

STATE OF WEST VIRGINIA, COUNTY OF UPSHUR, CITY OF BUCKHANNON, TO WIT:

A special meeting of the Buckhannon Water Board was held on Thursday, April 22, 2025, at 7:30 a.m. in Council Chambers at City Hall. The following were in attendance (GTM is attendance by GoToMeeting):

Robbie Skinner	Mayor	Present - GTM
Randy Sanders	City Recorder	Present
Scott Randall	Board Member	Present
David Thomas	Board Member	Present
Don Nestor	Board Member	Present - GTM
Erasmo Rizo	Board Member	Present
Kelly Arnold	Water Superintendent,	Present
Tommy Rolenson	Water Superintendent,	Present
Jay Hollen	City Engineer	Present
Ethan Crosten	Director of Public Works	Present
Amberle Jenkins	Assistant Recorder/Director of Finance	Absent
Barbara Hinkle	City Hall Office Manager	Present
Jerry Myers	COB Water Plant	Absent
Jerry Wamsley	COB Water Plant	Absent
Tom O'Neill	City Attorney	Absent

Guests: Dave Sharp, Tim Ball, Potesta & Associates; Shane Whitehair, Region VII - GTM; Todd Dingess, Smith Cochran & Hicks, PLLC - GTM

*City of Buckhannon Water Board  
Meeting Agenda  
7:30 AM Thursday, April 22, 2025  
Council Chambers | 70 East Main Street*

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1. Call to Order
  2. Moment of Silent Reflection
  3. Pledge of Allegiance
  4. Recognition of Guests
  5. New Business Discussions:
    - a. WTP Project Scoring Options
  6. Board Members’ Remarks and Announcements
  7. Declaration of Adjournment

*This agenda was certified by Mayor Robbie Skinner on Friday, April 14, 2025. \*Those who participated in this meeting virtually used this link: <https://global.gotomeeting.com/join/234619757>, or by phone by calling 872) 240-3212, access code: 234-619-757.*

**1. Call to Order:** At 7:30 a.m., Mayor Robbie Skinner called the April 22, 2025, special meeting of the Water Board to order.

**2. Moment of Silent Reflection** – Mayor Skinner invited those in attendance to join in silent reflection.

**3. Pledge of Allegiance** – Recorder Sanders led those in attendance in the Pledge of Allegiance.

**4. Recognition of Guests**—Recorder Sanders recognized the representatives of Potesta & Associates, Dave Sharp and Tim Ball, who were in the Council Chambers, Shane Whitehair of Region VII on GTM, and Todd Dingess of Smith Cochran & Hicks, PLLC on GTM.

## **5. New Business Discussions:**

### **a. WTP Project Scoring Options–**

Recorder Sanders opened the floor for discussion of the Water Treatment Plant (WTP) Project Scoring Options. Tim Ball provided an overall project cost for the WTP and property purchase of \$40,794,000.00 (Forty million seven hundred ninety-four thousand dollars).

He next discussed adding water pipeline projects along Main Street and Route 20 that the Water Department staff identified as necessary, thus bringing the total project cost to \$47,590,000.00 (Forty-seven million five hundred ninety thousand dollars).

The reasons for including the pipeline projects include correcting significant leakage and disruptions to service with the current pipelines, the Water Board, and the communities' appetite to borrow money, which will lessen after the WTP project. One reason for the entire proposed project is that a significant portion of the funds borrowed will likely come from the USDA, which will retain the right to approve or deny future borrowing. Another reason is that costs will never decrease, and waiting to do these projects will only increase their price. The final reason is that there is a benchmark the Water Board will need to reach, comparing community income with the debt component of the community's utility rates. The benchmark is the percentage of MHI (median household income). The PSC and state funding agencies generally consider that if a community's MHI percentage is at 1.25%, they are considered a good candidate to loan money to. Likewise, if a community's MHI percentage is less than 1.25%, they are not a good candidate to loan money to. Buckhannon's MHI is currently 0.77%, which makes us an unattractive candidate for the limited funding available for loans.

The Water Department staff considers both the Main Street and Route 20 waterline replacements from Wendy's to McDonald's high-priority projects. The southern half of Route 20 from Marion Street to Taylor Street is the next priority. The final project discussed is from Taylor Street to Moore Avenue waterline. Further discussions were on the projects that could be done in-house and some that may need to be bid out with contractors. With the discussed projects included in the WTP, holding off on a project from Taylor Street to Moore Avenue so that we could do it in-house, the project cost would be \$46,503,000. This would bring the MHI to 1.253%, which is the joint recommendation Mr. Ball presented. A discussion regarding in-house projects versus using outside contractors took place.

There was a discussion on just how much the Board was willing to borrow, knowing the full project amount of \$47,590,000.00, including all waterline projects, or 46,503,000, and leaving the Taylor Street to Moore Avenue waterline out (it could be a future project).

Don Nestor asked if we were to approve a budget now, what are the chances there would be of increases before the project began? Mr. Ball noted that these concerns were addressed in the estimated construction costs, with a 5 % material increase per year already included for the next two (2) years.

Discussions of various construction scenarios took place. Shane Whitehair cautioned that future borrowing resources cannot be predicted and that funding sources could change as the project start date approaches. Therefore, it was his recommendation to access the funds as soon as possible.

A discussion regarding rates began, noting that we have traditionally offered low rates compared to other municipalities, which has left us with the task of implementing larger rates to satisfy the necessary MHI. A timetable was discussed regarding when the rate increase(s) would and should occur.

Todd Dingess joined the discussion to explain the payment schedule options, noting that rate increases must occur at the project's beginning or end. To make the 1.25% MHI, we need to reach a projected water bill of \$44.04 per month per user based on 3,400 gallons of usage per month. It was also discussed that a rate ordinance must be in place before the loan's closing. Tim Ball reviewed the WTP Funding Scenario that was in the meeting packet.

It was discussed that we will need to establish a public relations approach for this project to assist the community.

Discussions took place regarding the necessary rate increase, either in steps or all at once. Mr. Dingess suggested that we need to have the rate of \$44.04 in place by the beginning of the project. A discussion took place regarding the cost of implementing the 61.93% in 3 increments of

approximately 20% versus implementing the 61.93% in one increment. The most favorable approach appeared to be the Water Board's implementation of a rate increase of 61.93% in 3 increments of approximately 20%. Todd Dingess will prepare an overview of both scenarios over the next few days.

Mr. Ball observed that the Board hopes to eliminate the capitalized interest portion of the project. He feels that we can do that as long as the full rate increase is in place by spring/summer of 2027, prior to closing the loan. This will allow us to borrow 100% of the funds to complete the WTP and all of the waterline projects. We also discussed the need for the appropriate ordinance to be passed by the City Council to support these actions.

**Nestor/Rizo motioned to approve 100% of the Water Plant Project and Pipeline Projects as presented, and to implement the necessary rate increase of 61.93% prior to or by the closing of the loan and commencement of construction, with an estimated cost of \$47,590,000. The motion carried.**

Mr. Dingess, Mr. Ball, Mr. Hollen, the Chair, and Board members further discussed the matter, and Mr. Dingess outlined his next steps and responsibilities.

**12. Board Members’ Remarks and Announcements**

**Don Nestor:** Mr. Nestor appreciated everyone’s efforts and felt it was a good meeting.

**Dave Thomas:** Mr. Thomas agreed with Don Nestor.

**Erasmo Rizo:** Mr. Rizo agreed and noted that it was the pubic money that we are working with and that we all want to do the best for the public as we can.

**Scott Randall:** Mr. Randall also agreed and thanked everyone for their work on this effort.

No other comments were offered.

**At 9:04 a.m., Randall made a motion to adjourn.**

**Mayor Robert N. Skinner III** \_\_\_\_\_

**City Recorder Randall H. Sanders** \_\_\_\_\_