provide comment.

There being no further business, Clyde See made a motion that the meeting be adjourned at 11:20 a.m. The meeting was adjourned.

The next regular meeting of the HCPSD is scheduled for **Wednesday, February 3, 2010, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew G. Gapp, Chairman

These minutes represent a summary of the subjects discussed and the actions taken by the members of the Hardy County Public Service District for the meeting held on January 13, 2010. 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.

HARDY COUNTY PUBLIC SERVICE DISTRICT
FEBRUARY 3, 2010
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Melvin Shook, Logan Moyers, Chuck Ours, Kevin Markwood and Gail Pavan, HCPSD; Pete Betts, Tonka Equipment Company and Phil Simmons, Thrasher Engineering.

The meeting was called to order at 10:10 a.m. Clyde See made a motion to approve the minutes of the January 13, 2010 regular board meeting as submitted. Melvin Shook seconded the motion. It was unanimously approved.

Baker Water Project – Logan Moyers provided an update regarding the PSC certificate case filing status for the Baker Water Project. We have filed with the PSC and have been assigned a case number which is 10-0179-PWD-CN. Logan Moyers contacted EDA Regional Director, Willie Taylor, regarding the project schedule requirements that are mandated as part of the ARRA funding associated with this project. The HCPSD is concerned about the Baker project construction schedule due to the fact that ARRA funding requirements stipulate that construction commence no later than May 2010 and end no later than May 2011 and those deadlines likely cannot be met due to the lengthy WVPSC project approval process. During prior meetings with Mr. Taylor, the HCPSD was informed that with the EDA grant currently in place, the proposed project schedule should present no timing issues as it relates to the project construction starting and ending dates. Mr. Taylor explained that at the time the Federal government had not provided a definition of a “shovel ready” project and his assumption was that the HCPSD’s proposed project schedule would comply with the “shovel ready” requirements. However, since that time the Federal government has established “shovel ready” dates as being projects that commence construction by no later than May 2010 and be completed by no later than May 2011. Board member Clyde See stated he feels that the construction, site preparation and water line installation associated with the required water plant pilot testing facility is part of project construction and should satisfy the ARRA “shovel ready” requirement. Logan Moyers explained that Mr. Taylor informed him that the HCPSD would need to award a bid for a contract that will be paid with ARRA funds in order to meet the requirements. Mr. Taylor is willing to assist us in any way possible to ensure that the ARRA funds will remain in place for this project. Logan Moyers provided Mr. Taylor with contact information for Mike Albert, WVPSC Chairman so that Mr. Taylor can discuss the ARRA project construction requirements as it relates to the Baker Project. Mr. Taylor will question Mr. Albert if it would be possible for the WVPSC to expedite the approval process for the Baker Water Project. One concern of the HCPSD’s relating to the WVPSC approval process is the inevitable customer protests that will occur due to the proposed rate increase and the potential for those protests to lengthen the approval process. Logan Moyers informed the board that he believed that the HCPSD could be prepared to bid one or more of the necessary contracts for the Baker project in time to meet the May 2010 ARRA requirement for beginning construction if the WVPSC approval process was not so lengthy and/or could be expedited. Logan Moyers presented several revised funding applications as well as other required project submittals. Amendment #3 to the engineering agreement was presented for approval. This amendment was non-monetary and was necessary only to include required ARRA language. Melvin Shook made a motion to approve amendment #3 as presented. Clyde See seconded the motion. It was unanimously approved. Revised funding applications with USDA-RUS and WVIJDC were presented for approval. Clyde See made a motion to approve both revised applications as presented. Melvin Shook seconded the motion. It was unanimously approved. USDA-RUS representative Anna Marie

Lantz was not present at the meeting due to weather conditions but she was able to provide all necessary information to approve and accept the revised letter of conditions for the project. Logan Moyers presented the board with the revised letter of conditions for review, approval, and acceptance. Also presented was the letter of intent to meet RUS grant conditions for this project. Clyde See made a motion to approve both documents and authorize the Chairman to execute the letter of intent. Melvin Shook seconded the motion. It was unanimously approved. Logan Moyers provided an update regarding the water plant pilot testing. The facility has arrived and the water connection has been made. Tonka representative, Pete Betts, has been on site since last Thursday afternoon and continues to work with HCPSD field staff to fine tune the pilot plant operations. Mr. Betts reported that early testing results are positive. The current primary focus is to reduce the impurity level of the water following pre-treatment but prior to membrane filtration. Mr. Betts also reported that while the impurity level is not yet ideal following pretreatment, the finished water product after membrane filtration far exceeds WVBPH water quality standards and will continue to improve. Mr. Betts informed the board that either he or another Tonka representative will be on site for the next few weeks to complete final adjustments prior to beginning the official testing period and to ensure adequate testing results once official testing begins. Logan Moyers provided an update regarding the property and easement acquisition status for this project. He stated that a couple of additional easements have been identified following WVDOH's review of the plans and he didn't anticipate any problem in obtaining those newly identified easements. Moyers reported that the property owner who had previously denied granting a needed easement has reconsidered and has granted the easement. Logan Moyers reviewed the project schedule with the board and informed them that currently we are slightly ahead of schedule.

Baker Sewer Project – Logan Moyers provided a project update for the Baker sewer project. Following the direction of the board at last month's meeting, Moyers reported that he, Phil Simmons and Clay Riley met on site with the property owner of a potential alternate location for the sewer plant. Thrasher Engineering evaluated the information gathered on site and determined that this would not be a suitable location due to issues with the elevation of the proposed property. Moyers mentioned that there may be another possible alternate location for the sewer plant site that may merit an evaluation which may be done at a later date. Moyers also informed the board that there would be a possibility that no alternate site may be feasible and that the only plant site location that may be sufficient is the original planned location in the Baker Industrial Park. Given the fact that the Baker Industrial Park location may be the only suitable site for the sewer plant, Clay Riley has worked to design alternate line locations that will hopefully satisfy the requests of the HCRDA as it concerns the line locations leading to and from the plant site. Mr. Riley will work with HCRDA engineers to determine if the HCPSD's proposal would be agreeable with the HCRDA as it regards line locations within the Baker Industrial Park. Logan Moyers informed the board that there has been no change in the status of property acquisitions and easements for this project.

Dover Hollow Extension – The HCPSD is working to prepare a Small Cities Block Grant (SCBG) funding application for the construction of a water extension project to serve approximately 15 residences located on Oak Hill Road, Ridge Top Drive and Twin Maple Drive in the Dover Hollow Area. As part of the application process, a grant application must be submitted and reviewed by the WVIJDC by February 10, 2010 in order to meet the SCBG application deadline of March 22, 2010. Clyde See made a motion to submit the application to WVIJDC once it is prepared. Melvin Shook seconded the motion. It was unanimously approved. As part of the SCBG grant requirements, two public hearings must be held to inform the public of our intention to submit the funding application and the guidelines and processes of the SCBG program. The first hearing is scheduled for Thursday, February 4, 2010, 10:00 a.m. in the conference room of the HCPSD office and will provide general information on the SCBG

application process. The second hearing has not yet been scheduled but will provide information on the specific project for which the funding is being requested. The public is invited to attend both hearings.

MISCELLANEOUS BUSINESS:

EDA Reimbursement Request – Logan Moyers provided an update regarding the status of the EDA reimbursement request of our de-obligated \$1.5 million EDA grant for the Baker Water Project. The HCPSD received the termination agreement for this original EDA grant and presented it for board approval. Once EDA has received the executed termination agreement they can process the reimbursement request. Clyde See made a motion to authorize the Chairman to execute the termination agreement. Melvin Shook seconded the motion. It was unanimously approved.

There were no members of the public in attendance of the meeting to provide comment.

There being no further business, Clyde See made a motion that the meeting be adjourned at 10:40 a.m. The meeting was adjourned.

The next regular meeting of the HCPSD is scheduled for ***Wednesday, March 3, 2010, 10:00 a.m.*** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew G. Gapp, Chairman

These minutes represent a summary of the subjects discussed and the actions taken by the members of the Hardy County Public Service District for the meeting held on February 3, 2010. 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.

HARDY COUNTY PUBLIC SERVICE DISTRICT
MARCH 10, 2010
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Melvin Shook, Logan Moyers, Chuck Ours, Kevin Markwood and Connie Sherman, HCPSPD; Anna Marie Lantz, USDA-RUS; Jean Flanagan, Moorefield Examiner.

The meeting was called to order at 10:05 a.m. Clyde See made a motion to approve the minutes of the February 3, 2010 regular board meeting as submitted. Melvin Shook seconded the motion. It was unanimously approved.

