

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

A meeting of the Eastern Shore of Virginia Public Service Authority was held on Wednesday, April 20, 2011, at 8:00 a.m. in Conference Room #2 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia.

Members present:

Granville F. Hogg, Jr.
Henry J. Heneghan, Jr.
Artie Miles
Carl Harris
J. T. Holland
Felton Sessoms

Members absent:

Bob Panek

Others present:

Katherine H. Nunez, Executive Director & County Administrator
Janice Williams, County Administrator's Office

Call to Order & Establishment of Quorum:

The first item of business was a joint meeting with the Northampton County Board of Supervisors. The County Administrator indicated that the purpose of the meeting was an open discussion on the responsibilities of the PSA. She noted that several months ago, there was a motion at a PSA meeting to move forward with certain projects and investigate funding opportunities. That motion failed and a joint meeting with the Board of Supervisors was then requested to solicit further guidance and input.

Without a quorum at this time, the meeting could not be called to order.

Mr. Hogg said that he was interested in hearing a vote of confidence from the County; i.e., is the Board ready to underwrite PSA obligations and/or impose mandatory tie-in requirements?

Mr. Heneghan indicated that the Cheriton Town Council has considered this issue and has voted to consider mandatory hook-ups if the monthly fee could be reduced to \$35. He questioned what other conditions that the Board may be looking for, noting that the PSA was what he called an "implementing body".

Mr. Miles said that the Town of Exmore is ready and willing to participate in the project, but wanted assurance from the Board that it would be willing to provide the moral obligation for any funding applications initiated by the PSA.

Mr. Sessoms arrived at this time.

Serving as Executive Director of the PSA and with the resignation of Chairman Meyers, and the absence of Vice Chairman Panek, Ms. Nunez called the meeting to order and announced that a quorum was present. She opened the floor for nominations for a temporary chairman to conduct the meeting.

Motion was made by Mr. Heneghan, seconded by Mr. Sessoms, that Mr. Miles serve as temporary chairman for this meeting. There being no further nominations, the floor was closed. Mr. Miles was elected Chairman.

Mr. Holland stated that he agreed with Mr. Miles' comments.

Mr. Sessoms said that there are needs for proper sewage disposal in Northampton County, of vital importance due to the sole source aquifer.

Board of Supervisors' Chairman Randall asked the County Administrator to read from the enabling ordinance as follows:

5. The purposes for which the Authority are being created are to study, implement and operate a septage treatment and disposal system, a sewer system, a water system, a stormwater control system, or any combination of such systems; and to transfer and operate existing systems; study and construct and operate expansions of existing systems; and study and construct new systems. The Authority is further authorized to exercise those powers set forth in the Virginia Water and Waste Authorities Act which pertain to water and waste systems.

New Paragraphs 7 and 8 are to be added to the Articles of Incorporation for the Eastern Shore of Virginia Public Service Authority as follows:

7. It is hereby determined that the initial focus of the Authority shall be:

- a. Sewer expansion for Exmore and sewer service for Nassawadox, including Riverside Shore Memorial Hospital, and the surrounding areas of Northampton County.*
- b. Sewer expansion for Cape Charles and sewer service for Cheriton and the surrounding areas of Northampton County.*
- c. Conveyance of the existing Exmore, Cape Charles and Bayview sewer and water systems to the Authority.*

8. The study and construction of future system expansions or new systems shall be compatible with the Comprehensive Plans of the participating localities.

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Mr. Murray indicated that he was supportive of the PSA, seeing this body as “taking the politics out of the equation”, and trusted that the Authority would provide true and impartial comprehensive studies of the infrastructure needs of the County. He said that there was nothing wrong with asking the Board’s guidance but the authority for the PSA already exists. Mr. Murray commented that we want to avoid “leapfrogging”; i.e., building too much infrastructure at one time. He also noted that the Board needs to have the “pure political guts” to follow-through with any required ordinances, etc., and that the PSA should have the collective vision and wisdom for the whole County.

Mr. Trala echoed Mr. Murray’s comments.

Mr. Bennett said that he would support the PSA as long as the citizenry are not over-obligated and that the monthly costs would be affordable to the “everyday” citizen.

To summarize, Ms. Nunez indicated that the PSA would like the Board to vote on:

- (1) what is the threshold level for monthly service costs?
- (2) is the Board agreeable to being a financial partner with the PSA on funding applications?
- (3) would the Board consider a mandatory connection ordinance?

Mr. Heneghan said he would also like the Board to consider continuing its support of the County Administrator serving as Executive Director of the PSA and using her time and County facilities to allow the PSA to remain in operation (an in-kind contribution).

Mr. Hogg said that we need to start looking at the towns to provide temporary funding assistance. He also questioned whether the proposed routes were where the Board wanted development to go.

Mr. Sessoms stated that because of the demographics of the County, we have to look at diverse systems. Mr. Bennett agreed, noting that the PSA should consider areas of need and not just potential areas for development. Mr. Miles also agreed, stating that both Nodes are focused on current need, not future development possibilities.

