

**MINUTES OF THE
EASTERN SHORE OF VIRGINIA
PUBLIC SERVICE AUTHORITY**

A recessed meeting of the Eastern Shore of Virginia Public Service Authority was held on Monday, January 23, 2012, at 5:00 p.m. in the Board Room of the County Administration Building, 16404 Courthouse Road, Eastville, Virginia.

Members present:

Bob Panek, Chairman
Felton Sessoms
Henry J. Heneghan, Jr.
J. T. Holland
Carl Harris
Granville F. Hogg, Jr.

Absent:

Artie Miles, Vice Chairman

Others present:

Northampton County Board of Supervisors
Katherine H. Nunez, County Administrator & Executive Director
Janice Williams, County Administrator's Office
Ron West, *Eastern Shore Post*
Gloria Bradley, *Eastern Shore News*

Call to Order & Establishment of Quorum:

The Chairman called the meeting to order and established that a quorum was present.

Conduct Joint Meeting with the Northampton County Board of Supervisors

The purpose of the meeting was to conduct a joint session with the Northampton County Board of Supervisors. Mr. Panek led the discussion through a powerpoint presentation as follows:

ESVAPSA Regional Wastewater System

Northampton County
Board of Supervisors
Work Session – Jan. 23, 2012

Northern and Southern Node Projects

- Preliminary Engineering Reports done.
- Northern Node - \$11.3M, 421 Equivalent Residential Connections (ERCs), 65/35 grant/loan ratio (\$7.3/\$4.0).
- Southern Node - \$11.9M, 753 ERCs, 71/29 grant loan ratio (\$8.4/\$3.5).
- Both heavily dependent on grants and full customer participation to achieve an affordable service rate.(Presuming maximum user rate of \$42/month)

Northern Node Status

- State Water Control Board approved \$4.0M, 0% interest, 30 yr loan.
- \$7.3M of grants needed.
- Discussions with Riverside on capital contribution based on percentage flow.
- Balance from USDA and DHCD (CDBG).
- PSA intends to apply to USDA.
- PSA is not an eligible entity for DHCD funds but the County can apply on behalf of PSA for these funds. Applications are due March 1.

BOS Commitment Needed

- Dedicate maximum CDBG project capacity; approximately \$1.8M.
- Commit to apply for CDBG funds (would request assistance from ANPDC to assist in preparing application)
- Mandatory connection ordinance for any of the county areas in the Northern Node area.
- Moral obligation bond to underwrite loan from State Water Control Board.
- Letter of support for application(s) submitted by PSA to USDA.

Southern Node Status

- State Water Control Board approved loan only, no grant. The County declined loan but indicated a future request for this project would be submitted for consideration.
- Fairview citizens petitioned to be removed from new service area.
- USDA and DHCD applications put on hold.
- Additional engagement of County areas.
- Residential generally against.
- Significant commercial interest.

Reexamination of Southern Node Service Area

- Cost analysis of service area options at USDA minimum rate with **100%** hook up:

	Capital Cost	ERC	Cost/ERC	Grant/Loan	Annual D/S	Annual O&M	Rate
PER	\$11.9M	753	\$15K	71/29	\$228K	\$177K	\$42
w/o Fairview	\$10.8M	597	\$18K	86/14	\$125K	\$161K	\$42
Cheriton	\$7.5M	341	\$22K	82/18	\$ 88K	\$ 84K	\$42

Way Ahead

- Recommend BOS concur with “Cheriton only” service area.
- Revise PER; plan for financial assistance applications.
- PSA continue to work with commercial interests for US 13/SR 184 service area.

The Northampton County Board of Supervisors took the recommended actions related to the CDBG project capacity/application and USDA application which were detailed in the foregoing slide (“Board Commitment Needed”). The Board also expressed their commitment to a mandatory connection ordinance and a moral obligation bond for project loans. Actions to approve these two items will be considered at a later date as the project progresses. Additionally, the Board did not object to limiting the Southern Node service area to the Town of Cheriton.

The Public Service Authority was thanked for all of its hard work to date.

Adjourn:

Motion was made by Mr. Holland, seconded by Mr. Harris, that the meeting be adjourned. All members were present with the exception of Mr. Miles and voted “yes.” The motion was unanimously passed.

The meeting was adjourned at recessed at 6:15 p.m.