Baker Water Project – Logan Moyers provided an update regarding the Baker Water Project. As was discussed at last month's meeting, we are working to move this project to construction as quickly as possible in order to comply with federal EDA's time schedule. The EDA time schedule is requiring that we award a construction contract for this project by May 10, 2010. The construction schedule that was submitted with our EDA grant application had an August 2010 start date which at this time we believe we can meet. We now are attempting to cut approximately four months from the original schedule or we will need to ask for a time extension of approximately six months. The Baker project consists of four separate contracts, water plant, water storage tanks, Baker area water distribution lines and Marvin Chapel area water distribution lines. EDA funding is involved in three of the four contracts. We are working to put the water plant contract (Contract #1) out for bid by the EDA deadline. We need to complete the pilot testing before we receive our health department permit which is needed before we can be granted a certificate of necessity from the WVPSC. Both requirements must be met prior to bidding the contract. Clay Riley is to contact WVBPH regarding the need to receive our permit as soon as ~~can be~~ possible. WVBPH requires a minimum of 90 day testing period for the pilot testing however only the results from a smaller 6 week sampling period within those 90 days must be provided to WVBPH. Clay will request that WVBPH provide the permit for this project following the 6 week sampling period rather than waiting until the completion of the full 90 day testing period. He will have additional information at the next meeting. A meeting to request expedition of our certificate case is scheduled for next Tuesday, March 16, 2010 with WVPSC staff persons. Following this meeting we will have a better idea of when we can receive our PSC certificate and begin construction of the project. Clyde See asked if the District would be notified by EDA prior to withdrawing the grant funds for this project. Mr. See suggested we contact our State legislators now and inform them of the issue so that they are aware of the situation and will be able to provide assistance regarding a time extension from EDA if and when needed. The deadline for protests regarding the rate increase is March 12, 2010 and to date we have received two protests. WVPSC will determine if we have received a "significant" number of protests or enough to merit a public hearing. It has been brought to our attention while going forward with the PSC certificate case that the WVPSC no longer includes going-level rate increases as part of certificate case filings. This means that our rates will not increase to a minimum bill of \$39.75 with a one increase but that two smaller increases will be needed in order to have the rate structure necessary to support our entire water system following completion of the Baker Water Project. Currently we anticipate rates will increase to approximately \$37.00 as part of the certificate case. A second rate increase will be necessary to reach the projected needed minimum bill of \$39.75. We have completed the final adjustments to the pilot testing facility and official testing began last week. Tonka representatives were on site through last week in order to complete final adjustments. Since that time PSD field staff has

overseen and maintained the pilot testing facility and will continue to do so through completion of the testing period.

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have filed with the PSC and have been assigned a case number which is 10-0179-PWD-CN. Logan Moyers contacted EDA Regional Director, Willie Taylor, regarding the project schedule requirements that are mandated as part of the ARRA funding associated with this project. The HCPSD is concerned about the Baker project construction schedule due to the fact that ARRA funding requirements stipulate that construction commence no later than May 2010 and end no later than May 2011 and those deadlines likely cannot be met due to the lengthy WVPSC project approval process. During prior meetings with Mr. Taylor, the HCPSD was informed that with the EDA grant currently in place, the proposed project schedule should present no timing issues as it relates to the project construction starting and ending dates. Mr. Taylor explained that at the time the Federal government had not provided a definition of a "shovel ready" project and his assumption was that the HCPSD's proposed project schedule would comply with the "shovel ready" requirements. However, since that time the Federal government has established "shovel ready" dates as being projects that commence construction by no later than May 2010 and be completed by no later than May 2011. Board member Clyde See stated he feels that the construction, site preparation and water line installation associated with the required water plant pilot testing facility is part of project construction and should satisfy the ARRA "shovel ready" requirement. Logan Moyers explained that Mr. Taylor informed him that the HCPSD would need to award a bid for a contract that will be paid with ARRA funds in order to meet the requirements. Mr. Taylor is willing to assist us in any way possible to ensure that the ARRA funds will remain in place for this project. Logan Moyers provided Mr. Taylor with contact information for Mike Albert, WVPSC Chairman so that Mr. Taylor can discuss the ARRA project construction requirements as it relates to the Baker Project. Mr. Taylor will question Mr. Albert if it would be possible for the WVPSC to expedite the approval process for the Baker Water Project. One concern of the HCPSD's relating to the WVPSC approval process is the inevitable customer protests that will occur due to the proposed rate increase and the potential for those protests to lengthen the approval process. Logan Moyers informed the board that he believed that the HCPSD could be prepared to bid one or more of the necessary contracts for the Baker project in time to meet the May 2010 ARRA requirement for beginning construction if the WVPSC approval process was not so lengthy and/or could be expedited. Logan Moyers presented several revised funding applications as well as other required project submittals. Amendment #3 to the engineering agreement was presented for approval. This amendment was non-monetary and was necessary only to include required ARRA language. Melvin Shook made a motion to approve amendment #3 as presented. Clyde See seconded the motion. It was unanimously approved. Revised funding applications with USDA RUS and WVIJDC were presented for approval. Clyde See made a motion to approve both revised applications as presented. Melvin Shook seconded the motion. It was unanimously approved. USDA RUS representative Anna Marie Lantz was not present at the meeting due to weather conditions but she was able to provide all necessary information to approve and accept the revised letter of conditions for the project. Logan Moyers presented the board with the revised letter of conditions for review, approval, and acceptance. Also presented was the letter of intent to meet RUS grant conditions for this project. Clyde See made a motion to approve both documents and authorize the Chairman to execute the letter of intent. Melvin Shook seconded the motion. It was unanimously approved. Logan Moyers provided an update regarding the water plant pilot testing. The facility has arrived and the water connection has been made. Tonka representative, Pete Betts, has been on site since last Thursday afternoon and

continues to work with HCPSD field staff to fine tune the pilot plant operations. Mr. Betts reported that early testing results are positive. The current primary focus is to reduce the impurity level of the water following pre treatment but prior to membrane filtration. Mr. Betts also reported that while the impurity level is not yet ideal following pretreatment, the finished water product after membrane filtration far exceeds WVBPH water quality standards and will continue to improve. Mr. Betts informed the board that either he or another Tonka representative will be on site for the next few weeks to complete final adjustments prior to beginning the official testing period and to ensure adequate testing results once official testing begins. Logan Moyers provided an update regarding the property and easement acquisition status for this project. The Parker Hollow tank site has been secured and finalized. This means the only remaining property needing to be secured is the Marvin Chapel tank site. Logan Moyers has been in frequent contact with this property owner for the past 2 ½ years and recently informed the property owner that this property acquisition must be finalized this month. Soon after this conversation, HCPSD attorney, Tom Michael, received a letter from the attorney representing the Marvin Chapel tank site property owner requesting \$100,000 for this property. The HCPSD's initial offer for this property, which totals less than ½ acre in size, was \$3,100.00 which was based on the Hardy County Courthouse 2008 assessed value of \$1,685 per acre. Logan Moyers informed the Board that he has been in contact with someone about performing an appraisal on the property and hopes to have that done in the near future. Moyers said he intends to have PSD attorney, Tom Michael contact the property owner's attorney and inform him the PSD is willing to pay \$10,000.00 for the property and that if the property owner is not willing to accept that offer that we will proceed with the condemnation process. Clyde See made a motion to instruct the attorney to have the appraisal completed and to proceed with condemnation. Melvin Shook seconded the motion. It was unanimously approved. There are a total of 35 easements for the total Baker Project. 27 of those 35 have been secured. Of the eight remaining easements, seven were recently identified during WVDOH's review of the project plans. Logan Moyers is working to secure the eight remaining easements and hopes to do so within the next month. One issue that has come about is the refusal of one particular property owner to grant a needed easement. This property is located within the 'EDA project area' and because of that cannot be secured through condemnation. Logan Moyers informed the Board that WVDOH needs to allow the line to be placed within the existing WVDOH right-of-way to avoid this issue from preventing the project to be constructed. A representative from Thrasher Engineering will contact WVDOH to discuss this situation and request that WVDOH allow the line to be located completely in the WVDOH right-of-way. Drawdown pay requisition #2 for pilot testing and accounting expenses was presented. Following review, Clyde See made a motion to approve the drawdown as presented. Melvin Shook seconded the motion. It was unanimously approved.

He stated that a couple of additional easements have been identified following WVDOH's review of the plans and he didn't anticipate any problem in obtaining those newly identified easements. Moyers reported that the property owner who had previously denied granting a needed easement has reconsidered and has granted the easement. Logan Moyers reviewed the project schedule with the board and informed them that currently we are slightly ahead of schedule.

