

HARDY COUNTY PUBLIC SERVICE DISTRICT
DECEMBER 11, 2019
4:30 P.M.
2094 US 220 South, Moorefield, West Virginia

Present: Rob Harper, Rose Helmick, Justin Basye, Logan Moyers, Connie Sherman, HCPSD; and Kylea Radcliffe and Tre Kerns, The Thrasher Group.

The meeting was called to order at 4:32 p.m. by Chairman Robert Harper. Robert Harper made a motion to approve the minutes of the November 6, 2019 regular meeting minutes as presented. Justin Basye seconded the motion. The motion was approved.

Unfinished Business:

Baker WTP Upgrade Project Update - Logan Moyers gave an update on the progress of the Baker WTP Upgrade project. Bids were opened for both contracts on November 14, 2019. The low bid for Contract #1 which is the line extensions and upgrades was Chojnacki Construction from Hamlin, WV with a total base bid of \$990,490, \$45,000 of which was an alternate bid for the cost of upgrades to our existing SCADA system. The lowest bid for Contract #2 which is the water plant upgrades was Breckenridge Corporation from Buckhannon, WV with a total base bid of \$827,000, \$45,000 of which was for two alternate bids to upgrade the aeration unit in the water plant clearwell and to install a mixer in the Parker Hollow tank. We will need to remove the alternate bid for the SCADA system upgrades on Contract #1 in order to be within the project budget but do anticipate being able to complete that work as part of this project using contingency funds that remain following project completion. The bid hold period which is required by the project lender will last through the end of the year and into 2020. We anticipate loan closing and contract award in February 2020 which would result in construction beginning in March 2020. Both contracts are a 5 month contracts so construction should be completed in the Fall of 2020. As part of the project lender requirements, the District must accept the lowest bids for each contract. Robert Harper made a motion to accept the engineer's recommendation to award Contract #1 to Chojnacki Construction. Rose Helmick seconded the motion. It was unanimously approved. Justin Basye made a motion to accept the engineer's recommendation to award Contract #2 to Breckenridge Corporation. Rose Helmick seconded the motion. It was unanimously approved. A list of resident project representatives was presented and resumes' were reviewed at the meeting by the District board members. Justin Basye made a motion to approve the engineer's recommendations of resident project representatives as presented. Robert Harper seconded the motion. It was unanimously approved.

New PSD Facility Project - Logan Moyers reported that the District continues to work with architects at The Thrasher Group to complete the final design, site plan and construction drawings for the District's new facility. After consulting with FEMA, it has been decided that we will work directly with FEMA to complete the environmental assessment at no cost to the District rather than hiring an outside contractor to complete the work. By working with FEMA the District will save money, however it may take longer for the work to be completed. FEMA has provided us a list of items, including all previous surveys, a photo array of the site, a narrative and summary of the complete scope of the project and a copy of the bid documents that we must provide for their review and approval. We are working with Thrasher to get this requested information to FEMA. Board member Rose Helmick raised the question about the width of the access driveway to the new facility. Following review of the proposed design plans, it was determined that the proposed road is the necessary width to address any safety concerns. Logan Moyers also pointed out that our access road is not coming directly onto the Industrial Park road but rather a currently unnamed side road in the Industrial Park. Discussion was held regarding the sale of the District's existing facility property. The adjacent property owner will have the right of first refusal to purchase the property and has indicated possible interest in doing so.

Miscellaneous Business:


Christmas Dinner – The District’s annual Christmas dinner will be held this evening at O’Neill’s restaurant with appetizers at 6:00 p.m. followed by dinner at 6:30 p.m.

Yearly Meeting Schedule – A copy of the regularly scheduled board meetings for 2020 will be included as part of next month’s board packet. A schedule will be ran as a legal ad in the Moorefield Examiner.

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

There being no further business, Justin Basye made a motion that the meeting be adjourned. Robert Harper seconded the motion. The meeting was adjourned at 5:15 p.m.

The next regular scheduled board meeting will be held ***January 8, 2020, 4:30 p.m.*** in the District’s office located at 2094 US 220 South, Moorefield, West Virginia.



Robert Harper, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the regular meeting held on December 11, 2019. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.

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

Present: Rob Harper, Justin Basye, Logan Moyers, Connie Sherman, HCPSD; and Jean Flanagan, Media.

Absent: Rose Helmick

The meeting was called to order at 4:35 p.m. by Chairman Robert Harper. Robert Harper made a motion to approve the minutes of the October 2, 2019 regular meeting minutes as presented. Justin Basye seconded the motion. The motion was approved.

Unfinished Business:

Baker WTP Upgrade Project Update - Logan Moyers gave an update on the progress of the Baker WTP Upgrade project. A pre-bid meeting was held on October 23, 2019 and many contractors were present to ask questions and to get additional information for preparing bids for the project. Project engineers responded to all the questions and information requests by issuing an addendum that is provided to all contractors who have expressed interest in the project. Bid opening is scheduled for November 19, 2019 at 2:00 p.m. Mr. Moyers reported that the District received formal approval from USDA, the project lender, to purchase the MIEX system outside of the construction contract to avoid a third party in the District's performance agreement with Ixom, the manufacturer of the system. USDA allowed the District to make this purchase outside of the construction contract because the MIEX system is a unique piece of equipment with no comparable alternative.

New PSD Facility Project – Logan Moyers reported that the District continues to work with architects at The Thrasher Group on the final design and site plan for the District's new facility. The preliminary plans have been submitted to FEMA for review and approval. We have a new FEMA representative and have been notified to move forward with the environmental assessment that is required by FEMA for the project. Moyers told board members he hopes to have a proposal to complete the required environmental assessment ready for review and approval at the next meeting. Once the environmental assessment has been completed and FEMA has issued environmental clearance, the District can proceed with the purchase of the property and ultimately put the project out for public bid and proceed from there to construction of the facility. FEMA has provided a list of items that must be completed prior to the project going to bid and work on those items is ongoing. Mr. Moyers presented a proposal with The Thrasher Group for bidding services on the new facility project. The proposal was in the amount of \$7,000 and includes preparation of the bidding documents, bid advertisements, solicitation and interaction with interested contractors, preparation and distribution of addenda and bid opening services. Chairman Robert Harper made a motion to proceed with the proposal for bidding services. Justin Basye seconded the motion. The motion to engage The Thrasher Group for bidding services was unanimously approved.

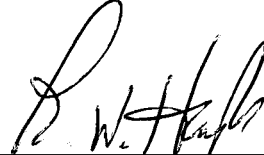
Miscellaneous Business:

Christmas Dinner – The District's annual Christmas dinner will be held on December 11, 2019 at O'Neill's restaurant with appetizers at 6:00 p.m. followed by dinner at 6:30 p.m. We are requesting that you RSVP to Logan or Connie so the restaurant can plan seating arrangements.

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

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

The next regular scheduled board meeting will be held **December 11, 2019, 4:30 p.m.** in the District's office located at 2094 US 220 South, Moorefield, West Virginia.



Robert Harper, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the regular meeting held on November 6, 2019. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.

HARDY COUNTY PUBLIC SERVICE DISTRICT
OCTOBER 2, 2019
4:30 P.M.
2094 US 220 South, Moorefield, West Virginia

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

The meeting was called to order at 4:35 p.m. by Chairman Robert Harper. Robert Harper made a motion to approve the minutes of the August 7, 2019 regular meeting minutes as presented. Justin Basye seconded the motion. The motion was approved.

Unfinished Business:

Baker WTP Upgrade Project Update - Logan Moyers gave an update on the progress of the Baker WTP Upgrade project. Mr. Moyers was happy to report that the District received its certificate of convenience and necessity from the WVPSC. We still need final approval from the project's lender, USDA, in order to request authorization to advertise for bids. We have received verbal approval from both the USDA's engineer and representative but need the formal letter of approval from the agency. Once we receive formal approval of the project from USDA, we will request to purchase the MIEX system outside of the construction contract to avoid a third party in the District's performance agreement with Ixom, the manufacturer of the system. The anticipated timeline for the project is to receive authorization to bid in mid October 2019, advertise for bids in late October 2019, hold the pre-bid conference in mid November 2019, open bids in early December 2019, award the contracts in February 2020 and begin construction in March 2020. Both contracts should be complete within 6-8 months after beginning construction.

New PSD Facility Project - The District continues to work with architects at The Thrasher Group on the design and site plan for District's new facility. A preliminary design was included as part of the board packet. Discussion was held regarding design of the facility and Logan Moyers will pass on comments from board members to the architects. Once the design is finalized, it will be submitted to FEMA for review and approval. Once the project has received FEMA approval that all FEMA requirements are being met in design and in the construction documents, we will commence with the environmental review that is required by FEMA for the project. After receiving environmental clearance from FEMA, we will proceed with the purchase of the property and ultimately will put the project out for public bid and proceed from there to construction of the facility. General Manager, Logan Moyers said it was too early in the process to put a timeframe on when to expect different aspects of the project to be completed because FEMA moves at their own pace and the pace at which the project moves forward will be largely dictated by FEMA and the WV Dept. of Homeland Security and Emergency Management who is responsible for the disbursement of FEMA funds.

Miscellaneous Business:

Baker Impoundment- Logan Moyers informed the board that there was a recent algae bloom in the Parker Hollow impoundment which is the water source for the District's Baker water system. Moyers said algae blooms occur on the impoundment frequently this time of year, especially when the weather has been hot and dry for an extended period of time. The District was able to identify that an algae bloom was present because we monitor the lake routinely this time of year so that there can be immediate action when an algae bloom occurs. Moyers immediately notified the WVDEP algae bloom specialist that we were experiencing an algae bloom in Baker and she consulted with the Romney WVDNR office to perform testing to determine what type of algae was present. Following testing by the WVDNR, it was determined that the type of algae present in the Impoundment had the potential to produce toxins that could

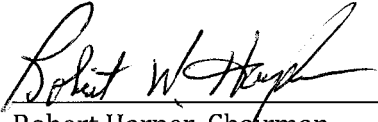
be hazardous to humans when ingested. The District then collected samples from the lake as well as from both the raw water entering the Baker water treatment plant and the finished drinking water exiting the plant and Moyers immediately drove those samples to a laboratory in Charleston, which is the only lab in the State that can test for toxins in algae. Laboratory test results showed that while a low level of microcystins, the toxin in algae that can be harmful to humans, were detected in the lake and in the water entering the water treatment plant, no microcystins were present in the drinking water that is exiting the plant, indicating that the water plant treatment process was effectively removing any microcystins that were present. Moyers said that the algae that was producing the microcystins is believed to have died at this point but that another round of samples was taken this week to confirm that microcystins are no longer present. Moyers told the board there have been several algae blooms this Summer and Fall on the Parker Hollow Impoundment, but that this was the first bloom that had the potential to be harmful. Moyers explained that in circumstances like this, the District follows guidance developed by the State for water systems to follow in the event of a potentially harmful algae bloom.

