

**MINUTES OF THE
EASTERN SHORE OF VIRGINIA
PUBLIC SERVICE AUTHORITY
November 16, 2010**

A meeting of the Eastern Shore of Virginia Public Service Authority was held on Tuesday, November 16, 2010, at 7:00 p.m. in Conference Room #2 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia.

Members present:

Robert H. Meyers
Bob Panek
George E. Gowen, Jr. arr 7:25pm
Granville F. Hogg, Jr.
J. T. Holland
Henry J. Heneghan, Jr.
Artie Miles
Carl Harris
Scott R. Walker, Jr.
Felton Sessoms

Others present:

Marie Frock, citizen
Jeff Walker, citizen
Janice Williams, County Administrator's Office

Call to Order & Establishment of Quorum:

Chairman Meyers called the meeting to order and announced that a quorum was present.

Approval of Minutes:

Following corrections and additions by several Authority members, motion was made by Mr. Walker, seconded by Mr. Hogg, that the minutes of the meeting of October 19, 2010 be approved as amended. All members were present with the exception of Mr. Gowen and voted 'yes.' The motion was unanimously passed.

Report of Officers:

Chairman Meyers reported that he attended the last Project Management Team (PMT) meeting and participated in a telephone conference call with the consultants last Friday. There

will be a follow-up meeting tomorrow at 4:15 p.m., just prior to the next PMT meeting at 5:00 p.m.

Vice Chairman Panek also commented on the last PMT meeting held October 27th. He said that most of the meeting's focus was the Southern Node portion of the project. He reported that a small grant opportunity was announced from the Department of Conservation & Recreation (award up to \$250,000), for retiring septic tanks. Staff had previously been told by DCR that the grant would not apply to the wastewater project; however, DCR changed its mind. The grant deadline was before the next PSA or Board of Supervisors' meeting so the decision was made to apply for the grant. Mr. Panek confirmed Mr. Meyers comment that the DCR grant was originally designed to fix individual septic system that needed repair. When the money was not requested for this, it was made available for centralized systems. The Northampton Board at its next meeting retroactively approved the grant submission. The Town of Cheriton agreed to serve as co-applicant with the County.

Mr. Hogg questioned whether this source of funding could be applied to the TMDL studies currently on-going. Mr. Panek responded that this grant application has already been submitted and was specifically for construction funding.

Mr. Panek stated that another topic at the last PMT meeting was a Southern Node Outreach Plan program to get to a position that so that participating localities could decide whether to apply for additional grants. The entire project is on the DEQ list for submission to the State Water Control Board where funding is anticipated to be principally loan and small-grant. The next opportunity for grant funding is through USDA – Rural Development. Mr. Panek noted that a strategy was developed to engage the communities' support and bring back to the two localities that do not currently have mandatory ordinances so they could consider the need to pass those ordinances should sufficient voluntary hookup agreements not be obtained, as well as additional steps (getting Cape Charles Town Council to agree on the concept of bulk-rate for processing sewage by the PSA). Cape Charles has agreed to the concept of a bulk rate based on predicted volume. Cape Charles will maintain control of the facility which has been discussed several times by the CC Town Council. CC worked with Hurt & Proffitt back in July to establish a rate to be charged and that is very close to what is reflected in the PER. Cape Charles currently will establish its own rate and will not participate in the amortization of the loans to Cheriton and Fairview, but any agreement can be negotiated. Until the PSA owns everything, the PSA and CC are two separate utilities.

The consulting team has met with the Cheriton Town Council to go over the Southern Node Outreach Plan. Mr. Heneghan confirmed that and the request for DCR funding were well received.

Hurt & Proffitt had a meeting was held with the leadership of Fairview (50+ participants). Another meeting is being planned with Fairview sponsored by Supervisor Randall for December 6th at 7:00 p.m., to educate them about the process and the way ahead. This information is posted on the County website under the Oct 27th PMT/TCUP meeting.