Baker Sewer Project – Logan Moyers provided a project update for the Baker sewer project. This project had been at a stand-still for the past few months until such time that an agreement could be reached with the HCRDA for the plant site and sewer and water line locations in the Baker Industrial Park. HCPSD engineer, Clay Riley, redesigned the proposed location of the sewer lines within the Baker Industrial Park in an effort to reach an agreement with the HCRDA. Mr. Riley reviewed these design plans with the HCRDA's engineer who was agreeable to the newly proposed design. The HCRDA's engineer then reviewed the plans with the HCRDA who approved the newly proposed line locations at their February board meeting.

Logan Moyers will attempt to contact the HCRDA real estate committee in order to determine how the two agencies can work to finalize this property and easement acquisition so this project can move forward to construction. Logan Moyers informed the board that now that the issue with the line locations has been resolved work to move this project toward construction can proceed, however the Baker Water Project issues will take priority at this time. Following the direction of the board at last month's meeting, Moyers reported that he, Phil Simmons and Clay Riley met on site with the property owner of a potential alternate location for the sewer plant. Thrasher Engineering evaluated the information gathered on site and determined that this would not be a suitable location due to issues with the elevation of the proposed property. Moyers mentioned that there may be another possible alternate location for the sewer plant site that may merit an evaluation which may be done at a later date. Moyers also informed the board that there would be a possibility that no alternate site may be feasible and that the only plant site location that may be sufficient is the original planned location in the Baker Industrial Park. Given the fact that the Baker Industrial Park location may be the only suitable site for the sewer plant, Clay Riley has worked to design alternate line locations that will hopefully satisfy the requests of the HCRDA as it concerns the line locations leading to and from the plant site. Mr. Riley with work with HCRDA engineers to determine if the HCPSD's proposal would be agreeable with the HCRDA as it regards line locations within the Baker Industrial Park. Logan Moyers provided an update informed the board that there has been no change in the status of property acquisitions and easements for this project. Logan Moyers informed the board that work to secure the remaining easements for this project can resume now that line locations have been finalized. Melvin Shook suggested that Moyers work first to secure the property and easements from the HCRDA before pursuing other remaining easements.

Dover Hollow Extension – The HCPSD has completed all necessary requirements and submitted a Small Cities Block Grant (SCBG) funding application on March 8, 2010 for the Dover Hollow Water Extension Project. It is anticipated ~~to that we will~~ receive notice regarding the funding in late spring or early summer 2010. If we would be awarded the grant, The project design would need to be completed as well as and a PSC certificate of necessity from WVPSC must be obtained prior to construction of the project. Customer sign-ups are complete and most easements have already been secured. We will work to secure the remaining easements in the next few weeks.

MISCELLANEOUS BUSINESS:

Capital Improvement Projects – Logan Moyers provided information on two capital improvement projects that the District is requesting to complete this year. The Phase II (Rt. 55) booster station needs upgraded and relocated due to the poor condition of the current in-ground facility and the high demand for water in this area. The new booster station will be an above-ground facility so that we can have a longer useful life than we experienced with the current facility. District HCPSD personnel field staff can construct the above ground building and handle necessary line relocations and piping work but will need to contract the electrical and telemetry relocation work. Logan Moyers has been in contact with the property owner of the

proposed location of the above-ground booster station and will work with him to acquire the necessary property. The Phase I (US 220 South) water storage tank has minor corrosion in a few areas which needs repaired and the entire tank exterior may need repainted. This is the only a welded steel tank in our entire system and is unlike the other glass-lined tanks within our system in that it requires more frequent attention to the tank exterior. ~~The board recommended preparing cost estimates and presenting them for approval.~~ Moyers will work to secure cost estimates for both improvement projects and will present those to the Board at a future date for review. It is hoped that both of these capital improvement projects can begin this spring. Funds for these capital improvement projects will come from the ~~District's HCPSD's renewal~~ repair and replacement (R&R) account. R&R accounts are ~~which is~~ required to be funded regularly so that funds are available when needed for these types of improvements ~~such~~ projects.

There were no members of the public in attendance of the meeting to provide comment.

There being no further business, Matthew Gapp made a motion that the meeting be adjourned at 10:50 a.m. The meeting was adjourned.

The next regular meeting of the HCPSD is scheduled for **Wednesday, April 7, 2010, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew G. Gapp, Chairman

These minutes represent a summary of the subjects discussed and the actions taken by the members of the Hardy County Public Service District for the meeting held on ~~March~~ February 3, 2010. 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.

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HARDY COUNTY PUBLIC SERVICE DISTRICT

APRIL 7, 2010

10:00 A.M.

2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Melvin Shook, Logan Moyers, Chuck Ours, Kevin Markwood and Connie Sherman, HCPSD; Tom Michael, HCPSD Attorney, Anna-Marie Lantz, USDA-RUS, Michael Griffith, HCPSD Project Accountant and Jean Flanagan, Moorefield Examiner.

The meeting was called to order at 10:05 a.m. Melvin Shook made a motion to approve the minutes of the March 10, 2010 regular board meeting as submitted. Clyde See seconded the motion. It was unanimously approved.

Baker Water Project – Logan Moyers provided an update regarding the Baker Water Project. The HCPSD must award a construction contract for this project by May 10, 2010 in order to meet ARRA funding requirements. Mr. Moyers reported that a meeting was held with WVPSC staff and HCPSD project and funding agency consultants to discuss how the HCPSD could comply with the timelines associated with the ARRA funding for this project. During that meeting Clay Riley developed a plan to construct the project in two phases. The first phase of the project will be the construction of security fencing around the future water plant site. The second phase will consist of the construction of the water plant, water storage tank and distribution lines. Constructing the project in this manner will allow the HCPSD to comply with ARRA requirements and award a bid for phase one prior to EDA's May 10, 2010 deadline. WVPSC was receptive to Mr. Riley's plan to phase the project and were willing to work with us as much as possible to allow this project to keep its total funding package. The estimated cost of phase one is \$40,000.00. ARRA stipulates that no project can be funded with greater than 80% federal grant funds so the HCPSD will fund the remaining 20% or \$8,000.00 to be paid with water revenue funds. Advertisement for bids for phase one were published in the paper and bid opening is scheduled for April 30, 2010. A pre-bid conference will be held on April 20, 2010. We anticipate awarding the construction contract on or before May 10, 2010. We have revised the project schedule to incorporate the two phases of the project and provided the schedule to EDA with a total project completion date of September 2011. EDA accepted the schedule as presented. The protest period for our WVPSC certificate case has ended and given that only 4 customers or 0.2% of our customer base filed a protest within the allotted protest time period we do not anticipate a public hearing being required. During our meeting with WVPSC for this project we were informed that the WVPSC no longer will allow including a going-level rate increase as part of a certificate case. This means that we will have to go back to WVPSC either during or at completion of the Baker Water Project if a going-level rate increase is needed. WVPSC staff has recently sent out a memo requesting we provide them with some additional project information for their review. This request stemmed from the fact that we are under a strict funding deadline for this project which in turn puts WVPSC under a tight deadline to complete their review of the project. The requested information consists of an updated Rule 42 for the project, and multiple engineering related inquiries most of which are related to the proposed size of the Baker water plant. This type of information is typically requested by staff when they are working to quickly move the project through the approval process. We will provide WVPSC with the requested information in the coming days and hope to alleviate any concerns they may have concerning the size of the Baker water plant. Board member Clyde See questioned why WVPSC is under the opinion that the water plant may need to be scaled back in size. Mr. See stated that he didn't understand why WVPSC would want us decrease the size of the plant when the plant is being built with grant funds and any decrease in size will ultimately