Anniversary – It was reported in the Moorefield Examiner this week that the District began serving its first customers 30 years ago this week.

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

There being no further business, Justin Basye made a motion that the meeting be adjourned. Robert Harper seconded the motion. The meeting was adjourned at 5:10 p.m.

The next regular scheduled board meeting will be held **November 6, 2019, 4:30 p.m.** in the District's office located at 2094 US 220 South, Moorefield, West Virginia.


Robert Harper, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the regular meeting held on October 2, 2019. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.

HARDY COUNTY PUBLIC SERVICE DISTRICT
AUGUST 7, 2019
4:30 P.M.
2094 US 220 South, Moorefield, West Virginia

Present: Rob Harper, Rose Helmick, Justin Basye, Logan Moyers, Connie Sherman, HCPSD and Jean Flanagan, Media.

The meeting was called to order at 4:30 p.m. by Chairman Robert Harper. Robert Harper made a motion to approve the minutes of the July 1, 2019 special meeting minutes and the July 2, 2019 regular meeting minutes as presented. Justin Basye seconded the motion. The motion was approved.

New Business:

Architectural/Engineering Services for Facility Project – Logan Moyers provided an update on the status of the new facility project and presented a proposal for architectural and engineering services on the project to board members for execution. Moyers told board members after they ranked The Thrasher Group as the District's top choice of firms who submitted proposals on the project the next step was to enter into an agreement with that firm for their services on the project. A copy of the agreement for AE services with The Thrasher Group was mailed to board members for review prior to the meeting. Moyers told board members he had done some back-and-forth negotiating with Thrasher for these services and was happy with the final amount of \$50,000 which both parties agreed was fair. The agreement includes all basic AE services necessary for complete design of the facility and details that Thrasher will bill the District monthly based on percent complete. The agreement also included costs for optional additional services, including bidding phase services at \$7,000 and construction administration services at \$15,000, both of which would require further board action and another agreement(s) for the District to engage Thrasher for those services. Moyers said the board will revisit the proposals for those services when the District is ready to move forward in those aspects of the project. Board member Rose Helmick raised a concern regarding the language in the Termination section of the agreement. Ms. Helmick was concerned that the language would allow the District to potentially find itself in a position where it was responsible for paying for services at a cost in excess of the \$50,000 spelled out in the agreement. Moyers said that was not the way he interpreted that section of the agreement but that he would contact the District's attorney for clarification. Following discussion, Robert Harper made a motion to accept the proposal for AE services for the project as long as the District's attorney was in agreement with Mr. Moyers that the District was not open to being billed in excess of the total cost of AE services of \$50,000. Justin Basye seconded the motion. It was unanimously approved. Logan Moyers will notify all board members of the information received from the District's attorney. If the attorney gives his approval, Chairman Harper will execute the document so design work on the project can begin.

Unfinished Business:

Baker WTP Upgrade Project Update - Logan Moyers gave an update on the progress of the Baker WTP Upgrade project. Mr. Moyers reported that the District was notified that its request for a waiver of a certificate case with WVPSC was denied. The decision to deny the waiver request was based on the project's cost. The WVPSC determined that due to the \$3 million dollar total cost of the project, the project was outside the District's normal course of business. Once the District was informed of WVPSC's decision, the District has its attorney immediately submit a certificate case filing with WVPSC. The District has already began the process of completing the certificate case proceeding and has submitted our Notice of Filing to the local newspaper requesting any public comment on the project. The District will continue to work its way through the WVPSC case proceeding as quickly as possible and will also work to

have all the requirements of the project's lender, USDA, in place so that we can be ready to request authorization to advertise for bids as soon as permission is granted to do so near completion of the certificate case.

New PSD Facility Project - The District continues to work with FEMA and WVDHSEM on the change in the scope of the new facility project. All necessary time extensions have been granted, giving the District until July 12, 2022 to complete the project. Moyers said the next step in the project is to complete the hiring of an architect for the project and that once that has taken place the District will immediately begin design work for the new facility.

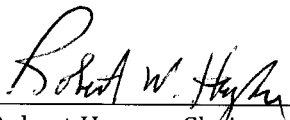
Miscellaneous Business:

Sanitary Surveys- Logan Moyers reported that Sanitary Surveys were conducted on two of the District's water systems by Alan Marchun of the Kearneysville District Health Office. These surveys are completed every three years and are required as part of the WV Public Water System Legislative Rules. The purpose of sanitary surveys is to determine if the water system is in compliance with the Safe Drinking Water Act. Both of the District's water systems that were surveyed, the US 220 North system and the WV SR 55 system, received outstanding marks and neither received any significant or minor deficiencies.

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

There being no further business, Robert Harper made a motion that the meeting be adjourned. Justin Basye seconded the motion. The meeting was adjourned at 5:00 p.m.

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


Robert Harper, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the regular meeting held on August 7, 2019. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.

HARDY COUNTY PUBLIC SERVICE DISTRICT
JULY 2, 2019
4:00 P.M.
2094 US 220 South, Moorefield, West Virginia

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

The meeting was called to order at 4:15 p.m. by Chairman Robert Harper. Robert Harper made a motion to approve the minutes of the June 5, 2019 regular meeting minutes as presented. Justin Basye seconded the motion. The motion was approved.

New Business:

Architectural/Engineering Services for Facility Project – The District issued a request for statements of qualifications from architectural/engineering (AE) firms who were interested in providing their services to the District for the project that will construct a new facility in the RCB Industrial Park. Two interested firms submitted statements of qualifications and interviews were conducted over the phone with both firms, The Thrasher Group and Montum Architecture. Following the interviews the firms were ranked by the District's board and a motion was made by Justin Basye to begin negotiations with the top ranked firm, The Thrasher Group, for a flat fee lump sum for the District's new facility project. Robert Harper seconded the motion. It was unanimously approved. Should negotiations with The Thrasher Group prove unsuccessful, the District will begin negotiations with the second ranked firm, Montum Architecture. Logan Moyers will notify both firms of the District board's decision. The AE procurement process for the project is being carried out in accordance with the requirements of *West Virginia State Code Chapter 5G – Procurement of Architect/Engineer Services*.

Unfinished Business:

Baker WTP Upgrade Project Update - Logan Moyers gave an update on the progress of the Baker WTP Upgrade project. Mr. Moyers reported that in early June the District's attorney submitted a request to WVPSC for a waiver of a certificate case for this project. Moyers informed the board that WVPSC has not taken any action thus far on the District's waiver request and he has not received any new information regarding the request but is hopeful to have a decision from WVPSC in the coming weeks. In the meantime, work continues on the requirements, as detailed in the USDA's Letter of Conditions, which must be fulfilled prior to requesting authorization to bid the project. Logan Moyers reported that most of the information required by USDA in the Letter of Conditions has already been compiled and that if WVPSC approves the District's waiver request, we should be ready to request to authorization from USDA to put the project out to bid soon afterward.

New PSD Facility Project - The District continues to work with FEMA and WVDHSEM on the new facility project. The next step in the process is the hiring of an architectural/engineering firm who will work with the District in planning and design for the new facility. In addition to the planning and design work, the District will need to work with the AE firm to receive the necessary environmental clearances on the site, as required by FEMA. The District will be negotiating with The Thrasher Group in the coming weeks and the hope is that an agreement can be reached in time to hire an AE firm for the project at the August board meeting. As soon as a firm has been hired work will begin immediately on planning and design for the project.

Miscellaneous Business:

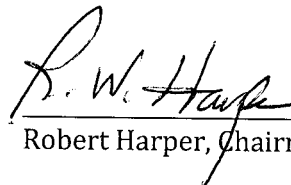
Source Water Protection Plan – Logan Moyers reported that the District’s Source Water Protection Plan (SWPP) for the Baker water system has been updated in accordance with the requirements of the WV State Bureau for Public Health. The SWPP is an in depth analysis that identifies threats and develops methods for protecting raw water sources for the Baker water system. State law requires that this plan be updated every three years and 2019 is an update year.

Parker Hollow Impoundment – Logan Moyers reported that the Parker Hollow Impoundment, the water source for the District’s Baker water system recently experienced a large algae bloom. Logan Moyers contacted several individuals with the WVDEP, WVDNR and WV NRCS and collectively they were able to determine that this was not a harmful algae so there was no health risk to the public. There were no ill effects to the quality of water the District was producing during the bloom but it did cause the need for additional chemicals to clean the water during the filtration process and to control taste and odor. The District did not receive any complaints from Baker customers during the algae event but did notice that the bloom triggered some negative comments from locals on social media about the quality of the water source for the Baker community’s drinking water. Chairman Robert Harper asked the cause of algae blooms on the Impoundment and Moyers explained that it is believed that the blooms form following reactions from the high levels of phosphorous in the impoundment with the current warm weather pattern we have recently experienced. Moyers reported that he has talked to the owner of property adjacent to the Baker water plant about the possibility of purchasing some land where a well field and raw water storage tank could be located as part of a future project. Moyers said if the District was able to develop a well field as a secondary water source, the well water could be used as the source water for the Baker system when issues such as algae blooms were being experienced on the Impoundment. Board member, Rose Helmick, said she would like the District to consider including this as part of the next major project of the District. Moyers agreed.

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

There being no further business, Robert Harper made a motion that the meeting be adjourned. Justin Basye seconded the motion. The meeting was adjourned at 5:45 p.m.

The next regular scheduled board meeting will be moved to **August 7, 2019, 4:30 p.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.


Robert Harper, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the regular meeting held on July 2, 2019. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.

HARDY COUNTY PUBLIC SERVICE DISTRICT
SPECIAL MEETING
JULY 1, 2019
4:30 P.M.
2094 US 220 South, Moorefield, West Virginia

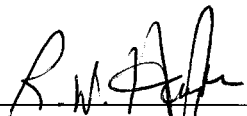
Present: Rob Harper, Rose Helmick, Logan Moyers, Connie Sherman, HCPSD.

