

HARDY COUNTY PUBLIC SERVICE DISTRICT
DECEMBER 14, 2016
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Melvin Shook, Clyde See, Logan Moyers, Connie Sherman, HCPSD; Jean Flanagan, Media; Kylea Radcliff, The Thrasher Group; Barbara Ratcliff, Grady Bradfield, Martha Bradfield and Jon Crowe, Town of Wardensville; and John Stump, Steptoe & Johnson PLLC, via conference call.

The meeting was called to order at 10:05 a.m. by Chairman Matthew Gapp. Melvin Shook made a motion to approve the minutes of the November 2, 2016 regular meeting minutes as presented. Clyde See seconded the motion. It was unanimously approved.

Unfinished Business:

Town of Wardensville – Logan Moyers provided an update on the progress that has been made on the evaluation of the Town of Wardensville's water and sewer systems. In addition to smoke testing, flow meters were installed at 2 locations in an attempt to determine if there were any issues with inflow and infiltration (I & I) in the sewer system. The results of the flow tests did not indicate any significant issues with I & I. After months of investigation with assistance from engineers, accountants, bond counsel and other parties, Mr. Moyers believes that it would be in the best interest of the District to work to assume ownership of the Wardensville systems. Mr. Moyers feels as though this can be done without negatively impacting our existing customers. Mr. Moyers went on to discuss a few issues that must be worked through between the two entities, including potential issues with the transfer of real estate from the Town to the District, as well as the District's need for additional property to construct a new sewer plant. Mr. Moyers also stated that remediation of the existing lagoon would be the Town's responsibility and that the Town's storm water system would not be included in the transfer. Mr. Moyers did stress that the Wardensville water system is a much older system than the District's existing water system and is constructed with AC pipe which can have issues but also this system is much cheaper and easier to operate compared to the Baker system. Following more discussion including input from Attorney John Stump, who is working with both groups to coordinate the transfer, it was decided that a purchase agreement document be prepared which outlines the responsibilities of both entities necessary to facilitate the transfer of ownership. The transfer of ownership must be approved by WVPSC and is estimated to take up to as long as a year to complete. Mr. Stump informed both groups of a major issue that must be addressed before a transfer can take place; currently regulations require that once the transfer of ownership has taken place, the District must charge the Town's rates in place at the time of transfer for at least one year before initiating a rate increase. This is an issue because the District can only assume ownership of the system if the Town's customers begin paying the District's current rates immediately upon becoming customers of the District. Anything less would leave the District without the revenue necessary to provide staffing to operate and maintain the newly acquired systems. Mr. Stump recommended representatives from both groups meet as soon as possible with WVPSC staff persons to discuss the rate issue. Clyde See made a motion to proceed with the necessary work to be able for the District to acquire the water and sewer systems from the Town of Wardensville. Melvin Shook seconded the motion. It was unanimously approved. Mr. Stump will begin working with both entities to create the purchase agreement document outlining the steps and actions both groups must undertake to facilitate the system transfers.

Bond Refunding Proposal – Logan Moyers presented documents for approval as part of the District’s potential refunding of a portion of its existing debt through a commercial bank. A request for proposals for interest rates and funding packages was presented. Melvin Shook made a motion to approve the request for proposals. Clyde See seconded the motion. It was unanimously approved. Proposals are due to the District by January 9, 2017 and include a request for closing to occur by March 15, 2017. A list of commercial banks that the request for proposals will be distributed to was also reviewed. Melvin Shook made a motion to approve the list of commercial banks which includes all local banks. Clyde See seconded the motion. It was unanimously approved. An application with USDA-Rural Development, the current bond holder, requesting consent was presented. This document must be approved by USDA to allow the District to pursue the refunding of its existing bonds. Melvin Shook made a motion to execute the application and submit to USDA-Rural Development. Clyde See seconded the motion. It was unanimously approved. The approved documents will be sent to our bond counsel.

Emergency Preparedness Project – Logan Moyers presented the Certificate of Substantial Completion with contractor, Michel, Inc., for the Emergency Preparedness Project. All work has been completed on the project except for testing at all locations and to ensure that all locations are clearly marked with relevant information. Final payment will be made when the remaining items are complete. Clyde See made a motion to approve substantial completion of the project. Melvin Shook seconded the motion. It was unanimously approved.

Baker Water Quality Issues – Logan Moyers provided an update on the work with Water Membrane Systems, Inc. to address the water quality issues at the Baker Water plant. Following the investigation into the water plant operation, it has been determined that nanofiltration is not the best system to aide in the removal of organics from the raw water in the Baker impoundment. Kylea Ratcliff, project engineer, explained to the District board members how it was determined that a more beneficial system would be an ion exchange system, which would be used to aide in the removal of organics from the raw water prior to entering the plant’s conventional treatment process. A company called Ixom has a product named MIEX that consists of a large cylinder containing charged media that attaches to the organic materials in the water prior to the water entering the water plant. This type of removal system uses salt in the removal process which will result in a salt brine residue material that will require disposal and salt replacement after approximately every 1 million gallons of water is treated. Further investigation determined that while the membranes are working as intended, they are being compromised by the amount of organics that they are being required to filter. Due to the stress on the membrane filters it has been determined that the filters need to be replaced. Clyde See made a motion to approve the purchase of new membrane filters at an estimated cost of \$63,000.00. Melvin Shook seconded the motion. It was unanimously approved. The District has funds available in its membrane replacement account for the purchase of these filters. The ion exchange pilot study would require the installation of one tank being used on one train of the water plant so that it can fully run to test the ion exchange system. An Ixom representative is on site at the water plant today for further testing so that we can move forward with the pilot study on the ion exchange system as soon as possible.

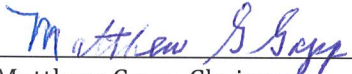
Miscellaneous Business:

HCPSD Policy Revisions & Adoptions – Board members were provided a revised Employee Manual & Handbook as part of the board meeting packet. Melvin Shook made a motion to approve the revisions to the employee handbook as proposed. Clyde See seconded the motion. It was unanimously approved. Logan Moyers presented two new policies. A Bulk Water Service Policy was discussed which would outline the procedure for the HCPSD to sell bulk water to customers. Clyde See made a motion to approve the Bulk Water Service Policy as presented. Melvin Shook seconded the motion. It was unanimously approved. A Records Retention Policy was presented which outlines how long the HCPSD will need to keep documents before they can be recycled or destroyed. Clyde See made a motion to approve the Records Retention Policy as presented. Melvin Shook seconded the motion. It was unanimously approved.

There were no members of the public in attendance for 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 scheduled board meeting will be held **January 11, 2017, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.


Matthew Gapp, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the regular meeting held on December 14, 2016. 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.

Certificate of Substantial Completion

Project: Establishing Generator Connection Points

Owner: Hardy County PSD

Owner's Contract No.: 1

Contract: 1

Project #: N/A

This [tentative] [definitive] Certificate of Substantial Completion applies to:

All Work under the Contract Documents: The following specified portions of the Work:

As outlined in the base bid of the above referenced project.

December 14, 2016

Date of Substantial Completion

The Work to which this Certificate applies has been inspected by authorized representatives of Owner, Contractor, and Engineer, and found to be substantially complete. The Date of Substantial Completion of the Project or portion thereof designated above is hereby declared and is also the date of commencement of applicable warranties required by the Contract Documents, except as stated below.

A [tentative] [definitive] list of items to be completed or corrected is attached hereto. This list may not be all-inclusive, and the failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

The responsibilities between Owner and Contractor for security, operation, safety, maintenance, heat, utilities, insurance and warranties shall be as provided in the Contract Documents except as amended as follows:

Amended Responsibilities

Not Amended

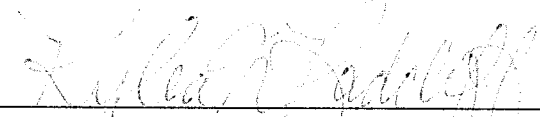
Owner's Amended Responsibilities:

Contractor's Amended Responsibilities:

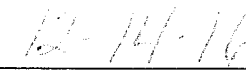
The following documents are attached to and made part of this Certificate:

Remaining Items List

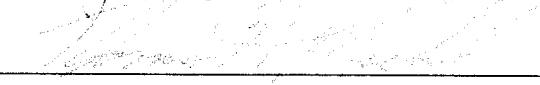
This Certificate does not constitute an acceptance of Work not in accordance with the Contract Documents nor is it a release of Contractor's obligation to complete the Work in accordance with the Contract Documents.



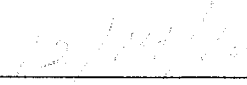
Executed by Engineer



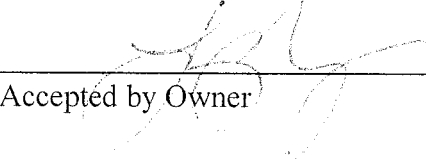
Date



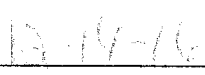
Accepted by Contractor



Date



Accepted by Owner



Date

OWNER: Hardy County Public Service District

PROJECT NAME: Establishing Generator Connection Points

CONTRACT#: 1

CONTRACTOR: Michel, Inc.

REMAINING ITEMS LIST

1. Perform testing/training at all locations with PSD Employees present
2. Ensure all locations are marked with relevant information – voltage, etc.
3. Provide Cables

COMMENTS:

CONTRACTOR: 

DATE: 5-18-16

OWNER: 

DATE: 5-18-16

HARDY COUNTY PUBLIC SERVICE DISTRICT

Resolution authorizing the adoption of the District's *Employees Manual & Handbook* as revised on December 14, 2016.

WHEREAS, The Hardy County Public Service District Board previously created and put in place its rules and regulations governing employees of the District in the form of an Employees Manual & Handbook.

WHEREAS, The District from time to time finds it necessary to amend the Employees Manual & Handbook to address changes in employee/employer relationship.


WHEREAS, At the December 14, 2016 regular board meeting of the Hardy County Public Service District, the District Board was presented with and took action on a revised Employees Manual & Handbook. A motion was duly made by Board Member Clyde See and seconded by Vice-Chairman, Melvin Shook to accept the District's Employees Manual & Handbook as revised.


WHEREAS, It was unanimously approved and ordered that this Resolution be adopted and put in full force and effect on and from the date hereof.

Adopted this 14th day of December, 2016.

[Seal]

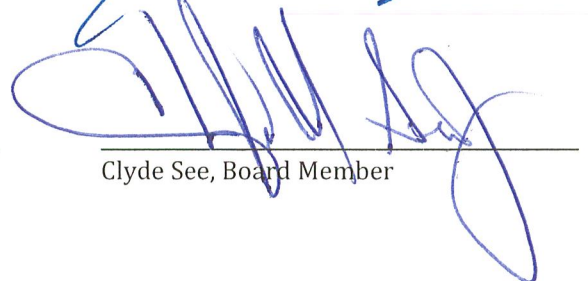
By:


Secretary


Vice-Chairman

Attest:


Logan Moyers, General Manager


Clyde See, Board Member

HARDY COUNTY PUBLIC SERVICE DISTRICT

Resolution authorizing the adoption of the District's *Bulk Water Service Policy.*

WHEREAS, The Hardy County Public Service District Board, in an effort to establish a uniform policy for providing fair bulk water sales to interested purchasers has developed a *Bulk Water Service Policy*.


WHEREAS, At the December 14, 2016 regular board meeting of the Hardy County Public Service District, the District Board was presented with and took action on a *Bulk Water Service Policy*. A motion was duly made by Vice-Chairman Member Melvin Shook and seconded by Board Member, Clyde See to adopt the proposed *Bulk Water Service Policy* as presented.

WHEREAS, It was unanimously approved and ordered that this Resolution be adopted and put in full force and effect on and from the date hereof.

Adopted this 14th day of December, 2016.

[Seal]

By:


Secretary


Vice-Chairman

Attest:


Logan Moyers, General Manager


Clyde See, Board Member

HARDY COUNTY PUBLIC SERVICE DISTRICT

Bulk Water Policy

POLICY FOR BILLING PURCHASERS OF BULK WATER FROM THE HARDY COUNTY PUBLIC SERVICE DISTRICT

- I. For the purpose of this policy, bulk water will be defined as water purchased in large quantity from a location designated by the District and transported from that location by the purchaser.
- II. The purchase of bulk water may be provided upon written application to the District. Those wishing to purchase bulk water from the District will be required to submit to the District an 'Application for Bulk Water Service.' Such application, shall constitute a contract between the applicant and the District which shall bind the applicant to pay for the services rendered at the effective rates and to comply with all rules and regulations of the District.
- III. Purchasers will be required to purchase bulk water at the current tariff rates on file at the Public Service Commission of West Virginia and in effect at the time the bill is issued. Purchasers will not be charged a minimum balance on a monthly basis, but rather will only be billed for actual water volume purchased. Purchasers may choose to be billed following a single purchase or those needing repeated purchases may opt to be billed on a monthly basis.
- IV. Billing for bulk water will occur at the same time and frequency of standard monthly water bills. Late payments and/or delinquent payments for bulk water service will be handled in the same manner as standard monthly water bills. A late fee of 10% will be applied to bulk water service billings that are twenty (20) days past billing date. If payment hasn't been received within thirty (30) days past billing date, the District will proceed with its standard procedure for debt collection, which may include wage garnishment and/or additional efforts.
- V. The District, at its complete discretion, may require bulk water purchasers who have previously been delinquent on bulk water payments, to pay on a per-occurrence basis rather than being billed for monthly totals.
- VI. The transportation of bulk water from the purchase site shall be the responsibility of the purchaser.
- VII. All dates, times, and locations that bulk water will be available for purchase will be determined by the District.
- VIII. In accordance with the State Code of West Virginia, no bulk water shall be taken from a District fire hydrant for any reason other than firefighting, testing of firefighting equipment, or for firefighting exercises and trainings.

HARDY COUNTY PUBLIC SERVICE DISTRICT

2094 US 220 South
P. O. Box 900, Moorefield, WV 26836
Phone: 304-530-3048 Fax: 304-530-3046

APPLICATION FOR BULK WATER SERVICE

Name _____ Business Name _____
Address _____ Business Address _____
_____ _____
Phone _____ Business Phone # _____
Place of Employment _____

Applicant(s) agrees to comply with and be bound by all applicable rules and regulations of the Hardy County Public Service District, the West Virginia Bureau for Public Health and the Public Service Commission of West Virginia now in force, or as hereafter duly and legally supplemented, amended or changed. The Applicant(s) also agrees to pay for service at such rates, time and place as determined by the District and agrees to the imposition of such penalties for noncompliance as are not set forth in the District's and Public Service Commission's Rules and Regulations, or which may be here after adopted and imposed by the District.