result in higher rates for customers in the future. The HCPSD board agreed that if we can build the plant to accommodate for future growth we should do so. Tom Michael stated that future growth is a valid reason to have a plant that is designed larger than needed and that WVPSC staff just wants to ensure that we won't have any problem with plant operation given the low number of users who will be served by the plant initially. Logan Moyers informed the board that Clay Riley felt as though he could satisfy the questions proposed by WVPSC concerning plant size and that WVPSC will ultimately allow us to build the plant as planned. We are in the fifth week of WVBPH's required six week pilot testing period. While there have been a few minor issues with the operation of the plant, the overall water quality test results have been very good. Tonka, the manufacturer of the pilot testing facility is working to compile a report of the testing and results for submission to WVBPH following the six-week testing period. We anticipate we will receive our health department permit soon after our submission of the results of the six week testing period although we will be required to continue testing through the month of May. As was discussed at last month's board meeting, all properties for the Baker/Marvin Chapel Water Projects have been secured with the exception of the Marvin Chapel tank site. Since last month's meeting, we have been in negotiations corresponding through each party's attorney for this tank site. Following an update of the most recent negotiations, Clyde See made a motion to proceed to acquire the property based on the offer of \$19,000.00 for purchase of the property along with the condition that no additional work will be completed by the HCPSD. Melvin Shook seconded the motion. It was unanimously approved. Tom Michael will inform the property owner's attorney of our acceptance of their offer and will facilitate execution of the deed for the property. Mr. Moyers provided an update on the remaining easements for the project. All easements for both the Baker and Marvin Chapel areas have been secured with two exceptions both of which involve the same property owner who we have been unsuccessful in contacting. Mr. Moyers will continue his efforts to secure the final two easements needed for this project. The easement dispute with a property owner near the intersection of Old Baker Rd. and WV SR 55 was resolved by WVDOT's agreement to move the line location within the existing WVDOT right-of-way thereby making execution of an easement unnecessary. EDA Quarterly Progress Report #2 and Annual Financial Report were presented for approval. Clyde See made a motion to authorize the Chairman to execute the reports and to approve the filing of the reports on a continuing fashion so long as the project is ongoing. Melvin Shook seconded the motion. It was unanimously approved. Also presented for approval was the Engagement Letter for bond counsel services with Steptoe & Johnson, PLLC for the Baker Water Project. Melvin Shook made a motion to execute the engagement letter as presented. Clyde See seconded the motion. It was unanimously approved. Logan Moyers provided the board with an updated project schedule in which the timeline for completion of both phase one and phase two of the project. This schedule will be updated monthly at future board meetings throughout the remainder of the project.

Baker Sewer Project – Logan Moyers provided a project update for the Baker sewer project. Mr. Moyers reported that he had contacted the HCRDA to request to be on the agenda of their board meeting scheduled for April 1, 2010 in an effort to get information needed for completion of the property and easement acquisitions for this project. His request was denied and in an email reply from the HCRDA's attorney the HCPSD was informed that the exact location of the sewer plant, sewer lines and associated easements had yet to be determined and this decision was to be made by the HCRDA executive director, HCRDA chairman and the HCRDA attorney rather than by the HCRDA board. Also included in the email was that the HCRDA was to be reimbursed for the cost of the construction of the access road to an adjacent property owner for the low bid cost of \$34,499.00 in exchange for the 1.1 acre plant site to be deeded to the HCPSD for the future site of the sewer plant. Discussions with HCRDA board members before receipt of the HCRDA attorney's correspondence contradicted the information contained in the email and following receipt of the email, multiple HCRDA board members

contacted Mr. Moyers stating the information contained in the email was incorrect and was not what had been previously approved by the HCRDA board. Due to the conflicting information that Mr. Moyers received, he attended the HCRDA board meeting on April 1, 2010 in an attempt to determine what action if any had been taken by the HCRDA board regarding the location of the sewer plant and associated sewer lines in the Baker Industrial Park. Following the HCRDA meeting, Mr. Moyers is still unsure of exactly what action the HCRDA has taken regarding this matter and is now trying to determine how best to move forward with this project. During the HCRDA meeting Mr. Moyers was able to get plans showing the proposed road construction and was asked by the HCRDA to provide them with a map showing the plant site, water and sewer line locations, the access road and the new and old flood plain locations. HCPSD board members requested to be reminded of the date of the next HCRDA meeting and instructed Mr. Moyers to request to be included on the agenda for this meeting. It is our hope that we can finalize the agreement if not execute the deed and easement agreement during the HCRDA board meeting scheduled for May 18, 2010. If necessary the HCPSD board will accompany Mr. Moyers to this meeting. There have been no other developments as it relates to securing easements for this project.

MISCELLANEOUS BUSINESS:

HCC Fire Hydrant – Logan Moyers informed the Board that a fire hydrant was installed at the intersection of the Rig Road and Frosty Hollow Road at the request of the Hardy County Commission.

There were no members of the public in attendance of the meeting to provide comment.

There being no further business, Clyde See made a motion that the meeting be adjourned at 11:05 a.m. The meeting was adjourned.

The next regular meeting of the HCPSD is scheduled for **Wednesday, May 5, 2010, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew G. Gapp, Chairman

These minutes represent a summary of the subjects discussed and the actions taken by the members of the Hardy County Public Service District for the meeting held on April 7, 2010. 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.

HARDY COUNTY PUBLIC SERVICE DISTRICT

MAY 5, 2010

10:00 A.M.

2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Melvin Shook, Logan Moyers and Connie Sherman, HCPSD; Anna-Marie Lantz, USDA-RUS, and Rob Trombold and Bob Starkey, Trombold Equipment Company, Inc.

The meeting was called to order at 10:15 a.m. Melvin Shook made a motion to approve the minutes of the April 7, 2010 regular board meeting as submitted. Matthew Gapp seconded the motion. It was unanimously approved.

Baker Water Project – Logan Moyers provided an update regarding the Baker Water Project. The HCPSD received approval from EDA to open bids and award a contract for Phase I of the Baker Water Project. The HCPSD must award the construction contract by May 10, 2010 in order to meet ARRA funding requirements. The Phase I bid opening was held Friday, April 30, 2010 and two bids were received but only one bid was found to be complete and was able to be opened. ALL Quality, LLC from Cross Lanes, WV was the lone qualifying bidder with a bid of \$43,875.00. Clyde See made a motion to accept the bid of ALL Quality, LLC in the amount of \$43,875.00 and to authorize the Chairman to execute the Notice of Award for the contract. Melvin Shook seconded the motion. It was unanimously approved. The contract documents and Notice to Proceed will be executed during the pre-construction conference to be held Monday, May 10, 2010 at 10:00 a.m. We continue to work to satisfy all EDA, RUS and IJDC requirements needed to be able to bid Phase II of the project. All information that was requested by the WVPSC regarding the certificate case for this project has been submitted except for the pilot testing report which is currently being finalized and a letter from the membrane filter manufacturer stating that the membrane filters will work correctly given the limited customer base that will initially be served. We will obtain the remaining information and have it submitted to WVPSC prior to the May 17th submission deadline. The six-week pilot testing period required by WVBPH is complete but the plant must remain in operation through the month of May. Logan Moyers reported that an agreement has been made with the owner of the Marvin Chapel tank site. The HCPSD will pay \$17,000.00 for the property and will provide water to the property owner's cabin with the property owner maintaining the pump and all associated costs once the project is complete. Mr. Moyers has also been in contact with the two remaining easements for the Baker Water Project and they have agreed to execute the easements. He hopes to be able to finalize both remaining easements and the tank site property acquisition this month.

Baker Sewer Project – Logan Moyers reported that the HCPSD & HCRDA have reached an agreement regarding the plant site location and purchase price for the 1.1 acres needed for the Baker Sewer Project. The HCPSD has provided the plat for the property to the HCRDA so their attorney can prepare the deed. Clay Riley will work with the HCRDA's engineer to create the plats needed for the ingress and egress to the plant site, as well as the easements associated with the water and sewer line locations. We hope to finalize the property acquisition and easement agreements this month. Logan Moyers reported that he and Clay Riley met with a resident of Old Baker Road to discuss the sewer project and specifically easements that are needed on Old Baker Road. The resident indicated that if the HCPSD would waive the mandatory sewer connection he believed that the HCPSD could secure the necessary easements without condemnation. Logan Moyers researched the language of the state code, as well as funding documents and has found that the HCPSD cannot legally waive the mandatory

connection to the sewer system. Once the plant site and associated easements have been secured we will continue to secure the remaining easements needed for the project.

MISCELLANEOUS BUSINESS:

Satellite Telemetry Presentation – Rob Trombold and Bob Starkey with Trombold Equipment Company attended the meeting to discuss the advantages of using satellite telemetry versus radio telemetry for monitoring the PSD’s water system. The PSD will be adding several tanks and booster pump stations as well as the Baker Water Plant to our telemetry system as part of the Baker Water Project. While there are clearly advantages to using satellite telemetry systems, satellite system have significant monthly maintenance charges that the radio telemetry systems do not. Mr. Trombold offered to allow the PSD to “test” satellite units at their Wardensville sites for three or four months to see first-hand the benefits of satellite telemetry and at the same time become more familiar with satellite telemetry systems. The PSD would be responsible for the cost of installing the units. Logan Moyers will contact Mr. Trombold if the PSD decides to trial run a satellite unit. Discussion was held regarding the pros and cons of satellite telemetry systems and it was decided that due to the significant monthly fees associated with the satellite telemetry system, the HCPSD will continue to use the radio telemetry system currently in place.

There were no members of the public in attendance of the meeting to provide comment.

There being no further business, Melvin Shook made a motion that the meeting be adjourned at 11:20 a.m. The meeting was adjourned.

The next regular meeting of the HCPSD is scheduled for **Wednesday, June 2, 2010, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew G. Gapp, Chairman

These minutes represent a summary of the subjects discussed and the actions taken by the members of the Hardy County Public Service District for the meeting held on May 5, 2010. 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.

HARDY COUNTY PUBLIC SERVICE DISTRICT

JUNE 2, 2010

10:00 A.M.

2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Melvin Shook, Logan Moyers and Connie Sherman, HCPSD; Clay Riley, Thrasher Engineering, Tom Michael, Attorney and Jean Flanagan, Moorefield Examiner.

The meeting was called to order at 10:10 a.m. Clyde See made a motion to approve the minutes of the May 5, 2010 regular board meeting as submitted. Melvin Shook seconded the motion. It was unanimously approved.

Baker Water Project – Logan Moyers provided an update regarding the Baker Water Project. The HCPSD has been informed that all construction contracts associated with the Baker Water project must be awarded by September 30, 2010 according to the special conditions contained in the EDA grant. This means the HCPSD has four months to receive the WVBPH permit, WVPSC certificate and to advertise and award all remaining contracts. Logan Moyers and Clay Riley have developed a detailed timeline which includes specific dates of the events which must occur in order to meet the EDA deadline. A copy of the timeline was handed out in the meeting and was discussed in detail. A second meeting with the WVPSC, project lenders and others will be scheduled in the near future so that all parties involved are aware of the EDA deadline and what each individual needs to accomplish in order to meet the timeline. The HCPSD has learned that EDA will not dispense any grant dollars until all project contracts funded by EDA have been awarded. The HCPSD will need to cover the entire cost of Phase I (approximately \$43,000.00) until all other contract have been awarded. The HCPSD has funds and can cover this cost until such time grant funds can be dispersed. Pilot testing has been completed and a Tonka Equipment representative is on site as of today to work with HCPSD field staff to disassemble the facility so that it can be relocated. Logan Moyers stated that the water results from the testing period were very good and that the experience and knowledge the HCPSD field staff gained will prove to be very beneficial in the future operation of the water plant. The two remaining easements for this project have been eliminated by a design modification since the property owner would not grant the easement. Tom Michael, project attorney, can now begin the title work needed for this project. The HCPSD has executed an option with the adjacent property owner to the HCPSD's office in order to acquire some additional property for parking and equipment storage. This property will be purchased as part of the Baker Water Project with USDA-RUS grant funds. Pre-construction tap fee deadline for the Baker Water Project was May 31, 2010 and was advertised in the Moorefield Examiner and WELD radio which means that from this point forward all Baker Water tap fees will be the standard \$400.00. An amendment to the EDA's Financial Assistance Award to allow the project to be constructed in phases was presented for approval. Clyde See made a motion to authorize the Chairman to execute the document. Melvin Shook seconded the motion. It was unanimously approved. Drawdown Request #4 of the USDA-RUS Special Services loan was presented. This drawdown request is to reimburse the HCPSD for expenses incurred as part of the pilot testing. Melvin Shook made a motion to approve the drawdown as presented. Clyde See seconded the motion. It was unanimously approved. Engineering Agreement Amendment #4 was presented which decreased inspection costs due to the elimination of the Arkansaw section of the project. Clyde See made a motion to approve the amendment as presented. Melvin Shook seconded the motion. It was unanimously approved. An amendment to the accounting services agreement with Griffith & Associates was presented. This amendment is necessary due to the additional work required by the WVPSC on the Rule 42 Exhibit. The

amendment increased for an amount not to exceed \$34,000.00. Clyde See made a motion to approve the amendment as presented. Melvin Shook seconded the motion. It was unanimously approved. HCPSD board member Clyde See asked if Logan Moyer or Clay Riley thought that we would be able to meet the timeline as presented. Logan Moyers stated that he feels that we can meet the deadline but we will need the cooperation of others to make it happen. Mr. See suggested that Logan Moyers follow closely each line item included in the deadline to be able to identify any problems as early as possible due to the limited time schedule. Mr. Moyers plans to schedule conference calls and meetings in the near future in order to keep the project moving according to the timeline.

Baker Sewer Project – Logan Moyers reported that there is no new information regarding the purchase of the 1.1 acres needed for the plant site for the Baker Sewer Project. Tom Michael has been in contact with the HCRDA's attorney regarding an issue with the WVDOH entrance permit for the HCRDA's to-be-constructed access road. The HCRDA and WVDOH must work through the issue with the entrance permit before the plant site and its associated easements can be finalized. The HCPSD's engineer has provided the necessary information to the HCRDA's engineer so that the plat and associated easements can be completed once the entrance permit is finalized. A representative of Thrasher Engineering is attempting to meet with WVDOH, at the request of the residents of Old Baker Road, to see if there is any way to allow the HCPSD to locate the sewer lines closer to the edge of the roadway. WVDOH has a policy that sewer lines must be located as far off the roadway edge as the depth at which the lines will be located underground. The HCSPD would like to keep the sewer lines as close to the road edge as possible but will need permission from WVDOH to do so.

FY 11 Budget – The fiscal year 2011 budget has been prepared and was included in the board packet information that was mailed last week. The proposed FY 11 budget figures are similar to the fiscal year 2010 budget. Following review and discussion, Clyde See made a motion to approve the budget as presented. Melvin Shook seconded the motion. It was unanimously approved as presented.

There were no members of the public in attendance of the meeting to provide comment.

There being no further business, Melvin Shook made a motion that the meeting be adjourned at 10:50 a.m. The meeting was adjourned.

The next regular meeting of the HCPSD is scheduled for **Wednesday, July 7, 2010, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew G. Gapp, Chairman

These minutes represent a summary of the subjects discussed and the actions taken by the members of the Hardy County Public Service District for the meeting held on June 2, 2010. 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.

HARDY COUNTY PUBLIC SERVICE DISTRICT

JULY 7, 2010

10:00 A.M.

2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Melvin Shook, Logan Moyers, Kevin Markwood, Chuck Ours and Connie Sherman, HCPSD; Anna-Marie Collis, RUS-USDA and Jean Flanagan, Moorefield Examiner.

The meeting was called to order at 10:05 a.m. Clyde See made a motion to approve the minutes of the June 2, 2010 regular board meeting as submitted. Melvin Shook seconded the motion. It was unanimously approved.

Due to a schedule conflict for Board Member Clyde See, the Baker Sewer Project was moved up on the agenda. Mr. See left the meeting at 10:20 a.m.

Baker Sewer Project – Logan Moyers provided an update on the status of securing the property for the sewer plant site. The HCPSD received and reviewed the draft deed from the HCRDA's attorney for the sewer plant site which included easements for the necessary water and sewer lines and ingress/egress to the plant site. Following the review of the deed and associated plat it was discovered that there were discrepancies with what the HCRDA board had previously approved and that some sewer lines were missing from the plat. The HCPSD was informed by the HCRDA's engineer that due to issues in obtaining an entrance permit from WVDOH for the Industrial Park access road, the HCRDA was forced to relocate the road which in turn resulted in the HCRDA's proposed relocation of the water and sewer lines. In addition to the water and sewer lines, the point of access for the HCPSD's plant site property did not coincide with the point of access approved by the HCRDA board. Both the line locations and the access to the plant site property will need to be revised and corrected prior to the execution of the deed. The HCPSD's engineer is working with the HCRDA's engineer to get the plat and descriptions revised to show the correct line locations and point of access for the plant site. In addition to those revisions, the HCPSD, with the assistance of the project engineer and attorney is also requesting several revisions to the deed itself. Those revisions include: that the revised plat be recorded along with the deed for future reference; that in the event that the to-be constructed access road is moved during construction, the water and sewer lines will be relocated accordingly; and that a two year reversionary clause, which takes precedence over the one year clause contained in the industrial park's covenants, be included as part of the deed. Following discussion, Clyde See made a motion that the general manager with assistance from the project's engineer and attorney be authorized to secure execution of a deed that is consistent with the needs of the project. Melvin Shook seconded the motion. It was unanimously approved. Once the necessary revisions have been made to the deed, the HCPSD must pay the HCRDA the agreed upon purchase price of \$29,000 for the 1.1 acre plant site. Because the HCPSD does not have sufficient funds in its sewer revenue to cover that expense, the HCPSD must request permission from the WVPSC to allow for the purchase of the sewer plant site with HCPSD water revenue until such time sewer project funds are made available. The HCPSD attorney has drafted a petition for approval of the transfer of these funds and will forward the petition to the WVPSC for approval. The HCPSD had previously been informed by the WVDOH that the sewer lines for this project would have to be located an equal distance off the edge of the roadway as the depths at which the lines will be buried. This resulted in a greater impact on properties in the Old Baker Road area than the HCPSD felt was necessary. Following an on-site meeting between Brian Martin, Thrasher Engineering and a representative from the WVDOH, the WVDOH has agreed to allow the HCPSD to locate the sewer lines as close to the edge of the

roadway as is feasible, thereby reducing the impact of construction on property along Old Baker Road.

Baker Water Project – Logan Moyers reviewed the Baker Water Project schedule and reported that the HCPSD is currently on schedule for getting this project's remaining contract awarded by September 30, 2010. Since last month's meeting the HCPSD has received the WVBPH permit, has provided preliminary title work to funding agencies and has received authorization to bid Phase II from EDA. The final title opinion can be submitted as soon as the remaining easement for the project is secured which should be this month. It is anticipated that the HCPSD will receive authorization from project lenders and will be advertising for bids for the remaining contracts prior to next month's meeting. Construction on the Phase I – Site Security Package is scheduled to begin during the week of July 12th and should be completed during the month of July. Pilot testing was completed and a Tonka Equipment representative was on site to disassemble the facility for relocation. During disassembly something occurred which resulted in a fish kill near the discharge location. WVDEP was notified immediately and they along with WVDNR are completing an investigation into the matter which is expected to take from four to six weeks. To date, we have no new information regarding the incident. Pay Requisition #5 was presented for reimbursement of pilot testing expenses and the purchase of the Marvin Chapel tank site. Melvin Shook made a motion to approve the pay requisition as presented. Matthew Gapp seconded the motion. It was unanimously approved. Anna-Marie Collis reviewed two USDA-RUS forms that needed to be adopted and accepted. A Certification Regarding Debarment was presented which states that the HCPSD has no knowledge of being disbarred from receiving federal funds. Melvin Shook made a motion to adopt and accept the form as presented. Matthew Gapp seconded the motion. It was unanimously approved. The Association with Agency Employees was also presented for approval which states that no HCPSD board members are related to USDA-RUS employees. Melvin Shook made a motion to adopt and accept the form. Matthew Gapp seconded the motion. It was unanimously approved. Connie Sherman presented the EDA Federal Financial Report and Quarterly Progress Report for the period ending June 30, 2010 for approval. Melvin Shook made a motion to approve the reports as presented. Matthew Gapp seconded the motion. It was unanimously approved. The reports will be submitted to EDA by Region VIII Planning & Development Council on behalf of the HCPSD.

There were no members of the public in attendance of the meeting to provide comment.

There being no further business, Melvin Shook made a motion that the meeting be adjourned at 10:35 a.m. The meeting was adjourned.

The next regular meeting of the HCPSD is scheduled for **Wednesday, August 11, 2010, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew G. Gapp, Chairman

These minutes represent a summary of the subjects discussed and the actions taken by the members of the Hardy County Public Service District for the meeting held on July 7, 2010. 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.

HARDY COUNTY PUBLIC SERVICE DISTRICT

AUGUST 11, 2010

10:00 A.M.

2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Logan Moyers, Kevin Markwood, Chuck Ours and Connie Sherman, HCPSD; Anna-Marie Collis, RUS-USDA and Jean Flanagan, Moorefield Examiner; Clay Riley, Phil Simmons and Kylea DeMarco, Thrasher Engineering.

The meeting was called to order at 10:10 a.m. Clyde See made a motion to approve the minutes of the July 7, 2010 regular board meeting as submitted. Matthew Gapp seconded the motion. It was unanimously approved.

Baker Water Project – Logan Moyers provided an update on the Baker Water Project. Mr. Moyers informed the board that the WVPSC has approved and granted the HCPSD a certificate of convenience and necessity to construct the Baker Water Project. Construction of Contract #3 – Site Security Package has been completed and photographs of the construction were available for review at the meeting. During fence construction there was one incident with an adjacent property owner regarding an ingress/egress easement which has been resolved. The fence, once constructed, did not allow the property owner direct access to his property as had been previously reserved. The property owner worked with the HCPSD to relocate his access to an unobstructed location. The HCPSD will soon have the new access location surveyed so that this location can be identified in a to-be developed easement that will supersede the old agreement. Advertisements for bids for the four remaining Baker Water Project contracts were published in the Moorefield Examiner, as well as other publications, over the last several weeks. Clay Riley provided a list of companies who have requested plans for each Baker Water Project contract. A pre-bid conference is scheduled for August 11, 2010 at 1:00 p.m. and bid opening is scheduled for August 27, 2010 at 11:00 a.m. The HCPSD remains on schedule to award the remaining contracts by the September 30th EDA deadline.

Baker Sewer Project – Logan Moyers provided an update on the status of securing the property for the sewer plant site and associated easements. Since last month's HCPSD meeting, the access road has been constructed in the Baker Industrial Park. Construction of this road prior to execution of the plant site deed will allow the HCPSD to have the property surveyed so that necessary line locations can be identified and included in the deed. Once the plat and description have been developed for the line locations, the HCPSD will work with the HCRDA in order to finalize and execute the deed agreement. The HCPSD has submitted its petition to the WVPSC requesting authorization to use water funds to purchase the sewer plant site.

There were no members of the public in attendance of the meeting to provide comment.

There being no further business, Clyde See made a motion that the meeting be adjourned at 10:30 a.m. The meeting was adjourned.

The next regular meeting of the HCPSD is scheduled for **Wednesday, September 8, 2010, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew G. Gapp, Chairman

These minutes represent a summary of the subjects discussed and the actions taken by the members of the Hardy County Public Service District for the meeting held on August 11, 2010. 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.

HARDY COUNTY PUBLIC SERVICE DISTRICT
SEPTEMBER 8, 2010
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Logan Moyers, Kevin Markwood, and Connie Sherman, HCPSD; Anna-Marie Collis, RUS-USDA and Jean Flanagan, Moorefield Examiner.

The meeting was called to order at 10:10 a.m. Clyde See made a motion to approve the minutes of the August 11, 2010 regular board meeting as prepared. Melvin Shook seconded the motion. It was unanimously approved.

Baker Water Project – Logan Moyers provided an update on the Baker Water Project. Mr. Moyers informed the board that bid openings for contracts 1, 2, 4 & 5 were held August 27, 2010. The HCPSD was very pleased with the number of bidders, as well as the results of the bid openings. All contracts were under the contract estimates with the exception of Contract #5 which was slightly above the estimate for the tank contracts. The Board reviewed letters of recommendation to award each contract which were prepared by Thrasher Engineering and was based on bid tabulations. Clyde See made a motion to accept Thrasher Engineering's recommendation to award Contract #1 – Baker Water Treatment Plant to Breckenridge Corporation for a bid amount of \$3,681,000.00. Melvin Shook seconded the motion. It was unanimously approved. Clyde See made a motion to accept Thrasher Engineering's recommendation to award Contract #2 – Baker Area Water Distribution System to Stonegate Construction Company for a bid amount of \$1,930,661.00. Melvin Shook seconded the motion. It was unanimously approved. Clyde See made a motion to accept Thrasher Engineering's recommendation to award Contract #4 – Marvin Chapel Water Extension Project to J.F. Allen Company for a bid amount of \$814,673.50. Melvin Shook seconded the motion. It was unanimously approved. Clyde See made a motion to accept Thrasher Engineering's recommendation to award Contract #5 – Water Storage Tanks to Mid Atlantic Storage Systems, Inc. for a bid amount of \$442,260.00. Melvin Shook seconded the motion. It was unanimously approved. It will be necessary to hold a special pre-closing meeting on Wednesday, September 22, 2010, 1:00 p.m. in order to prepare for closing these contracts. Board member attendance is required at the special meeting so funding documents can be executed. A pre-construction conference for these contracts will be held during the last week of the month at which board member attendance is not required. The Board also reviewed a letter of recommendation from Thrasher Engineering for a lead project representative. Melvin Shook made a motion to approve Brian Martin as the lead project representative for the Baker Water Project. Clyde See seconded the motion. It was unanimously approved. Logan Moyers reviewed the updated project schedule with the Board and noted that everything was in order to be able to award all remaining contracts by EDA's September 30th deadline.

Baker Sewer Project – Logan Moyers informed board members that the only update regarding the Baker Sewer Project is that construction on the access road being constructed by the HCRDA has been completed. This road will be used by the HCPSD to access the future site of the Baker Sewer Plant. The HCPSD will have a survey crew develop a plat showing this road along with the planned location of the utility lines going to and from the future plant site in the near future so that the HCPSD and HCRDA can finalize the deed and easement agreement for the future plant site and associated easements. Once all Baker Water Project contracts have been awarded and notice to proceed has been issued, as well as project funding closings, more attention will be given to moving this project forward.

There were no members of the public in attendance of the meeting to provide comment.

There being no further business, Clyde See made a motion that the meeting be adjourned at 10:40 a.m. The meeting was adjourned.

The next regular meeting of the HCPSD is scheduled for **Wednesday, October 6, 2010, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew G. Gapp, Chairman

These minutes represent a summary of the subjects discussed and the actions taken by the members of the Hardy County Public Service District for the meeting held on September 8, 2010. 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.

HARDY COUNTY PUBLIC SERVICE DISTRICT
OCTOBER 6, 2010
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Logan Moyers, Melvin Shook, and Connie Sherman, HCPSD; and Jean Flanagan, Moorefield Examiner.

The meeting was called to order at 10:05 a.m. Clyde See made a motion to approve the minutes of the September 8, 2010 regular board meeting as prepared. Melvin Shook seconded the motion. It was unanimously approved.

Baker Water Project – Logan Moyers provided an update on the Baker Water Project. Mr. Moyers reported that the pre-closing meeting was held on September 22, 2010, and a pre-construction conference for the project was held September 30, 2010. Contractors for Contracts #1, #2 and #4 will begin construction on October 18, 2010. Mr. Moyers informed the board that the owner of Mid Atlantic Storage Systems, Inc. was a passenger in the airplane that was involved in the accident reported in this week's Examiner. The pilot and passenger received minor injuries. Mid Atlantic Storage Systems, Inc. is the contractor for Contract #5 of the Baker Water Project and was in route to the pre-construction conference at the time of the accident. Change Order #1 to Contract #1 was presented for approval. This change order is for an upgrade from carbon steel tanks at the water plants to stainless steel tanks. The total cost of the change order is \$367,500.00. Stainless steel will extend the useful life of the tanks and will eliminate the need for future maintenance such as painting. Clyde See made a motion to approve Change Order #1 to Contract #1 as presented. Melvin Shook seconded the motion. It was unanimously approved. An Engineering Service Agreement with Thrasher Engineering was presented for the relocation and upgrade of the Phase II (WV Rt. 55) booster pump station. Pending funding agency approval, construction of the new booster station will be completed as part of the Baker Water Project in the form of a change order. Melvin Shook made a motion to approve the engineering service agreement as presented. Clyde See seconded the motion. It was unanimously approved. The Board reviewed a letter of recommendation from Thrasher Engineering for a project representative. Melvin Shook made a motion to approve Dennis Pitzer as a project representative for the Baker Water Project. Clyde See seconded the motion. It was unanimously approved. Clyde See made a motion to authorize the General Manager to approve any necessary inspectors for the Baker Water Project as recommended by Thrasher Engineering and also permission to request replacement of any inspector found to be not performing satisfactorily from this point through project completion. Melvin Shook seconded the motion. It was unanimously approved. Pay Requisition #1 for EDA Contract #1 (Site Security Fencing) was discussed. Clyde See made a motion to approve pay requisition #1 subject to the contractor's full completion of the punch list items. The pay requisition and associated contract close out documents will be submitted to federal EDA when all work is satisfactorily completed. Melvin Shook seconded the motion. It was unanimously approved. Federal Financial Report #2 covering the fiscal year ending September 30, 2010 and Quarterly Progress Report #4 covering the period from July 1, 2010 through September 30, 2010 was presented. Melvin Shook made a motion to approve the EDA reports as presented. Clyde See seconded the motion. It was unanimously approved. Discussion was held regarding the need for the HCPSD to temporarily employ a certified Class II water operator in order to be in compliance with state regulations for operation of our water plant. HCPSD chief operator, Kevin Markwood, has passed the Class II examination but does not have the required 1,000 hours of in-plant operation to obtain certification. Chuck Ours is scheduled to attend Class II certification training at the end of this month. Once hired, the certified Class II operator will work to oversee plant operations until a HCPSD employee becomes certified. Clyde See made a motion to authorize the General Manager to contact local qualified individuals to determine their interest in temporary employment with the HCPSD. Melvin Shook seconded the motion. It was unanimously approved. Mr. Moyers informed the board that the person would begin

employment during the construction of the water plant likely in early spring 2011. The temporary employee's work schedule and pay rate would need to be determined. Mr. Moyers suggested the Class II operator be hired as a contracted agent rather than as a part-time employee. He also suggested that because the employee would only work 4 or 5 hours prior to plant activation and likely 8 – 15 hours thereafter, hourly payment would be necessary. Mr. Moyers stated that he intended to contact the Kearneysville District Health Office to help determine an appropriate hourly rate.

Baker Sewer Project – Logan Moyers reported that there were no updates regarding the Baker Sewer Project. Construction on the access road being constructed by the HCRDA is complete. The HCPSD will continue to work with the HCRDA to finalize the deed and easement agreement for the future plant site and associated easements. Once the Baker Water Project is under construction, more attention will be given to moving this project forward.

NEW BUSINESS:

Corridor H – Hutter Road Relocation – The Department of Highways has informed the HCPSD that an exit road is planned to be constructed from Corridor H to the intersection of Hutter Road and Darlington School Road. This road will require the relocation of the HCPSD's main water line in that area. WVDOH will be responsible for construction of the line relocation, however the design work associated with the relocation will be done by Thrasher Engineering. WVDOH will cover all HCPSD incurred costs for this design work. Logan Moyers presented for approval an agreement between the HCPSD and Thrasher Engineering for the design work associated with the Hutter Road relocation. Clyde See made a motion to approve the agreement between the HCPSD and Thrasher Engineering for the relocation design on Hutter Road. Melvin Shook seconded the motion. It was unanimously approved.

Hydrant Locking Demonstration – The vendor of the fire hydrant locking devices will be on site for demonstrations of the device for local fire departments and HCPSD staff all day on October 19 and October 20, 2010 and one evening session on October 19, 2010.

There were no members of the public in attendance of the meeting to provide comment.

There being no further business, Melvin Shook made a motion that the meeting be adjourned at 10:45 a.m. The meeting was adjourned.

The next regular meeting of the HCPSD is scheduled for **Wednesday, November 3, 2010, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew G. Gapp, Chairman

These minutes represent a summary of the subjects discussed and the actions taken by the members of the Hardy County Public Service District for the meeting held on October 6, 2010. 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.

HARDY COUNTY PUBLIC SERVICE DISTRICT
NOVEMBER 3, 2010
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Logan Moyers, and Gail Pavan, HCPSD; Anna-Marie Collis, USDA-RUS; Clay Riley, Thrasher Engineering and Jean Flanagan, Moorefield Examiner.

Absent: Melvin Shook and Connie Sherman

The meeting was called to order at 10:10 a.m. Clyde See made a motion to approve the minutes of the October 6, 2010 regular board meeting as prepared. Matthew Gapp seconded the motion. It was unanimously approved.

Baker Water Project – Clay Riley, project engineer, explained that on a monthly basis at the regular board meetings, held at the HCPSD office, during the construction of the Baker Water Project, he will provide the board with a construction update by contract. In the afternoon of the same day, an on-site construction meeting will be held at the water plant site location since the HCPSD office is not located within the project area. Mr. Riley can make arrangements for any board member to visit the project site at any time. The notice to proceed date on all contracts was October 18, 2010. Contract #1 – Breckenridge is on site, has installed all project signs, set up field office and has begun stripping top soil. Contract #2 – Stonegate arrived on site October 19, 2010 and began receiving materials and setting up their field office. They plan to begin main line construction on November 15, 2010. Contract #4 – J. F. Allen is on site and has established their field office and materials storage site. J.F. Allen began installing main line on October 18, 2010 and currently has 54% of main line pipe installed. Their water meters and meter pits are on back order and are not being set at this time. Contract #5 – Mid Atlantic Storage Systems, Inc. has submitted shop drawings for approval and following approval have a 6-8 week manufacturing lead time. They anticipate being on site around the first of the year 2011, weather permitting. Clay Riley provided an update regarding the punch list items for the security fencing contract with ALL Quality. Representatives from ALL Quality have been on site to address the necessary punch list items which should be completed this week. Logan Moyers reported that the WV Division of Labor is conducting a prevailing wage investigation of ALL Quality based upon their review of the certified payrolls that were submitted as part of the security fencing contract. This means that the HCPSD will not issue any payments to the contractor until any findings of the investigation are solved. Mr. Moyers provided an update regarding the necessary electric service upgrade at the water plant. Payment has been made to Shenandoah Valley Electric for the three phase upgrade needed at the water treatment plant. Funds to cover the upgrade were paid from the HCPSD's general water revenue account and will be reimbursed from the initial EDA drawdown. It was necessary for the HCPSD to use funds from general water revenue for this purpose due to the transfer of ownership from Shenandoah Valley Electric to Allegheny Power in the near future and the need for the upgrade to be completed prior to the transfer. This will avoid any delay in the availability of the electric service during the transfer process. Following the last board meeting, Mr. Moyers contacted Bill Henry, a local retired fully certified WV Class II water operator regarding temporary part-time employment with the HCPSD to oversee water plant operation until a current HCPSD field staff is fully certified. Clyde See made a motion to approve the employment of Mr. Henry to observe plant construction and to oversee operation of the Baker water treatment plant following project completion. Matthew Gapp seconded the motion. It was unanimously approved. Mr. Moyers presented a drawdown request to Federal EDA in the amount of \$210,001.00. Clyde See made a motion to approve the pay requisition as presented. Matthew Gapp seconded the motion. It was unanimously approved. A drawdown to

