

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

A meeting of the Eastern Shore of Virginia Public Service Authority was held on Tuesday, March 15, 2011, at 7:00 p.m. in Conference Room #1 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia.

Members present:

Robert H. Meyers
Bob Panek
Granville F. Hogg, Jr.
Henry J. Heneghan, Jr.
Artie Miles
Carl Harris
J. T. Holland

Members absent:

Felton Sessoms

Others present:

Katherine H. Nunez, Executive Director & County Administrator
Janice Williams, County Administrator's Office
Mary Miller, Citizens for a Better Eastern Shore

Call to Order & Establishment of Quorum:

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

Approval of Agenda

Chairman Meyers indicated that there was one item added to the agenda since packets were mailed out: Item 9F – Start-up Budget.

Statements from the Public:

There were no statements from the public.

Approval of Minutes:

Motion was made by Mr. Heneghan, seconded by Mr. Miles, that the minutes of the meeting of February 15, 2011 be approved. All members were present with the exception of Mr.

Sessoms and voted “yes”, with the exception of Mr. Holland who abstained. The motion was passed.

Review of Financial Statement:

No changes

Report of Officers: Chairman

The Chairman had no report.

Report of Officers: Vice Chairman

Mr. Panek said that at the last meeting, the PMT reviewed the draft of the PER. Riverside representative, Mike Canales, was in attendance. Based on estimated usage, the medical community share of the common capital costs would equate to approximately 30%. The medical community would also be responsible for any unique capital costs, such as a pump station and force main connecting to the primary force main, and pretreatment if needed. The PER is currently being reviewed by Riverside’s project planning team. Assuming positive feedback from Riverside, the other “players” on the campus; i.e., the nursing home and the dialysis center, will have to be consulted.

The Chairman indicated that it might be a good idea to get the quantities of water and wastewater for the nursing home and the dialysis center. Mr. Panek indicated that he would pursue the answers to these questions. Mr. Hogg added that the PSA should also ask if the hospital is treating its wastewater in any way.

Report of Committees: PMT/T-CUP Update

Mr. Panek reported that the PMT estimated a cost of approximately \$11.3 million for a collection system, vacuum pump station, pipeline to Nassawadox via Hare Valley and then back up Route 13, treatment plant, septage receiving facility and underground effluent disposal. The two elements that are not included are a re-use system as well as a composting facility, both of which could be added later. If grant and capital contributions (from the medical community) are achieved at a 65% level, a rate of \$45 per month could be realized. Upon questions from the Chairman Meyers, Mr. Miles provided answers in regard to Exmore’s existing water and wastewater systems.

Old Business: Review of Bylaws:

Initiated by Mr. Hogg, there was a discussion among the Board members relative to the number of members allowed to be appointed to a committee. The Board agreed to keep the current limit of two. The liaison committee to the medical community will continue to be Mr. Panek and Mr. Hogg.

Motion was made by Mr. Heneghan, seconded by Mr. Harris, that the Bylaws be adopted as presented. All members were present with the exception of Mr. Sessoms and voted “yes.” The motion was unanimously passed.

New Business:

Northern & Southern Nodes – P.E.R.

Ms. Nunez said that the Department of Housing and Community Development has been informed that there will not be a financial assistance application submitted by anyone. It has been expressed that the Northern Node is a priority as it relates to the medical community.

Mr. Panek said that the final Northern Node PER will be available next week and thinks that it would be appropriate if the PSA continues to evaluate the document and make a decision then relative to an application for financial assistance (Rural Development/Department of Environmental Quality). He suggested that given the impending availability of the PER, that the PSA form a committee to review that document and work with the Executive Director to prepare a financial assistance application for the Northern Node Project. Motion was so made by Mr. Panek, seconded by Mr. Holland and passed by a vote of 6 to 1 with Mr. Meyers voting “no”, for terminology and Mr. Sessoms being absent. The motion was passed. Mr. Miles and Mr. Holland agreed to serve as the referenced committee.

With regard to the Southern Node PER, Ms. Nunez indicated that Hurt & Proffitt is currently working on revisions to include a phased-in approach. Mr. LeMond of the Cheriton Town Council is assisting in this effort.

Mr. Panek stated that since the PMT has been dissolved as a result of the completion of planning grant work tasks, he would like to see this body review that document and suggested the formation of a committee similar to the one just created for the Northern Node Project. Motion was so made by Mr. Meyers, seconded by Mr. Panek and unanimously passed with Mr. Sessoms being absent. Mr. Heneghan and Mr. Panek agreed to serve on this committee. It was also stated that appropriate public notices and advertisements be developed and released in order to have as much public input as possible. Ms. Nunez agreed to craft such press releases, etc., for disbursement to the media.

Joint Meeting with Northampton County Board of Supervisors

It was noted that at the PSA’s request, the Northampton County Board of Supervisors has agreed to meet in joint session on Wednesday, April 20, 2011, commencing at 8:00 a.m., in conference room #2 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia. Since the PSA’s regular meeting in April would be held on April 19th, it was agreed to wait until after the joint meeting with the Northampton County Board of Supervisors is held and meet in regular session immediately following at 9:00 a.m.

Election of Officers

With an absence of funds, it was decided that the election of a Treasurer was not immediately pressing and would be tabled until a later date.

Motion was made by Mr. Panek, seconded by Mr. Holland, that the Executive Director be appointed as Secretary of the PSA. All members were present with the exception of Mr. Sessoms and voted "yes." The motion was unanimously passed.

Start-Up Budget

Chairman Meyers had developed a draft budget, assuming a stand-alone PSA body. Ms. Nunez indicated that she believed some items had been omitted including audit cost. This document is on file in the office of the County Administrator.

Mr. Panek said that the Board should be very cautious about developing a layer of overhead, noting that Mr. Meyers' draft budget appeared to go beyond the financial assistance phase and move into an operational phase of the project.

There was a general discussion pertaining to the three systems in the County which are operational at this time. Those systems have certain costs embedded in their operations now. For instance, both Cape Charles and Exmore have accounting systems; therefore, certain line items of the draft budget may be accommodated within existing systems and rates. It was suggested that a budget be developed for only the initial phase of what is needed with the rest of the line items being deferred until the project becomes successful with the receipt of grants/loans. Everyone concurred that budget will be an issue that the PSA and its participating localities will struggle with as we move forward.

Recess:

Motion was made by Mr. Panek, seconded by Mr. Miles, that the meeting be recessed until 8:00 a.m., Wednesday, April 20, 2011, in conference room #2, in the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia, in order to participate in a joint meeting with the Northampton County Board of Supervisors. All members were present with the exception of Mr. Sessoms and voted "yes." The motion was unanimously passed. The Board was reminded that its regular April meeting will be held at 9:00 a.m., Wednesday, April 20, 2011 (immediately following the joint meeting with the Northampton County Board of Supervisors), in Conference Room #2 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia.