

**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, May 15, 2012, at 7:00 p.m. in the main conference room, 16404 Courthouse Road, Eastville, Virginia.

Members present:

Bob Panek, Chairman  
Artie Miles, Vice Chairman  
J. T. Holland  
Henry J. Heneghan, Jr.  
Granville F. Hogg, Jr.  
Joe Stevens  
John Reiter  
Carl Harris

Members absent:

Felton Sessoms

Others present:

Katherine H. Nunez, County Administrator & Executive Director  
Janice K. Williams, County Administrator's Office  
Various members of the commercial interests located at Southern Node

Call to Order & Establishment of Quorum:

The Chairman called the meeting to order and established that a quorum was present. Due to the presence of the crowd, the meeting was recessed to the larger Board Room on the second floor of the County Administration Building. The Chairman then reconvened the meeting there.

Approval of Agenda:

Motion was then made by Mr. Holland, seconded by Mr. Miles, that the agenda be approved. All members were present with the exception of Mr. Sessoms and voted "yes." The motion was unanimously passed.

Statement from the Public:

There were no statements from the public.

Approval of Minutes:

Motion was made by Mr. Harris, seconded by Mr. Heneghan, that the minutes of the meetings of April 17 and 30, 2012 be approved. All members were present with the exception of Mr. Sessoms and voted “yes.” The motion was unanimously passed.

Conduct Public Information Meeting:

The Chairman noted that the main purpose of this evening’s meeting was to provide an update on efforts to date to bring a regional wastewater system to lower Northampton County and more specifically, to determine the needs of the commercial sector as it relates to wastewater. Approximately 65 invitations were issued for commercially zoned properties along and near the Rt. 13 corridor from SunTrust Bank south to Corner Mart. The Chairman presented the following powerpoint presentation for those in attendance:

## Eastern Shore of Virginia Public Service Authority

Meeting of May 15, 2012

## Northern and Southern Node Projects

- Preliminary Engineering Reports done.
- Northern Node - \$11.3M, 421 Equivalent Residential Connections (ERCs), 65/35 grant/loan ratio (\$7.3/\$4.0).
- Southern Node - \$11.9M, 753 ERCs, 71/29 grant loan ratio (\$8.4/\$3.5).
- Both heavily dependent on grants and full customer participation to achieve an affordable service rate. (Presuming maximum user rate of \$42/month)

## Southern Node

- State Water Control Board approved loan only, no grant. The County declined loan but indicated a future request for this project would be submitted for consideration.
- Fairview citizens petitioned to be removed from new service area.
- USDA and DHCD applications put on hold.
- Additional engagement of County areas.
- Residential generally against.
- Significant commercial interest.

## Reexamination of Southern Node Service Area

- Cost analysis of service area options at USDA minimum rate with **100%** hook up:

	Capital Cost	ERC	Cost/ERC	Grant/Loan	Annual D/S	Annual O&M	Rate
PER	\$11.9M	753	\$15K	71/29	\$228K	\$177K	\$42
w/o Fairview	\$10.8M	597	\$18K	86/14	\$125K	\$161K	\$42
Cheriton	\$7.5M	341	\$22K	82/18	\$ 88K	\$ 84K	\$42

## Southern Node Status

- Met with Federal and State funding agencies in March, primarily on approach to Northern Node.
- Agencies indicated they could consider only one major project in Northampton.
- PSA advised BOS that original Southern Node concept would be put on hold.
- Instead, pursue a first phase focusing on commercial properties near US 13/SR 184.

## Concept

- Service Area – Fairview Mobile Home Park, west to US 13 (Corner Mart), then north to Sun Trust Bank. Sewage sent to CC WWTP via SR 184, Parsons Cir, Old Cape Charles Rd.
- Preliminary cost estimate of \$1.5M-\$2M.
- Private capital and/or debt service commitment needed to cover most of cost.
- Some public funding possible; likely small.

## Concept

- Share of capital cost for initial participants could be based on wastewater flow, size of property, or some combination.
- Connection charge for future participants.
- Monthly service fee to be negotiated with Cape Charles. Current commercial rates:

\$32.05	0-2,000 gallons
3.90/1,000	2,001-10,000
5.85/1,000	10,001-15,000
7.80/1,000	over 15,000

The Chairman answered questions from audience members including:

- (1) Has the idea of special tax districts been discussed with the Board? This concept has been discussed internally. The PSA itself does not have the authority to impose such districts.
- (2) How would the funding work? Executed user agreements would have to be in place prior to issuing any bonds.
- (3) What is the timeline for construction? A year to 1.5 years once funding is secured and permit approvals are received.

The Chairman informed the group that a clear expression of interest is needed as well as some estimate of current flow volumes from existing commercial properties.

Mr. Heneghan wondered if the need for a public drinking water supply existed as well. The audience indicated that this was a future need.

One of the audience members also pointed out that once connection is made to public sewer, it opens up the possibility for reuse of lands formerly dedicated to drainfields.

The Chairman indicated that a follow-up mailing will be made with additional information on the proposed project and solicitations of interest as far as preferences for service district creation vs. a simple bond acquisition (county-wide debt).

It was the consensus of the group that the PSA should continue its investigations along these lines for public sewer as well as water in this area of the County.

#### Water Supply – Webster Property:

Mr. Holland briefed the PSA on a meeting held with the Baldwin Group, two members of the Board of Supervisors and Chairman Panek. That group is looking into the possibility of tying in a water system at the Webster property. The committee is currently waiting on additional information requested from the Baldwin Group.

#### Adjourn:

Motion was made by Mr. Holland, seconded by Mr. Heneghan, that the meeting be adjourned. All members were present with the exception of Mr. Sessoms and voted “yes.” The motion was unanimously passed. The next meeting is Tuesday, June 19, 2012, 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 8:00 p.m.