The meeting was called to order at 4:30 p.m. by Chairman Rob Harper. The purpose of this special meeting was to determine the candidates to be interviewed for architectural services in response to our request for proposals.

Logan Moyers reported that he received responses from two firms interested in providing architectural and engineering services for the District's new facility to be constructed in the RCB Industrial Park. Following discussion and the review of the information submitted by each firm, it was agreed that both The Thrasher Group and Montum Architecture would be interviewed by telephone beginning at 4:00 p.m. on Tuesday, July 2, 2019 prior to the District's regular board 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 5:03 p.m.

The next regular scheduled board meeting will be held on **July 2, 2019, 4:30 p.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.



Robert Harper, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the special meeting held on July 1, 2019. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.

HARDY COUNTY PUBLIC SERVICE DISTRICT
JUNE 5, 2019
4:30 P.M.
2094 US 220 South, Moorefield, West Virginia

Present: Rob Harper, Rose Helmick, Justin Basye, Logan Moyers, HCPD; Tre Kerns, The Thrasher Group; Charlotte Johnson, USDA Rural Development; and Jean Flanagan, Media.

The meeting was called to order at 4:30 p.m. by Chairman Robert Harper. Justin Basye made a motion to approve the minutes of the May 1, 2019 regular meeting minutes as presented. Robert Harper seconded the motion. The motion was approved.

Unfinished Business:

Baker WTP Upgrade Project Update - Logan Moyers gave an update on the progress of the Baker WTP Upgrade project. Mr. Moyers reported that the funding for the project had been obligated by USDA. Moyers reported that the funding package includes a 40 year 2 ½% interest loan in the amount of \$2,073,000 and grant funds in the amount of \$955,000 for a total project cost of \$3,028,000. Moyers told the board that a USDA representative was present at the meeting to review the funding obligation documents and the requirements of the District as part of the obligation. Moyers then introduced Ms. Charlotte Johnson, regional USDA-RD representative, to the board and asked that she review the District's requirements as part of the funding obligation with all present. Ms. Johnson presented the letter of conditions for the Baker Upgrade project and explained in detail the requirements spelled out in the document. As of the date of the funding obligation, the project must be advertised for bid within a year and the project completed within 5 years. Ms. Johnson presented the Request to Obligate Funds, the Loan Resolution, Certification Regarding a Drug Free Workplace, Compliance with 1900-D and Letter of Intent to Meet Conditions for execution by the Chairman and Vice-Chairman and the Grant Agreement for review prior to closing. Rose Helmick made a motion to accept the funding package and requirements as outlined by USDA-RD in the letter of conditions. Justin Basye seconded the motion. It was unanimously approved. Robert Harper made a motion to approve the execution of the USDA required documents. Rose Helmick seconded the motion. The motion was unanimously approved. Logan Moyers informed the board that the District's attorney has submitted a submitted request to WVPSC for a waiver of a certificate case for this project. Moyers said he is hopeful to have a decision from WVPSC regarding the District's request for a waiver in the coming weeks. If the waiver is granted we would immediately request authorization to advertise for bids for the project. Logan Moyers then presented Amendment #3 to the engineering services agreement for the Baker WTP Upgrade project to the board for review and approval. This amendment is necessary to match the cost of engineering services in the engineering services agreement to the cost listed in the project budget on the USDA funding application. Moyers told the board this is essentially a "housekeeping" matter, as the board had previously approved the revised cost of engineering services following the change in project scope when the building that will house the MIEX system was added to the project, however the cost had not updated in the engineering services agreement following the change in scope. Robert Harper made a motion to approve Amendment #3 to the engineering services agreement. Justin Basye seconded the motion. It was unanimously approved. Moyers said he was excited with the progress that has been made moving the project toward construction and was anxious to continue to move this project toward construction.

New PSD Facility Project - The District continues to work with FEMA and WVDHSEM regarding the change in the scope of the new facility project following the decision to relocate the District's office and shop facilities to the Robert C. Byrd Industrial Park. Logan Moyers reported that he had just participated in a conference call with representatives from FEMA and WVDHSEM regarding the project. He said he it was suggested by FEMA representatives that the

District should go ahead and request an extension of the deadline to complete the new facility project. Typically any project that receives FEMA grants funds is given 18 months from the date of the disaster that damaged the facility was declared to complete the project however it is often the case that projects need additional time to get to completion. Moyers said FEMA reps agreed that in the case of the District's planned facility relocation project, they District should request the longest extension possible which would extend the deadline for project completion to July 12, 2022. Moyers told the board he had already submitted the request for this extension immediately following the suggestion from FEMA. Moyers also said that FEMA representatives suggested that the District should have environmental clearance prior to the purchase of the property in the RCB Park. Mr. Moyers then told the board that the property had been previously cleared of potential negative environmental impact when the park was established and that he is attempting to track down the findings of that previously completed environmental study. If the District is able to come up with documentation from the old environmental study, FEMA may accept it as the required environmental clearance and if it is accepted, it would not be necessary to complete another study. Moyers told the board that he would like to have board action to transfer \$100,000 from the general water revenue account into the new facility project account. Moyers had informed the board at last month's meeting that if they decided to relocate to the RCB Park, the transfer of \$100,000 would be necessary in order to have enough funds available to cover estimated construction costs. The board consented that the transfer was necessary but no official action was taken. Moyers requested the board take the necessary action now so that the transfer could be made prior to the end of this fiscal year on June 30, 2019. Robert Harper made a motion to approve the transfer of \$100,000 from water revenue to the new facility project account. Justin Basye seconded the motion. It was unanimously approved. Mr. Moyers told the board the next step in the process for this project would be to hire an architect for the planning and design of the facility as well as for the oversight of the bid process and construction inspection for the new facility project. In order to hire an architect the District must first advertise a request for statements of qualifications from interested architectural firms for the new facility project. The advertisement will be placed in the Moorefield Examiner as a class II legal ad in the June 19 and June 26 editions. Rose Helmick made a motion to approve the advertisement of the request for statements of qualifications for architectural services for the new facility project. Justin Basye seconded the motion. It was unanimously approved. Following discussion, the board agreed to hold a special board meeting on Monday, July 1st, where they will review the statements of qualifications and will select which architectural firms they would like to interview as the potential architectural consultant for this project. The board also decided to move the July regular board meeting from Wednesday, July 3rd to Tuesday, July 2nd at 4:30pm. The board will conduct the interviews of selected architectural firms during the July 2nd regular meeting and following those interviews will determine which firm they will hire for this project.

Fiscal Year 2020 Water & Sewer Budgets – Logan Moyers presented to the District board a proposed revision to the FY2020 water budget. Mr. Moyers said this budget revision was necessary due to being informed by Charlotte Johnson that the District will not have to begin making monthly loan payments on the Baker WTP Upgrade project until two years after project completion. As part of the previously approved FY2020 water budget, the District budgeted \$29,000 to cover the interest only payments in FY 2020. The \$29,000 that was budgeted to be used for the interest only payments was realized by reducing the amounts of the District's working capital accounts. Moyers said now that the District was aware that the \$29,000 did not need to be set aside to cover the interest only payments, his recommendation was to raise the working capital accounts back to their previous amounts except for the water plant reserve account which would still be funded in the amount previously approved. Moyers also said that there was enough funds remaining to include a 2.5% increase in employee salaries and it was his recommendation that the board approve that both the increase in funding for the working capital accounts and a 2.5% increase in employee salaries. Following discussion, Robert Harper made a motion to approve the revisions to the FY2020 water budget as proposed. Justin Basye seconded the motion. Rose Helmick abstained.

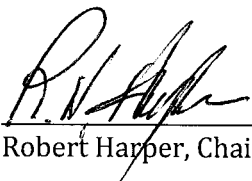
New Business:

South Fork Resident Request for Water – A copy of a letter from a resident on South Fork road requesting water service was included in the board packet. This is the second letter that we have received requesting water service be extended on South Fork Road. Logan Moyers informed that board that he had just, a day earlier, received a third letter from a resident on South Fork Road requesting the District extend water in that area. Moyers said the District board has already indicated that they will look to include a main line extension in the South Fork area as part of the next major project of the District. He said that due to the low number of potential customers over a large area, any extension on South Fork Road would have to be paired with another major extension where the number of potential customers is much higher, in order to make the South Fork extension financially viable. Moyers also said two of the three residents who requested an extension to the South Fork area shared frustration that the District was involved in a project to extend water to the Purgitsville area of Hampshire County. Moyers said the frustration shown by these residents is largely a result of a misunderstanding of the District's potential involvement in a Purgitsville area water system. The residents were mistakenly under the impression that the District would be undertaking a project to extend its lines into Hampshire County to serve the Purgitsville area, which Moyers said is not the case. The District's involvement in a possible Purgitsville area water system is simply that it is willing to sell water to Central Hampshire PSD and that it would be Central Hampshire PSD that would undertake a project to construct a Purgitsville area water system. The system would be installed, owned and maintained by Central Hampshire PSD and the District's only involvement would be selling water to Central Hampshire PSD at the county line where a District main already exists. Moyers said he would respond to all residents of South Fork who have requested an extension and inform them that the District will look to include an extension on South Fork Road as part of the District's next major project.

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

There being no further business, Robert Harper made a motion that the meeting be adjourned. Justin Basye seconded the motion. The meeting was adjourned at 5:55 p.m.

The next regular scheduled board meeting will be moved to ***July 2, 2019, 4:30 p.m.*** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.



Robert Harper, Chairman

HARDY COUNTY PUBLIC SERVICE DISTRICT
MAY 1, 2019
4:30 P.M.
2094 US 220 South, Moorefield, West Virginia

Present: Rob Harper, Rose Helmick, Justin Basye, Logan Moyers, Connie Sherman, HCPD;
and Jean Flanagan, Media.

The meeting was called to order at 4:30 p.m. by Chairman Robert Harper. Justin Basye made a motion to approve the minutes of the April 3, 2019 regular meeting minutes and the April 11, 2019, April 15, 2019 and April 23, 2019 special meeting minutes as presented. Robert Harper seconded the motion. The motion was approved.

Unfinished Business:

Baker WTP Upgrade Project Update - Logan Moyers gave an update on the progress of the Baker WTP Upgrade project. Mr. Moyers reported that the USDA state office has completed its review of the funding application and the regional office continues to work to complete the underwriting for a funding commitment. In the meantime, the District's attorney is preparing the request for a waiver of a certificate case with WVPSC which we will file as soon as a funding commitment has been received. Our attorney did file a request for an extension of the Notice of Intent (NOI) because our initial time frame has expired.

