

**Eastern Shore of Virginia Public Service Authority
Regional Wastewater System**

Public Information Session

September 16, 2013

Background

- Dormant ESVA PSA reformed adding four Towns in June 2010.
- Assumed responsibility for the two wastewater projects initiated by Towns & County Utilities Project Management Team.
- Northern Node – Exmore and Nassawadox.
- Southern Node – Cape Charles and Cheriton

Background

- Northern Node - \$11.3 million. On hold until Riverside decides on disposition of medical campus in Nassawadox after hospital move.
- Southern Node - \$11.9 million. Original estimate including Cheriton and surrounding areas in County.
- Both projects heavily dependent on grants or other capital contributions to yield affordable rates.
- State and Federal agencies indicated little grant funding available.

Background

- Focus narrowed to Southern Node Commercial District, Phase 1, around US 13/SR 184/Bus 13 intersection.
- Supports BoS strategic plan to provide infrastructure to better enable private sector economic development and job creation.
- Affordable first step to regionalization.

Engagement of Property Owners

- Met with property owners in May 2012.
- Survey issued in July 2012, providing cost information and requesting interest in Tax District, connection charges, usage, etc.
- Poor survey response.
- Follow-up with owners of significant existing buildings done Fall 2012.

Results

- 64 owners; 85 parcels, mostly vacant; assessed value of about \$20M.
- 10 responses: 5 yes, 4 maybe, 1 no.
- The 9 “positive” responses represent parcels with assessed value of about \$7M.
- About a third of the total assessed value.
- A thin response but significant value.

Proposed Service Area

- PSA recommended about 70 commercial zoned parcels with valuation of \$17.8M.
- Project cost estimate of \$1.8M.
- PSA also provided BoS cost options for extending service area.
- Town of Cheriton - \$6.7M.
- Webster property - \$1.0M.

Southern Node Commercial District, Phase 1

- Low pressure grinder pump collection system.
- Capital cost of approximately \$1.8M.
- Debt service of approximately \$124K/yr., 20 years.
- Debt service funded via real property tax.
- CC WWTP utilized for treatment.
- Operations cost (treatment, maintenance, billing, etc.) via rates.

Real Property Taxes

- 75% of debt service via Special Tax District – rate of \$0.52 / \$100.
- 25% of debt service via general tax – rate of \$0.0014 / \$100.
- Covered in rate adopted by County for FY 2014.
- Total tax rate in District: $\$0.6728 + \$0.52 = \$1.1928$
- Total tax rate in Cape Charles: $\$0.6728 + \$0.2759 = \$0.9487$

CC WWTP

- Design capacity of 250K GPD, based on TN & TP discharge limits.
- Actual capacity somewhat higher based on performance.
- Average daily flow for past year is 150K GPD.
- Now about 1,200 Equivalent Residential Connections (125 GPD/ERC).
- About 800 ERCs remain.
- Estimated current new service area demand of 15K to 20K GPD or max of 160 ERCs.
- Plant designed for easy expansion to 500K GPD.

Benefit of Regionalization

- Economy of scale is important.
- Systems with a small number of customers have relatively high rates.
- < 5,000 average 14% higher than > 5,000. CC has about 1,100.
- CC rate increased significantly due to debt service on new plant.
- About 70% of WWTP operating costs are fixed.
- Adding customers will reduce rate.

Development

- County recognizes economic benefit from CC businesses.
- Planning Commissions will work together on an Overlay District for complementary businesses.
- Economic Development Director will work to attract those businesses.

Additional Public Engagement

- PSA Public Information Session at 7:00 PM, Monday, September 16, at the Cheriton fire hall.
- BoS Public Hearing on Special Tax District at 7:00 PM, Monday, September 23, at the county Board Room in Eastville.