

HARDY COUNTY PUBLIC SERVICE DISTRICT

MAY 7, 2025

4:30 P.M.

45 District Drive, Moorefield, West Virginia

Present: Logan Moyers, Robert Harper, Rose Helmick, Melvin Shook and Connie Sherman – HCPSD.

The meeting was called to order at 4:45 p.m. by Chairman Robert Harper. The minutes of the March 5, 2025 regular meeting and the March 19, 2025 special meeting were presented. Melvin Shook made a motion to approve both sets of minutes as presented. Robert Harper seconded the motion. It was unanimously approved.

Unfinished Business:

Baker Phase II Water Project– Logan Moyers provided an update on the Baker Phase II water project. The District has started working to evaluate customer interest in the extension areas that are being considered for inclusion in this project. Last week Moyers along with Kylea Radcliff, the District's project engineer, met with Ervin Wilkins to look at his proposed subdivision on property located off WV SR 259. In order to include this subdivision in an extension project, the District would install the main water lines in the subdivision and place meters on each lot and Mr. Wilkins would agree to pay the tap fees on all lots and the minimum water bill for at least three years or until such time that the lots are sold. Moyers also attended an informational meeting for residents in the Lost River Valley subdivision (Settler's Valley Way). This large subdivision (200+ lots) has many cabins and several nice homes, most of which are secondary homes. There are few vacant lots. The roads in the subdivision are well maintained and in very good shape. The meeting was well attended and the feedback was positive from most owners who were in attendance. Nearly all in attendance showed interest and several signed water user agreements to commit to the project moving forward. The president of the home owner's association is working to contact all remaining property owners to assist the District with gauging interest in this subdivision. A meeting is scheduled for later this month with property owners in another subdivision, The Summit (Rocky Branch Rd.) which is located off Grover Smith Road in Baker which contains approximately 35 high-end homes, many of which are secondary homes. Funding agency requirements mandate that 80% of eligible customers sign up in order for the project to receive funding, so this process of gauging resident interest will determine what areas will or will not be included as part of this project.

PFAS Removal System Project –Moyers provided an update on the District's efforts to complete a PFAS removal system project at the Baker water plant. The District has received a proposal from XIOM, the manufacturer of the District's ion exchange organics removal system, to complete a pilot study for the potential addition of a PFAS removal system at the Baker water plant. The District has been working to develop a PFAS removal system project since it is eligible for 100% grant funding on the project after having been flagged for having a PFAS-contaminated water source. Recent sampling, however, has shown no level of PFAS compounds present in the District's finished water over the past two quarters. Quarterly PFAS samples are due to be taken later this month and the District plans to sample both raw and finished water at that time to see if PFAS compounds are detected in the raw water. Sampling raw water will help to determine if the ion exchange system at the Baker Water Plant is removing any PFAS compounds that may be present in the water source. Initial water samples where PFAS compounds were detected were taken on raw water. While it is great news that no level of PFAS compounds have been detected in the last few samples of the District's finished water, if the test results continue to show no detection, the District would not be eligible for the grant funding needed to complete this project.

Telemetry Upgrade Project – The District's new telemetry system vendor, C2G, has completed the installation of the new telemetry system equipment on all District water and sewer system assets and the new VT SCADA system is now fully operational. We are working through some minor communication issues but overall District staff is pleased with the new telemetry system and the new vendor. We have not received the final invoice for payment from the vendor however the full cost of this project will be funded with

working capital reserve funds that are designated to be used for this type of uncommon major expense. Moyers told board members that one of the advantages of the new system is that it is a radio communication based system with a cloud backup system, so in the event of a major power outage the system will remain operational and will be able to continue to direct system components to operate in typical fashion.

District Former Facility & Property – The potential buyer of the District's former office and shop facility continues to work toward finalizing the purchase of the property for the agreed upon amount of \$230,000. The lending bank has requested a commercial appraisal of the property and following the receipt of an appraisal a closing date will be set.