The District may determine, in accordance with Public Service Commission approved emergency measures, the allocation of water to the Applicant(s), in the event of water shortage. In the event there is a shortage of water, the District may prorate the water available among the various District customers on such basis as is deemed equitable by the Board Members of the District. The District must first satisfy the needs of its customers for domestic purposes before supplying any water for bulk service purposes.

I hereby agree to be bound by the guidelines set forth in the District's Bulk Water Service Policy. I affirm to have been provided with a copy of the District's Bulk Water Service Policy and agree to pay all fees as detailed in the Policy and outlined in the District's tariff. I further agree to comply with and be bound by all applicable rules and regulations of the Hardy County Public Service District, the West Virginia Bureau for public Health and the Public Service Commission of West Virginia.

APPLICANT'S SIGNATURE _____

DATE _____

HARDY COUNTY PUBLIC SERVICE DISTRICT

Resolution authorizing the adoption of the District's *Records Retention Policy*.

WHEREAS, The Hardy County Public Service District Board, in an effort to establish a policy that will ensure the retention of records and information necessary for the efficient transaction of District business and to comply with applicable laws and regulations as well as provide for the destruction of records that do not need to be maintained.

WHEREAS, At the December 14, 2016 regular board meeting of the Hardy County Public Service District, the District Board was presented with and took action on a *Records Retention Policy*. A motion was duly made by Vice-Chairman Member Melvin Shook and seconded by Board Member, Clyde See to adopt the proposed *Records Retention Policy* as presented.

WHEREAS, It was unanimously approved and ordered that this Resolution be adopted and put in full force and effect on and from the date hereof.

Adopted this 14th day of December, 2016.

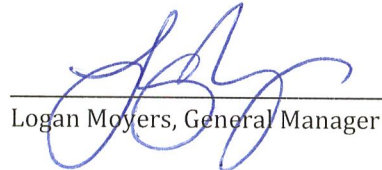
[Seal]

By:


Secretary


Vice-Chairman

Attest:


Logan Moyers, General Manager


Clyde See, Board Member

HARDY COUNTY PUBLIC SERVICE DISTRICT

Records Retention Policy

THIS POLICY OF THE HARDY COUNTY PUBLIC SERVICE DISTRICT HAS BEEN PUT IN PLACE TO ENSURE THE RETENTION OF RECORDS AND INFORMATION NECESSARY FOR THE EFFICIENT TRANSACTION OF DISTRICT BUSINESS AND TO COMPLY WITH APPLICABLE LAWS AND REGULATIONS AS WELL AS PROVIDE FOR THE DESTRUCTION OF RECORDS THAT DO NOT NEED TO BE MAINTAINED.

- I. For the purpose of this policy, a record will be broadly defined as any document or object that has been made or received by the District in connection with the transaction of business and may have been retained by the District as evidence of the District activities.
- II. The District will manage the retention, storage, and destruction of its records in a manner consistent with applicable laws and regulations. Records will be maintained as long as they are needed for legal or business purposes and shall be indexed and retained in a manner that ensures their ease of accessibility.
- III. As part of this policy, a Records Retention Schedule will be established, which consists of record categories and retention periods by functional area for documents the District prepares and receives in the regular course of business and establishes a minimum retention period for which applicable records must be retained.
- IV. Records should be destroyed in a reasonably timely manner following expiration of the applicable retention period. Destruction may occur by recycling and/or trash if no sensitive, personally identifiable or confidential information is included. Shredding or other types of pulverizing must be used to destroy records if sensitive, personally identifiable, or confidential information is included.
- V. Retention periods in the Records Retention Schedule are based on specific provisions in applicable laws and regulations that require the District to maintain certain records for a specific amount of time as well as the District's needs for retaining the records. The retention schedule will be reviewed periodically and amended as needed to reflect changing legal requirements, business needs or evolving practices.
- VI. As a matter of convenience and consistency, unless specified to the contrary, all record retention periods start on the last day of the fiscal year in which the records were completed, finalized, made inactive or the event that triggers the beginning of the retention period.
- VII. In the event of a pending, threatened or reasonably foreseeable lawsuit, investigation, or audit, the District must preserve, and prevent the destruction of, all relevant records. This should be done even if the records otherwise would not be needed for any other reason and could be destroyed pursuant to the District's Records Retention Schedule.
- VIII. Duplicate Records, convenience copies and draft versions (after they are superseded by later drafts or final documents) of documents should not be retained or kept as records.
- IX. Willful or negligent destruction of documents, in violation of the requirements contained in this policy, may result in disciplinary action up to and including termination of employment and/or possible criminal prosecution.

X. Records Retention Schedule:

Legers & Journals	50 years
All Invoices	4 years
Billing & Usage Records	4 years
Customer Payment Records	4 years
Maps/Plans	Permanent
Contracts	Permanent
O&M Manuals	Permanent
Real Estate Records	Permanent
Project Related Documents	Permanent
Production/Treatment Records	15 years
Meter Tests/Reports	10 years
Leak Repair	10 years
Maintenance Records	10 years (or life of asset)
Flushing Records	5 years
Construction Work Orders	5 years
Customer Complaints	5 years
Backflow Inspection & Tests	5 years
Payroll & Benefit Records	5 years (following termination)
Tax Records	5 years
Insurance Policies	5 years
Accident Information	Permanent
Minutes & Meeting Recordings	50 years
Audits & PSC Reports	10 years
Lead & Copper Results	15 years
Operational Reports	10 years
Monitoring Results	10 years
Sanitary Surveys	10 years
Bacteriological Analysis	5 years
Variances & Exemptions	5 years
Corrected Violations	5 years
Discharge Monitoring Reports	5 years
Instrument Calibration	5 years

HARDY COUNTY PUBLIC SERVICE DISTRICT
NOVEMBER 2, 2016
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Melvin Shook, Clyde See, Logan Moyers, Connie Sherman, HCPD; and Jean Flanagan, Media

The meeting was called to order at 10:05 a.m. by Chairman Matthew Gapp. Clyde See made a motion to approve the minutes of the October 5, 2016 regular meeting minutes as presented. Melvin Shook seconded the motion. It was unanimously approved.

Unfinished Business:

Town of Wardensville – Logan Moyers reported that progress has been made on the evaluation of the Town of Wardensville's water and sewer systems and the potential for the District to take these systems over. Smoke testing was completed on the entire Wardensville sanitary sewer system. Mr. Moyers was pleasantly surprised with the observations from smoke testing which showed no residential tie-ins contributing to the inflow and infiltration of the sewer system. A few issues were found but all are relatively simple fixes. Flow meters were installed to see the true flows entering the sewer system. Flow meters will remain in place until a significant rain event occurs so that inflow from a rain event can be measured. Should the District take over the systems, the District intends to construct a new sewer plant similar to the District's Baker Sewer Plant to replace the existing lagoon. No major upgrades should be needed to the water system aside from painting the water tanks. Clyde See asked what rates the customers of the Town of Wardensville were currently paying and Mr. Moyers informed him that if the transfer was made the Town of Wardensville customers would pay the existing rates of the District. Additional work is needed for a complete evaluation so a decision can be made at the next board meeting. Mr. Moyers feels confident that the District will be in a position to give the Town of Wardensville an answer at the next meeting. Clyde See asked if there would be any legal issues that the District needs to consider as part of the transfer of ownership from a municipality to a public service district. Mr. Moyers will contact the District's lawyer regarding any possible legal ramifications. The WVPSC would need to approve any transfer of ownership of the systems. It is anticipated that the transfer process would take at least a year to complete.

Bond Refunding Proposal – Logan Moyers reported that following further discussion with our bond counsel, it may be in the best interest of the District to look at the possibility of refinancing part of the District's current debt through a commercial bank in lieu of a public bond issue. Mr. Moyers was instructed to contact banks to investigate the possibility of refinancing in this manner. No action was taken and a decision will be made after further information is obtained.

Emergency Preparedness Project – Logan Moyers reported that there has been no further work completed on the Emergency Preparedness Project. The contractor is waiting on necessary materials to finish the work.

Baker Water Quality Issues – Logan Moyers reported that work continues with Water Membrane Systems, Inc. on a nanofiltration pilot study. In addition to nanofiltration, we are now looking into an ion exchange system with a company called MIEX that would be installed at the head of the plant which could possibly prove to be as beneficial as or more beneficial than the nanofiltration system by removing organics at the beginning of the treatment process. Special water samples were taken to further investigate both the ion system and nanofiltration system. A meeting is scheduled with Water Membrane Systems, Inc. DOW representatives later this month. It is hoped to have the pilot study in the works by the end of the year.

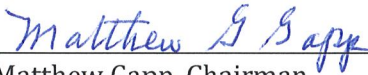
Miscellaneous Business:

HCPSD December Board Meeting & Dinner – Clyde See informed the board that he would not be available to meet on December 7th for the December board meeting due to a schedule conflict. Discussion was held and it was unanimously decided to reschedule the meeting to December 14, 2016. The board's annual Christmas dinner will be held the same date at O'Neil's Restaurant at 6:00 p.m. A notice will be placed in the Examiner to notify the public of the rescheduled date of the meeting.

There were no members of the public in attendance for 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 scheduled board meeting will be held **December 14, 2016, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.


Matthew Gapp, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the regular meeting held on November 2, 2016. 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 5, 2016
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Melvin Shook, Clyde See, Logan Moyers, Connie Sherman, HCPSPD; Jean Flanagan, Media and Kylea Radcliff, The Thrasher Group; Rob Steptoe, Crews & Associates; Barbara Ratcliff, Jim Crowe, Grady Bradfield and Martha Bradfield, Town of Wardensville.

The meeting was called to order at 10:05 a.m. by Chairman Matthew Gapp. Melvin Shook made a motion to approve the minutes of the September 7, 2016 regular meeting minutes as presented. Clyde See seconded the motion. It was unanimously approved.

New Business:

Town of Wardensville – Barbara Radcliff, Mayor of the Town of Wardensville, along with other representatives from Wardensville attended the meeting to address the board regarding the possibility of the District assuming operation and maintenance responsibilities for their water and sewer systems due to the lack of a certified operator or if the District preferred, to assume complete ownership of the existing systems. Mayor Radcliff had contacted Logan Moyers prior to the meeting and provided some historical and physical information on the systems. Mayor Radcliff wanted to see if the District's board was interested in pursuing this proposal before additional time is spent and further information is exchanged between the District and the Town of Wardensville. She stated that if the District decides to move forward with the proposal, the Town will seek the assistance of Terry Lively, Region VIII Planning & Development Council for guidance throughout the process on their behalf. Clyde See stated that the District would have to do its "due diligence" in evaluating a potential transfer of ownership. Logan Moyers told Mayor Radcliff genuine interest is there but a significant amount of evaluation was still necessary. Mr. Moyers suggested that the District take the next 60 days to evaluate the potential takeover and that the District's board would take action on the matter at the December board meeting. Following discussion, Clyde See made a motion to table any action on this request until such time a 60 day evaluation of the systems has been complete. Melvin Shook seconded the motion. It was unanimously approved. Mr. Moyers will use a team of resources including the District's accountant, engineer, bond counsel, etc. to evaluate completely all aspects of both systems. The District would like to conduct smoke testing in the sewer system and pressure testing on the water system soon to determine the condition of the distribution and collection systems. Additional evaluations will continue throughout the 60 day evaluation period.

Unfinished Business:

Bonding Refinance Proposal – Rob Steptoe, Crews & Associates, was in attendance at the meeting to discuss the bond refinancing proposal for the District's outstanding bonds. By taking advantage of historically low interest rates, the District has an opportunity to refinance most of its outstanding debt and save significant money over the life of the bonds. Discussion was held regarding the forfeiture of the District's current reserve funds as part of the refinance process. Mr. Steptoe explained that the District's current reserves would be included in the refinancing to provide additional savings. Mr. Moyers told the board that the real decision at hand is to weigh the potential savings from a public bond issuance against the flexibility the District has with its current reserves. Logan Moyers asked about any additional administrative work and the costs to the District that would result from a public bond issuance. Mr. Steptoe stated both the additional work and additional costs were minor. No action was taken at this time. The District's board will consider the refinancing proposal and may take action on this matter at a later date.

Emergency Preparedness Project – Logan Moyers presented Pay Requisition #1 in the amount of \$62,616.00 for the Emergency Preparedness Project. Clyde See questioned if the requested amount coincides with the work that has been completed. Logan Moyers reported that 10 of the 15 facilities have been completed. Following discussion, Clyde See made a motion to approve the pay requisition. Melvin Shook seconded the motion. It was unanimously approved.

Town of Moorefield Rate Increase – Following the denial by the WVPSC to reopen the District's complaint case against the Town of Moorefield and force the Town to repay the District for costs paid above the approved resale rates in early 2016, the District requested the Town issue half the amount of the overpayment. Logan Moyers was contacted via email by Lucas Gagnon regarding the decision of the Moorefield Town Council to the District's request. The Council was open to the proposal, but in exchange requested the District and Town renegotiate the water purchase contract between the two utilities and agree to declare the District is a tariff customer rather than a contract purchaser which in turn would eliminate the ability of the District to petition WVPSC for a ruling if the District was in disagreement with proposed rates of the Town. Clyde See made a motion to table action on this matter. Melvin Shook seconded the motion. It was unanimously approved.

Baker Water Quality Issues – Logan Moyers provided an update on the status of the nanofiltration pilot study. Logan and Kylea Radcliff have been working with Tom Stanton, Water Membrane Systems, and are scheduled to meet with him immediately following the meeting at the water plant. The target date for starting the pilot project is December 2016. More information and direction will be provided at the next board meeting.

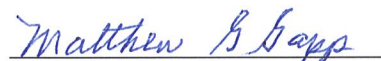
Miscellaneous Business:

Source Water Protection Plan – The public hearing for the District's Source Water Protection Plan is scheduled for October 5, 2016 at 5:00 p.m. at Region VIII's office in Petersburg. The District's plan along with the Town of Moorefield, Town of Petersburg and Grant County Public Service Districts' will be reviewed and discussed at this meeting.

There were no members of the public in attendance for 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 scheduled board meeting will be held **November 2, 2016, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.


