

June 3, 2011

At a special meeting of the Board of Supervisors of Prince Edward County, held at the South Street Conference Center, 124 North South Street, First Floor, Farmville, VA, on Friday, the 3<sup>rd</sup> day of June, 2011; at 11:00 a.m., there were present:

William G. Fore, Jr.	Mayor Sydnor Newman, Jr.
Robert M. Jones	Dr. Edward I. Gordon
Howard M. Campbell	Donald L. Hunter
Charles W. McKay	Otto S. Overton
Howard F. Simpson	Thomas B. Pairet
Jim R. Wilck	A. D. "Chuckie" Reid
Mattie P. Wiley	David E. Whitus
Don C. Gantt, Jr.	

Absent: Sally B. Thompson

Also present: Wade Bartlett, County Administrator; Gerald J. Spates, Farmville Town Manager; Sarah E. Puckett, Assistant County Administrator.

Chairman Fore and Mayor Newman called the governing bodies to order at 11:03 a.m.

Chairman Fore read a draft statement regarding the matter of public water; he stated the Board of Supervisors and Farmville Town Council could approve this concept and further exploration of the concept.

*After several months of discussion, Prince Edward County and the Town of Farmville are pleased to announce today that they will be jointly exploring the feasibility of combining the current utility infrastructure of each jurisdiction into a regional water and sewer authority. This plan would include both water and sewer systems to include the treatment plants and all water distribution and sewer collection systems.*

*The major concept of this plan would have the Town and County join a Water and Sewer Authority. The County and Town would each convey its respective existing infrastructure to the Authority. If it is decided to move forward, the details of these conveyances would then be finalized by the governing bodies. It is envisioned the Authority would issue revenue bonds to purchase the existing infrastructure from the Town and County. All current customers of the County and Town would become customers of the Authority. The revenues currently generated by those customers would be used to pay the debt service. The debt will be structured so as not to require rate increases for current*

*Town utility customers or a tax increase for County or Town residents. This conversion should be transparent to the existing customer base.*

*Initially, Gerald J. Spates would serve as the General Manager of the Authority, and W.W. Bartlett would serve as the Assistant General Manager/Finance Director. The Town's current Department of Public Works employees would continue to provide the operations and maintenance on the water and sewer infrastructure. The Authority would be charged for labor expenses based on material costs and actual time worked for the Authority. This is the same process the Town currently uses to charge expenses to their water and sewer funds. In the future, as Town employees are replaced due to resignations, retirements or expansion, new employees would be hired by the Authority and be employees of the Authority. The Town would perform the billing and collection tasks for the Authority and serve as the fiscal agent until such time as the Authority chooses to perform those tasks.*

*The Authority would be a nine member board. Six members, who live outside the Town, would be appointed by the Board of Supervisors. Three members, who are Town residents, would be appointed by Town Council. The eventual goal is to have citizen appointees to serve as board members of the Authority. Such an arrangement would allow the Authority to operate in a businesslike manner and remove the politics from decisions regarding the utility infrastructure. This model is used effectively in many communities across Virginia.*

*The conveyance of the use of water from the Sandy River Reservoir by the Authority will be decided through future negotiations with the Authority. The Board of Supervisors, as owner of the Sandy River Reservoir, in conjunction with the Authority, will continue to explore solutions for solving the communities' long term water supply issue. Combining the Town and County utilities into one entity is an important first step towards enabling the Prince Edward-Farmville Community to determine the most cost effective solution to solving the long-term water supply issue without regard to political boundaries, service areas, or current customer base. The Authority would also continue to explore the inclusion of Hampden-Sydney College and surrounding towns and counties.*

*This plan accomplishes four main goals:*

- 1) Allows the Town to access the equity value of its current infrastructure;*
- 2) Creates a partnership between the County and Town, which will allow a cohesive and orderly decision making process on the maintenance and expansion of the water and sewer infrastructure which is vital for community economic development;*
- 3) Transitions decision-making from a political to a business environment; and*

- 4) *Creates a Regional Authority which positions our region to successfully compete for state and federal grants and low interest loans to assist with the upgrade and expansion of the infrastructure, thus lessening the burden on the customers.*

*The intent of this announcement is to invite public input from the citizens of the Town of Farmville and Prince Edward County regarding this concept. All of the details are still to be determined through negotiations between the Prince Edward County Board of Supervisors and the Farmville Town Council. If it is determined this is a concept supported by the citizens and the two governing bodies, the steps required to implement this concept will be developed.*

(Dr. Gordon arrived at this time.)

