

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

A Special meeting of the Buckhannon Water Board was held on Thursday, October 9, 2025, at 6:30 p.m. in Council Chambers at City Hall. The following were in attendance (GTM is attendance by GoToMeeting):

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

Media: Katie Kuba, My Buckhannon

Guests: Shane Whitehair, Region VII; Dave Sharp, Potesta & Associates; Todd Dingess, CPA, Smith Cochran & Hicks, Pllc.; David & Sharon Burr, Elkins Road, PSD; Kelly Arnold, Adrian PSD; Nicholas T. Cutright & Brian Elmore of Mt. Hope PSD; Linzy Wilson & Tonia Teter, Elkins Road PSD; Norma Woody, Adrian PSD – GTM.

*City of Buckhannon Water Board
Special Meeting Agenda
6:30 PM Thursday, October 9, 2025
Council Chambers | 70 East Main Street*

1. Call to Order
2. Moment of Silent Reflection
3. Pledge of Allegiance
4. Public Comment – Motion to Open & Close Requested
5. Recognition of Guests
 - a. Todd Dingess, CPA-Smith, Cochran & Hicks PLLC
 - b. Thomas Aman, Steptoe & Johnson PLLC
 - c. Shane Whitehair, Region VII Planning & Development Council
 - d. Timothy Ball, Potesta & Associates, Inc
 - e. Adrian Public Service District
 - f. Elkins Road Public Service District
 - g. Mt Hope Water Association
 - h. Hodgesville Public Service District
 - i. Tennerton Public Service District
6. Business Discussions
 - a. Update on the Water Treatment Plant Replacement Project
 - b. Implementation of Water Rate Increase
 - i. Ordinance No. 476 Establishing New Water Rates & Charges
7. Board Members’ Remarks and Announcements
8. Declaration of Adjournment

This agenda was certified by Mayor Robbie Skinner on October 3, 2025. Those who participated in this meeting virtually used the following 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 6:30 p.m., Mayor Robbie Skinner called the October 9, 2025, Special meeting of the Water Board to order.

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

3. Pledge of Allegiance – Skinner led those in attendance in the Pledge of Allegiance.

4. Public Comment—Motion to Open & Close Requested – No action needed.

5. Recognition of Guests

a. Todd Dingess, CPA-Smith, Cochran & Hicks PLLC

b. Thomas Aman, Steptoe & Johnson PLLC

c. Shane Whitehair, Region VII Planning & Development Council

d. Timothy Ball, Potesta & Associates, Inc

e. Adrian Public Service District

f. Elkins Road Public Service District

g. Mt Hope Water Association

h. Hodgesville Public Service District

i. Tennerton Public Service District

6. Business Discussion.

a. Update on the Water Treatment Plant Replacement Project

b. Implementation of Water Rate Increase

i. Ordinance No. 476 Establishing New Water Rates & Charges

Mayor Skinner opened the floor for remarks and recognized the following individuals:

Potesta & Associates, Inc. In place of Timothy Ball, Mayor Skinner welcomed Dave Sharp of Potesta & Associates, Inc. Mr. Sharp provided an overview of the engineering firm’s feasibility study, including its findings and a summary of additional work currently underway.

Region VII Planning & Development Council Mayor Skinner recognized Shane Whitehair, who shared updates on the Council’s efforts related to grant applications and financing strategies in support of the project.

Todd Dingess, CPA – Smith, Cochran & Hicks PLLC Mr. Dingess presented the results of the rate study and outlined recommendations for rate increases necessary to secure project financing and meet the requirements of relevant state agencies. He explained the Water Board’s decision to implement a 62% rate increase in three phases to mitigate the impact on customers. Mr. Dingess also reviewed the procedural steps that Public Service Districts (PSDs) must follow to adopt the new rates and provided individualized scenarios illustrating the projected fee increases for each PSD.

Elkins Road PSD - Mayor Skinner recognized David Burr, who delivered a prepared statement on behalf of the Elkins Road Public Service District.

Mayor Skinner confirmed that the grants being pursued are incorporated into the proposed rate increase, ensuring that the financial strategy reflects anticipated external funding.

Todd Dingess and Dave Sharp noted that the current water rate represents approximately 0.72% of the area's median household income. To qualify for certain grants and low-interest loan programs, the rate must reach 1.25% of MHI, underscoring the necessity of the proposed increase.

Amby Jenkins reported that the City is scheduled to close on a \$6 million loan next week to cover current project costs. Interest payments on this loan will begin immediately upon closing.

