

**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, October 19, 2010, at 7:00 p.m. in Conference Room #2 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia.

Members present:

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

Members absent:

Scott R. Walker, Jr.
Felton Sessoms

Others present:

Katherine H. Nunez, County Administrator
Janice Williams, Asst to County Administrator

Call to Order & Establishment of Quorum:

Chairman Meyers called the meeting to order at 7 PM and announced that a quorum was present.

Approval of Minutes:

Minutes were approved unanimously.

Approval of Bills & Financial Statements:

No activity

Report of Officers:

Vice- Chairman

Bob Panek reported on the status of the RSMH (Riverside Shore Memorial Hospital) sewage treatment plant with several photographs of equipment. The plant is functionally similar to that being replaced at Cape Charles and is outdated and in poor condition. It would require much modification to put it back into acceptable service to comply with new nutrient removal requirements. Without doing actual numbers he believes it would be much more expensive to upgrade the plant than to replace it with a

package plant. There is no solids handling capability as is now installed and working in Exmore. Mr. Miles related that the solids were being transferred in the past to one of the now closed sewage lagoons in Accomack.

When Mr. Panek visited, the chief operator was not present and the two personnel present were not fully knowledgeable. The out-of-service lagoon at the plant will need to be closed if the plant is shut down permanently at substantial expense. The only engineering reports available on the operational status were from 1999 and were outdated.

Mr. Gowen stated that there is still a question about ownership of the actual sewage facility. Mr. Meyers and Mr. Panek, from their previous talk with Joe Zager and Mike Canales are of the opinion that the latter believe RSMH is in fact the facility owner. Mr. Panek suggests that the PSA should be very cautious about any suggestion to accept responsibility for the current RSMH facility site.

Future requirements for sewage quantity from previous discussions are assumed to be about 30k gpd. but needs to be verified. The two biggest water users, Fresenia and Heritage Hall, will give an indication of quantity requirements if RSMH will estimate their needs.

Mr. Meyers reminded that at the last meeting, the general feeling of the PSA was to make the continuance of the sewer service to the medical community the PSA's first priority but it was not formalized. Mr. Panek suggested that the concept of the town of Nassawadox being included be explored.

Mr. Gowen made a motion to make the continuance of sewer service to the medical sewer community the first priority of the PSA with an expandable facility that could include additional area in stages and to determine what funding may be available from RSMH and any other sources. The motion was seconded by Mr. Harris and passed unanimously.

Mr. Panek suggested the next step would be to coordinate with Hurt & Proffitt and that the Nassawadox area including the medical community would require about 84k gpd. Mr. Gowen stated that a complete engineering report would be required to determine what could be utilized from the current system and what changes and/or additions would be necessary.

Mr. Panek and Mr. Gowen are to be a committee to coordinate specifics with Mike Canales and report at the next meeting.

Ms. Nunez again reminded the Board that the government funding agencies will not provide funding to solve the hospital needs unless other community areas are included. Mr. Gowen suggested that RSMH should be contacted and asked to be a major funder of the sewage upgrade. Mr. Panek suggested that government funding be pursued to its maximum and RSMH be asked to make up the rest. Also discuss the concept that the PSA does not want to use the RSMH current processing plant for this planning.

Report of Committees:

Hurt & Proffitt contract progress – County Administrator, K. Nunez

Northern Area: additional data sheet supplied to show impact of rates with smaller amount of grant money. Mr. Panek said that at 80/20 grant/loan, the amount would be about \$44 per month. At 50/50 it would be a disaster. Ms Nunez also said 50/50 would not work and Mr. Panek indicated the monthly rate would be between \$75 & \$90.

In response to Mr. Gowen's and Mr. Heneghan's comments about citizen participation status, Ms. Nunez stated that in the southern area, a "strong conversation" about mandatory hookup would be required in both the town and county areas to make the program work. These are decisions to be made at some future time.

DEQ Funding of 10.5 million is available with about 1 to 1.5m\$ as grant, the remainder as loans.

Mr. Panek suggested that at some point, the Comp Plans of Exmore, Cheriton and Nassawadox should be evaluated to determine if the sewage program being developed is in accordance with the CP's. Mr. Heneghan then noted that the Cheriton Town Council and Mayor are interested in Economic Development and that the sewer is being sold to the citizens to support economic development. Instead they are seeing businesses leave town and the citizens do not feel they should be paying the bill for this purpose.

Mr. Meyers noted that at the funding meeting with Hurt & Proffitt, Ms. Carrie Schmidt from USDA made it clear that the reason they and DEQ are agreeing to loans is for protection of the ground water. The loans and grants are not for economic development and that the sewer program is just a subterfuge to really address the economic concerns of the Cheriton town leaders. Mr. Heneghan was skeptical as to whether Cheriton would support mandatory participation and that the majority of homes in the proposed service area were outside Cheriton.

Ms. Nunez relayed that Hurt & Proffitt wanted to have a meeting at some time before the end of December with all parties they are working with in their current contract and the PSA to update all parties and determine future courses of action. The desire for the meeting has been discussed during conference calls.

Mr. Panek then gave an update on the status of Cape Charles sewage upgrade. Mr. Hogg asked whether Cape Charles was intending to turn over their sewage plant to the PSA. Mr. Panek stated that the PER as currently written would have CC selling their sewage processing services to the PSA. The entire relationship with PSA has not been decided by CC.

Review of Bylaws

Old Business: Review of Bylaws:

The Board members reviewed the draft bylaws. There was consensus on all items except for the exception in the last sentence of Article VII, Section 7:

Section 7. Manner of Voting. The voting on all questions coming before the Authority shall be by roll call, and the yeas and nays shall be entered upon the minutes of such meeting. All actions taken by the Authority shall require a majority vote of all Board members, except that any sale of real property shall require a 2/3 majority of all Board members.

Mr. Panek voted "no" as he felt the 2/3rds majority related to sale of real property was an unnecessary encumbrance

The Bylaws final version will be presented at the November 16th meeting and voted on at the December meeting. It will then require seven affirmative votes.

Ms. Nunez will be absent at the Nov meeting.

New Business --None on the agenda

Meeting then adjourned. Next mtg. 16 Non 2010, 7PM, County Offices