Mr. Panek said that was an educational hand-out about potential problems with traditional septic tanks and drain fields and the advantage of hooking up to a central system was provided by email to the Southern Node sub-set group of the PMT. This will be presented at the next PMT meeting.

The Vice Chairman then reported that Ms Nunez has reported the County is about to set rates for the Bayview System once the transfer of the water and sewer systems has legally taken place. They will be a flat rate of \$39/month for water; & \$39/month for sewer.

With regard to the Northern Node, Mr. Panek stated that nothing new has developed; the service areas are still being refined. A phased development is approved by the funding agencies.

Mr. Hogg asked for more information on the DCR potential \$250,000 funding. Under the original criteria for use to repair failing septic systems, could these funds be used to augment the TMDL study to determine where problems are in the Cheriton Bayview area. Mr Panek indicated that the grant application deadline had passed and the grant was requested for the sewer system construction.

Mr Hogg, who attended the Fairview meeting, said that three questions were asked at the meeting: 1. Did the citizens attending have any knowledge of any privies in the area and the answer was, no; 2. Were there any of the newly designed above ground systems, and the answer was that there was only one that anyone knew about; 3. Was there any knowledge of failing septic systems and there was only one.

Mr. Gowen added that the proposed Bayview rates may be insufficient to cover costs, since he has knowledge of lack of maintenance. Mr. Panek indicated that the PSA could establish any rate necessary after they (PSA) accept ownership. Mr. Meyers restated from the first PSA meeting that the Hurt & Proffitt contract was a County contract being administered by the county administrator and is not the PSA's. Likewise Bayview is not yet actually the County's. Mr. Miles added that the USDA may currently be the agency that determines rates for Bayview since that project still belongs to them.

Report of Committees:

Mr. Panek reported that he and Mr. Gowen were having difficulty in arranging another meeting with Mike Canales of Riverside Shore Memorial Hospital. He also said that Hurt & Proffitt has been contacted and has provided a very rough estimate (\$11 million) to implement a system to serve the medical complex, the Town of Nassawadox, and a small service area on Giddens Road. This figure will continue to be refined. It includes the collection system for Nassawadox, pump station, pipeline, and treatment plant including drain fields, septage receiving facility and solids handling capability. This estimate has not been shared with Riverside and is expected to change many times. Mr. Panek feels that it is more important to have Riverside agree on a concept at this time.

Mr. Gowen added that he has a lengthy conversation with Bill Neal and his partners at Hermitage Farm Nursery who was the recipient of all of the hospital's effluent last year and

could be a potential recipient of effluent from a proposed system. The Nursery has an additional 100 acres available for use. He suggested that a separate RFP be issued for this part of the project, believing that this gravity-flow system would be more cost effective. There is a need for about 2.7mgpd in the summer peak and .17mgpd in the lowest usage period of the winter. Mr. Hogg responded that this was a great idea but that a “Plan B” or back-up plan needs to be developed as well. Mr. Miles reaffirmed that a method is needed to accept and dispose of effluent during low usage periods by the Nursery. Mr. Panek said that he believed everyone would support a “green” alternative and offered to suggest this at tomorrow’s PMT meeting. Mr. Panek and Mr. Gowen will continue to try to arrange another meeting with Mr. Canales of RSMH.

Old Business: Review of Bylaws:

The Board members reviewed the draft bylaws and asked staff to research Article IV – Area of Operation, with the idea of having service provided to areas in Accomack County and if the Code of Virginia allows this possibility. Motion was made by Mr. Walker, seconded by Mr. Holland, that the revised Bylaws be placed on the December agenda for approval. All members were present and voted “yes.” The motion was unanimously passed.

Adjourn:

Motion was made by Mr. Holland, seconded by Mr. Walker, that the meeting be adjourned. All members were present and voted “yes.” The motion was unanimously passed. The meeting was adjourned at 8:15 p.m. The next meeting of the PSA will be on Tuesday, December 21, 2010 at 7:00 p.m. in Conference Room #2 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia.