

**MINUTES OF THE
PUBLIC SERVICE AUTHORITY
EXPLORATORY COMMITTEE**

The initial meeting of the Public Service Authority Exploratory Committee was held on Wednesday, February 17, 2010, at 7:00 p.m. in the Conference Room of the Department of Social Services, Eastville, Virginia.

Members present:

Willie C. Randall, Board of Supervisors
Estelle Murphy, Town of Nassawadox
Ed Gibb, Town of Nassawadox
Norma Spencer, Town of Cheriton
Larry LeMond, Town of Cheriton
Artie Miles, Town of Exmore
Billy Moore, Town of Exmore
Bob Panek, Town of Cape Charles
Chris Bannon, Town of Cape Charles

Member absent:

Samuel J. Long, Jr., Board of Supervisors

Others present:

Katherine H. Nunez, County Administrator
Eldon James, consultant
Sue Rowland, consultant
John Warwick, consultant
Mike Ward, legal counsel, Town of Cheriton
John Metz, Town of Exmore
David Scanlan, Town of Exmore

Following introductions of all those present, Mr. James, Ms. Rowland, and Mr. Warwick, serving as facilitators, led the group in a discussion of existing facts as set out below:

Exmore:	Need to stop hemorrhage with current wastewater system; high water table; need to enlarge system and take in more users simultaneously
Cape Charles:	Building a new plant but current utilization is only one-half of that; costs too high
Cheriton:	No infrastructure currently but feels that the Town needs it; some

failing systems and need for economic development; high water table

Nassawadox: Keep hospital, with its failing system, in town

Northampton: Economic development; need to build infrastructure to bring businesses and improve quality of life; need to keep hospital in the County

Mr. Warwick indicated that there is a short period of time to do everything necessary in order to receive the Rural Development grant/loan funds for this construction project and that the granting agencies have already indicated that it must be a regional approach.

Ms. Nunez presented a timeline she had developed relative to this process.

<u>Proposed Date</u>	<u>Actual Date</u>	<u>Item of Action</u>
Dec. 2009 – Jan. 2010 Jan. 31, 2010 Feb. 1, 2010	Jan. 2010	Submit 2 DHCD Planning Grant Requests Receive DHCD Planning Grants Advertise for engineering/community outreach/ Grant administration services
Feb. 23 – March 3, 2010		Receive/review/recommend bid award for Engineering services
March 9, 2010 Mar-June 2010		North. BOS award contract for engineering svcs. Engineering Firm: Preliminary Engineering Rpt Environmental Review Record Income Surveys Community Meetings
June 2010		BOS/Town Councils: resolutions to submit Construction application to USDA
July 15, 2010 * (*not later than)		Submit USDA Construction Application Packet(s)
Sept. 30, 2010 (Drop Dead Date)		Execute USDA Grant/Loan Documents to secure ARRA Funds

{February 23 – July 15, 2010 represents the timeframe to decide what entity is the applicant}

The facilitators next led the group in the identification of “Issues” as set out below:

LMI (Low to Moderate Income) as a key component – how are we going to succeed in meeting this requirement?

Exmore is already below the MHI (median household income) – how does this relate to LMI?

Capacity for the 2 regions; enough customers to support the system now and in the future?

How to sell the project to those on fixed incomes?

Much misinformation about rates/cost of project/cost of connections

Confiscation of property rights

Collective issues of drinking water
Education: choice/mandatory; what will grant pay for?
Affordability
Equality among entities
Scope of PSA; separate water and wastewater?
Financial investments made by the parties; how to combine under one umbrella
How to resolve the water needs of economic development?
Hook-up costs for families?
What happens to existing infrastructure?
Participation without paying hook-up fees or not requiring hook-up fees upfront?
Synchronization of County/Town; how best to work through differences?
Will this hit LMI families?
Geography and infrastructure – impact on connecting fee
Economic feasibility
Renewable energy resources
Towns need to feel a part of the project (equal partners)
Appropriate means of divesting of town infrastructure & staff
How will staffing be handled as well as operational resources?
Who gives seed money for operational resources?
How to get all decision-makers to recognize importance of this decision?
How will monthly bills be set (equitable PSA-wide)?
How long between grant receipt and starting?
How to handle blending of debt and operational costs for each existing system and/or conveying ownership of such?
If we don't get the infrastructure, how to provide economic sustainability?

As the next step, the facilitators encouraged the group to start collecting and sorting the various issues/themes noted above and to rank them in importance. The first issue which should be decided is the governance structure; i.e., the structure of the PSA. The next issue to be addressed should be the review and amendment of the existing PSA Articles of Incorporation and Bylaws, which were distributed to the membership.

The next meeting was set for 7:00 p.m., Thursday, February 25, 2010, in the Conference Room of the Department of Social Services, Eastville, Virginia.