

AGENDA

Public Service Authority – Regular Meeting
January 18, 2011 @ 7:00 p.m.

7247 Young Street, Conference Room #2
Machipongo, VA

1. Call to order
2. Statements from the public:
3 minutes per individual
3. Approval of the minutes of the previous meeting
4. Review of financial statement - No Changes
5. Report of the officers
 - Chairman
 - a. Verification of annual disclosure statements submitted.
 - b. Resignations of Mr. Gowen, awaiting written confirmation, effective immediately, and Mr. Walker on 16 Feb 2011
 - ViceChairman
 - a. Report on January 12 meeting with Riverside Shore Memorial Hospital-Mike Canales
6. Report of meeting today at noon with Supervisor Randall and the Baldwins on discussion of offering the old canning plant site, adjacent to Cheriton, to the County for sewage treatment. Mr. Randall informed Mr. Meyers he was inviting Mr. Holland to join the talks and to brief the PSA.
7. Unfinished business
 - Approval of By-Laws
 - Election of Treasurer
 - Election of Secretary
8. New business - None
9. Adjournment

January 18, 2011

Report on Meeting with Riverside Health System

I met with Ms. Diana LoVecchio (VP, Construction & Shared Services) of Riverside Health System and Mr. Mike Canales (Director, Facility Services) of Riverside Shore Memorial Hospital on January 12, 2011 to discuss future wastewater treatment services for the medical community at Nassawadox. We discussed the following:

1. Familiarization with the overall proposed regional wastewater system – Northern and Southern Nodes and the localities involved.
2. Explanation of the phased approach for the Northern Node: either Nassawadox or Exmore coupled with the medical community.
3. Discussion of a general approach to the proposed system and cost sharing (attached).

We agreed to the following approach:

1. Riverside would contract for the wastewater characterization study (needed for PER).
2. Riverside would provide the ADF estimates (needed for PER).
3. After the Nassawadox Town Council decision and finalization of the Preliminary Engineering Report (PER) for the Northern Node, the PSA would provide the cost estimates to Riverside (by end of February).
4. Riverside would then evaluate whether participation in the public system or investment in their private system is preferable.
5. If they decide to participate, a capital contribution would be negotiated (also would need to be done for the other existing commercial customers).
6. Financial assistance applications (USDA RD, DEQ, etc.) for the Northern Node, Phase 1 would be prepared reflecting the capital contributions (March/April for RD, July for DEQ).

Bob Panek

January 12, 2011

Wastewater Treatment – Discussion Paper

- A. New system with expanded service area:
 - 1. Meet additional demand.
 - 2. Resolve environmental issues.
 - 3. Spread capital cost over wider customer base.

- B. System built, operated and maintained by ESVPSA; Phase 1 of Northern Node.

- C. Service area:
 - 1. Nassawadox, Riverside medical facilities and existing customers of Riverside system (nursing home, dialysis center, CSB).
 - 2. Alternate – Exmore, Riverside and existing customers.

- D. System components:
 - 1. Vacuum collection system.
 - 2. Pump station.
 - 3. Force main.
 - 4. Treatment plant, including underground effluent dispersal, residual solids processing and septage receiving.
 - 5. Different configurations for Nassawadox or Exmore.

- E. Capital Funding:
 - 1. Capital charge for commercial customers based on percentage of Average Daily Flow (ADF) for common facilities, plus cost of unique system components.
 - 2. Federal/State grants and loans for residential customers based on percentage of ADF, plus cost of unique system components.

- F. Service Rates:
 - 1. To include operation, maintenance and replacement reserve.
 - 2. Rates tailored to recognize unique O&M and debt service costs.
 - 3. Septage receiving revenue to be credited in rates based on ADF.

- G. Need ADF estimates for Riverside residual facilities, nursing home, dialysis center, CSB, and new service area to develop system capacity, capital cost and service rate estimates.

- H. Need wastewater characterization study (hospital alone, and hospital after dilution) to determine if pretreatment facilities are needed.

January 18, 2011

Proposed Revisions to Amended By-Laws Draft of 10-19-2010

ARTICLE VII

Section 8. Order of Business. At the regular meetings of the Authority, the following shall be the order of business:

1. Call to order
2. ***Approval of agenda***
3. Statements from the public
4. Approval of the minutes of the previous meeting
5. Review of financial statement
6. Report of the officers
7. Report of committees
8. Unfinished business
9. New business
10. Adjournment

The order of business may be altered or suspended at a meeting by a majority vote of the Board members present. Parliamentary rules as established by Roberts Rules of Order shall govern when not otherwise in conflict with these by-laws.

Section 9. Public Representation. Officers of the Authority shall use the title of their Office when making a public statement only if such statement represents a position which has been approved by the Board. Any Board member making a public statement shall indicate in such statement whether the views expressed are personal or represent a position which has been approved by the Board.

Proposed revisions, above, are indicated in bold italics.