Chairman Fore stated there is much work to be done if the County and Town of Farmville decide to proceed with this option.

Supervisor Gantt questioned the possibility of a rate increase for the current water customers. Mr. Spates stated they have looked at the probability of rate increases in January (2012) as they have not increased rates to keep up with the costs of electricity, fuel, the costs to produce the water, and the new requirements from the Health Department. He said the current bi-monthly charge is about equal to what others charge per month.

Dr. Gordon said the rates are currently in the bottom two-thirds of comparable areas.

Supervisor Gantt then questioned possible changes in rates to the customers outside the Town limits. Mr. Spates stated there would be no change to availability or hookup fees. Discussion followed.

Dr. Gordon made a motion, seconded by Mr. Overton, to move forward with the proposed concept; Council unanimously supported continuing negotiations with Prince Edward County in the creation of a Water and Sewer Authority as outlined in the statement read by Board of Supervisors Chairman Fore.

Supervisor Gantt made a motion to move forward with the negotiations to combine the current utility infrastructure of each jurisdiction into a regional water and sewer authority; the motion carried unanimously:

Aye:	Howard M. Campbell	Nay: None
	William G. Fore, Jr.	
	Don C. Gantt	
	Robert M. Jones	
	Charles W. McKay	
	Howard F. Simpson	
	Jim R. Wilck	
	Mattie P. Wiley	

Supervisor Wilck asked about the amount of bonds necessary. Mr. Spates stated that is an unknown; he said the value of the existing system must be determined. Discussion followed.

Supervisor Wilck then questioned the nine member board being comprised of six members from the County and three members from the Town. Chairman Fore stated it is based on the population, with two-thirds being in the County and one-third in the Town; Mr. Spates added it is the same ratio used for the library.

Supervisor Wilck asked how much the County will pay into the improvements; Chairman Fore stated it will be done by the Authority. Mr. Spates said the Authority would have responsibility for the costs. He said in the past, grant funding was denied because the rates were “too low” and the rates could be raised to cover the costs. In this way, the Authority may be able to secure more grant funding.

Chairman Fore stated this concept leaves many unanswered questions and it will take some time to work through them. He asked for public input, and stated the citizens can send email, attend Board meetings, and call their Board representatives.

Mr. Spates stated as the project moves along, public meetings will be held. Mr. Donald Hunter stated there is an openness and willingness to work together, and keeping the open door will allow the public to submit some ideas, and this is the way to make sure everyone is involved.

A citizen questioned the projected time frame. Mr. Bartlett stated it will take months; reviews must be done on the value of existing structures. In addition, it will take time for engineering reviews of how best to combine the existing systems, how best to secure the long-term water supply for the whole community, and the bonding process alone takes approximately two months. He said there are time specifications set out in the State Code for the creation of an Authority or the joining of an Authority.

A citizen questioned the continuation of the PPEA. Chairman Fore stated the County may work through the Interim Agreement. The Board of Supervisors needs to make that decision.

Another citizen questioned the timetable of the project and how citizens will be notified. Mr. Spates said one of the biggest issues at the meetings was that the public wanted the Town of Farmville and Prince Edward County to work together; when enough information is gathered, it will be made public. Mr. Bartlett stated the objective today was to get this concept to the public; there is a lot of work to be done, from the legal and engineering standpoint. This is a brand new concept, and the elected officials need input from the citizens. Once the governing

bodies make the decision to move forward, work will begin on getting the answers to the different details involved. There is no timetable right now, but one will be developed.

Dr. Gordon questioned the Authority; Mr. Bartlett stated the County created an Authority in 2008, the Virginia's Heartland Water and Sewer Authority, which was always intended to be a regional authority. The Town could join that authority as it's already established or a new one could be created.

On motion by Mr. Hunter, seconded by Mr. Reid and with all Council members voting "aye", the Farmville Town Council adjourned at 11:35.

On motion of Supervisor Wilck and adopted by the following vote:

Aye:	Howard M. Campbell	Nay: None
	William G. Fore, Jr.	
	Don C. Gantt	
	Robert M. Jones	
	Charles W. McKay	
	Howard F. Simpson	
	Jim R. Wilck	
	Mattie P. Wiley	

the meeting was adjourned at 11:36 a.m.