

**MINUTES OF THE  
EASTERN SHORE OF VIRGINIA  
PUBLIC SERVICE AUTHORITY SUB-COMMITTEE**

A meeting of the Eastern Shore of Virginia Public Service Authority Sub-committee was held on Wednesday, October 29, 2014, at 6:00 p.m. in the main conference room of the County Administration Building, 16404 Courthouse Road, Eastville, Virginia.

Members present:

G. F. Hogg, Jr., representing Board of Supervisors  
Richard L. Hubbard, representing Board of Supervisors  
Sean Ingram, representing the ESV Public Service Authority  
Joan Natali, representing Town of Cape Charles  
Charles “Sambo” Brown, representing Town of Cape Charles

Member Absent:

Bob Panek, representing the ESV Public Service Authority

Others present:

Katherine H. Nunez, County Administrator  
Janice K. Williams, County Administrator’s Office

The meeting was called to order at 6:00 p.m.

Motion was made by Mr. Brown, seconded by Mr. Ingram, that the minutes of the initial meeting of the subcommittee, held on July 29, 2014, be approved as presented. All members were present with the exception of Mr. Panek and voted “yes.” The motion was unanimously passed.

The County Administrator distributed correspondence from the Town of Cape Charles dated October 17, 2014, which contained the Town’s requested items to be included within any agreement for wastewater treatment services. Mr. Brown confirmed that the proposed \$0.015 per gallon fee was specifically the treatment cost alone. The prior cost estimates from the Town were \$0.01187 per gallon (August 2014) and \$0.01215 per gallon (September 2013). He said that the Town would prefer not to perform extra services such as meter reading and that a separate agreement could be drafted for provision of other services. The Sub-committee members agreed that any services other than wastewater treatment, such as meter reading and billing, would be handled through a separate agreement.

Supervisor Hubbard asked if the Town had determined any minimum/maximum volumes. Mr. Brown replied that the Town used the PSA's projections of 15,000 – 20,000 gallons per day, but that there were no minimum flow volumes discussed. The County Administrator said that from a management perspective, there is an odor problem if a minimum volume is not realized.

Supervisor Hubbard asked about the term of the agreement and Mr. Brown suggested either an annual or biennial review of the agreement by the parties.

The County Administrator suggested that the agreement be structured around a base cost per gallon for service (which can be reviewed/recalculated annually based on the Town's operating costs) and a fixed profit. Mr. Hogg questioned whether the profit margin should be a fixed differential or a percentage. Ms. Nunez replied that language will be available for review within the draft agreement.

With regard to a termination clause, it was Ms. Nunez's recommendation that this be three years in order to allow the PSA sufficient time to find another treatment alternative if the Town wishes to opt out of service. It would also provide the Town with ample time if it begins to reach a 70%-80% plateau of service capacity. Ms. Natali commented that that maximum volume today is 250,000 gallons per day but on some holidays, capacity is approaching 200,000 gallons per day.

Supervisor Hogg said that we do not have a significant history of commercial development along Route 13 and suggested that it might be better for the County to use the Bayview system given the 12,000 gallons-per-day flow estimate. He thought that the project should be down-sized to reduce the anticipated project cost of \$3 million.

With regard to maximum flow, Mr. Brown said that the Town has no problem with the projected 60,000 gallons per day estimate and that, as per the Annexation Agreement, the Baycreek Development will be "tapped" to be the first partner to share the cost for any plant expansion. The County Administrator agreed that language could be added to address the situation if daily flows exceed 60,000 gpd.

With regard to the item (g) of the Town's letter, "facility fee", the County Administrator asked for clarification. Mr. Brown replied that this is a connection fee and hoped that both the Town and the PSA could have comparable connection fees. Ms. Natali agreed, indicating that Council did not want the Town's businesses disenfranchised. Mr. Hubbard asked to receive a copy of the Town's fee structure.

Ms. Natali suggested that language be added to the draft agreement that provides for what happens if there is a pre-treatment issue at the point of distribution. Mr. Ingram said that he believed that existing state regulations would address this issue. Concurrence with all sewer use regulations would be part of the agreement.

The last item of the Town's proposal was "Goals" and Ms. Natali indicated that the Town wanted to have "real" input into any new business on Rt. 13, up to and including areas one-mile

distant from the traffic light. Mr. Hubbard responded that he did not see how the Town can determine what is on the highway and that it was the responsibility of individual businesses to stay competitive. Ms. Natali suggested a compromise of a town-edge overlay district and Ms. Nunez informed the Board that such as request was received by the County from the Town this past spring but has not been acted upon due to other work commitments.

No future meeting was scheduled pending development of a draft wastewater treatment services agreement between the PSA and the Town of Cape Charles.

Motion was made by Mr. Ingram, seconded by Mr. Brown, that the meeting be adjourned. All members were present with the exception of Mr. Panek and voted "yes." The motion was unanimously passed. The meeting was adjourned at 7:15 p.m.