

## **WEST VIRGINIA WATER DEVELOPMENT BOARD MINUTES**

The West Virginia Water Development Board met at 11:00 a.m. on Thursday, August 27, 2020 at the Water Development Authority's ("WDA") office in Charleston, West Virginia. Notice of the meeting was posted on the Secretary of State's online meeting notice database. Tina Parker recorded the minutes of the meeting. After the Roll Call, the Chair declared a quorum. Due to COVID-19, the meeting was held by conference call with call in information available to the public on the Secretary of State's and WDA websites.

### **BOARD ATTENDEES:**

Ann V. Urling, Chair as designee for Honorable Governor Jim Justice, via conference call  
Mike Jones, Member, via conference call  
John Miller, Member, via conference call  
Gary Sutphin, Member, via conference call  
Stephanie Hickerson, as designee for the Commissioner of the Bureau of  
Public Health, via conference call  
Kathy Emery, as designee for the Secretary for the Department of  
Environmental Protection, via conference call

### **OTHER ATTENDEES:**

Marie Prezioso, Executive Director, WDA  
Samme Gee, Esq., Jackson Kelly PLLC, Counsel to the Board, via conference call  
Sheila Miller, WDA  
Tina Parker, WDA  
Sheena Chadwell, WDA  
Wayne Morgan, IJDC  
Mark Imbrogno, Jackson Kelly PLLC, via conference call

### **APPROVAL OF MINUTES**

Minutes for the meeting held on Thursday, June 11, 2020 were presented for approval.

MOTION: Moved by Mr. Gary Sutphin; Seconded by Mr. John Miller; Passed unanimously.

**RESOLVED, THAT THE MINUTES OF THE BOARD MEETING HELD ON JUNE 11, 2020, ARE APPROVED.**

### **FINANCIAL REPORT**

The Board received a report on all grants and loans closed for Fiscal Year 2020. Ms. Prezioso gave a report on the deferrals for Economic Development loan payments due to COVID-19. Also, a report on water and sewer revenue loan deficiencies was discussed. Reports were included in the Board's meeting packets.

#### **Budget**

The Fiscal Year 2021 Budget was presented to the Board. After discussion and questions, the Budget was approved.

MOTION: Moved by Mr. Miller; Seconded by Ms. Kathy Emery; Passed unanimously.

**RESOLVED, THAT THE RECOMMENDED FISCAL YEAR 2020 BUDGET BE APPROVED.**

## **LOAN PROGRAMS**

Ms. Prezioso gave a report on the status of the WDA Design Loan Program.

### **Jackson County Development Authority Loan**

Ms. Prezioso reported to the Board that the both the Jackson County Development Authority and the West Virginia Development Office have agreed that the loan made to the Jackson County Development Authority for the Carbonyx Project should no longer be deferred and action to foreclose the loan is needed.

MOTION: Moved by Ms. Emery; Seconded by Mr. Sutphin; Passed unanimously.

**RESOLVED, THAT THE RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY TO DECLARE THE JACKSON COUNTY DEVELOPMENT AUTHORITY AND CARBONYX INTERNATIONAL USA, INC., LOAN FROM THE INFRASTRUCTURE FUND IN DEFAULT AND TAKING NECESSARY ACTIONS TO SELL THE COLLATERAL SECURING THE LOAN, BE APPROVED.**

## **BUILDING AND FACILITIES REPORT**

Ms. Prezioso detailed a checklist to use for the building maintenance and project future upgrades that will be needed. The Checklist was included in the Board's packet. She also reported that the front door automatic access project is completed.

## **INVESTMENTS**

Ms. Prezioso reported that interest earnings are down due to current market rates. She said the staff will be reviewing both the Authority's Investment Policy and the Infrastructure Fund Investment Policy to determine if any changes are needed. Currently, both Policies are the same.

## **EXECUTIVE DIRECTOR'S REPORT**

Ms. Prezioso reported on actions taken during COVID-19. She also reported that one employee retired, and two new employees were hired, one in accounting and an administrative assistant for Infrastructure Council.

Finally, that there may need to be upgrades to the dashboard for Infrastructure Council due to the passage of SB 589. CDM estimates that this will cost around \$116,000. She will come back to the Board before any final action is taken.

## **ELECTION OF OFFICERS**

### **Secretary/Treasurer**

Mrs. Sheila Miller was nominated by Mr. Mike Jones to be Secretary/Treasurer; Seconded by Mr. Miller; Passed unanimously.

### **Assistant Secretary/Treasurer**

Mrs. Sheena Chadwell was nominated by Ms. Emery to be the Assistant Secretary/Treasurer; Seconded by Mr. Sutphin; Passed unanimously.

### **Vice Chair**

Mr. Mike Jones was nominated by Mr. Miller to be Vice Chair; Seconded by Mr. Sutphin; Passed unanimously.

## **UNFINISHED BUSINESS**

There was none

**NEW BUSINESS**

Next Regular Meeting Date will be either October 8<sup>th</sup> or 9<sup>th</sup> .

**ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned.

MOTION: Moved by Ms. Emery; Seconded by Mr. Miller; Passed unanimously.