Matthew Gapp, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the regular meeting held on October 5, 2016. 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 7, 2016
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Melvin Shook, Clyde See, Logan Moyers, Connie Sherman, HCPSD; Jean Flanagan, Media and Kylea Radcliff, The Thrasher Group.

Absent: Matthew Gapp

The meeting was called to order at 10:10 a.m. by Vice Chairman Melvin Shook. Clyde See made a motion to dispense with the reading of the August 3, 2016 regular meeting minutes and to approve the minutes as presented. Melvin Shook seconded the motion. It was unanimously approved.

Unfinished Business:

Generator Connection Work – Logan Moyers reported that a pre-construction conference was held August 19th to award the bid for the generator connection electrical work to Michel, Inc. A schedule for completion was developed and work should commence in the next few weeks. It is anticipated that this project will be complete by the end of the calendar year.

Town of Moorefield Rate Increase – Logan Moyers provided an update on the motion that was filed with the WVPSD regarding a request that the Town of Moorefield refund the District for overpayment during the rate case. Prior to the meeting, Logan received the order from WVPSD informing the District that the request to reopen the case for reimbursement was denied. Board member Clyde See instructed Mr. Moyers to contact the District's attorney for direction in this decision.

Caledonia Heights Transfer - Logan Moyers reported that according to an article in the Moorefield Examiner the HCRDA has opted to maintain ownership and operation of the Caledonia Heights water system. This means the District's planned project that would have upgraded the Caledonia Heights water system, as well as extending water service to unserved areas on Dover Hollow and Fort Run Roads and upgrade the line on the Trough Road to allow for fire protection, will not go forward. Had the HCRDA agreed to transfer Caledonia Heights to the District, as the District had hoped, the planned project could have been completed without the need to raise existing rates. However, without Caledonia Heights included as part of the project, water rates would need to be increased county wide in order for the project to take place. The District does not plan to go forward with the project at this time without Caledonia Heights in order to avoid a county wide rate increase.

Baker Water Quality Issues – Logan Moyers reported that it has been 3 months and there has been no sign of improvement in TOC removal since carbon has been added to the treatment process. In light of this, the District is opting to discontinue feeding carbon in order to avoid unnecessary use of the chemical which is adding no benefit. Engineer Kylea Radcliff has been working on developing a project that will allow the District to utilize membrane nanofiltration to improve TOC and DBP levels in the Baker Water System. Mrs. Radcliff is working with an independent consulting firm, Water Membrane Systems, LLC, out of Round Hill, VA, who works directly with the membrane manufacturer and can offer the District a 5-year performance guarantee that the nanofiltration will effectively lower TOC and DBP levels. The membrane manufacturer has recommended that the District conduct an acid clean on the ultra-filters currently in place to remove buildup and to bring the filters back as much as possible to the factory cleanliness. They also suggested that the District consider replacing a few ultra filters with a newer version of the ultra filters in an effort to further improve filtration. Ultimately, it is proposed that the project will involve the installation of a 125 GPM nanofiltration unit in the Baker water plant, however a pilot study to ensure the effectiveness of

the proposed nanofiltration process is necessary beforehand. Following discussion, Clyde See made a motion to proceed with a nanofiltration pilot study. Melvin Shook seconded the motion. It was unanimously approved. The estimated cost to conduct and evaluate the pilot study is approximately \$20,000.00. Logan Moyers reported that the DBP levels for the 3rd quarter of 2016 were the best results the District has ever realized in Baker. The District is in compliance on the TTHM levels and is very close to being in compliance on HAA5s.

New Business:

Bonding Refinance Proposal – Logan Moyers reported that he had been contacted by Crews & Associates, a banking firm, about refinancing the District’s outstanding bonds in an effort to take advantage of historically low interest rates which could in turn save the District significant money over the life of the bonds. The District’s bond counsel has reviewed the proposal and suggested that the District execute the engagement letter with Crews & Associates and to allow them to explore the refinancing opportunities of the District. Following discussion, Clyde See made a motion to engage Crews & Associates to explore the possibility of refinancing the District’s existing bonds due to low interest rates. Melvin Shook seconded the motion. It was unanimously approved.


Miscellaneous Business:

Source Water Protection Plan – The public hearing for the District’s Source Water Protection Plan is scheduled for Wednesday, October 5, 2016, 5:00 p.m. at Region VIII’s office in Petersburg. The District’s plan along with the Town of Moorefield, Town of Petersburg and Grant County Public Service Districts’ will be reviewed and discussed at this meeting.

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

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

The next regular scheduled board meeting will be held ***October 5, 2016, 10:00 a.m.*** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.



Melvin Shook, Vice-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 September 7, 2016. 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 3, 2016
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Melvin Shook, Clyde See, Logan Moyers, Connie Sherman, HCPSD; Jean Flanagan, Media and Kylea Radcliff, The Thrasher Group.

Absent: Matthew Gapp

The meeting was called to order at 10:30 a.m. by Vice Chairman Melvin Shook. Clyde See made a motion to dispense with the reading of the July 6, 2016 regular meeting minutes and to approve the minutes as presented. Melvin Shook seconded the motion. It was unanimously approved.

Unfinished Business:

Generator Connection Work – Logan Moyers reported that bids for the District's Emergency Preparedness project will expire near the end of August. The lowest bid received was from Michel, Inc. in the amount of \$137,400.00. Prior to the meeting, Mr. Moyers contacted the District's bond holders for permission to use all or part of the District's reserve funding for this project. Following discussion, Clyde See made a motion that the District accept the low bid for the project. Melvin Shook seconded the motion. It was unanimously approved. Mr. Moyers will notify the low bidder in writing of the contract award and start date. Melvin Shook made a motion to finance the project with \$80,000 from the reserve account and the balance to be taken from the District's operating revenue account. Clyde See seconded the motion. It was unanimously approved. Mr. See asked if Thrasher would conduct inspections during the project. Kylea informed Mr. See that inspection is not needed during the installation but that all facilities will be tested to ensure proper operation prior to the project being complete. She added that the contract also required training be provided to the PSD employees by the contactor prior to project completion.

Town of Moorefield Rate Increase – Logan Moyers provided an update regarding the District's request for the Town of Moorefield to refund the District for the 4 months that the District paid \$1.29 per thousand gallons of water purchased which equates to \$8,491.21. The Town has agreed to the \$1.08 per thousand gallon resale rate. The District filed a motion with the WVPSD that the final order be amended to require that the Town of Moorefield refund the overpayment to the District. This motion is pending and no new information was reported.

Caledonia Heights Transfer - Logan Moyers reported that, as requested by the board at last month's board meeting, the District's attorney sent a letter to the HCRDA's attorney to inform the HCRDA that the District desires to be the utility to assume ownership of the Caledonia Heights Subdivision if ownership is transferred. To date, no new information has been received concerning the transfer.

Baker Water Quality Issues – Logan Moyers reported that there has been no sign of improvement in TOC removal from the raw water at the Baker Water plant since carbon has been added to the treatment process. Detailed discussion was held regarding the implementation of nanofiltration to reduce the levels of organic matter in the finished water. Engineer Kylea Radcliff provided a detailed explanation of nanofiltration. Kylea and Logan will continue to work on the possible implementation of a side stream treatment that utilizes nanofiltration and will have further information in this regard at next month's board meeting. The board expressed its desire to correct the issues relating to DBP's and to avoid future water quality issues.

Melvin Shook Reappointment - Logan Moyers received a letter informing the District that Melvin Shook was reappointed to the board at the July HCC meeting for a term from July 1, 2016 – June 30, 2022.

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

There being no further business, Clyde See made a motion that the meeting be adjourned at 11:10 a.m. The meeting was adjourned.

The next regular scheduled board meeting will be held **September 7, 2016, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.



Melvin Shook, Vice-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 August 3, 2016. 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 6, 2016
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Melvin Shook, Clyde See, Logan Moyers, Connie Sherman, HCPSD; Jean Flanagan, Media.

Absent: Matthew Gapp

The meeting was called to order at 10:10 a.m. by Vice Chairman Melvin Shook. Clyde See made a motion to approve the June 1, 2016 regular meeting minutes and the June 30, 2016 special meeting minutes as presented. Melvin Shook seconded the motion. It was unanimously approved.

Unfinished Business:

Generator Connection Work – Logan Moyers provided an update on the bids that were received for the District’s Emergency Preparedness project. This project will establish generator connection points at all District facilities. The lowest bid was \$137,400 with a 90-day bid hold which expires near the end of August. Local banks were contacted to determine what funding options were available should the District decide to finance the project with a local bank. The District received proposals for 20 and 30 year fixed loans from Capon Valley, Pendleton County and Summit Community banks. The board also discussed the possibility of incorporating this work with other projects to develop one large project and to pursue funding with a single grant/loan package. We believe that USDA-RD has funding available for our district and they have been the primary lender on nearly all of the District’s major projects. No action was taken at this meeting and the matter was tabled until the next meeting.

Town of Moorefield Rate Increase – Logan Moyers reported that the Town has agreed to the \$1.08 per thousand gallon resale rate. This means that the District’s customers will not see an increase in their water rates. There will be no WVPSC hearing in August. The District paid the higher resale rate of \$1.29 per thousand for a total of 4 months which resulted in an overpayment of approximately \$8,500.00. Mr. Moyers contacted the Town to see if the District would be receiving a credit by the end of this fiscal year (June 30th) and was told that the Town did plan to give the District a credit because it was not ordered by the WVPSC. The District filed a motion with the WVPSC requesting the final order for this case be amended to require the Town to issue the credit to the District. The WVPSC responded to the motion informing the Town to either issue the refund or respond within 10 days stating why they believe no credit is due. An update will be provided at the next meeting.

Caledonia Heights Transfer - Logan Moyers reported that following last month’s board meeting he sent a letter to the HCRDA and a copy of the letter was included in the board meeting packet. He received a response from the HCRDA and a copy of this letter was available at the meeting for review. The response from the HCRDA was that they intend to transfer ownership of the Caledonia Heights system to the Town of Moorefield due to the inconvenient location of our office for some Caledonia Heights residents who like to pay in person. Discussion was held as to how to proceed to inform the public about the importance of the transfer of the Caledonia Heights water system to the District. Clyde See made a motion that the District’s attorney respond to the HCRDA that the District believes it has first right of refusal to take over Caledonia Heights and should the HCRDA move forward with the intention of transferring the Caledonia Heights system to the Town of Moorefield, the District would take the necessary legal action to invoke its right of refusal for assuming ownership of the system. Melvin Shook seconded the motion. It was unanimously approved.

New Business:

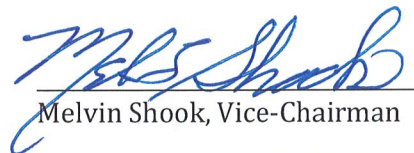
Baker Water Quality Issues – Logan Moyers provided an update of the ongoing water quality issues with the Baker Water system. The District received an Administrative Order from the WVBPH for exceeding maximum contaminant levels for disinfection byproducts and for failure to comply with the required removal ratio for disinfection byproduct precursors. Mr. Moyers explained that a public meeting was held with concerned citizens of the Baker area to update them on the work that the District has done and the work that is being investigated in an effort to bring the water system into compliance with the WVBPH. Mr. Moyers felt that the meeting was successful in educating the residents and the residents appeared satisfied with the information they received during the meeting. The most recent change to the treatment process was the addition of powder activated carbon in early June. It is too soon to know if the carbon has made a difference. Discussion was held on where the District plans to go from here in their efforts to remedy the issue. Logan Moyers stated one option could be to utilize a nano-filtration side stream treatment at the water plant. He explained that there are various types of membrane filtration which remove contaminants from the raw water on different levels. The District has an ultra-filtration plant which removes approximately 2/3's of the different types of organic matter from the raw water whereas nano-filtration can remove approximately 90% of the organic matter. The drawback with nano-filtration is the extreme amount of waste water generated during the filtration process. Because of the excess waste water, the District is looking into side stream treatment which is where a portion of the raw water is diverted to a side stream for treatment. The diverted water will then run through nano-filters and into the clearwell where it will be mixed with the water produced through the existing ultra-filtration process. Mixing the water should result in levels of DBP's that are within the allowable limits. An update on the test results taken after feeding carbon will be discussed at the next meeting.

Melvin Shook Reappointment - Logan Moyers attended July's Hardy County Commission (HCC) meeting to get an update on the reappointment of Melvin Shook to the board for an additional six year term. As instructed by the HCC the District placed an ad in the local newspaper for interested candidates. Mr. Shook responded and requested to be reappointed to the board. He was reappointed at the July HCC meeting for a term from July 1, 2016 – June 30, 2022.

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

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

The next regular scheduled board meeting will be held ***August 3, 2016, 10:00 a.m.*** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.


Melvin Shook, Vice-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 July 6, 2016. 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 1, 2016
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Logan Moyers, Connie Sherman, HCPSD; Jean Flanagan, Media; Kylea DeMarco, The Thrasher Group.

Absent: Melvin Shook

The meeting was called to order at 10:05 a.m. by Chairman Matthew Gapp. Clyde See made a motion to approve the May 4, 2016 regular meeting minutes as presented. Matthew Gapp seconded the motion. It was unanimously approved.

Unfinished Business:

Bid Opening for Generator Connection Work – Two bids were received for the District’s generator connection project. This project will establish generator connection points at all District facilities including the water and sewer plants, all pump stations and the main office. The bids were opened prior to the board meeting. S & S Electric’s bid was \$170,800 and Michael Inc. had the low bid of \$137,400. The District has a 90 day bid hold for awarding the project and will take this time to determine how the project will be funded. Mr. Moyers will look into possible funding avenues between now and next month’s meeting. No action was taken at this meeting and the matter was tabled until the next meeting.

Town of Moorefield Rate Increase – Logan Moyers reported that the WVPSD denied the Town’s request to dismiss the rate increase and scheduled a hearing in Charleston, WV for August 11 and 12, 2016. Mr. Moyers stated the hearing was to determine if the Town’s adopted rate ordinance is in violation of the standing Water Purchase Agreement that the District and Town have had in place for many years. Mr. Moyers explained that it is his understanding that WVPSD has made the determination that it does have jurisdiction over the Town’s rate structure and that in denying the Town’s request to dismiss the case and by excluding that issue from the hearing, that matter has been determined and closed. Now that the jurisdiction has been determined, Mr. Moyers stated he is hopeful the matter can be resolved without the need for the August hearing.

Caledonia Heights Transfer - Logan Moyers has yet to receive any new information regarding the status of the transfer from either the HCC or the HCRDA. He will attend the next HCC meeting to request an update on this project and also to address the reappointment of Melvin Shook to the HCPSD board. Mr. Moyers explained that it is important that Melvin Shook be reappointed to the board due to his role on the District’s Source Water Protection team.

New Business:

Baker Water Sanitary Survey – A sanitary survey was conducted by the WVBPH on the Baker Water system. Findings of the survey were positive, however there was one significant deficiency that being the violations for exceeding the maximum contaminant level for total organic carbons and disinfection byproducts. Both violations result from the high levels of organic matter in the District’s source water. The District is required to respond in writing to the WVBPH with a strategy to resolve the violations. It is the recommendation of the WVBPH to pursue ground water wells as an alternative raw water source as a solution to the issue.

Source Water Protection Plan – Logan Moyers has been working to develop a Source Water Protection Plan for the Baker Water System. The purpose of this plan is to prevent the potential contamination of the District's source water. The plan must be approved by July 1st to comply with the new legislation that was passed following a chemical spill which contaminated a water source near Charleston, WV. The State provided guidelines and assistance from an engineering firm and representatives from WVBPH. As part of this plan a Source Water Protection Team was formulated and a meeting was held to get input from the members before finalizing the plan. Clyde See made a motion to authorize the General Manager to submit the plan to the State. Matthew Gapp seconded the motion. It was unanimously approved.

Corrosion Control Plan – The District has been working to update its Corrosion Control Plan for the Baker Water System. This plan is required by the WVBPH with the intent of preventing corrosion from occurring in the Baker distribution system as well as the customers' private plumbing system. The District's entire Baker distribution system is constructed with lead free materials so, in our case the primary intent of the plan is to prevent the corrosion of customer's private plumbing systems. The District hired a chemist to assist in determining the optimal corrosion inhibitor the District could utilize at the water plant to provide system-wide corrosion control. The chemist recommended that the District continue its use of the corrosion inhibitor known as Clarus, as it would best correspond with the treatment process used at the Baker water plant. Clyde See made a motion to submit the Corrosion Control Plan to the WVBPH. Matthew Gapp seconded the motion. It was unanimously approved.

FY17 Water/Sewer Budgets – Operating water and sewer budgets for fiscal year 2017 were included in the board packets for review prior to the meeting. The water operating budget for fiscal year 2016 was a balanced budget of \$1.4 million and to date, actual revenues and expenses are in line with the FY16 budget. The proposed water operating budget for FY17 is a balanced budget of \$1.42 million. An increase in salaries was noted due to the need for an additional field staff employee during this fiscal year. The expenses associated with adding another field staff employee will be divided between water and sewer budgets. Clyde See made a motion to approve the hiring of a field staff employee during the upcoming fiscal year with proper advertising. Matthew Gapp seconded the motion. It was unanimously approved. Clyde See made a motion to approve the water budget as presented. Matthew Gapp seconded the motion. It was unanimously approved. The sewer budget was presented and discussed. Projected sewer expenses far exceed anticipated sewer income and as a result, it will be necessary for a sewer rate increase in the near future. The sewer rate increase will be considered when the additional employee is added later in FY17. Clyde See made a motion to approve the sewer budget. Matthew Gapp seconded the motion. It was unanimously approved.

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

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

The next regular scheduled board meeting will be held **July 6, 2016, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.

Matthew Gapp, Chairman

HARDY COUNTY PUBLIC SERVICE DISTRICT
MAY 4, 2016
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

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

The meeting was called to order at 10:05 a.m. by Chairman Matthew Gapp. Melvin Shook made a motion to approve the April 6, 2016 regular meeting minutes as presented. Clyde See seconded the motion. It was unanimously approved.

Unfinished Business:

Town of Moorefield Rate Increase – Logan Moyers reported that the rate increase complaint case is still pending with WVPSC and no further updates are available at this time. If the rate of \$1.08 per thousand gallons is approved, the HCPSD will receive a credit for paying the \$1.29 per thousand gallon rate for the past several months.

Caledonia Heights Transfer - Logan Moyers has yet to receive any new information regarding the status of the transfer from either the HCC or the HCRDA. He will continue the efforts to get any information relating to the HCRDA's transfer of Caledonia Heights.

Generator Connections Pre-Bid Meeting – A pre-bid meeting was held yesterday for the generator connection work. Four contractors attended the meeting and visited the job sites. Bids will be opened following the board meeting on June 1, 2016.


Miscellaneous Business:

Melvin Shook Reappointment – A letter will be sent to the Hardy County Commission requesting the reappointment of Melvin Shook for a six year term.

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

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

The next regular scheduled board meeting will be held ***June 1, 2016, 10:00 a.m.*** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.


Matthew Gapp, Chairman

HARDY COUNTY PUBLIC SERVICE DISTRICT
APRIL 6, 2016
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Melvin Shook, Clyde See, Logan Moyers, HCPSD.

The meeting was called to order at 10:05 a.m. by Chairman Matthew Gapp. Clyde See made a motion to approve the February 3, 2016 regular meeting minutes as presented. Melvin Shook seconded the motion. It was unanimously approved.

Unfinished Business:

Town of Moorefield Rate Increase – Logan Moyers reported that the WVPSC made a decision in the HCSPD's favor regarding the Town of Moorefield's proposed rate increase. The final staff memo from the WVPSC in the case was released last week. In order to determine a fair rate, WVPSC staff conducted a class cost of service study and determined a fair resale rate to be \$1.08 per thousand gallons rather than the proposed \$1.29 per thousand gallons. The Town of Moorefield responded to WVPSC in an effort to prevent the \$1.08 resale rate from going into effect on the basis that the WVPSC does not have jurisdiction to set the rate schedule for a municipality. The case is still pending with WVPSC and further updates will be provided. If the rate of \$1.08 per thousand gallons is approved there will not be an increase in the HCPSD's water rates as a result of this increase.

Caledonia Heights Transfer - Logan Moyers attended both February and March's Hardy County Commission meetings to discuss the potential transfer of the Caledonia Heights subdivision water system from the HCRDA to the HCPSD. Following the February meeting, commissioners requested Logan return to the March meeting with some additional information regarding the proposed transfer. After reviewing the presented information, the commissioners agreed with the HCPSD's position and agreed to petition the HCRDA to transfer the Caledonia Heights water system to the HCPSD. At this time the HCPSD has yet to receive any new information regarding the status of the transfer from either the HCC or the HCRDA. The HCPSD is hopeful the transfer can be completed in a timely manner so that favorable interest rates currently available for this project can be utilized.

New Business:

Generator Connections RFP – The HCPSD previously purchased two generators, a large generator located at the water plant and a smaller portable generator that can be used at all other HCPSD facilities in case of a power outage. The HCPSD now needs to complete the work necessary to allow for generator connections at all HCPSD facilities. It was determined the most cost effective and efficient way to go about establishing generator connections at all facilities would be to advertise and accept bids for the necessary work. The Thrasher Group has prepared a bid package and the advertisement will be published beginning next week. The contract will require the work be completed within 90 days. A pre bid meeting is scheduled for May 3rd and bids will be opened following the June 1st board meeting. Melvin Shook made a motion to proceed with the advertisement for bids for the necessary generator connection work. Clyde See seconded the motion. It was unanimously approved.

Miscellaneous Business:

Loudoun Heights Fire Tank – Logan Moyers has been working with Loudoun Heights concerning the need for a designated fire tank due to the numerous fires that are part of the mulch making process. EA Hawse Nursing and Rehabilitation Center has agreed to transfer ownership of a 60,000 tank to Loudoun Heights that was previously utilized as their fire tank prior to the Baker Water Project. Logan will continue to work with both businesses throughout the transfer process until such time as Loudoun Heights is utilizing the tank for its private fire protection.

WVIJDC Contingency Request – The HCPSD received approval to use a portion of the remaining Baker Sewer Project contingency money for the reimbursement of the construction of the sewer plant storage building, installation of a SCADA telemetry system on all sewer facilities and for the purchase of some equipment necessary for plant operation.

BVC Extension – Logan Moyers reported that the extension project to serve Believer's Victory Center is now complete and operational.

Baker Test Wells – The HCPSD is working with the WV Conservation Agency to receive permission to drill test wells near the Baker Water Plant. These wells will also serve as a backup water source for the Baker Water Plant and will also hopefully aid in the reduction of organic matter in the plant's source water.

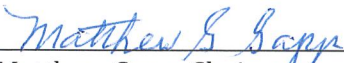
Source Water Protection Plan- The WV Legislature passed a bill that requires all water systems to develop a document called a Source Water Protection Plan. The deadline to have the plan completed is July 1, 2016. It is a large document which involves a lot of work. As part of the plan a Source Water Protection Team will be created. Melvin Shook agreed to be the board member representative on the team.

New Development – Logan Moyers has been working with an individual who is interested in building some senior housing units on WV SR 55 across from the Hardy County Child Care Center, in an effort to provide adequate fire protection and domestic water service to the proposed facility.

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

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

The next regular scheduled board meeting will be held **May 4, 2016, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.


Matthew Gapp, Chairman

These minutes represent a summary of the subjects discussed and the actions taken by the members of the Hardy County Public Service District for the meeting held on April 6, 2016. 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, 2016
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

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

The meeting was called to order at 10:10 a.m. by Chairman Matthew Gapp. Clyde See made a motion to approve the January 6, 2016 regular meeting minutes as presented. Melvin Shook seconded the motion. It was unanimously approved.

New Business:

FY16 Audit – A copy of the fiscal year 2016 audit was included in the board packets for review prior to the meeting. A minor deficiency was noted regarding segregation of duties due to the low number of office staff employees. The auditor also noted that for sewer we were not meeting the new requirement that water and sewer utilities establish a reserve account that is equal to 1/8 of annual operating revenue. This requirement was passed by the State legislature last year following the chemical spill in the Charleston area. The purpose of the reserve is so that utilities have those funds available in times of emergency. The District is meeting this requirement for water but not sewer. When the Public Service Commission of West Virginia (PSC) set the District's sewer rates in 2013, this legislation requiring the 1/8 requirement reserve had not been established and the PSC did not factor in the reserve requirement into the rates. Currently District sewer rates cannot support funding this required reserve. Clyde See stated that Logan Moyers should check with Dave Glover to see if there is a penalty if this reserve is not met. Otherwise, this will be reviewed and a determination on how to meet this reserve requirement will be made when the fiscal year 2017 sewer budget is set. Melvin Shook made a motion to approve the audit as presented. Clyde See seconded the motion. It was unanimously approved.

Unfinished Business:

Town of Moorefield Rate Increase – Logan Moyers reported that the District has been answering interrogatories and providing information as part of the District's complaint case with PSC regarding the Town of Moorefield's proposed rate increase. He will provide an update at next month's meeting. The Town's proposed rate will be effective with February's billing but may be adjusted depending on the outcome of the PSC case.

BVC Extension- Logan Moyers reported that construction of the Believer Victory Center's water line extension continues after a couple weeks of delays due to the weather. A four-way tie-in on Hopeless Lane is scheduled to be completed next week. It is anticipated that this project will be at or near completion by the end of the month.

Miscellaneous Business:

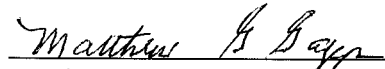
HCC Meeting – Logan Moyers reported that he received an email requesting information to be discussed at February's Hardy County Commission meeting. The requested information was in regard to various topics including recent notice of violations regarding disinfectant by-products (DBP's) and lead levels in the Baker Water system. The District has completed a great deal of work in an effort to reduce levels of DBP's in the water and as a results of that work, improvements in these levels have been realized. We continue to work to further lower the levels of the DBP's in this water system to comply with the action levels established by the EPA. There is no lead in the District's water coming from the water plant and the Baker distribution system was constructed of lead-free materials. Any lead detected in water samples is a result of the deterioration of lead-containing plumbing components within the customers' private

plumbing systems. The District uses an anti-corrosion agent in the water treatment process in an effort to further aid in preventing corrosion in customers' private piping. Information regarding the notice for lead will be distributed to all customers of the Baker Water system. Also discussed was the potential transfer of the Caledonia Heights water system and how the District intends to combine a project upgrading the Caledonia Heights system with various other small projects around the County that will provide much needed water and fire protection service to currently unserved areas. Logan will attend next month's HCC meeting in regards to the potential transfer in an effort to get the HCC's support in pushing HCRDA to go forward with the transfer of the system to the District.

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

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

The next regular scheduled board meeting will be held **March 2, 2016, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.


Matthew Gapp, Chairman

HARDY COUNTY PUBLIC SERVICE DISTRICT
JANUARY 6, 2016
10:00 A.M.
2094 US 220 South, Moorefield, West Virginia

Present: Matthew Gapp, Clyde See, Logan Moyers and Connie Sherman, HCPSD; Jean Flanagan, Media.

Absent: Melvin Shook

The meeting was called to order at 10:10 a.m. by Chairman Matthew Gapp. Clyde See made a motion to approve the December 9, 2015 regular meeting minutes as presented. Matthew Gapp seconded the motion. It was unanimously approved.

Baker Sewer Project – This project is now complete including all change order work. In finalizing the project with WVIJDC, an error was discovered on the final pay requisition for Contract #2 in the amount of \$90.73. Pay Requisition #14 was presented in the amount of \$90.73 to Ferri Contracting Co., Inc. Clyde See made a motion to approve the pay requisition. Matthew Gapp seconded the motion. It was unanimously approved. Once this final contractor pay requisition has been processed, the District will request to use the remaining project contingency funds. Logan Moyers reported that the issues with the UV system appear to have been resolved and the fecal coliform range is within our permit limits.

Unfinished Business:

Caledonia Heights Water System – Logan Moyers reported that he has received no response from his most recent letter to the HCRDA regarding the transfer of ownership of the Caledonia Heights water system.


Town of Moorefield Rate Increase – Logan Moyers reported that following individual consultation with all District board members, the District has opted to file a complaint in regard to the Town of Moorefield's proposed rate increase. Because any increase from the Town will result in an increase to the District's customers, the Board wants to ensure that the proposed increase is distributed fairly among all classes of customers.

BVC Extension- Logan Moyers reported that construction of the Believer Victory Center's water line extension is progressing and is approximately half way complete.

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

There being no further business, Clyde See made a motion that the meeting be adjourned at 10:20 a.m. The meeting was adjourned.

The next regular scheduled board meeting will be held **February 3, 2016, 10:00 a.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.


Matthew Gapp, Chairman