Hampshire County Resale Request - Logan Moyers provided an update on the status of potentially selling water to Central Hampshire PSD at the Hampshire County line on US 220 North. Mr. Moyers reported that he is working with the District's attorney and the Town of Moorefield to update the District's water purchase agreement with the Town. The new agreement will increase the allowable volume of water that the District can purchase from the Town from 15 million gallons per month to 25 million gallons per month following the completion of the Town's ongoing project to construct a new water treatment plant. Mr. Moyers told the board once this new agreement with the Town is in place, the District can begin work to establish a water purchase contract with Hampshire County. Moyers said Hampshire County will need to have a purchase agreement in place as part of their certificate case for the Purgitsville extension project and the District wanted to be sure to get this completed in a timely manner so as not to hold up Hampshire County's project in any way.

District Office Rebuild Project - Logan Moyers reported that FEMA has obligated a total of \$213,249.95 for expenses and damages associated with the June 2018 storm. Of the total grant allocation, approximately \$159,140.09 has been obligated for damages to the District's office and the remaining \$54,109.86 was obligated for mitigation projects that will aid in preventing any future flooding occurrences to District facilities. If the District's board chooses to relocate its facilities to the RCB Industrial Park, FEMA will allow only the \$159,140.09 to be used toward construction of a facility at the new location.

PSD Property Acquisition - The District has been considering an offer to purchase additional property adjacent to the District's office and Logan Moyers informed the board that since the last meeting the property owner has lowered the asking price for approximately 1.5 acres of additional acreage including a 5-bay garage/shop facility and barn. The District's board has previously indicated that if a decision is made to rebuild the office and shop facility in the same footprint of the current facility, they intend to purchase this adjacent property. However, the District is also considering the purchase of acreage in the Robert C. Byrd Industrial Park, east of Moorefield, and relocating their office and shop facilities to that location. Logan Moyers said that because the District was facing an impending deadline from FEMA to determine at which location the FEMA grants funds will be used, it was important the board make a decision during

this meeting as to what location will be the future home of the District's office and shop facilities. Mr. Moyers told board members he had reached out to *Champion Homes* to inquire if they could construct a commercial modular office facility in the layout the District has chosen and then provided an email from a representative with *Champion Homes* stating that they would not be able to accommodate the District's request at this time. Moyers then distributed a handout to all in attendance that included both cost estimates and funding scenarios for the conventional construction of new facilities at each of the two locations being considered and reviewed those options with the board. An estimated cost for rebuilding at the current location included costs for architectural services (\$45,000), the purchase of the adjacent property (\$147,000) and the construction costs for a new facility (\$518,714) which totaled \$710,714. The funding scenario for that project included an \$80,000 contribution from the District's general revenue account, approximately \$275,000 from the District's facilities account, the approximately \$159,000 in FEMA grant funds, an anticipated \$50,000 that is expected to be acquired from a USDA community facilities grant, and five years of payments in the amount of \$2,450 as part of the rent-to-own offer for acquiring the adjacent property. Moyers then reviewed the costs and funding scenario for relocating the District's facilities to the RCB Industrial Park. An estimated cost for this project included costs for architectural services (\$45,000), the purchase of the property in the RCB Park (\$54,750) and the construction costs for a new facility (\$734,333) which totaled \$834,083. The funding scenario for that project included a \$100,000 contribution from the District's general revenue account, approximately \$275,000 from the District's facilities account, the approximately \$159,000 in FEMA grant funds, an anticipated \$50,000 that is expected to be acquired from a USDA community facilities grant, and a loan from a local bank in the amount of \$250,000. Moyers told the board he had received a quote from a local bank for a \$250,000 loan at a fixed interest rate of 4.42% over ten years, making the monthly payments roughly \$2,580. Moyers told board members that the primary difference in the two funding scenarios is that relocating to the RCB Park would require an additional \$20,000 to be transferred from the District's general revenue account and the monthly payments of approximately \$2,500 would occur for ten years as compared to five years if the District would opt to rebuild at the current office location. Moyers also pointed out that it should be considered that if the board chooses to relocate to the RCB Park, it can sell the property on which the current office is located which could potentially offset some of the costs to relocate to the RCB Park. Board members asked Moyers if he felt a rate increase would be necessary with either option and he replied that he didn't believe either option would necessitate a rate increase. Moyers explained that a majority of the funding for either option comes from grants and in-house funds that were previously set aside for the purpose of constructing a new facility and that the only funds that would need to be accounted for in the District's annual budget would be the loan/rent-to-own payments which, he informed the board, he had already calculated into the budget for the upcoming fiscal year. So, Moyers informed the board, he didn't not anticipate that either option as currently planned would necessitate a rate increase to District customers. Following discussion, Justin Basye made a motion that the District proceed with the funding scenario as detailed by Mr. Moyers to purchase property in the RCB Industrial Park and construct a new facility at that location. Rose Helmick seconded the motion. It was unanimously approved. Logan Moyers will inform both property owners of the District's decision.

New Business:

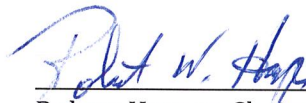
Fiscal Year 2020 Water & Sewer Budgets – Proposed water and sewer budgets for fiscal year 2020 were included as part of the board packets and were discussed at the meeting. It was noted that the FY20 water budget reflects an increase in USDA loans to include six months of interest-only payments on the Baker WTP Upgrade Project as well as a new \$30,000 line item for the loan payments from the loan associated with construction of a new facility and a decrease in the amount of some of the monthly reserve accounts and no employee raises. Moyers said that it was his intention to give raises to all District employees but that the budget simply couldn't support that given the new expenses associated with the ongoing project and the

upcoming facility project. Moyers said he fully intends to find a way to give raises to employees as part of the fiscal year 2021 budget. Board members agreed that if at all possible it would be important to include employee raises in the FY2021 budget. Robert Harper made a motion to approve the fiscal year 2020 water budget as presented. Justin Basye seconded the motion. It was unanimously approved. Justin Basye made a motion to approve the fiscal year 2020 sewer budget as presented. Rose Helmick seconded the motion. It was unanimously approved.

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

There being no further business, Robert Harper made a motion that the meeting be adjourned. Rose Helmick seconded the motion. The meeting was adjourned at 5:45 p.m.

The next regular scheduled board meeting will be held **June 5, 2019, 4:30 p.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.



Robert Harper, Chairman

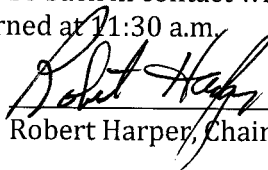
These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the regular meeting held on May 1, 2019. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.

HARDY COUNTY PUBLIC SERVICE DISTRICT
SPECIAL MEETING
APRIL 23, 2019

Hardy County Rural Development Authority Office
223 South Main Street, Moorefield, WV 26836

Attending: Robert Harper, Rose Helmick, Logan Moyers - HCPSD; Mallie Combs, Roy Harper, Jay Fansler, Harold Michael, Derek Barr, David Workman, Greg Greenwalt, Doug Mongold, Fred Brooks, Elwood Williams, Peggy Thorne - HCRDA; Greg Ely - Hardy Co. Clerk; Jean Flanagan - Media

District board members Robert Harper and Rose Helmick, along with General Manager, Logan Moyers attended a meeting on Tuesday, April 23, 2019 at 11:00 a.m. at the office of the Hardy County Rural Development Authority (HCRDA). This meeting was also an official meeting of the HCRDA Board to discuss the potential purchase of acreage located in the Robert C. Byrd (RCB) Industrial Park for the relocation of the District's office and garage. The District was seeking information from the HCRDA regarding the potential purchase of property within the RCB Park, specifically the cost per acre the HCRDA would charge the District for property. The District also needed to ensure the HCRDA will allow the District to have a gravel lot on a portion of the property, be permitted to be able to store materials and equipment outside, and to be allowed to use painted steel panels as an exterior building cover. HCRDA Executive Director, Mallie Combs, informed the District's representatives in attendance that the HCRDA does, in fact, permit all the allowances the District is seeking, specifically she said the District could have a gravel lot in areas that are not accessible to the public, could store materials and equipment outdoors as long as it was done in the rear of the property and could use steel panels as an exterior covering as long as the panels were in new condition. Ms. Combs also said the HCRDA would require the District to provide them with a site plan showing the proposed location of the facility and access roads on the property as well as the proposed locations of parking/loading areas, gravel/paved areas and areas where materials will be stored outdoors on the property. Mr. Moyers told those in attendance, the fact that HCRDA would allow for those requirements of the District was good news and it meant the only remaining piece of information the District was seeking from this meeting was a cost per acre for property in the RCB Park. Mr. Moyers also informed the HCRDA that the District was interested in purchasing lot #3 in the RCB park, which is a 4.38 acre site between the WV Workforce building and American Woodmark's facility. At that time, HCRDA Chairman Roy Harper, moved the HCRDA Board go into executive session to discuss what the HCRDA would charge the District for property in the RCB Park. At this time, the District's representatives in attendance left the meeting room and waited in an adjacent room while the HCRDA Board held executive session. After a few minutes, the District's representatives were asked to reenter the meeting area, at which time, HCRDA Board member, Doug Mongold, made a motion to sell the District lot #3 in the RCB Park at a rate of \$12,500 per acre, half the typical asking price for property in the RCB park, and that the District could opt to purchase a portion of the 4.38 acre tract if the entire tract was not needed. The motion also included an option for the District to enter into a lease agreement with the HCRDA whereby the District could pay the HCRDA in agreed upon amounts over the course of several years, if that was the District's preference. HCRDA board member, Greg Greenwalt, seconded the motion. The motion was then unanimously approved. Logan Moyers thanked the HCRDA board for their offer to the District and told them now that the District has a price for the property, it would work to determine a cost for constructing a new facility at the property and that would determine if, in fact, the District could afford to make the move to the RCB Park. Moyers said the District would discuss this at their upcoming May board meeting and would be back in contact with the HCRDA after a decision had been rendered. The meeting was adjourned at 11:30 a.m.


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 special meeting held on April 23, 2019. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.

**HARDY COUNTY PUBLIC SERVICE DISTRICT
SPECIAL MEETING
APRIL 15, 2019
9:30 A.M.
2094 US 220 South, Moorefield, West Virginia**

Present: Rob Harper, Rose Helmick, Justin Basye, Logan Moyers, Connie Sherman, HCPD;
Jean Flanagan, Moorefield Examiner.

