

**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 Tuesday, January 8, 2013, at 7:00 p.m. in the main conference room, 16404 Courthouse Road, Eastville, Virginia.

Members present:

Bob Panek, Chairman  
Artie Miles, Vice Chairman  
Henry J. Heneghan, Jr.  
Carl Harris  
J. T. Holland

Members absent:

Felton Sessoms  
John Reiter

Others present:

Janice K. Williams, County Administrator's Office

Call to Order & Establishment of Quorum:

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

Presentation to Northampton Board

The following powerpoint presentation was made to the Northampton County Board of Supervisors:

# ESVAPSA Regional Wastewater System

Northampton County  
Board of Supervisors  
Regular Meeting – Jan. 8, 2013

## Southern Node

- BOS briefed last January about significant commercial interest in service area.
- 85 parcels zoned for commercial use.
- Potential for area around US 13/SR 184 intersection as **Phase 1** of Southern Node.
- Potential future expansion to Cheriton.



## System Cost

- Treatment at Cape Charles WWTP; bulk rate TBD.
- Rough estimate of collection system, pumping and force main is \$1.5M -\$2M.
- At 3.25%, annual debt service:

<u>20 YRS</u>	<u>30 YRS</u>
\$134,125	\$100,250

## Cost to Property Owners

- Special Tax District:
  - Assessed value of property about \$20M.
  - State law limits tax district to 20 years.
  - For 20 year term, debt service is about \$740 per \$100,000 of assessed value.
  - Focuses on property with potential for most immediate benefit.

## Cost to Property Owners

- General real estate tax rate:
  - 1 cent increase yields \$248,000.
  - More than sufficient for debt service:
    - For 20 yrs, \$134,125, or 0.54 cents.
    - For 30 yrs, \$100,250, or 0.40 cents.
    - Range of \$4 to \$6 per \$100,000 of assessed value.
  - Recognizes benefit to all property owners from future revenues enabled by infrastructure.

## Other Considerations

- Connection must be mandatory.
- Connection fee could offset some D/S.
- Voluntary availability agreements for future connections could generate funds.
- A mix of funding options is possible.

## 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.
- 10 responses: 5 yes, 4 maybe, 1 no.
- The 9 “positive” responses represent parcels with assessed value of about \$7M.
- This is about a third of the assessed value of all commercial parcels in the area.
- A thin response but significant value.

## Way Ahead

- BOS decide on funding approach.
- BOS back PSA borrowing with moral obligation bond.
- PSA arrange borrowing w/USDA & DEQ.
- PSA contract for design/build of system, including DEQ permit support.

## Way Ahead

- PSA negotiate w/Cape Charles for treatment bulk rate.
- Tax revenue and connection charges pay debt service.
- Service fees pay treatment, maintenance and overhead costs.
- If BOS is agreeable, PSA and County Administrator will develop plan of action.

Following the presentation, Supervisor LeMond asked to receive cost estimate information relative to carrying the main to the Webster property as well as a Cheriton collection system as an “add-on” to the Phase 1 “commercial” system. He also asked if the residents of the Town of Cheriton could be included in any proposed service district as well as areas of the County outside the incorporated town limits.

When questioned by Supervisor Randall, Chairman Panek indicated that he believed a blended mix of funding options is reasonable for the Board to consider, given the limited number of users within the proposed service district. Ms. Nunez indicated that she would provide additional information to the Board relative to the “pros” and “cons” of the blended funding concept as well as the other requests for information made tonight from the Board members.

Adjourn:

Motion was made by Mr. Holland, seconded by Mr. Heneghan, that the meeting be adjourned. All members were present with the exceptions of Mr. Sessoms, and Mr. Reiter and voted “yes”. The motion was passed. The next meeting of the PSA is Tuesday, January 15, 2013, commencing at 7:00 p.m. in the main conference room of the County Administration Building, 16404 Courthouse Road, Eastville, Virginia.

The meeting was recessed at 6:30 p.m.