



TOWN COUNCIL

Work Session

Town Hall

July 23, 2009

6:00 p.m.

At approximately 6:00 p.m. at the Town Hall, Vice Mayor Chris Bannon called to order the Work Session of Town Council. In addition to Vice Mayor Bannon, present were Councilmen Bennett, Burdiss and Veber. Councilman Elliott arrived at 6:12 p.m. Mayor Sullivan and Councilman Evans were not in attendance. Also present were Interim Town Manager Heather Arcos, Town Consultant Bob Panek, Public Works / Utilities Director Dave Fauber, Treasurer JoAnna Leatherwood and Town Clerk Libby Hume as well as three (3) members of the public.

Vice Mayor Bannon announced the business for the evening would be to discuss the connection fee pre-payment plan and the feasibility of offering an installment plan.

Town Consultant Bob Panek lead the discussion with a presentation regarding the increase in connection charges from \$10K to \$20K originally to be effective July 1, 2009 and subsequently deferred to October 1, 2009 so the Council could study the feasibility of offering an installment payment plan for citizens and businesses that may be interested in pre-paying for a connection(s).

Currently, there are approximately 700 undeveloped lots without connections to water and wastewater. Bob Panek stated that at the Town's current capacity for water and wastewater, the Virginia Department of Health (VDH) probably would not approve any new subdivisions in the Town. There was much discussion regarding the capacity of the Town's water and wastewater plants and the probability that the Town would have to expand the current capacity of both plants if the pre-payment plan was a success and hundreds of additional connections were purchased. There was also much discussion regarding the proposed plans for the Harbor Development Group, Cape Harbor and South Port and the effect those new developments would have on the expansions of the water and wastewater plants. There was also some discussion regarding adding Cheriton and Bayview to the Town's wastewater system. Public Works / Utilities Director Dave Fauber added that Bayview already has a collection system in place.

The Council reviewed several scenarios regarding installment plan options and there was much concern regarding the consequences if a connection purchaser were to default on the payments or file bankruptcy. There was also some discussion regarding the transfer of property from the original connection purchaser to another party. Another option that was discussed was the possibility of assessing a monthly Availability Fee to those properties that have not purchased a connection. Councilman Elliott stated that several properties in Town that have a hook-up but not actually connected currently are charged the minimum amounts on a monthly basis.

After further discussion, Bob Panek asked the individual Councilmen to give their opinions regarding the following: i) the pre-payment plan; ii) an installment plan; iii) inclusion of areas

outside of the Town limits; and iv) an Availability Fee assessment. The general consensus was as follows: i) Yes, the Town should offer a pre-payment plan through September 30, 2009; ii) No, the Town should not offer an installment plan since there are too many legalities involved; iii) No, at this time, the Town should not invite outside areas to connect to the Town's systems unless the other towns would pay for the piping and infrastructure, etc.; and iv) Yes, the Town should assess an Availability Fee for all buildable, undeveloped lots in Town.

Motion made by Councilman Burdiss, seconded by Councilman Bennett and unanimously approved to adjourn the Town Council Work Session.

Vice Mayor Bannon

Town Clerk