Project Schedule

City of Buckhannon

Buckhannon Water Board

Proposed Water Treatment Plant Project

Upshur County, West Virginia

Phase	Project Task	Estimated Milestone Dates	Milestone Status
5G Process	Engineering Services Solicited (RFP)	2021-06-29	completed
	Statement of Qualifications due	2021-07-20	completed
	Engineer Selection Determined	2021-09-09	completed
	Engineering Services Agreement executed	2021-11-18	completed
	Project Task Order 101 executed	2024-08-13	completed
Study and Report Phase (includes PER)	Pre-Application Funding Assistance (PFA) application filed to IJDC	2024-09-09	completed
	Pre-Application Funding Assistance (PFA) application approved by IJDC	2024-10-02	completed
	Preliminary Engineering Report begun	2024-10-03	completed
	Preliminary Engineering Report (& Prelim Rule 42) completed and delivered	2025-05-06	completed
	Preliminary Engineering Report (& Prelim Rule 42) approved by City of Buckhannon	2025-05-08	completed
	IJDC Application submitted	2025-05-10	completed
	IJDC Tech Review Committee approval	2025-06-24	completed
	BAN Bond Ordinance - 1st reading	2025-07-15	completed
	IJDC approval (full Council)	2025-07-29	completed
	BAN Bond Ordinance - 2nd reading	2025-08-07	completed
	BAN Bond Ordinance - 3rd reading	2025-09-04	completed
	Rate Ordinance - 1st reading	2025-10-02	projected
	Rate Ordinance - 2nd reading	2025-10-16	projected
	BAN Bond Closing	2025-10-31	projected
Preliminary Design Phase	Preliminary Design begins	2025-11-01	projected
	Rate Ordinance - 3rd reading	2025-11-06	projected
	Step 1 Rates become effective	2026-01-01	projected
	Grant Applications submitted to various Funding Agencies	2026-03-30	projected
	Preliminary Design completed (overall design approximately 30% complete)	2026-03-30	projected
Final Design Phase	Final Design begins	2026-03-31	projected
	Plans and Specifications Submitted to Applicable Agencies (80% complete)	2026-10-01	projected
	All Permits Submitted	2026-10-01	projected
	Step 2 Rates become effective	2027-01-01	projected
	Plans and Specifications Submitted to Applicable Agencies (100% complete)	2027-02-01	projected
	Final Plans and Specifications Approved	2027-03-01	projected
	Grant Responses Received from Supporting Funding Agencies	2027-04-01	projected
	Project Cost Estimate and Funding Plan Updated and Completed	2027-04-15	projected
	Rule 42 Completed	2027-04-30	projected
	Project Scope/Budget Revision submitted to IJDC	2027-05-10	projected
	Project Scope/Budget Revision approved by IJDC	2027-07-07	projected
	Bond Ordinance - 1st reading (and final Rate Ordinance, if required)	2027-07-15	projected
	Bond Ordinance - 2nd reading (and final Rate Ordinance, if required)	2027-08-05	projected
	Bond Ordinance - 3rd reading (and final Rate Ordinance, if required)	2027-09-02	projected
	Request All Binding Commitments from Funding Agencies	2027-09-03	projected
	Receive All Binding Commitments from Funding Agencies	2027-10-03	projected
	File WVPSC Certificate Case	na	projected
Bidding Phase	100 Percent Right-of-Ways / Easements and Lands Acquired	2027-10-03	projected
	Request Authorization to Bid	2027-10-04	projected
	Advertise for Bids	2027-10-18	projected
	Bid Opening	2027-12-09	projected
	All Permits and Clearances Obtained	2027-12-09	projected
	Supplemental Resolution (related to Bond Ordinance) single reading at City Council	2027-12-16	projected
	WVPSC Certificate Final	na	projected
	Step 3 Final Rates become effective	2028-01-01	projected
	Loan Closing	2028-01-13	projected
	Award Contracts	2028-01-19	projected
Construction Phase	Start Construction	2028-02-20	projected
	Begin Trial Run of new plant (hold old plant in reserve)	2029-08-15	projected
	Complete Trial Run - Begin 12 month warranty period	2030-02-20	projected
	Begin Demolition of old plant	2030-02-20	projected
Post Construction & Commissioning Phases	Complete Demolition and site reclamation	2030-05-01	projected
	Project Close Out	2030-06-01	projected
	Complete 12 month warranty period	2031-02-20	projected

Buckhannon Water Treatment Plant Project – Frequently Asked Questions (FAQ)

BUCKHANNON, WV: The City of Buckhannon plans to construct a new \$33 million water treatment plant and invest an additional \$5.5 million in pipeline upgrades. Here are the most common questions that have been asked by the public, and the answers from those involved in the project.

1. What is the Buckhannon water project about?

The City of Buckhannon plans to construct a new \$33 million water treatment plant and invest an additional \$5.5 million in pipeline upgrades. Add in engineering, property acquisition, financing fees, and project contingencies, the total project cost is estimated to be approximately \$47.3 million. This project will continue to ensure clean, reliable water for thousands of homes throughout Buckhannon and much of Upshur County through the Public Service Districts.

2. Why is Buckhannon building a new water plant instead of fixing the old one?

A feasibility study has shown that retrofitting the existing water plant would be more expensive than constructing a new one. The new plant is a long-term investment in infrastructure and public health, including the addition of treatment processes to meet future regulatory water treatment needs.

3. Who is involved in the project?

The project is a collaboration between:

- Buckhannon Water Board
- Potesta & Associates (engineering)
- Steptoe and Johnson (legal)
- Smith, Cochran, and Hicks (accounting)
- Region VII Planning and Development Council (project administration)

4. How will the project be funded?

All costs related to the proposed water treatment plant and water distribution system improvements must be paid from the water rates collected. For this project, the City plans to apply for grants and borrow the remaining amount from various sources. Here is the breakdown based on our most current information:

- \$13 million in grants (hard to get approved, but if they are, they will be forgiven)
- \$34.3 million in loans from the USDA, WV Department of Environmental Protection Fund, and the WV Infrastructure and Jobs Development Council (IJDC) (all must be paid back through water rate collections)

5. Will water rates go up?

Yes. A total increase of approximately 62% is projected, ultimately raising the average monthly water bill from \$27.26 to \$44.14 (based on 3,400 gallons used a month). This will happen in two to three smaller increases. As loans for the project will be taken out soon, the first small increase is likely to occur by the end of 2025 or in early 2026.

6. Why is a rate increase necessary?

The current rates cover the costs of the Buckhannon Water Department's current operations. The rate increase is needed not only for the current operations but also for the following:

- Repay the loans and interest for the money being borrowed to purchase the necessary land for the plant, pay for the engineering and design services, and the construction of the proposed water treatment plant and water distribution system improvements.
- Qualify for state and federal funding, which requires cities to demonstrate local financial commitment

7. When will the rate increase happen?

The increase will likely be phased in over time, in two steps. The first phase could begin within six to eight months to cover interest payments on the Bond Anticipation Note, which is a way to bridge the gap between the need for immediate funds to pay for property acquisition, engineering and design costs, and the expected proceeds from a long-term loan, which will be a 20 to 40 year loan period.

8. Could the rate increase be lower than projected?

Possibly. The final amount depends on:

- Interest rates and other terms on loans
- How much grant funding is secured

9. How does Buckhannon's water rate compare to other WV cities?

As of June 2025, Buckhannon is ranked 30th out of 329 water providers in WV, meaning residents currently pay less than 90% of the state.

10. Why is a higher rate required to get funding?

State and federal agencies consider water rates as a percentage of the Median Household Income (MHI). Buckhannon's rate is currently at 0.77%, far below the 1.25% threshold considered the minimum for funding eligibility. Low rates actually make Buckhannon less competitive for grants and loans.

11. Is this increase permanent?

Yes, the rate increase is intended to support long-term infrastructure investments and operating costs for the new facility. It will become part of the City's ongoing utility rate structure.

12. Will there be opportunities for public input?

Yes. There will be:

- Public meetings
- Ordinance readings

Residents will have chances to learn more and provide feedback before final rates are adopted.

13. What's the timeline for construction?

The design is expected to take approximately two years, with interim financing required beforehand to purchase the property and initiate design work. Construction will commence once the design and funding are in place, with an anticipated start date of September 2027.

14. What is interim financing, and why is it needed?

Before permanent loans and grants are secured, the city will need to borrow from local banks to cover early costs, such as design and property acquisition. These will be short-term, interest-only loans.

15. What official steps has the City taken so far?

- Submitted a Rule 42 and project application filing to the West Virginia Infrastructure and Jobs Development Council
- Voted to proceed with the project and the necessary rate increase process

16. What happens next?

- Interim financing discussions will continue
- The rate ordinance will be finalized before any loan closing
- Public meetings will occur
- Design and planning will begin once interim short term financing is secured

17. Why is this project important?

The current plant is aging. While it continues to produce safe, clean, and reliable water, the cost of repairs is becoming increasingly high and critical plant components are becoming scarce. A new plant ensures Buckhannon will continue its award-winning water service for years to come. It also supports continued growth, economic development, and the promotion of public health in Buckhannon, Upshur County, and portions of Barbour, Harrison, Lewis, Randolph, and Webster counties, whose PSD's purchase water from the City of Buckhannon Water Treatment Plant.

7. Board Members’ Remarks and Announcements: There were no additional comments.

8. Declaration of Adjournment

At 7:16 p.m., Nestor motioned to adjourn.

Mayor Robert N. Skinner III _____

City Recorder Randall H. Sanders _____