Mr. Heneghan reminded the Board that there are three current vacancies on the PSA board, resulting from the resignations of Mr. Meyers, Mr. Walker and Mr. Gowen. He stated that it would be helpful if the applicants that were selected had backgrounds in the fields of real estate, business and legal.

Mr. Hogg questioned whether there would be any opportunity for pump-and-haul operations as are currently permitted in Accomack County. Mr. Sessoms replied that pump-and-haul operation is permitted currently by the Health Department on a temporary basis, but is not a permanent solution.

At 9:00 a.m., the Board of Supervisors adjourned its meeting and Chairman Miles called for a five-minute recess. After the break, Chairman Miles reconvened the meeting.

Approval of Agenda

With the addition of one item under New Business (election of officers), motion was made by Mr. Holland, seconded by Mr. Sessoms, that the agenda be approved as amended. All members were present with the exception of Mr. Panek and voted “yes.” The motion was unanimously passed.

Statements from the Public:

There were no statements from the public.

Approval of Minutes:

Motion was made by Mr. Holland, seconded by Mr. Harris, that the minutes of the meeting of March 15, 2011 be approved. All members were present with the exception of Mr. Panek and voted “yes”. The motion was unanimously passed.

Review of Financial Statement:

No changes

Report of Officers: Chairman

The Chairman had no report.

Report of Officers: Vice Chairman

Mr. Panek’s update was read as follows:

Board Members,

As you have probably heard, Bob Meyers has tendered his resignation from the PSA Board. As I mentioned at our last meeting, I will not be able to attend the April 20 meeting with the BOS nor the subsequent PSA Board Meeting due to a previous travel commitment. One of you will need to chair the meeting; our Executive Director will take care of the procedure for doing this. It is important that you all attend to achieve a quorum.

Attached for your review is the final PER for the Northern Node. Please review and provide any comments you have to our Northern Node Committee - Artie and J.T.

Recommended agenda items for the April 20 PSA Board Meeting, and some thoughts on each, follow:

1. *Northern Node - Review of PER and preparation of financial assistance applications; Lead by the Northern Node Committee with the assistance of the Executive Director. Now that a compromise has been reached for the FY 2011 Federal budget, USDA RD will know the amount of funding that can be applied to projects. EPA will also know the amount of "principal forgiveness" funding that will flow down to the state revolving loan funds (DEQ). We will need to make application to both RD and DEQ. A few things that will need to be addressed along the way: capital contribution from the medical community, advertising campaign for "county" residents and businesses along the force main route, firm commitment from Exmore (either voluntary agreements or mandatory ordinance).*

It was noted that a revised Northern Node PER had been received yesterday but has not been reviewed as yet by the members. In the interest of time, Ms. Nunez reported that the consultants have submitted the Report to the Health Department for a cursory review. Motion was made by Mr. Harris, seconded by Mr. Holland, that the PSA is agreeable to this cursory review by the Health Department. All members were present with the exception of Mr. Panek and voted "yes." The motion was unanimously passed.

Mr. Miles added that surveys continue to be received from the Exmore residents.

2. *Medical Community Participation - Report from Granville on Average Daily Flow estimates obtained from Riverside Shore Memorial Hospital. Also, we will need to discuss the plan for continued engagement of Riverside and the other properties now served by their system. This needs to be resolved before the financial assistance applications are submitted.*

Mr. Hogg reported that the total medical community usage is approximately 30,000 gallons per day with the hospital using about one-half of that volume. Specific figures included 14,000 gallons per day for the hospital, 213,000 gallons per month for the nursing home, 190,000 gallons per month for the dialysis center, and 10,300 gallons per month for the Eastern Shore Community Services Board.

3. *Southern Node - A revised PER should be available in a couple of weeks. After review, we will need to discuss how to proceed with financial assistance applications, including revision of the current package approved by the SWCB.*

This will be on the agenda next month.

4. *PSA Board Members - Obviously, we need three more. Are there any nominations that we want to provide to the BOS?*

This matter has been brought to the attention of the Board.

Of course, 1-3 above assume support of the BOS for the County to underwrite borrowing for the projects. Hopefully we will get an indication of this support at the April 20 meeting.

Please provide any other input you may have for the agenda to our Executive Director.

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Report of Committees:

No report was provided.

New Business:

Election of Officers

Motion was made by Mr. Holland, seconded by Mr. Sessoms that the following slate of officers be elected.

Chairman – Bob Panek
Vice Chairman – Artie Miles

All members were present with the exception of Mr. Panek and voted “yes.” The motion was unanimously passed.

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.

Ms. Nunez indicated that she was meeting with a USDA representative later today and would discuss the wastewater projects as well as the next funding opportunities with her at that time.

Adjourn:

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

The next regular meeting of the PSA Board will be held at 7:00 p.m., Tuesday, May 17, 2011, in Conference Room #2 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia.