

February 4, 2010

Ms. Denise H. Ambrose, Associate Director
Virginia Department of Housing and Community Development
Project Management Office
Main Street Centre
600 East Main Street, Suite 300
Richmond, VA 23219

**RE: 2010 CDBG Planning Grant
Regional Wastewater System Project: Cape Charles, Cheriton & Northampton
County**

Dear Ms. Ambrose:

On behalf of the Northampton County Board of Supervisors, the Cape Charles Town Council and the Cheriton Town Council, I am submitting this letter to request planning assistance from the Department of Housing & Community Development concerning a regional wastewater system servicing these three locales.

The Town of Cape Charles is currently involved in an extensive upgrade and replacement of its existing wastewater system to address compliance with new environmental regulations. While there have been ongoing conversations between the Towns of Cape Charles and Cheriton and, more recently, the County about the development of a regional wastewater solution, Cape Charles was faced with specific deadlines from various state agencies that compelled them to move forward with a singular solution; however, the town factored into the design of the new facility a means to expand as needs arise, especially in light of the ongoing conversations regarding a regional wastewater system.

The Town of Cheriton is not currently equipped with a sewer system but is desirous of moving in that direction due to the condition of the soils and the lot sizes that may not accommodate a new septic system, as the aging systems fail.

The County will be receiving ownership shortly of the Bayview Citizens for Social Justice's wastewater and water systems; however, we have been unofficially maintaining and overseeing these two systems for the last 20 months through our Public Utilities Department. In addition, there are multiple neighborhoods in and around the Cape Charles/Cheriton area which are located in the County proper that would benefit from a centralized wastewater system.

All three entities have continued to meet and are desirous of pursuing consideration of a regional wastewater system. Each entity has apprised their respective governing bodies and each have adopted a resolution to seek planning assistance from your agency to advance this project.

Our intent with this funding will be to provide a financial analysis, a preliminary engineering report and environmental assessment, and community participation to determine the best manner to provide a regional system serving portions of Cheriton, Cape Charles and the County area in-between as well as some of the surrounding neighborhoods. We would like the ability to examine three options to address this issue: (1) Service Cheriton and the outlying areas and pipe it to Cape Charles for treatment and disposal; (2) Service Cheriton and the outlying areas and Cheriton has its own plant for wastewater treatment plant; and (3) Determine if utilization of the Bayview treatment plant is viable to service Cheriton and the outlying areas and cost of installation of necessary piping for this service area. The areas defined by the County as “outlying areas” are Bayview, Culls, Fairview and the Pat Town Road neighborhood.

To date, the Town of Cape Charles has invested significantly in its existing infrastructure as well as the recent improvements to upgrade the wastewater treatment plant and has successfully received funding for their project through the ARRA funding as well as VA DEQ. The Town of Cheriton has not conducted any feasibility studies relative to a centralized wastewater system for their community. The County has received a Southern Rivers Grant and has formed a Southern Rivers Management Team at the time we were awarded these grant funds. This team has met several times to determine what areas of the County these funds could be utilized for, based upon the requirement that the drainage area must be outside of the Chesapeake Bay. The team focused its project scope in the Cheriton area, specifically in the Oyster area which is just east of the corporate limits of the Town of Cheriton and wanted to look at alternative cluster-type systems for this low-lying area. However, the County would be amendable to redirecting the use of these grant funds toward this regional project, if it would qualify as an acceptable use.

The issue of a regional wastewater system serving some or all of the towns and adjacent areas of the County has been an ongoing discussion for almost 20 years. In reviewing the steps that have been taken by County and town officials, it has been a markedly uneven progression of solving this complex problem but it has never been removed from any political agenda as an issue that should not be taken up by the various elected officials at the local level.

The Town of Cape Charles has an established municipal wastewater system (as well as water system) that has over 1,000 ERCs (Equivalent Residential Connections) and a total town population of just over 1,100. The challenges facing Cape Charles concern the amount of potential future growth from approved subdivisions which could bring the town population to over 5,000 and determining how quickly that growth will come and designing, constructing and managing a system that may be subject to fluctuating flows from winter to summer as well as from year to year based upon the pace of development. If there is the possibility of expanding the customer base that would help alleviate these concerns, then that would be of great interest to the Town.

The Town of Cheriton has been an active participant in the recent regional meetings with the County and Cape Charles and has stated that the absence of a sewer system has been and will continue to be severely detrimental to the long-term future of this town and all steps need to be taken to revitalize the town and restore business and young families into locating in Cheriton.

In 2004/2005, the County was an active member of a regional Public Service Authority (ESVA PSA). The effectiveness of the ESVA PSA was severely undermined when one of the regional partners, Accomack County, chose to withdraw its membership. Northampton County opted to retain the ESVA PSA and to continue forward with pursuit of wastewater projects within our county. When the last project considered by the ESVA PSA (wastewater project for the Town of Nassawadox) was not supported by that town council, the County recognized that the political will was not present at that time but felt that circumstances would change to such an extent that the ESVA PSA would be needed. Even though there were no projects for the ESVA PSA to oversee with the termination of the planning project in Nassawadox, the County chose to retain the corporate structure of the ESVA PSA, including maintaining our liability insurance and active status with the State Corporation Commission so that it would be in a position to be re-activated quickly.

In August 2009 and in November 2009, two wastewater summits were held on the Eastern Shore. The first was hosted by Delegate Lynwood Lewis and the second was hosted by your organization in partnership with Accomack and Northampton County. At both summits, the towns of Cape Charles, Cheriton, Nassawadox and Exmore were represented which demonstrates a strong desire of these communities to address the wastewater issues within their communities. Following these summits, the Board of Supervisors supported the Board's Wastewater Subcommittee (composed of Supervisor Spencer Murray and then Supervisor David Burden who has been replaced by new Supervisor Sam Long along with County Administrator Katie Nunez) to meet with representatives from the Towns of Cape Charles and Cheriton to see if we could reach accord on a project to address the needs of our communities. This group has met several times over the last four months and has obtained support and endorsement in the forms of resolutions from our respective governing bodies to seek a planning grant for this project that would allow for a full exploration of cost, environmental impact and engineering consideration of three potential approaches to addressing this problem and provide the necessary information to the respective localities to make the best decision as to how to move forward for implementation.

As part of these meetings, we have had extensive conversation about the urgency of the project, the urgency of the timeframe based upon the window of funding opportunity from the Federal Stimulus Bill (ARRA) which will expire in September 2010, and the grant requirements that will have to be met in order to be eligible for these funds. We are cognizant that the primary requirements to access funds from USDA-RD is either 80% signed user agreements in hand or a mandatory connection ordinance for the defined service area and this information has been fully communicated to the respective governing bodies in advance of their resolutions to apply for the planning funds.

In addition, we have begun the conversation about who or what entity should own and/or manage these systems and made all parties aware that the county has retained the ESVA PSA and would only need to re-examine the board composition and redefine the mission/scope of responsibility based upon the projects being promulgated in the County to make this entity viable again.

We are serious in our commitment to have a project materialize that resolves the issues stated above. From the County's perspective, we are engaged in similar efforts for the northern part of the county and have seen a level of engagement and commitment to solve the wastewater problems that has not always been evident in the past. The County is willing to serve as the lead agency in working with our incorporated towns relative to wastewater systems, which is in full concurrence with the County's Comprehensive Plan.

Sincerely,

Katherine H. Nunez
County Administrator

Cc: Town of Cape Charles
Town of Cheriton