

**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, September 21, 2010, at 7:00 p.m. in Conference Room #2 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia.

Members present:

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

Members absent:

Carl Harris
Scott R. Walker, Jr.
Felton Sessoms

Others present:

Katherine H. Nunez, County Administrator

Call to Order & Establishment of Quorum:

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

Approval of Minutes:

Mr. Hogg indicated that the minutes of August 24, 2010 did not contain any reference to comments made by the County Administrator concerning Accomack County's contributions over the years to the early Eastern Shore of Virginia Public Service Authority. It has always been Northampton County's position that Accomack County received value for its investment and that we do not recognize any claim from Accomack. Motion was made by Mr. Panek, seconded by Mr. Heneghan, that the minutes of the meeting of August 24, 2010 be approved as amended. All members were present with the exceptions of Mr. Sessoms, Mr. Walker, and Mr. Harris. The motion was unanimously passed.

Report of Officers:

Chairman Meyers reported that he and Mr. Panek had met with Riverside and other associated and nearby entities to discuss water and sewage capacities and needs. These other entities included Rayfield Pharmacy, Community Services Board, Eastern Shore Physicians & Surgeons, Fresenia Medical (dialysis center), and Heritage Hall. Mr. Meyers distributed notes from the August 30th meeting which are on file in the office of the County Administrator. In summary, the meeting was very informative and Riverside indicated that they would like the PSA to help them address what they feel is an obligation to continue to provide long term service to the medical facilities they are currently supporting. Riverside is very desirous of the PSA making a firm commitment to help them solve their service obligation by providing those services as soon as possible. Riverside sewage system is currently in need of help to address the long-term needs of a downscaled Riverside operation and the needs of those that currently depend on their service. It was Mr. Meyers' and Mr. Panek's suggestion that service to the Nassawadox medical facilities, Riverside, and the related separate businesses be the first priority of the PSA and based on a slightly revised system to that proposed by the former PSA earlier in the decade under Artie Miles' guidance. Water supply must be included.

Mr. Gowen questioned whether it was more economical to rehabilitate the existing system rather than construct a new system. He stated his desire to receive some kind of report, even a brief synopsis, from Hurt & Proffit.

Mr. Panek volunteered the visit the hospital again, to tour its existing water and wastewater plant, and to request copies of any existing studies on these systems.

Ms. Nunez reminded the Board that the funding agencies will not let the hospital problem be solved to the exclusion of other communities.

Mr. Panek stated his belief that Riverside, at least in the person of Joe Zager, is committed to making some kind of contribution to "make it happen".

Report of Committees:

The County Administrator distributed the T-Cup Project Management Team Scope as outlined under the planning grants and the PSA's current focus, according to the adopting ordinances.

She reported that at the last T-Cup meeting, Mr. Panek provided a presentation on wastewater rates in general which indicated a range of \$33 - \$65 per month.

Ms. Nunez reported on a meeting held last week with Hurt & Proffit representatives and the Department of Housing & Community Development with the following results:

1. DHCD liked the idea of splitting the northern and southern nodes into two applications;
2. The County has to be the applicant (for CDBG applications);
3. The County is opposed to the \$2.5 million cap under the CDBG program (there currently remains approximately \$1.2 million available for other applications). Ms. Nunez indicated that

an argument was presented to DHCD that each town should be able to apply for its maximum of \$2.5 million and pool all available funds into one project budget. DHCD did not provide an opinion as yet on this argument.

DHCD has ruled that it would be a violation of our planning grant if we just attempted to solve the Nassawadox/Hospital portion of the project; this must be a regional project or the County would have to repay the planning grant funds.

Ms. Nunez reported that preliminary engineering revealed a cost of \$30 million for the northern node and feels that this portion of the project will have to be looked at in a phased fashion.

Mr. Heneghan asked about the possibility of a federal earmark for the project. Mr. Panek responded that first, we must figure out what we want, and then get the appropriate federal agency to support the project. Then the legislators can be asked to push it.

The next PMT meeting is scheduled for October 13th at 7:00 p.m. and will be attended by representatives from DEQ and USDA.

Old Business: Review of Bylaws:

The Board members reviewed the draft bylaws, suggesting modifications that will be prepared by staff and submitted for the Board's review at the next meeting.

Old Business: Update on Legal Counsel:

Ms. Nunez noted that Mr. Slayton's health has improved and he requested a more defined scope of work prior to agreeing to represent the PSA. There is no urgency at this time for legal counsel services.

Old Business: Bayview System:

The County Administrator distributed a copy of the Board of Supervisors' action taken in April 2006 whereby the Board expressed its support for the transfer of the Bayview system to the County. It was noted that the County still does not have authority for operation of the system but once that is achieved, will be able to turn off the water for non-payment.

Adjourn:

Motion was made by Mr. Holland, seconded by Mr. Gowen, that the meeting be adjourned. All members were present with the exception of Mr. Harris, Mr. Walker and Mr. Sessoms and voted "yes." The motion was unanimously passed. The meeting was adjourned at 9:15 p.m. The next meeting of the PSA will be 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.