

**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, May 17, 2011, at 7:00 p.m. in Conference Room #2 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia.

Members present:

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

Members absent:

Artie Miles

Others present:

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

Call to Order & Establishment of Quorum:

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

Approval of Agenda

At the suggestion of the Executive Director, motion was made by Mr. Holland, seconded by Mr. Sessoms, that the agenda be approved as presented with an additional item (New Committees) added under New Business. All members were present with the exception of Mr. Miles 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 April 20, 2011 be approved. All members were present with the exception of Mr. Miles and voted “yes”. The motion was unanimously passed.

Review of Financial Statement:

No changes

Report of Officers: Chairman

The Chairman thanked the members for their confidence in electing him as chairman at the last meeting.

He referenced an earlier meeting where a lawsuit filed by South Port Investors against the Town of Cape Charles related to construction of the new Wastewater Treatment Plant had been mentioned and reported that an agreement has been reached and the case has been dismissed by the court.

Report of Officers: Vice Chairman

Mr. Miles was absent.

Report of Committees:

A. Hospital Committee

Mr. Panek reported that Riverside responded to him two hours ago. They have been tentative to re-engage with the PSA while the Certificate of Public Need application is being considered by the Virginia Department of Health. Riverside indicated that it is not ready to make a commitment at this time as to an amount of capital contribution but does recognize that it has an obligation to the other parties served by that system, which parties contribute significant flow. A decision on the COPN application is due in late August.

Mr. Hogg stated that assumptions have been made on current usage, which could change depending on a new Riverside structure.

B. Northern Node Committee

On behalf of Mr. Miles who was absent, Mr. Holland noted that the committee is agreeable to moving ahead with financial assistance applications. The DEQ application window is June 1 – July 15th; the Department of Housing & Community Development’s application window was March 1st and Rural Development has a “rolling” application window. It is hopeful that the Executive Director can complete an application packet by the PSA’s June meeting.

C. Southern Node Committee

Mr. Panek distributed excerpts from the draft revised Preliminary Engineering Report (Sections 6 and 7, and Opinion of Probable Cost) and maps illustrating the revised service area and force main route. The cost analysis indicates a dilemma between Cheriton's "requested" rate of \$35 per month, the \$53 monthly charge shown in the analysis, and the \$43 minimum charge required by Rural Development based on Median Household Income data.

Mr. Panek questioned the possibility of including the Cheriton Crossroad area; it was noted that no surveys were previously distributed to residents in that neighborhood. Ms. Nunez indicated that the Board of Supervisors would want to know the level of interest of those residents; this could be learned through a targeted community mailing and meeting. Motion was made by Mr. Holland, seconded by Mr. Sessoms, that the Cheriton Crossroad community be engaged in this manner to solicit their interest and input. All members were present with the exception of Mr. Miles and voted "yes." The motion was unanimously passed. It was noted that it would also be a good idea to invite Town of Cheriton residents to this community meeting in order to provide a project update.

Mr. Hogg asked if the Kings Creek Landing area should also be included. This subdivision consists of 116 lots with a homeowners association. Indicating no objection to this proposal, it was the consensus of the Authority that this matter be broached to the Homeowners Association at its upcoming meeting. Mr. Hogg and Mr. Panek agreed to attend.

It was the consensus of the group that the PSA is not ready to engage Hurt & Proffitt to finalize the draft Southern Node PER until these additional areas of interest are resolved.

Chairman Panek reported that the PSA has been approached by Harmony Investments (owner of the proposed Hampton Inn site on Route 13 west of Cheriton). They have expressed interest in hooking up to the southern node system, and depending on cost, they are willing to negotiate.

Mr. Hogg questioned whether the service area should be extended to include Shore Stop and the Food Lion Shopping Center. It was the consensus of the Authority to invite these entities to the community meeting referenced above.

Old Business:

A. Southern Node Financial Assistance Award from DEQ

Mr. Panek reminded the Authority that the County had been provided a letter of award from DEQ in the sum of about \$11 million last year. He has been quizzed by DEQ as to plans for use of the funds. Mr. Panek stated that it does not make sense to hold onto the award when we still lack a final PER document; it would not be detrimental to the PSA if the award was returned. Motion was made by Mr. Heneghan, seconded by Mr. Holland, that the PSA recommend that the County Board of Supervisors decline these DEQ funds, and indicate that we

are in the process of revising and finalizing the Southern Node PER and would re-apply upon completion of same. All members were present with the exception of Mr. Miles and voted “yes.” The motion was unanimously passed.

New Business:

A. Preparation of Northern Node Financial Assistance Applications

This matter was previously discussed.

B. Preparation of Southern Node Financial Assistance Applications

Referencing earlier discussions, it was noted that until the PER can be finalized, this process is “on-hold”.

C. Distribution of 2011 General Assembly Legislative Action Summary – Bills of Impact to the PSA

The Executive Director distributed the referenced document and explained some of the legislation and its possible impacts on the PSA.

D. New Committee

Chairman Panek noted that there may be a need to form at least one new committee to interface with economic development efforts of the County. The Executive Director agreed, calling to the Authority’s attention the example of Harmony Investments mentioned above. She noted that other economic development interests have come forward which should be referred to the PSA for input and said that a committee could serve as a conduit between the Board of Supervisors and the PSA to look at developing economic development opportunities and provide feedback. Motion was made by Mr. Sessoms, seconded by Mr. Hogg, that Mr. Holland and Mr. Harris be appointed to serve as the “economic development interface committee”. All members were present with the exception of Mr. Miles and voted “yes.” The motion was unanimously passed.

Mr. Panek also noted that there may be an expectation from the Board of Supervisors to start engaging existing owners of various wastewater treatment systems in a dialogue to transfer ownership and operations (Exmore/Cape Charles/County: Bayview & Eastville). It was the consensus of the group, however, that additional members need to be appointed to the PSA by the Board prior to forming any additional committees.

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 next regular meeting of the PSA Board will be held at 7:00 p.m., Tuesday, June 21, 2011, in Conference Room #2 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia.