

HARDY COUNTY PUBLIC SERVICE DISTRICT
FEBRUARY 6, 2019
4:30 P.M.
2094 US 220 South, Moorefield, West Virginia

Present: Rob Harper, Rose Helmick, Justin Basye, Logan Moyers, Kevin Markwood, Connie Sherman, HCPD; Tre Kerns and Dan Ferrell, The Thrasher Group and Jean Flanagan, Media.

The meeting was called to order at 4:25 p.m. by Chairman Robert Harper. Rose Helmick made a motion to approve the minutes of the January 9, 2019 regular meeting minutes as presented. Justin Basye seconded the motion. The motion was approved.

New Business:

FY19 Financial Statement – A copy of the District's fiscal year 2019 financial statement was mailed as part of the board packets prior to the board meeting. Logan Moyers told board members he feels that the District's financial statement reflects an organization that is in a strong financial position and prepared for the future. Rose Helmick made a motion to approve the financial statements as presented. Justin Basye seconded the motion. It was unanimously approved. A copy of the financial statement was given to Rose Helmick to provide to the Hardy County Commission.

Unfinished Business:

Baker WTP Upgrade Project Update - Logan Moyers gave an update on the progress of the Baker WTP Upgrade project. Mr. Moyers reported that we continue to wait for a funding commitment but that based on correspondence with the funding agency it appears that a commitment may occur in the near future. We were informed that our regional USDA-RUS office has begun the underwriting process for our funding package and that USDA's State Engineer is currently reviewing the preliminary engineering report, environmental report and engineering agreement for the project. Logan Moyers discussed with the Board the intention of the District to request a waiver for a certificate case with WVPSC. He explained that because we anticipate our project will be rate neutral, meaning there would be no rate increase to customers associated with this project, the District will attempt to make the case that this project is within the "normal course of business" for the District. If our attempt to secure a waiver is successful, it will mean the District can cut several months off the projects timeframe and immediately move to the bid process with the project. It was noted, however, that waivers are seldom granted by the WVPSC. Mr. Moyers reported that should our attempt to secure a waiver proves to be unsuccessful, the District has worked to have all the requirements for filing a certificate case with WVPSC ready so that our case filing can occur soon after receiving the funding commitment. The District has now secured all permits for the project, with the exception of the Department of Highways permit, and the District's project accountant has completed the to the draft rule 42 financial analysis and is ready to incorporate the terms of the funding package once funding is in place. This financial information will be included in the certificate case filing with WVPSC if a case is required.

Hampshire County Resale Request – Logan Moyers provided an update on the possibility of selling bulk water to Central Hampshire PSD at the Hampshire County line on US 220 North. This water would be used to supply a water system for the Purgitsville area of Hampshire County, which has been experiencing issues with methane and other similar contaminants in the groundwater supply. This contaminated groundwater had resulted in serious concerns about the safety of water from private wells in the Purgitsville area. The

District has provided an estimated water resale rate of \$4.95 per thousand to Central Hampshire PSD. There is still quite a lot of work needed to be completed by Hampshire County before the District can make a firm commitment that it can provide water for resale to Hampshire County. Mr. Moyers shared that it was his opinion that the District should not consider extending its lines into Hampshire County to serve the Purgitsville community because it would mean the District would have to expand its service territory into Hampshire County and doing so could potentially have an adverse impact on the District's ability to secure low-interest financing for future water projects. Mr. Moyers also said if the District were to extend its system into Hampshire County it could potentially result in an increase in rates to all Hardy County customers of the District. Mr. Moyers said he feels the best option for the District is to maintain its current position, that being, that we are open to the possibility of selling water to Hampshire County for a Central Hampshire PSD owned and operated water system, but that the District is not willing to extend its own water system into Hampshire County to serve the Purgitsville area.

District Office Rebuild Project - Logan Moyers reported that he continues to work with FEMA representatives regarding grant funds for expenses associated with the damage from the June 2018 storm. Mr. Moyers reported that he received approval for additional grant funding from FEMA to assist with the mitigation projects, including some excavation work around the facility and to raise the floor level of the building in an effort to prevent future flooding occurrences. Mr. Moyers said that he now anticipates that all told, the District will receive over \$200,000.00 in grant funds from FEMA that can be applied toward the rebuild of the District's office/shop facility. Mr. Moyers is currently working with representatives from the West Virginia Department of Homeland Security and Emergency Management, who will be responsible for disbursing the FEMA grant funds to the District, to determine the processes that must be followed as the District works to have a new office/shop facility designed and ultimately constructed. We will discuss quotes from architects for design work on the office rebuild at a future meeting when we know more about the requirements of FEMA and WVDHSEM for the use of the grant funds. Mr. Moyers said he anticipates being in the temporary officer trailer for another year.

Backflow Preventer Program - Mr. Moyers reported that he has completed all backflow preventer surveys for all customers on the US 220 South water system and that all customers for whom it was determined a backflow preventer would be required have successfully completed installation of a backflow preventer as of the January 31, 2019 deadline with the exception of one customer. The remaining customer's backflow preventer must be installed inside and in-ground pit and that installation has been delayed due to the wet weather the area has experienced. A total of 39 surveys were completed and 28 of those customers were required to install a backflow prevention device. We will soon begin working to identify customers in areas north and east of Moorefield who may need to install a backflow prevention device.

Miscellaneous Business:

New Board Member - Justin Basye was introduced and welcomed as the new board member to fill the unexpired term of Matthew Gapp. His term will end June 30, 2020.

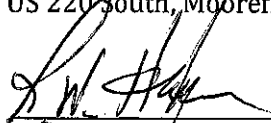
Sewer I&I Issue - Logan Moyers reported that we have experienced some issues at the Baker Sewer Plant during the recent wet weather events with inflow and infiltration (I&I). Following an investigation by the District, the East Hardy school complex has been identified as a major contributor of I&I and Mr. Moyers has informed them that if they have not corrected their problems by the end of March, they will be charged for the additional flows they are contributing. School personnel believe they have located the problem resulting in the I&I and have been working to correct those issues. Mr. Moyers said the District will continue to monitor to ensure the problems have been corrected.

Unaccounted Water – Logan Moyers informed the board of a recent newspaper article that was published in the Charleston Gazette about the high percentage of water loss throughout the State of West Virginia. Unaccounted-for-water is the difference in the volume of water produced less the volume of water sold. Unaccounted-for-water is typically expressed as a percentage and the WVPSC sets the acceptable water loss percentage at 15%. The District is below that percentage, as was Hardy County as a whole. Mr. Moyers credited the District's field staff for maintaining this low percentage of water loss.

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

There being no further business, Robert Harper made a motion that the meeting be adjourned. Rose Helmick seconded the motion. The meeting was adjourned at 5:05 p.m.

The next regular scheduled board meeting will be held **March 6, 2019, 4:30 p.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.



Robert Harper, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the regular meeting held on February 6, 2019. 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.