The meeting was called to order at 9:35 a.m. by Chairman Rob Harper. The purpose of this special meeting was to discuss the possibility of the District purchasing property from the Hardy County Rural Development Authority (HCRDA) in the Robert C. Byrd Industrial Park (RCB Park) for the possible relocation of the District's office and garage/shop facility. After the District Board discussed this possibility, the plan was to then meet with the HCRDA Executive Director to further discuss the possibility of the District purchasing property from the HCRDA.

Logan Moyers reported that, in accordance with the action taken by the District Board at its April board meeting, he had prepared a written request to meet with the Executive Director of the HCRDA at her earliest convenience regarding the potential purchase of property located in the Robert C. Byrd Industrial Park for the purpose of relocating the District's office and shop. The letter requesting a meeting was hand delivered to the office of the HCRDA on Tuesday afternoon, April 9, 2019. On Wednesday, April 10, 2019, the District received a phone call from the HCRDA office informing the District that the HCRDA Executive Director would meet with the full District board and the General Manager on Monday, April 15, 2019 at 10:00 a.m. At the onset of today's meeting, District board member Rose Helmick informed all in attendance that the meeting with the HCRDA Executive Director, scheduled for 10:00 a.m. that morning, was canceled because the HCRDA had already communicated a proposed offer for property in the RCB Park to the District and she could share the details of that offer with the full District Board. Logan Moyers reported that the District's office had not heard anything from the HCRDA regarding a cancellation of the meeting. Rose Helmick then suggested that a call be placed to the HCRDA Executive Director to determine if the meeting would or would not take place as scheduled. When called, HCRDA Executive Director Mallie Combs, told the District the meeting scheduled for that morning would not be held. Ms. Combs addressed the District Board over speakerphone and stated that she had "ran into" District Chairman Rob Harper and passed along the HCRDA's proposed offer to the District for property in the RCB Park at that time, therefore there was no reason to hold the meeting as scheduled. Ms. Combs said it was now up to the District Board to "discuss what was discussed" when she had "ran into" Chairman Harper and to then get back to the HCRDA after the District Board had acted on the HCRDA's proposed offer. At this time, District board member, Rose Helmick, spoke up and stated that she had also "ran into" Ms. Combs "somewhere" and the information regarding the HCRDA's offer was passed along to her at that time. Rose Helmick then asked Ms. Combs, who was still on speakerphone, if she could share with the full District Board the information she had received from the HCRDA in regard to the proposed offer to the District. Ms. Combs consented. Ms. Helmick then informed the District board that the HCRDA Executive Committee had proposed to offer the District its choice of either lot in the RCB Park that had been previously identified by the District, that the District would be charged for property at a rate of \$12,500 per acre and that the HCRDA would accommodate the District on all of the allowances in the RCB Park's covenants that the District had identified as potential issues. At that time, District Chairman Rob Harper, interjected and said he felt he needed to make it known that the offer that Rose has just communicated to the full District Board came about during a recent meeting that he and Ms. Helmick had attended with the HCRDA Executive Committee. Mr. Harper said that he felt he owed an apology to District board member, Justin Basye and General Manager Logan Moyers for attending this meeting without them being aware that the meeting was taking place. He said it was his intention to meet with the HCRDA with all District board members and the General Manager present, in accordance with the action that was previously taken by the District's Board, but in this case, he

was contacted by the HCRDA Board Chairman on Wednesday, April 10, 2019 and asked to attend a meeting with the HCRDA the following day, Thursday, April 11, 2019, and he agreed to do so in his role as Chairman of the District Board. Mr. Harper said he did not realize the HCRDA had also invited Rose Helmick to this meeting, which meant a quorum of the District's Board was present, thereby making the get-together an official meeting of the District's board. Rob Harper repeatedly passed along his apologies to Mr. Basye and Mr. Moyers, but also said he didn't feel it was his place to invite others to a meeting that the HCRDA had invited him to attend. At that time, Ms. Helmick admitted that she had also received a call from the HCRDA inviting her to attend the Thursday, April 11, 2019 meeting and that is how she learned of the information regarding the HCRDA's proposed offer to the District. Both Mr. Basye and Mr. Moyers said they were not made aware of nor invited to the April 11, 2019 meeting. Mr. Moyers said he was frustrated that he and Mr. Basye were not invited to participate in the meeting. He said it was the action of the District's board that all members of the Board and the General Manager meet with the HCRDA and that apparently was no longer going to happen. Moyers did say that it appeared that the offer from the HCRDA that was shared during the April 11th meeting sounded positive, but he was still frustrated that the action taken by the District's Board was not carried out as planned. Moyers said by all appearances, the HCRDA never intended on having the meeting that was scheduled with the full District Board. He said the HCRDA's true intension was apparent when considering the HCRDA called the District's office on Wednesday, April 10th to schedule a meeting for Monday, April 15th, but also that same day placed separate calls to selected board members of the District scheduling a meeting for the following day, April 11, 2019. Chairman Harper said he understands why Mr. Moyers and Mr. Basye would be upset with how the situation played out and again apologized that they were not included in the April 11th meeting with the HCRDA. Harper repeated that he went to the April 11th meeting thinking he would be the only representative from the District attending and was surprised to see Ms. Helmick there when he arrived. He also repeated that he didn't feel it was his place to invite others to the meeting and in hindsight he wished it had played out differently. Mr. Moyers and Mr. Basye were both appreciative of Mr. Harper's apology. Moyers said his frustration is not with Mr. Harper, but rather is with the HCRDA for what appears to be a "backhanded" maneuver to meet only with the representatives of their choosing. Moyers then said "what's done is done" and it was time to move forward, but did share that if a similar situation arose in the future, he would ask that all members of the District's board at least be notified of the situation. Discussion then proceeded regarding which available lot the District preferred. It was agreed that the lot labeled as "Lot #3" on the plat provided by the HCRDA was the preference of the District. The total acreage for this lot is 4.38 acres, which, at a rate of \$12,500 per acre would make a total cost to the District for Lot #3 of \$54,750. Rob Harper said it should be noted that none of the offers proposed by the HCRDA Executive Committee in the April 11th meeting are official offers until they have been acted on by the full HCRDA Board. Harper said the HCRDA indicated the full HCRDA Board would act on the proposals from the Executive Committee at an April 23, 2019 meeting. Logan Moyers said the next step for the District was to create an estimate for what it would cost to develop the raw property and build a new office/shop facility on the property. Moyers said he had drawn a rough sketch of a facility that would be suitable for the District and has asked Thrasher Engineering to create an estimate based on the sketch. He said he developed the sketch with affordability in mind but also made sure it was suitable for the District both now and into the future. Moyers hopes to have the estimate for construction of the facility in time to be able to discuss it at the, May 1, 2019 District board meeting. Rose Helmick said she was aware of a \$50,000 community foundation grant that the District could likely obtain that could be applied toward the cost of construction of the facility. Helmick said this grant could be used if the District relocates to the RCB Park or if the Board decides to stay at the current office location. She said that she would work with Moyers to develop the grant application when the appropriate time comes. Moyers reported that he has asked FEMA if there was any deadline for using the grant funds obtained from damage to the former District office facility and was told the District would have a deadline of mid-July for determining if it will relocate the office to the RCB Park or rebuild an office at the current location, but that a deadline for expending the FEMA

funds could be extended by up to 30 months by going through an extension request process. With that in mind, Moyers said the first thing the District must accomplish is determining if it will relocate to the RCB Park or stay at its current location. Once that decision has been made the District will go through the process to request a time extension for expenditure of the grant funds. Moyers said it was good to know there was plenty of time to complete the office rebuild project, but at the same time, he felt it was important for the District to move the process along as efficiently as possible. Rose Helmick requested that Moyers look into the possibility of purchasing a commercial modular from *Champion Homes* to possibly be used for an office at the RCB Park location. Moyers, Harper and Basye expressed some skepticism in purchasing a modular for the District's office, however, Moyers said the District should do its due diligence and investigate all possibilities for a new facility. Moyers said he would contact *Champion Homes* and look into the possibility of purchasing a commercial modular. Rose Helmick suggested the District's board consider attending the April 23, 2019 HCRDA Board meeting, at which a cost per acre and lot location would be determined by the full HCRDA Board. Justin Basye said he would be unavailable that day, but all others along with General Manager plan to attend. Moyers said when the District board meets again, at the regularly scheduled May 1, 2019 board meeting, he is hopeful a determination can be made as to whether the District will relocate to the RCB Park or stay at the current location.

There being no further business, Robert Harper made a motion that the meeting be adjourned. Justin Basye seconded the motion. The meeting was adjourned at 10:20 a.m.

The next regular scheduled board meeting will be held on **May 1, 2019, 4:30 p.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.


Robert Harper, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the special meeting held on April 15, 2019. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.

**HARDY COUNTY PUBLIC SERVICE DISTRICT
SPECIAL MEETING
APRIL 15, 2019
9:30 A.M.
2094 US 220 South, Moorefield, West Virginia**

Present: Rob Harper, Rose Helmick, Justin Basye, Logan Moyers, Connie Sherman, HCPSPD;
Jean Flanagan, Moorefield Examiner.


The meeting was called to order at 9:35 a.m. by Chairman Robert Harper. The purpose of the meeting was to discuss the possibility of purchasing property from the Hardy County Rural Development Authority in the Robert C. Byrd Industrial Park for the possible relocation of the District's office and garage/shop facility.

Logan Moyers reported to the District board that following the action taken by the District board at its April board, he had prepared a written request to meet with the Executive Director of the Hardy County Rural Development Authority (RDA) regarding the potential purchase of property located in the Robert C. Byrd Industrial Park for the purpose of relocating the District's office and garage at her earliest convenience and then had the letter hand delivered to the office of the RDA on Tuesday afternoon, April 9, 2019. On Wednesday, April 10, 2019, the District received a phone call from the RDA's administrative assistant informing the District that in response to the letter, a meeting was scheduled for Monday, April 15, 2019 at 10:00 a.m. Wednesday evening Chairman Harper received a phone call and was asked to attend a meeting on Thursday, April 11 at the RDA office. Thursday morning Vice-Chairperson Rose Helmick also received a phone call requesting she also attend the meeting. Board member Justin Basye or General Manager Logan Moyers were not requested to attend the meeting. The meeting was held at 1:30 p.m. at the RDA office consisting of the RDA's Executive Director and members of the RDA Executive Committee which includes Roy Harper, Harold Michael and Derek Barr. At the meeting the price per acre offer was \$12,500 for the 4.38 acre lot (Lot #3) and permission was granted allowing for a gravel work lot and for materials to be stored outside. Any negotiations made during this meeting will need to have final RDA full board approval at its next meeting which is scheduled for April 23, 2019. If the District were to purchase acreage for the purpose of relocating its office and garage, the current site would be put for commercial sale.

