

HARDY COUNTY PUBLIC SERVICE DISTRICT
APRIL 5, 2023
4:30 P.M.
2094 US 220 South, Moorefield, West Virginia

Present: Rob Harper, Logan Moyers, Rose Helmick, Connie Sherman -HCPSD.

The meeting was called to order at 4:50 p.m. by Chairman Robert Harper. Robert Harper made a motion to approve the minutes of the March 1, 2023 regular meeting minutes as presented. Rose Helmick seconded the motion. The motion was unanimously approved.

Unfinished Business:

New PSD Facility Project – Logan Moyers informed the board that site work began this week on the District's new facility project. The construction contract is a one-year contract with a substantial completion date of April 1, 2024 and a final completion date of May 1, 2024. The contractor has discovered that an underground electric line serving the Hardy County Child Care Center is located on the development site and will need to be relocated to a greater depth to avoid issues at the entrance road to the building. The estimated cost to relocate the line is \$25,000. Logan said a portion of that cost will be covered by cost savings from some other changes to the original contract, such as removing manholes from the sewer line that will serve the building and replacing them with 4" cleanouts. No changes to the buildings layout or entrance road will be needed as a result of the electric line relocation.

Pay Requisition #2 in the amount of \$6,830.00 was presented. The invoice was from The Thrasher Group for engineering services. Logan said that all costs on the requisition were in line with the project's budget. Rose Helmick made a motion to approve the pay requisition as presented. Robert Harper seconded the motion. It was unanimously approved.

Carla Acres II Water Storage Tank – Logan Moyers reported that the contract for the Carla Acres II storage tank project has been awarded and site work is scheduled to begin by the subcontractor this summer with tank construction likely taking place in the fall. It is anticipated the tank project will be complete and operational by no later than spring 2024.

Baker Secondary Water Source – Logan Moyers provided an update on the District's ongoing efforts to establish a secondary water source for the Baker water system. The District engaged engineers at the Thrasher Group and groundwater hydrologists at Moody & Associates to develop a proposal to install up to three wells on a small piece of property owned by the State Conservation Committee (SCC) between Parker Hollow Impoundment and the Baker water plant. The proposal was submitted to representatives at the West Virginia Conservation Agency (WVCA) in early February and the District received a response from the WVCA on the final day of March. The response was a collection of 45 comments (7 pages) from engineers at the Natural Resource Conservation Service's (NRCS) federal office in Fort Worth, TX. It was NRCS engineers at the Fort Worth office who did the original design for the Parker Hollow Impoundment, which serves as the District's water source for the Baker water system. The comments ranged from simple correction of clerical errors in the District's proposal to requests for extensive additional engineering and geologic information including a request for complete stamped engineered design of the project including the wells, storage tank and associated infrastructure. WVCA informed the District all comments must be addressed and full design completed and provided for review before any determination is made in regard to authorization to move forward with the drilling of test wells to determine the projects feasibility. Additionally, the NRCS comments stipulated that if the District is allowed to proceed with the drilling of test wells, those wells must be either be abandoned, if the yield isn't sufficient to provide a secondary water source, or be fully cased and developed into full-scale production wells within a matter of weeks following test well drilling. As such, the District will need to work with its consulting engineers and the well driller to have everything lined up and ready for complete well development or abandonment at the outset of test well drilling. Logan reported that he will be attending the next Potomac Valley Conservation District meeting to ask the PVCD to submit a

request to NRCS engineers for the subsurface investigation findings that were prepared during the initial design and development of the impoundment. The subsurface data will then be used by the District's consulting engineers in developing final design and addressing the comments provided by NRCS. Logan also said that because WVCA and NRCS engineers have requested such a large amount of work be completed, including full-scale engineered design of the project, the District will have to request additional funding from the Hardy County Commission in order to cover the cost of the work to be completed. In the meantime, the District along with the consulting engineers and hydrologists will continue to work on addressing the comments provided by NRCS so that the information can be provided to NRCS for review as soon as possible. It is anticipated it will take several months to complete the final full-scale project design.

Town of Wardensville Rate Increase – Logan Moyers informed the board that the District's attorney submitted a new case filing protesting the latest rate ordinance that was adopted by Wardensville on March 13, 2023. The new rate ordinance proposed a 175% rate increase on the District's purchased water costs. The protest listed several reasons the District believes the proposed rate to be excessive, including the fact the funding package for the project has not been secured and the proposed rates are based a worst-case-scenario interest rates for the projects funding package. The District also objected to the Town's inclusion of its cost to hire a CPA and attorney to perform project-related professional services in the calculations to determine the District's rates; The District feels those are project-related costs and as such should have been included in the project's budget and covered with project funding rather than being assigned to the Town's cost to serve the District. And finally, the District argued the Town's cost to provide service to the District is less than its cost to provide service to other classes and provided multiple examples to that point. Moyers said he and both the District's attorney and accountant feel that District has made several valid points that should result in a lowering of the District's proposed increase by the Public Service Commission. Moyers told board members he would continue to provide updates as the process moves forward.