USDA-RUS was presented in the amount of \$169,218.51. Clyde See made a motion to approve the pay requisition as presented. Matthew Gapp seconded the motion. It was unanimously approved. A drawdown to WVIJDC was presented in the amount of \$91,835.18. Clyde See made a motion to approve the pay requisition as presented. Matthew Gapp seconded the motion. It was unanimously approved. Mr. Moyers provided an update on construction progress as it relates to individual property owners and feels that any issues currently have been resolved. Jean Flanagan inquired about a “ribbon cutting” for the project and Mr. Moyers suggested that an event of that type will be held when the project is completed.

Baker Sewer Project – Logan Moyers reported with the start of construction on the Baker Water Project, the HCPSD can now put more focus on moving forward the Baker Sewer Project. The first matter to be resolved will be securing the sewer plant site within the Baker Industrial Park from the HCRDA. Mr. Moyers will contact the HCRDA to try to determine the status of finalizing the deed to acquire the property in the near future. Following the execution of the plant site deed, Mr. Moyers will concentrate on obtaining the necessary right-of-ways for the project. Project engineer, Clay Riley stated that it will be necessary to update both plans and permits for this project.

Dover Hollow Water Extension Project – The Hardy County Commission received notification from the WV Development Office that our request to receive Small Cities Block Grant funds for the Dover Hollow Water Extension Project was not granted for funding for fiscal year 2010. We were told that our application was very good and were encouraged to resubmit the same application for fiscal year 2011 funding. A letter was mailed to each Dover Hollow resident informing them of the status of the application and that we would resubmit next year.

There were no members of the public in attendance of the meeting to provide comment.

There being no further business, Clyde See made a motion that the meeting be adjourned at 11:15 a.m. The meeting was adjourned.

The next regular meeting of the HCPSD is scheduled for **Wednesday, December 8, 2010, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew G. Gapp, Chairman

These minutes represent a summary of the subjects discussed and the actions taken by the members of the Hardy County Public Service District for the meeting held on November 3, 2010. 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.

HARDY COUNTY PUBLIC SERVICE DISTRICT
DECEMBER 8, 2010
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Melvin Shook, Logan Moyers, Chuck Ours and Connie Sherman, HCPSD; Brian Martin, Thrasher Engineering; Pam Keplinger, Region VIII and Jean Flanagan, Moorefield Examiner.

The meeting was called to order at 10:10 a.m. Melvin Shook made a motion to approve the minutes of the November 3, 2010 regular board meeting as prepared. Clyde See seconded the motion. It was unanimously approved.

Baker Water Project – Logan Moyers provided a brief update on the Baker Water Project. He reported that construction has started on all contracts except contract #5 - water storage tanks. Brian Martin, project inspector, provided the monthly construction project update on the Baker Water Project. Contract #1 – Breckenridge has excavated dirt, set forms and began pouring concrete. Contract #2 – Stonegate has been installing 10” main line piping on WV SR259 and has 9% of the main line piping and 3% of the meter setters installed at this time. They added a trencher to their site equipment recently to further increase production. Contract #4 – J. F. Allen has 93% of their main line piping and 89% of meter setters installed at this time. The booster station submittals have been received and approved and they expect delivery mid January 2011. Contract #5 – Mid Atlantic Storage Systems, Inc. has provided and received approval on material submittals and has erected project signs. We anticipate Mid Atlantic to begin around the first of the year 2011, weather permitting. A construction photo of each contract was included as part of the update. Mr. Martin also informed the board of the web camera located at the water plant site which allows for 24 hour a day/7 days per week real time viewing on the internet and provided the website. This camera will help with security and also provide current weather conditions for contractors. Logan Moyers reported that the monthly construction progress meetings would be held today at 1:30 p.m. at the water plant field office for all contracts. Mr. Moyers presented a drawdown request to Federal EDA in the amount of \$427,168.00. Clyde See made a motion to approve the pay requisition as presented. Melvin Shook seconded the motion. It was unanimously approved. A drawdown to USDA-RUS was presented in the amount of \$407,508.56. Clyde See made a motion to approve the pay requisition as presented. Melvin Shook seconded the motion. It was unanimously approved. A drawdown to WVJDC was presented in the amount of \$177,163.08. Clyde See made a motion to approve the pay requisition as presented. Melvin Shook seconded the motion. It was unanimously approved. A Resolution was presented to authorize additional signatures of Logan Moyers and Melvin Shook on any State and Federal documents associated with the Baker Water Project. Clyde See made a motion to adopt the Resolution as presented. Melvin Shook seconded the motion. It was unanimously approved. Pam Keplinger reported that the prevailing wage investigation being conducted by the WV Division of Labor of ALL Quality has not been closed and that the HCPSD cannot issue any payments to the contractor until any findings of the investigation are resolved. Logan Moyers reported that all punch list items were completed by the contractor for this fence contract. The final acceptance report has been submitted and accepted by federal EDA.

Baker Sewer Project – Logan Moyers reported that he recently received a copy of the deed and associated plat for the acquisition of the Baker sewer plant site property. The deed is correct except for the easements widths and access point to the plant site is not sufficient. The deed allows a 10’ permanent easement, meaning the lines must be located 5’ from the edge of the newly constructed road and due to the necessary depths of the trenches for the gravity sewer lines this is not feasible. The other issue is regarding access to the plant site which needs to be from the west due to

configuration of the plant however the plat provides access from the north. Logan Moyers has a meeting scheduled on site with representatives from the HCRDA to discuss the HCPSD's needed revisions to the deed and plat. Hopefully following the meeting, the revisions can be made and the transaction can finally be completed. Logan Moyers was contacted by a representative from the engineering firm working with Hardy Telecommunications on their fiber-optic project. He stated that his firm was waiting on the HCPSD to have defined easement locations before they can proceed with the design for Hardy's project. Mr. Moyers informed the engineer that we would be unable to provide this information until such time the HCPSD received sufficient easements within the Baker Industrial Park from the HCRDA.

Employee Handbook Revisions – Annual employee handbook revisions were mailed as part of the board member packets. Logan Moyers provided an overview of the revisions which included clarification to Section 2.7 - Work Schedule to include that field staff employees are on standby during all unscheduled working hours at all times and should be prepared to be called to work whenever necessary. A clarification was added to Section 3.1.g – Retirement Plan which defines that upon retirement, employees receive retirement benefits exclusively from their individual 4.5% contribution before the State's portion would be accessed. The addition of Section 3.1.j - Exiting Employee Annual Leave which explains the process of exit employees being paid accrued annual leave and compensatory time. Additions were made to Section 3.2 – Travel Expense Reimbursement as it regards allowances for meals, private vehicle use versus company vehicle use and overnight stays. The addition of Section 5.8 – District Property & Equipment which states that all equipment, vehicles, tools, etc. owned by the District are to be used solely for District business. All changes and additions were review prior to presentation by the District's attorney. Following discussion, Melvin Shook made a motion to approve the Employee Handbook revisions as presented. Clyde See seconded the motion. It was unanimously approved.

There were no members of the public in attendance of the meeting to provide comment.

Logan Moyers reminded all board members of the HCPSD Christmas dinner to be held Tuesday, December 14, 2010 at 6:30 p.m. at O'Neil's Restaurant.

There being no further business, Clyde See made a motion that the meeting be adjourned at 10:40 a.m. The meeting was adjourned.

The next regular meeting of the HCPSD is scheduled for **Wednesday, January 12, 2011, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew G. Gapp, Chairman

These minutes represent a summary of the subjects discussed and the actions taken by the members of the Hardy County Public Service District for the meeting held on December 8, 2010. 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.