Discussion was held regarding the FEMA grant funds and if there is a deadline to use the approve grant funds. Logan Moyers has been in contact with our State Representative who informed him that the normal FEMA deadline is 18 months from the date that the disaster was declared which means the District's deadline currently would be sometime in January 2020. She also told him that an extension can be granted for additional time from 30 to 48 months if needed. The next step is to get cost estimates to establish a total cost to relocate the District's office and garage. The construction project will need to be completed via the public bid process and will require architectural services for which the District has not procured architectural services per the State 5G process. Additional discussion was held on the type of structure for the office building and if the office building and garage should be separate buildings for insurance savings purposes. Rose Helmick suggested a commercial modular type office building and requested that Logan Moyers contact Judy's Mobile Home for a cost estimate for this type of building versus and stick built office building.

There being no further business, Robert Harper made a motion that the meeting be adjourned. Justin Basye seconded the motion. The meeting was adjourned at 10:20 a.m.

The next regular scheduled board meeting will be held **April 3, 2019, 4:30 p.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.


Robert Harper, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the special meeting held on April 15, 2019. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.

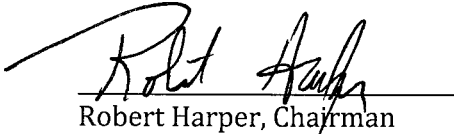
HARDY COUNTY PUBLIC SERVICE DISTRICT
SPECIAL MEETING
APRIL 11, 2019

Hardy County Rural Development Authority Office
223 South Main Street, Moorefield, WV 26836

Attending: Robert Harper, Rose Helmick, HCPD; Mallie Combs, Roy Harper, Harold Michael, Derek Barr, HCRDA.

District board members Robert Harper and Rose Helmick attended a meeting on Thursday, April 11, 2019 at 1:30 p.m. at the office of the Hardy County Rural Development Authority with the HCRDA's executive committee and its Executive Director to discuss the potential purchase of acreage located in the Robert C. Byrd (RCB) Industrial Park for the relocation of the District's office and garage. District board members were seeking information from the HCRDA regarding the location of available properties within the RCB Industrial Park, the cost per acre the HCRDA would charge the District for property within the Park and to inform the HCRDA that any property purchase by the District would be contingent on the HCRDA granting the District certain allowances on portions of the covenants for Park property. In regard to the allowances on certain sections of the Park's covenants, the District, at its April board meeting, agreed that if it were to relocate to the RCB Industrial Park it would require written permission to have a gravel lot on a portion of the property, to be permitted to be able to store materials and equipment outside, and to be allowed more flexibility than is permitted for building materials used during construction of facilities within the Park. Mr. Harper and Ms. Helmick reported that the HCRDA executive committee proposed offering the District its choice of two lots within the Park, offering to sell the District property at a rate of \$12,500.00 per acre, and offering to provide the District the allowances it requested as part of the Park's covenants. All of these proposed offers are not official until the full HCRDA board has taken the necessary action to make these proposed offers official. The HCRDA board is scheduled to meet on April 23rd and will determine if they will take the necessary action to make these proposed offers official during that meeting.

NOTE: No recording of the meeting is available and the above minutes are from information reported to the District following the meeting. The District's General Manager and remaining board member were not present at the meeting and no minutes were taken because the HCRDA informed/invited only Mr. Harper and Ms. Helmick of/to the meeting.


Robert Harper, Chairman

HARDY COUNTY PUBLIC SERVICE DISTRICT
APRIL 3, 2019
4:30 P.M.
2094 US 220 South, Moorefield, West Virginia

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

The meeting was called to order at 4:30 p.m. by Chairman Robert Harper. Robert Harper made a motion to approve the minutes of the February 6, 2019 regular meeting minutes and the March 11, 2019 special meeting minutes as presented. Justin Basye seconded the motion. The motion was approved.

New Business:

South Fork Road Water Extension Request – A copy of a letter received from a homeowner located on South Fork Road requesting water service was included as part of the board packets. The requesting customer lives approximately seven miles past the end of the main water line on South Fork Road. Logan Moyers stated that a main water line extension that would extend to serve the requesting customer would be multi-million dollar project for the District. Moyers suggested that in order for the District to undertake a project of that expense, it would have to be done as part of a large federally funded project and he suggested it be looked at for inclusion in the District's next major project. There was discussion as to whether there would be enough property owners willing to commit to connecting to any potential water extension in the area to justify an extension of that size and expense. Logan Moyers said the District would survey potential customers in the area to aid in making that determination in advance of the District's next major project. Following discussion, Robert Harper made a motion that the District respond in writing to the customer indicating that the District will keep the request on file and will further evaluate this potential extension for inclusion as part of the District's next major project. Justin Basye seconded the motion. It was unanimously approved.

PSD Property Acquisition - The District has been approached by the owner of the property adjacent to the District's office regarding the District's potential interest in purchasing additional acreage including a 5-bay garage/shop facility and barn. The property being offered to the District, in total, consists of approximately 1.5 acres. The property was recently appraised at \$211,000.00 and a copy of the appraisal was provided to the District. The owner is willing to negotiate a purchase price with the District and is offering the District a five year (60 months) rent-to-own agreement, which the District views as the same as a five year 0% interest loan. Board members were shown the property boundaries and viewed the 5-bay garage/shop facility on the property. Logan Moyers discussed with the board the possibility of the District purchasing a portion of the entire 1.5 acre tract that includes the 5-bay garage/shop facility but not the barn. Moyers has spoken to the property owner about this possibility and reported to the board that the owner is open to such a proposal. Following discussion, Logan Moyers suggested the board take no action on this potential property purchase until other property purchase options are reviewed by the District. The District has been asked by the Hardy County Commission to consider purchasing acreage in the Robert C. Byrd Industrial Park, east of Moorefield, and relocating their office and shop facilities to that location. The District board expressed a willingness to consider relocating its facilities to the RCB Industrial Park, however there are a few potential issues with a proposed relocation to that site which must be addressed before it can be further considered. The first issue is that the District has been working with FEMA for the past year to acquire grant funding to be used for the reconstruction of the District's office at its current location. It must be determined if FEMA would allow those grant funds to be used at a location other than the location that has been discussed with FEMA during application

for the funding. Logan Moyers informed the board that FEMA recently obligated over \$213,000.00 in grant funds to the District, which the District intends to use toward the reconstruction of the District's damaged office facility. Of the over \$213,000.00 total grant allocation from FEMA, Moyers reported that approximately \$159,000 was obligated for damages resulting from the June 2018 severe storm and approximately \$54,000 was for mitigation projects the District applied for that would aid in preventing any future flooding occurrences to the District's facilities. If FEMA will not allow these grant funds to be used at the RCB Industrial Park location, that would prevent the District from considering a move to that location. Logan Moyers informed the board that he contacted FEMA representatives and asked if the FEMA grant funds can be used for construction of a new office at the RCB Industrial Park and was informed that FEMA would likely allow the approximately \$159,000.00 to be used to construct a new facility at an alternate location, but that the approximately \$54,000 to be used for mitigation projects could only be used at the District's current office location. Moyers told the board as he sees it, that the inability to use the \$54,000 at the RCB Industrial Park location should not prevent the District from considering a move to that location, because those funds could only be used for work that would prevent future flooding occurrences and flooding should not be a concern at the RCB Industrial Park locations being considered by the District so that work would not be necessary at those locations. Another issue that would have to be resolved before a move to the RCB Park could be considered relates to the covenants for the property put in place by the owner of the RCB Park property, the Hardy County Rural Development Authority (HCRDA). Logan Moyers informed the board that there were some restrictions within the Park's covenants that would require written allowances from the HCRDA which would specify that the District would not be held to those specific portions of the Park's covenants including, a restriction that no materials could be stored outside of buildings, a restriction that all driveways, loading areas, etc. must be paved with asphalt or concrete and a restriction that requires the exterior of all buildings in the Park be constructed of brick, face block or decorative stone. Moyers said he didn't anticipate that the HCRDA would have any issue granting these specific allowances because no other constructed properties in the Park are adhering to these portions of the covenants but, he said, given the past relationship between the District and the HCRDA, he thought it important that the District get these allowances in writing from the HCRDA. Moyers shared a series of photos taken of current properties in the Park that showed numerous instances of materials being stored outdoors, gravel driveways/loading areas and buildings that were not constructed with face brick/block or decorative stone. The last issue that was discussed which must be resolved is the negotiation of a per acre price for any property the District would purchase in the RCB Park. Logan Moyers presented to the board, a complete list of all property sales that have occurred in the RCB Park. A total of nine properties have been sold in the Park since the HCRDA began developing the property and the presented list contained all those purchasers broken down by classification as either a state/county government agency or a for-profit private developer, and listed the per acre price paid by each purchaser. Historically, for-profit private developers have been charged a greater per acre price as compared to state/county government agencies that have purchased property in the RCB Park. Logan Moyers told the board, he feels as though the District should be charged in accordance with the other state/county government agencies that have purchased property in the Park rather than at the per acre rates being charged to for-profit private developers. Moyers suggested contacting the HCRDA in writing expressing the District's concerns over the issues discussed during the meeting and requesting to meet with the HCRDA board to determine if the two groups could reach an agreement that would allow the District to purchase property in the Park and move the District's office to that location. Moyers reminded the board that if the HCRDA is not willing to meet the requirements the District has in order to move to the RCB Park, there is an attractive offer on the table for additional property at the current office location, which would justify the District walking away from negotiations with the HCRDA should the HCRDA be unwilling to meet the requirements of the District. Board member, Rose Helmick, stated that she felt it best not to request a meeting with the HCRDA board to discuss the District's requirements. Ms. Helmick suggested the District board along with District General Manager, Logan Moyers, meet with HCRDA Executive Director, Mallie Combs rather than the

entire HCRDA board. Moyers said he felt it important to get the two boards together, as all decisions will be made by the two boards and not himself or Ms. Combs. Rose Helmick disagreed and reiterated that she felt it appropriate to first meet with only Ms. Combs before getting the two boards together for a meeting. Following discussion, Robert Harper made a motion to contact Mr. Combs in writing to request a sit-down meeting with her at her earliest convenience to discuss the possibility of the District purchasing land in the RCB Park for a new office/shop facility. Justin Basye seconded the motion. It was unanimously approved.