Town of Moorefield Water Purchase Contract – Logan Moyers reported that he has been working with Lucas Gagnon at the Town of Moorefield regarding the PSD's water purchase contract with the Town. Lucas is working with the Town's attorney to review the proposed agreement as drafted by the District's attorney before the new agreement is put before the Town Council and PSD Board for approval.

FY23 Financial Statements – The fiscal year 2023 financial statements were handed out to board members at last month's board meeting for review. Following brief discussion, Rose Helmick made a motion to approve the FY23 financial statements as presented. Robert Harper seconded the motion. It was unanimously approved.

New Business:

FY24 Budget – Moyers informed the board that work to develop an operating budget for fiscal year 2024 has started. He told board members that the District will see several significant increases in its operating costs including an \$18,000 increase in the cost to provide health insurance for employees, a \$7,500 increase in property insurance costs and an estimated \$50,000 increase in purchased water costs as a result of increased rates from the Town of Wardensville and increased purchase volumes from the Town of Moorefield. He also said the District will realize many smaller cost increases due to general inflation on items such as pipe, fittings, chemicals and water sample testing among others. All told, Moyers anticipates an increase in operating expenses of over \$100,000 annually going forward. Board members asked if there would be room in the budget for employee raises since District employees have not had a salary increase over the past three years. Moyers said that given the increases in operating expenses he did not think the budget could support employee raises this year, but he said the District could consider issuing a one-time end-of-year salary increase to employees if the District finished the current year with an operational surplus. Work will continue on the water and sewer budgets and the matter will be discussed further at future meetings.

Other Business:

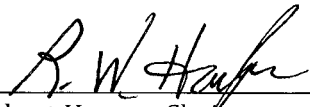
Moyers informed the board of a new regulated water contaminant that the District has just learned has been detected in the Baker water system. PFAS, short for poly and perfluoroalkyl substances, is a class

of over 4,000 chemicals that are being detected in locations all over the world but has mainly been found in water systems near chemical plants and industries who use fire-fighting chemicals. The chemicals, sometimes referred to as forever chemicals due to their inability to break down, are most often used in waterproofing applications and on non-stick cookware as well as fire-fighting foam used to combat industrial fires. Moyers said PFAS chemicals have been unregulated by the government up to this point largely because the existence of these chemicals in drinking water was unknown until very recently, however the EPA is in the process establishing a maximum contaminant level for some of the most commonly found PFAS chemicals. Moyers said the WV Bureau for Public Health hired a consultant to test for these chemicals at every water system in the State to determine where they may be present in drinking water. During preliminary testing, a low level of one PFAS chemical, PFOA, was detected in water in the Parker Hollow Impoundment which the District uses as source water for the Baker water system and was also detected in a lower level in the water being produced at the Baker water plant. The PFOA level detected during preliminary testing of the water in the Impoundment was 7.0 parts per trillion and the level detected in the finished water coming out of the water plant was 2.4 parts per trillion. The EPA's proposed maximum contaminant level for PFOA in finished water is 4.0 parts per trillion and the health advisory level has been set at 1/100th of that amount at 0.04 parts per trillion. The level detected in Baker finished water during the preliminary testing does not exceed maximum contaminant level but does exceed the health advisory level. Moyers said the WV Bureau for Public Health has advised systems not to issue public notification of the presence of PFAS chemicals until the quality control procedures have been completed on the preliminary testing and the test results have been deemed final. He said assuming the final levels are in line with the preliminary results, the District will notify all PSD customers in Baker that PFOA has been detected in the finished water in Baker at a level below the MCL but above the health advisory level. It is hoped that the preliminary results will be made final in the coming weeks and public notification can then be issued. District staff members have been participating in a weekly conference call with the Bureau for Public Health and other water systems where PFAS chemicals were detected throughout the state to keep informed of developments in this new on-going issue. The Bureau for Public Health is working to develop a uniform template for public notification for systems dealing with any measurable PFAS level in their water to be sure the public is informed of all pertinent information regarding PFAS in drinking water. Moyers said as soon as the District is provided the final testing results, public notice will be issued to PSD customers in Baker. Moyers said both the District and the Bureau for Public Health were surprised to find the chemical was detected in the Parker Hollow Impoundment due to the small size of the watershed for the Impoundment and the lack of industrial operations in the watershed, but he also said the chemical is being found in remote locations all over the world likely due to the fact that the chemical never breaks down. Moyers did say, on a positive note, it is believed the MIEX ion exchange system at the Baker water plant will be able to assist the District in removing the chemical from the water but a new filter media will need to be used for that purpose in conjunction with the existing media that is used for organic material removal. Moyers will keep the board updated on any developments regarding this new contaminant as they become available.

No members of the general public were present at the meeting.

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 5:55 p.m.

The next regular scheduled board meeting will be held **May 3, 2023, 4:30 p.m.** at the office of the PSD 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 April 5, 2023. 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.