

**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, April 16, 2013, at 7:00 p.m. in the main conference room of the County Administration Building, 16404 Courthouse Road, Eastville, Virginia.

Members present:

Bob Panek, Chairman
J. T. Holland, Vice Chairman
John Reiter
Sean Ingram
Garrett Dunham
Carl Harris

Members absent:

Felton Sessoms
Zeke Jackson
Henry J. Heneghan, Jr.

Others present:

Janice K. Williams, County Administrator's Office
Katherine H. Nunez, Executive Director and County Administrator
Charles McSwain, Director of Economic Development
Gloria Bradley, citizen
Dorrie Southern, citizen
James H. Blanton, Jr., Commonwealth Engineering & Sales
Bob Moll, E-One Environmental

Call to Order & Establishment of Quorum:

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

Approval of Agenda:

Motion was made by Mr. Harris, seconded by Mr. Holland, that the agenda be approved as presented. All members were present with the exceptions of Mr. Sessoms, Mr. Jackson and Mr. Heneghan and voted "yes." The motion was unanimously passed.

Statements from the Public:

There were no statements from the public.

Election of Officers:

Motion was made by Mr. Reiter, seconded by Mr. Harris, that the following slate of officers be appointed for the coming year:

Bob Panek, Chairman
J. T. Holland, Vice Chairman
Katherine H. Nunez, Secretary and Treasurer

All members were present with the exceptions of Mr. Sessoms, Mr. Jackson and Mr. Heneghan and voted “yes.” The motion was unanimously passed.

Approval of Minutes:

Motion was made by Mr. Holland, seconded by Mr. Harris, that the minutes of the meeting of March 19, 2013 be approved. All members were present with the exceptions of Mr. Sessoms, Mr. Jackson and Mr. Heneghan and voted “yes”. The motion was unanimously passed.

Review of Financial Statements:

No action required.

Report of the Officers – Chairman

Mr. Panek noted that the additional estimate as requested by Supervisor LeMond at the last meeting has been prepared and will be discussed later in the evening.

Report of the Officers – Vice Chairman:

Mr. Holland had no report.

Report of Hospital Committee:

No report.

Report of Northern Node Committee:

No report.

Report of Southern Node Committee:

Ms. Nunez distributed a map and associated financing scenario for a proposed new service area (blue map) as requested by Supervisor LeMond at the last meeting. It covered

commercially- or industrially-zoned properties along U.S. Route 13 from south of the Cape Charles intersection northward to the SunTrust Bank (instead of Business Route 13) as well as the elimination of the Fairview Mobile Home Park. Mr. LeMond's suggested service area decreases the number of properties served from 70+ to 30+, as compared to the original version of the southern commercial district which would equate to a special tax district real estate rate of fifty-six cents per \$100. While Mr. LeMond's option would decrease the total cost of the project, it also decreases the assessed valuation of the base district and results in a seventy-seven cents per \$100 real estate tax rate for service district properties.

Recognizing this issue, Ms. Nunez distributed an alternative scenario (pink map) in which the service district would run along U. S. Route 13 (but not as far north as SunTrust Bank) as well as Business Route 13, to the corporate limits of Cheriton. This version increased the assessed valuation of the district to in excess of \$17 million. Because of the segment eliminated on U.S. Route 13 to SunTrust Bank, the construction cost of this service area should be about the same. While Ms. Nunez had not yet completed the financial model for this alternative, the tax rate for the special tax district would be much closer to the original version of the southern commercial district.

Mr. Holland, speaking as a member of the Economic Development Committee, commented that the committee had reviewed these materials and endorsed the alternative plan (pink map) as well as Option B of the financial spreadsheet which established a funding ratio of 75% [special tax district] and 25% [general tax rate]. The Committee also felt that as future improvements are made and result in increased property valuations, the resulting increased tax revenues should be returned to accelerate retirement of the debt. Mr. Harris, the other member of the Committee, concurred with these recommendations.

Mr. McSwain indicated that he believed funding the southern commercial project entirely through an increase in the general county tax rate would place a significant burden on the taxpayers who would not immediately benefit from the project and would not be a positive public relations move. He noted conversations with several of the affected property owners who were in favor of weighting the ratio toward the Special Tax District based on the fact that their properties are not currently marketable and difficult to develop.

Ms. Nunez reminded the members that there are several residential properties which would be bypassed by this service area and noted that there will have to be future policy discussions in order to determine if they should be included.

Motion was made by Mr. Reiter, seconded by Mr. Ingram, that the PSA:

(A) provide the map (blue) and financing scenario to the Board of Supervisors in accordance with Mr. LeMond's request, with the notation that the service district valuation is lessened, resulting in an increased financial burden on those affected properties; and

(B) recommend the adoption of a special tax district by the Board of Supervisors as outlined in the alternative plan (pink map) and a funding ratio of 75% [special tax district] and 25% [general county tax rate] for funding of the Southern Node Commercial District Project.

All members were present with the exception of Mr. Sessoms, Mr. Jackson and Mr. Heneghan and voted “yes.” The motion was unanimously passed. The referenced maps and funding scenarios are on file in the Office of the County Administrator.

Report of Economic Development Committee:

There was no report.

Old Business: ANPDC and Hurt & Proffitt Estimates for Survey & Analytic Work

The Executive Director indicated that this matter had not been completed.

Presentation: Commonwealth Engineering & Sales

Mr. James H. “Butch” Blanton, Jr., of Commonwealth Engineering & Sales, and Mr. Bob Moll, E-One Environmental, shared with the Authority a powerpoint presentation in regards to the E-One Extreme low pressure wastewater collection system. This technology, invented in the 1960’s, is used in undulating or flat terrain or with rocky soil conditions or high groundwater tables. The advantages include a lower cost of installation, development of marginal lands and protection for existing infrastructure and environmentally-sensitive areas. Over 3,000 of these pumps have been installed in Virginia.

Adjourn:

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

The next meeting of the PSA will be Tuesday, May 21, 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 adjourned at 9:00 p.m.