Unfinished Business:

Baker WTP Upgrade Project Update - Logan Moyers gave an update on the progress of the Baker WTP Upgrade project. Mr. Moyers reported that Tre Kerns, the project coordinator with the Thrasher Group, has been in contact with our regional USDA-RUS representative regarding the status of our funding application. Mr. Kerns informed the board that everything was in order and that the USDA state office has completed its review of the funding application along with the associated engineering plans and documents and the regional office was now in the process of completing the underwriting for a funding commitment. Kerns also provided emails from the District's regional representative in which the representative indicated she has been unable to move the underwriting process forward due to staffing shortages, but that she hopes to have the underwriting completed and a funding commitment to the District sometime in late April or early May. Logan Moyers informed the board that due to the delay in our funding award, it will be necessary to request an extension of the Notice of Intent (NOI) that was filed by our attorney with WVPSC. (A NOI indicates to the WVPSC that the District will soon be making a certificate case filing.) Moyers also reminded the board that the District has planned to submit a request for a certificate case waiver once a funding commitment had been received. However, following a conversation with the District's attorney, it was suggested that the District go ahead and file the request for a waiver now, before a funding commitment has been received as the funding commitment should not have a bearing on whether or not WVPSC is willing to grant a waiver. Tre Kerns will work with the District attorney to put together the necessary information for the waiver request. If the District's attempt to secure a waiver is successful, it will mean the project can immediately move to the bid process following receipt of a funding commitment, thereby cutting several months off the projects timeframe for completion.

Hampshire County Resale Request - Logan Moyers provided an update on the status of potentially selling bulk water to Central Hampshire PSD at the Hampshire County line on US 220 North. In mid-March Moyers and District Chairman Robert Harper attended a meeting setup by Region VIII Planning & Development Council along with Central Hampshire PSD representatives and engineers. Engineers for Hampshire County reviewed multiple options for Central Hampshire PSD to provide public water to the Purgitsville area. The District was asked at the meeting when we can be prepared to enter into a water purchase contract with Central Hampshire PSD because this will be needed prior to Central Hampshire PSD's securing funding for any potential project. Logan Moyers told those in attendance at the meeting that the District would have to evaluate its available capacity within its purchase agreement with the Town of Moorefield before it could agree to enter into an agreement with Central Hampshire PSD. Logan Moyers informed the District board that after reviewing the purchase history of the District, it typically purchases between 11 million and 12 million gallons from the Town of Moorefield each month, although on occasion, the purchased volume nears 13 million gallons per month. The District's current agreement with the Town allows for a maximum of 15 million gallons per month and Central Hampshire PSD anticipates that it would need to purchase no more than 1.5 million gallons per month. Moyers said that it is important to allow for some leeway in the volume of water the District purchases each month and the maximum allowable volume and with that in mind, it would be irresponsible of the District to enter into a purchase agreement with Central Hampshire PSD allowing them to purchase an additional 1.5 million gallons per month on top of the District's current purchase volume without first increasing the maximum volume the District can purchase from the Town. Moyers went on to say that the District had

previously planned to revise its existing water purchase contract with the Town of Moorefield to increase the District's maximum allowable purchase volume upon completion of the Town's new water plant, however he had been in contact with Lucas Gagnon, Town of Moorefield, and he is willing to begin working on the new contract right away so as not to hold up the water project for Hampshire County. Moyers reported that the District and the Town are currently working on a new purchase agreement that would specify that upon completion of the Town's water plant project, the maximum allowable volume the District can purchase each month will increase from 15 million to 25 million gallons per month. The new agreement will need approval by the District's board and the Moorefield Town Council before it becomes effective.

District Office Rebuild Project - Logan Moyers reported that he continues to work with FEMA and the West Virginia Department of Homeland Security and Emergency Management (WVDHSEM) representatives regarding grant funds for expenses and damages associated with the June 2018 storm. Mr. Moyers reported that the District has been obligated over \$213,000.00 in total grant funds from FEMA. Of the total grant allocation, approximately \$159,000 has been obligated for damages resulting from the June 2018 severe storm and approximately \$54,000 was obligated for mitigation projects that will aid in preventing any future flooding occurrences to District facilities. The District recently received a check in the amount of \$22,000 from the State of West Virginia that references the federal disaster number but included no other information. Logan Moyers said the check is obviously related to the FEMA grant funds but the amount does not match any invoices submitted for reimbursement. Moyers has asked the WVDHSEM about the check and for some direction as to how the District should handle it but thus far has gotten no explanation or direction regarding the check. Board Member Rose Helmick suggested to hold the check until the State could provide some direction. Logan Moyers also told the board that FEMA has informed him that they have now turned the project over to WVDHSEM and that FEMA is now out of the picture and all future correspondence and direction will come from and be with WVDHSEM. Moyers said he has contacted representatives at WVDHSEM and has requested direction as to how the District can proceed with the expenditure of FEMA grants funds and is currently awaiting direction from WVDHSEM.

Miscellaneous Business:

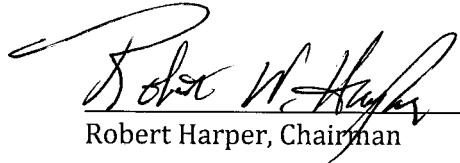
Rate Increase Questions - Board member Rose Helmick requested additional information at the last board meeting in regard to some questions she had relating to WVPSC's rules associated with rate increases, specifically pass through rate increases. These questions came about when discussing that sometime in 2021 when the Town of Moorefield's water plant project has been completed, the Town will increase purchased water costs to the District by approximately \$200,000.00 annually, thereby necessitating that the District increase its rates to cover that increase in purchased water costs from the Town. Logan Moyers provided the information requested by Ms. Helmick in the meeting packets. The information provided included the section of WV state code that details pass-through rate increases. Ms. Helmick had requested clarification that pass-through increases could only consider increased purchased water costs and nothing more. The state code section clarified that issue and does state that only increases in purchased water can be considered in a pass-through increase. Moyers also presented a series of questions he posed to the District's attorney and provided those questions and the attorney's responses to board members. The attorney clarified in a pass-through rate increase, only the full amount of the increase in purchased water costs can be considered, nothing more and nothing less. The attorney also clarified that if the District board opted not to go the route of a pass-through rate increase the only other option was a going-level rate increase and that type of increase will consider the full amount of the increase in purchased water costs as well as other costs and for that reason a going-level increase will result in a higher rate than a pass-through increase. At Helmick's request, Moyers also provided a breakdown listing of the District's expenses by percentage for the past fiscal year. Ms. Helmick requested that the

information be presented in a pie chart rather than a broken-down list of expenses by percentage. Mr. Moyers said he would make the requested changes and provide that information in the form of a pie chart to board members in next month's meeting packet.

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

There being no further business, Robert Harper made a motion that the meeting be adjourned. Rose Helmick seconded the motion. The meeting was adjourned at 5:45 p.m.

The next regular scheduled board meeting will be held **May 1, 2019, 4:30 p.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.



Robert Harper, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the regular meeting held on April 3, 2019. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.

HARDY COUNTY PUBLIC SERVICE DISTRICT
SPECIAL MEETING
MARCH 11, 2019
4:00 P.M.
2094 US 220 South, Moorefield, West Virginia

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

The meeting was called to order at 4:00 p.m. by Vice Chairman Robert Harper. The purpose of the meeting was to discuss the proposed incentives to encourage three poultry farms located on WV SR 259 in Baker, WV to connect to the Baker public water system and to discuss the purchase of additional property adjacent to the District's existing office property.

WV SR 259 Poultry Farm Incentives for Connection – Logan Moyers reported to the Board that two of the three poultry farms located in Baker on WV State Route 259, who were targeted by the District as potential water users whose connection could aid in the District's efforts to reduce levels of disinfection by-products, have agreed to connect to the Baker water system. The District has been working to get the farms to connect to the public water system in an attempt to help with water turnover in the Baker water system. Low water turnover on WV SR 259 in Baker is a large part of the issues that have resulted in elevated levels of disinfection by-products in the Baker water system. In an effort to encourage connection of the three farms that are located on WV SR 259, the District developed an incentive package that is being offered to those farms. The incentive package being offered to the farms includes that they will be billed for actual water usage only with no minimum monthly bill and the District will perform the work to connect the farms to the District's water system. Logan Moyers said it was important to note that the incentives did not include any reduction in the rates that these users will pay as compared to the rates the rest of the District's customers pay. Although providing reduced rates was discussed, and even suggested by a Hardy County Commissioner at the February 2019 Hardy County Commission meeting, it was determined the District could not legally offer reduced rates to any of its customers regardless of circumstance. While the District has been hesitant to offer incentives to these farms, mostly because it cannot offer them to any other potential customers, ultimately it was determined that the benefit that could be received in the reduction of disinfection by-product levels with the connection of these farms was too important to ignore. Following discussion, Rose Helmick made a motion to offer the proposed incentive package to the three poultry farms located on WV SR 259 in Baker. Robert Harper seconded the motion. Justin Basye abstained from voting. Basye's family owns the third poultry farm that is being offered the incentives, however the Basye farm does not wish to become a customer of the District at this time. The District anticipates completing the tap and connection work on the first farm in the coming weeks and the second farm later this summer when the farm is between flocks. It is hoped that the third farm to which the incentive package was offered will agree to connect to the Baker water system in the future. The significant water usage anticipated from these poultry farms will provide for much greater water turnover on WV SR 259 which in turn will help to lower levels of disinfection by-products in the Baker water system.