North Node, Phase 1 - Option 1 Nassawadox Hospital Community Proposed Operation and Maintenance Costs



Sewer O & M - Phase 1 - Option 1 Nassawadox & Hospital Community

Operational Year # Fiscal Year	1 FY 11	2 FY 12	3 FY 13	4 FY 14	5 FY 15	6 FY 16	7 FY 17	8 FY 18	9 FY 19	10 FY 20
Vacuum Collection System										
Operation & Maintenance	\$14,130	\$14,413	\$14,701	\$14,995	\$15,295	\$15,601	\$15,913	\$16,231	\$16,556	\$16,887
Power Consumption	\$12,480	\$12,605	\$12,731	\$12,858	\$12,987	\$13,117	\$13,248	\$13,380	\$13,514	\$13,649
Equipment Renewal & Replacement	\$7,300	\$7,592	\$7,896	\$8,212	\$8,540	\$8,882	\$9,237	\$9,606	\$9,991	\$10,390
Total O&M Vacuum Collection System	\$33,910	\$34,927	\$35,975	\$37,054	\$38,166	\$39,311	\$40,490	\$41,705	\$42,956	\$44,245
Treatment Facility										
Operation & Maintenance	\$ 35,002	\$ 35,702	\$ 36,416	\$ 37,144	\$ 37,887	\$ 38,645	\$ 39,418	\$ 40,206	\$ 41,010	\$ 41,831
Power & Utilities	\$ 60,040	\$ 60,640	\$ 61,247	\$ 61,859	\$ 62,478	\$ 63,103	\$ 63,734	\$ 64,371	\$ 65,015	\$ 65,665
Equipment Renewal & Replacement	\$ 38,442	\$ 39,211	\$ 39,995	\$ 40,795	\$ 41,611	\$ 42,443	\$ 43,292	\$ 44,158	\$ 45,041	\$ 45,942
Total O&M Treatment, Septage, & Dewatering Facility	\$133,484	\$135,486	\$137,519	\$139,581	\$141,675	\$143,800	\$145,957	\$148,147	\$150,369	\$152,624
Total O&M Phase 1 - Nassawadox Facilities	\$167,394	\$170,414	\$173,494	\$176,636	\$179,841	\$183,111	\$186,447	\$189,852	\$193,325	\$196,869

Notes:

- 1 Operation & Maintenance costs are the labor costs associated to either the collection system or the treatment facility. Also included in the treatment facility costs is billing.
- 2 Operation & Maintenance costs escalate at a rate of 2% annually.
- 3 Power consumption costs escalate at a rate of 1% annually.
- 4 Equipment renewal and replacement costs escalate at a rate of 4% annually for vacuum collection and 2% annually for treatment facility.
- 5 Total O&M Phase 1 - Nassawadox Facilities is the sum of the Total O&M Vacuum Collection System and Total O&M Treatment, Septage, & Dewatering Facility.

K Nunez

From: Joe Turner [jct@handp.com]
Sent: Wednesday, January 12, 2011 7:13 PM
To: Estelle Murphy
Cc: Bif Johnson; Sue Rowland; Eldon@EldonJamesAssociates.com; knunez@co.northampton.va.us
Subject: North Node, Phase 1 - Option 1: Nassawaddox and Hospital Community
Attachments: Financial model component - Operations & Maintenance.pdf; 1-12-11_Phase 1_Nassawaddox_Financing & Rates.pdf; 1-12-11_Phase 1 Nassawaddox_Opinion of Probable Costs.pdf

Estelle,

Attached are several files related to the sewage collection and treatment project for the Town of Nassawaddox and the Hospital Community. We have several goals in mind with this exercise which were discussed in the last PMT meeting. My primary goal is to provide you useful information and respond to your concerns and questions about the project scope, costs, financial model, and other engineering aspects. It is my full expectation that there will be numerous questions from council members after reviewing the information. We strongly desire to receive those questions and will respond to each one to the best of our ability.

The financial model used for this exercise displays the financial components needed to avoid exceeding a maximum initial residential rate of \$42/month. The \$42/month maximum initial rate was what the PMT group decided would be the maximum rate to consider for potential residential fees. It should be noted that the total range of fees the PMT decided may be acceptable was \$35 – 42/month. Also, in order to obtain grant funds from US Department of Agriculture, Rural Development, a minimum monthly rate shall be no less than \$33/month.

If you have any questions or need additional information, please let me know.

Respectfully,

Joseph C. Turner, EIT
Project Engineer

HURT & PROFFITT

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Northampton County North Node
Opinion of Probable Construction Costs: Phase 1 - Option 1 Nassawaddox & Hospital
Community

Description	Cost
Nassawaddox Vacuum Sewer	\$ 4,939,509
Septage Receiving Facility	\$ 421,913
Nassawaddox Treatment Plant	\$ 2,825,440
Nassawaddox Solids Dewatering	\$ 146,000
Nassawaddox Low Pressure Dispersal	\$ 503,820
Subtotal	\$ 8,836,681

Construction Contingencies	10.00%	\$883,668
Interim financing	LS	\$72,000
Start-up	LS	\$10,000
Meetings	LS	\$25,000
O&M Manual	LS	\$40,000
Railroad Permits	LS	\$120,000
Legal	LS	\$50,000
Property/Easement Acquisition	LS	\$300,000
Engineering	8.20%	\$651,953
Construction Administration	1.00%	\$79,507
Construction Inspection	2.50%	\$198,766

Total Probable Construction Cost - Phase 1 - Option 1 Nassawaddox & Hospital Community	\$11,267,575
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Notes:

1. Provides vacuum sewage collection system for residents and businesses within the town limits of Nassawaddox.
2. The vacuum collection/forcemain station shall be centrally located within the service area/town limits.
3. The collection system can be expanded to collect sewage from areas outside of town limits in the future.
4. Project costs do not include special collection or pretreatment from hospital campus.
5. Project costs do not include connections to abandoned or vacant structures.
6. Project costs include cost to connect residential customers from the house to the collection main (street).
7. The project does not collect or treat sewage from the Hare Valley area.
8. The project provides one treatment plant with capacity of 120,000 gpd located approximately 0.25 miles south of Nassawaddox.
9. The anticipated average combined flow from the remaining hospital building, nursing home, and dialysis center is approximately 45,000 gpd (38% of the proposed treatment plant capacity).
10. The project provides 1 septage receiving facility with an initial capacity of 4,000 gpd.
11. The project provides solids dewatering equipment.
12. The project provides low pressure subsurface dispersal of treated effluent.
13. Project cost and proposed components are based on current regulations.