**RESOLVED, That the Board meeting be adjourned at 11:34 a.m.**

  
Sheila Miller, Secretary

Minutes approved:

Oct. 9, 2020 (Date)

Attachments:

- Budget for Fiscal Year 2021
- Jackson County Development Authority Loan (Carbonyx Project) Resolution authorizing foreclosure sale of collateral and actions related thereto\*

**West Virginia Water Development Authority  
2021 Budget**

	2021 budget WDA	2020 budget WDA	Variance
<b><u>Revenues:</u></b>			
Administration Fee	\$30,857	\$20,305	\$10,553
Miscellaneous Income	267,692	\$235,389	32,303
Distribution of Savings	(337,411)	(\$333,288)	(4,123)
Interest on Investments	1,126,109	\$1,066,109	60,000
Interest on Loans	10,773,243	\$11,533,639	(760,396)
<b>Total Revenues:</b>	<b>11,860,490</b>	<b>12,522,153</b>	<b>(661,663)</b>
<b><u>Operating Expenses:</u></b>			
Labor	476,017	536,981	(60,964)
Labor Overheads:			
Public Employees Insurance	62,097	61,212	885
Unemployment Compensation			
Consolidated Public Retirement	47,602	53,698	(6,096)
Worker's Compensation (est)	1,856	2,281	(425)
Other Post Employment Benefits	17,280	20,862	(3,582)
Personnel Administrative Fees	2,070	2,250	(180)
Insurance Expense (1662.5 per qrt)	15,665	12,168	3,497
Rents	6,780	6,780	-
General Office:			
Office Expense	30,136	29,281	855
Telecommunications Expense	38,700	33,619	5,081
Utilities Expense	30,463	28,206	2,256
Computer Services	146,492	158,187	(11,695)
Contractual & Professional	47,667	45,327	2,340
Janitorial \$920	11,940	11,340	600
Postal & Freight	500	500	-
Directors Expense	48,000	48,000	-
Travel Expense	7,480	8,764	(1,284)
Association Dues	3,750	5,295	(1,545)
Advertising Expense	205	5,373	(5,168)
Maintenance Contracts	53,553	63,526	(9,973)
Hospitality Expense (estimate)	-	500	(500)
Training Expense (estimate)	3,475	3,834	(359)
Miscellaneous Expense (est)	500	500	0
Computer Supplies	750	750	0
Bank Trustee Expense	35,240	40,390	(5,150)
Legal Expense	59,955	55,000	4,955
<b>Total Operating Expenses</b>	<b>1,148,174</b>	<b>1,234,624</b>	<b>(86,451)</b>
Depreciation Expense:			
Depreciation Expense- est	132,000	150,000	(18,000)
Amortization Expense	3,659	3,659	0
<b>Total Depreciation Expense</b>	<b>135,659</b>	<b>153,659</b>	<b>(18,000)</b>
General Taxes:			
Payroll Taxes	7,598	26,073	(18,474.62)
Property Taxes	0	0	0
<b>Total General Taxes</b>	<b>7,598</b>	<b>26,073</b>	<b>(18,475)</b>
Transfers (in)/out			
Bond Expenses, incl amtz	5,988,607	6,490,318	(501,711)
Loss on Investments	0	0	0
<b>Total Expenses</b>	<b>\$7,280,038</b>	<b>\$7,904,674</b>	<b>(\$624,636)</b>
<b>Net position</b>	<b>\$4,580,452</b>	<b>\$4,617,479</b>	<b>(\$37,028)</b>

**RESOLUTION –JACKSON COUNTY DEVELOPMENT AUTHORITY (CARBONYX  
PROJECT) ACTION**

WHEREAS, pursuant to that certain Loan Agreement (the “Loan Agreement”) dated as of August 18, 2015 by and among West Virginia Water Development Authority (the “Authority”), acting on behalf of the West Virginia Infrastructure and Jobs Development Council (the “Council”), Jackson County Development Authority (“JCDA”), and Carbonyx International USA, Inc., the Authority made a term loan from the Council’s Infrastructure Fund to JCDA in the original principal amount of \$3,000,000, which indebtedness (the “Loan”) is evidenced by that certain Promissory Note (the “Note”) dated August 18, 2015 executed by JCDA and made payable to the Authority; and

WHEREAS, JCDA has defaulted in making payments due under the terms of the Loan Agreement and the Note; and

WHEREAS, the Authority has determined that it is in the best interests of the Infrastructure Fund that it administers on behalf of the Council to accelerate the Loan and exercise any and all of its rights and remedies under the Loan Agreement, the Note and that certain Security Agreement dated August 18, 2015 executed by JCDA in favor of the Authority (the “Security Agreement” and, together with the Loan Agreement, the Note and the other documents related to the Loan, the “Loan Documents”) and otherwise available to it under the law or at equity, including but not limited to, foreclosing on its security interest in and selling certain equipment collateral securing the Loan;

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director of the Authority is hereby authorized and directed to declare the Loan in default and accelerate the Loan, and to take any and all actions as may be necessary and advisable to foreclose upon and sell any collateral securing the Loan and to exercise any and all other rights and remedies it may have under the Loan Documents or that might otherwise be available to it under applicable law or at equity; and be it further

RESOLVED, that the Executive Director of the Authority is hereby authorized to retain such appraisers, auctioneers, legal advisors and other consultants, and to otherwise incur and pay such other costs and fees, as may be necessary or advisable to foreclose upon and sell any collateral securing the Loan and to otherwise carry out the intent and purpose of the foregoing resolutions; and be it further

RESOLVED, that the foregoing resolutions and the actions authorized thereby shall be effective upon passage.