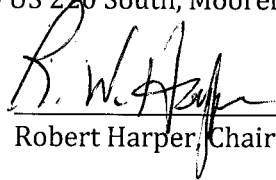
HCPSD Property Purchase- Logan Moyers informed the Board that he was contacted by the owner of the property located adjacent to the District's existing office/shop property to inquire if the District would be interested in purchasing the remaining acreage owned by the previous property owner. This property includes a four-bay garage/shop building as well as a large barn on just over 1.5 acres. The property owner has offered the District what he termed a "rent-to-own" agreement for acquiring the property. As part of this offer, the property owner is offering to negotiate a purchase price with the District and to then spread that total negotiated price over five years in the form of 60 monthly payments. As part of the agreement the District would be "renting" the property over the course of those five years and wouldn't actually assume ownership of the property until the five year renting period had expired. The agreement would

also include a provision that would prohibit the current property owner from altering the agreement in any way once it had been executed. The property owner is having an appraisal of the property performed and will share the appraisal report with the District once it has been completed. The District Board can then decide if it wishes to negotiate a purchase price with the owner. Logan Moyers pointed out to board members that the property owner is essentially offering the District five year financing at 0% interest. He also reminded the board that the District has already made plans with the property owner to rent the four-bay garage to store the District's office files, parts and tool inventory, heavy equipment and vehicle fleet during the time that the District's current office/shop facility undergoes demolition and rebuilding. He went on to say that once the District's new office/shop facility had been built, the four-bay garage facility could house materials and equipment that is currently being stored outdoors. Moyers said as he sees it, the fact that the District was already planning to rent the facility before the "rent-to-own" agreement was proposed, makes the offer all the more attractive to the District. Logan Moyers told the Board that he had reached out to the District's attorney to make sure that the District could legally enter into the type of "rent-to-own" agreement being proposed for purchase of the property and was told the District could enter into such an agreement and the attorney would be willing to draft the agreement on behalf of the District. Board members Robert Harper and Justin Basye expressed interest in acquiring the property as part of the proposed "rent-to-own" agreement and suggested the Board should meet again once the District has been provided with a copy of the appraisal report and can determine at that time if the District should make an offer for the property. Board Member, Rose Helmick, stated that she has some reservations about acquiring the property regardless of the manner in which the purchase takes place. Ms. Helmick said that her concern was in regard to the impending rate increase to the District's customers that will come with the construction of the Town of Moorefield's new water treatment plant and if the purchase of this property could result in a higher rate increase when the Town's new water plant has been built. Logan Moyers explained to Ms. Helmick that wouldn't be an issue because the District will do a "pass through" rate increase, where the only cost taken into consideration is the increased costs from the Town of Moorefield associated with the construction of their new water treatment plant. Rose Helmick then asked if the entire increase from the Town of Moorefield had to be considered as part of the pass through rate increase. Logan Moyers told her that according to the WV State Code, pass through rate increases can consider only the increased cost from the utility, nothing more and nothing less. Board chairman, Robert Harper, said regardless of whether or not WV State Code requires the District to include the entirety of the increase from the Town of Moorefield, it would be fiscally irresponsible for the District not to include the full amount of the increase from the Town of Moorefield. Logan Moyers agreed with Chairman Harper and said that if the District opted not to incorporate the full amount of the increase from the Town into the District's rate increase, it would put the District in an unnecessarily poor financial condition presently and into the future. Moyers said if the District could manage to absorb the rate increase from the Town without having to pass it on to District customers, the District should always do that, but in this instance, because it is such a large increase, (the District will see an approximate cost increase of nearly \$200,000 from the Town of Moorefield) absorbing the increase is simply not possible. Moyers said that it should be noted that the District has absorbed the last three increases from the Town of Moorefield and the last four increases from the Town of Wardensville without passing any of those increased costs onto District customers, however those increases were much smaller in size compared to the upcoming increase from the Town of Moorefield. Rose Helmick then suggested that rather than purchasing the property adjacent to the District's current office space, the District should consider buying a new office inside of Moorefield city limits. Robert Harper said he didn't think that was a prudent move because the District is already working with FEMA to build a new office/shop facility on property the District already owns. Logan Moyers said that in his opinion it is invaluable to have the District's office, shop, garage, materials and equipment storage all in one location at the same facility. Chairman Harper reiterated that he believes the best move for the District would be to take advantage of the "rent-to-own" offer for property

adjacent to the District's office/shop facility especially considering we already plan to rent that property for a significant portion of the term proposed in the rent-to-own agreement. Board member Justin Basye and General Manager Logan Moyers both said they are in agreement with Chairman Harper in that regard. Logan Moyers said that once he had received the appraisal report, he will contact the board to determine if there is a need to schedule another special meeting to discuss and possibly take action on entering into the proposed "rent-to-own" agreement.

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

The next regular scheduled board meeting will be held **April 3, 2019, 4:30 p.m.** in the conference room of the HCPSD office located at 2094 US 220 South, Moorefield, West Virginia.


Robert Harper, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the special meeting held on March 11, 2019. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.

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

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

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

New Business:

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

Unfinished Business:

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

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

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

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

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

Miscellaneous Business:

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

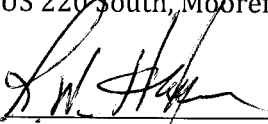
Sewer I&I Issue - Logan Moyers reported that we have experienced some issues at the Baker Sewer Plant during the recent wet weather events with inflow and infiltration (I&I). Following an investigation by the District, the East Hardy school complex has been identified as a major contributor of I&I and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

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

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

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

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



Robert Harper, Chairman

These minutes represent a summary of the subject discussed and the actions taken by the members of the Hardy County Public Service District for the regular meeting held on February 6, 2019. The meeting and proceedings were electronically recorded. In the event there may be discrepancies or contradictions between the written minutes and the audio recording, the audio recording shall take precedence.

HARDY COUNTY PUBLIC SERVICE DISTRICT
JANUARY 9, 2019
4:30 P.M.
2094 US 220 South, Moorefield, West Virginia

Present: Rob Harper, Rose Helmick, Logan Moyers, Connie Sherman, HCPSD; and Jean Flanagan, Media.

The meeting was called to order at 4:31 p.m. by Acting Chairman Robert Harper. Rose Helmick made a motion to approve the minutes of the December 12, 2018 regular meeting minutes as presented. Robert Harper seconded the motion. The motion was approved.

New Business:

Election of Officers – Election of officers for calendar year 2019 was held. Rose Helmick made a motion to appoint Robert Harper as Chairman of the board. Robert Harper seconded the motion. It was unanimously approved. Robert Harper made a motion to appoint Rose Helmick as Vice-Chairman of the board. Rose Helmick seconded the motion. It was unanimously approved. Robert Harper made a motion that Connie Sherman retain the position of secretary of the board. Rose Helmick seconded the motion. It was unanimously approved.

Recommendation of New Board Member – Discussion was held regarding the qualifications of several individuals to fill the board seat vacancy due to the death of Matthew Gapp. The Hardy County Commission has asked that the new board member be an individual from the Baker, Mathias or Lost River area and be someone who presently does not have access to public water but would like to become a customer of the District as part of an extension project. Following discussion, Robert Harper made a motion to have a letter prepared requesting the appointment of Jesse Halpern-Robinson to fill the board vacancy. Rose Helmick seconded the motion. It was unanimously approved. The letter will be presented to the Hardy County Commission at their next meeting. Rose Helmick suggested that the letter come from Chairman Harper and that he attend the next Hardy County Commission meeting to voice the District's request to have Mr. Halpern-Robinson appointed. Chariman Harper agreed to attend the meeting.

Unfinished Business:

Baker WTP Upgrade Project Update - Logan Moyers gave an update on the progress of the Baker WTP Upgrade project. Mr. Moyers reported that we continue to await final approval of our funding application from the USDA-RUS state office. The announcement may be delayed due to the ongoing shutdown of federal government offices. While we wait for an award commitment from USDA-RUS we continue to work to have everything prepared so that we are ready to submit our certificate case filing with WVPSC soon after receiving the funding commitment. The District has now secured all permits for the project except for WVDOH which needs only a minor change. Additionally, the Distirct's project accountant has completed the necessary update to the Rule 42 financial analysis for the project to include financial information from fiscal year 2018. Once the funding commitment has been received, the accountant can incorporate the terms of the funding package and the Rule 42 analysis will be ready to be included in the certificate case filing with WVPSC. Mr. Moyers provided board members with an anticipated project schedule that shows the items that must be completed to get the project to construction and when the anticipated completion of those remaining items can be expected to occur.

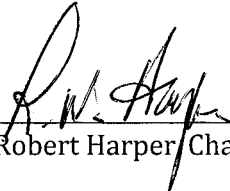
Hampshire County Resale Request – Logan Moyers provided an update on the possibility of selling bulk water to Central Hampshire PSD at the Hampshire County line on US 220 North. Central Hampshire PSD provided the District with some rough demand calculations and requested that the District, in turn, provide them with an estimated resale rate for the water it will sell to Hampshire County. The District engaged our project accountant, Michael Griffith, to complete a class cost of service analysis that is used to develop an estimated resale rate. Mr. Griffith used the information that has been provided thus far by Central Hampshire PSD and also considered the District’s future purchased water costs that will be in place following the completion of the Town of Moorefield’s new water plant in developing the class cost of service analysis. The class cost of service analysis provided an estimated resale rate of \$4.95 per 1,000 gallons of water purchased. Mr. Moyers will prepare a letter to Central Hampshire PSD informing them of the estimated resale rate. The letter will also include additional information that Central Hampshire PSD will need to provide the District before the District can definitively state that it can and will provide water for resale at the Hampshire County line. There is still quite a lot of work needed to be completed by Hampshire County before the District can make a firm commitment that it can provide water for resale to Hampshire County.

District Office Rebuild Project - Logan Moyers reported that he continues to work with FEMA representatives to determine the amount of grant funds that the District will be eligible to receive toward the costs incurred by the District’s as a result of June 1, 2018 storm. Mr. Moyers reported that he is working to secure additional grant funds from FEMA to complete disaster mitigation projects, including some excavation work around the facility and another project that would raise the floor level of the building in an effort to prevent future flooding occurrences. Logan Moyers reported that while he continues to work with FEMA to acquire the maximum amount of grants funds eligible to District, he will also continue to work to seek proposals from architects for the development of bid-level architectural and engineering drawings and specifications for the planned rebuild of the PSD office/shop facility. It was discussed that FEMA guidelines will dictate the requirements for architectural and engineering services for the project and that ultimately the provider of architectural and engineering services will have to be obtained by way of the 5G procurement process. Procurement of the architectural and engineering services will not occur until the funds from FEMA have been committed and direction has been given to the District in regard to FEMA’s requirements for those services as part of this project.

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

There being no further business, Robert Harper made a motion that the meeting be adjourned. Rose Helmick seconded the motion. The meeting was adjourned at 5:30 p.m.

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


Robert Harper, Chairman