New Business:

Fiscal Year 2026 Water and Sewer Budgets – Proposed annual operating budgets for the District's water and sewer systems were provided to board members for review in advance of this meeting. The proposed water budget is estimated to be \$2,250,000 for FY26 and includes revenue from water sales, interest income through the State Treasurer's Office, as well as the allocation of working capital reserve funds and renewal and replacement funds. The District has been advised by its financial auditor that funds from these accounts should be used for expenses that are beyond the "normal" day to day expenses as well as general maintenance expenses including the annual purchase of inventory materials for new taps and leak repairs from the District's material supplier. Following discussion, Melvin Shook made a motion to approve the fiscal year 2026 water systems operating budget as presented. Rose Helmick seconded the motion. It was unanimously approved. The sewer system budget amount remained the same as previous years at \$60,000. Robert Harper made a motion to approve the sewer budget as presented. Rose Helmick seconded the motion. It was unanimously approved.

There was some discussion regarding a potential sewer rate increase after the need for an increase was noted in the District's audit. Moyers contacted WVPSC staff about a potential split-rate increase that would charge a higher rate to commercial and industrial customers than residential customers. The District feels a split-rate is appropriate in this instance because commercial and industrial customers are contributing 10 times the amount of sewage that residential customers are contributing. The sewage from commercial and industrial customers is also more difficult to treat than the sewage from residential customers and the majority of commercial and industrial customers must utilize a pump station to transport their sewage to the plant for treatment at significant expense to the District, whereas most residential customers flow by gravity to the plant for which the District incurs no expense. WVPSC rarely approves a split-rate increase and has denied the District's request for such an increase in the past, but Moyers will discuss the possibility of pursuing a split-rate increase with the District's attorney and project accountant and will provide an update at a future meeting.

Sewer Renewal & Replacement Bank Account – In accordance with the District's bond requirements, the District needs to establish and fund a sewer renewal and replacement fund. Rose Helmick made a motion to open a checking account at the Capon Valley Bank for the purpose of sewer renewal and replacement fund. The District will contribute \$200 per month to this account. Melvin Shook seconded the motion. It was unanimously approved.

Miscellaneous Business:

Logan Moyers gave an update of ongoing tasks that District staff are working on at this time and several have deadline dates that must be met.

Lead/Copper Rule Changes - As part of the EPA lead/copper rule revisions the District is required to verify and report the material of all service lines in the District's water systems, both the PSD-owned portion from the main line to the meter and the customer-owned portion from the meter to the building served, to ensure that no lead service lines are present. It is known that there are no lead components on any of the District-owned portions of the system due to all systems being constructed after lead plumbing components were banned in the late 1980's however, federal regulations require that the District ensure that there are no lead components on any portions of the customer-owned side for every customer of the District. District staff is working diligently to identify all customer-owned service line materials before a July 1, 2025

deadline. Regulations require that any customer-owned service line materials that are unidentified after that date must be treated as if they were lead and the District must develop a plan to dig up and replace those service lines at the District's expense. Moyers said that he intended for all service line materials to be identified prior to the deadline so that the District did not have to replace any non-lead service lines.

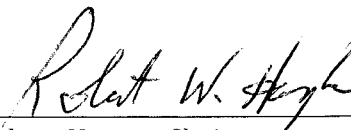
Fire Hydrant Rules – The WVPSC's Fire Hydrant Maintenance and Testing Task Force has finalized its revisions to State regulations on fire hydrants. The regulations went into effect March 1, 2025. As part of the new regulations, the District must complete an inspection of every hydrant in its water systems by March 1, 2026. The District must also complete flow and pressure testing on all hydrants within sixty months (5 yrs) and color code each fire hydrant nozzle according to its flow rate within 30 days of completion of the flow testing. Moyers told board members the District has over 200 fire hydrants across all water systems and that because the flow testing process requires at least two field staff persons to perform the flow testing, completing the necessary inspections and testing would be a lengthy process.

District Website – The District is working with a consultant to upgrade its website to meet ADA compliance requirements of all public entity websites by April 24, 2026. The District will be responsible for maintaining the new website following the updates.

Proposed Extension Projects – The District is in the early stages of working with a private developer on a main line extension project near the Caledonia Heights subdivision for a proposed 97-lot subdivision. The subdivisions project will be constructed in phases, with Phase I of the project set to serve approximately 20 lots. Another main line extension project is being proposed on Fish Pond Road to serve poultry houses whose well is showing signs of decreased capacity.

There being no further business, Rose Helmick made a motion that the meeting be adjourned. Robert Harper seconded the motion. The meeting was adjourned at 6:27 p.m.

The next board meeting will be held on Wednesday, June 4, 2025 at 4:30 pm at the office of the District located at 45 District Drive.


Robert Harper, Chairman