

A SPECIAL MEETING OF THE NEW KENT COUNTY BOARD OF SUPERVISORS WAS HELD ON THE 10TH DAY OF SEPTEMBER IN THE YEAR TWO THOUSAND EIGHT OF OUR LORD IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING IN NEW KENT, VIRGINIA, AT 4:00 P.M.

IN RE: ROLL CALL

Thomas W. Evelyn	Absent (arrived at 4:25 p.m.)
David M. Sparks	Absent
James H. Burrell	Present
Stran L. Trout	Present
W. R. Davis, Jr.	Present

Chairman Burrell called the meeting to order. County Administrator John Budesky reviewed the Agenda.

He commented that as New Kent was moving forward to meet State-imposed deadlines, staff wanted to make sure that there was a general consensus from the Board on suggested changes from the original strategy when the utility project began. He reviewed that Phase I of the project, from Bottoms Bridge to the Chickahominy Wastewater Treatment Plant (CWWTP), had been completed, and Phase II, from CWWTP to the Parham Landing Wastewater Treatment Plant (Parham) was almost completed. He recounted that the next phase involved expansion of the Parham plant to 3 million gallons and closing of the CWWTP, and had been included in the original pro forma. He spoke about the County being under a Consent Order with the Department of Environmental Quality (DEQ) regarding the CWWTP.

Mr. Budesky advised that the agenda would incorporate discussions on a suggested deviation in the next phase of the utility plan, groundwater challenges, potable water and irrigation demands, and staff was looking for general direction from the Board. He indicated that further borrowing for utilities would not take place until next calendar year, and that it was important to be sure that things were "on the right track" and that the Board was comfortable with a change in plans.

He added that it was also important to understand the current status of the utility system and the plan that was put in place several years prior.

IN RE: UTILITY SYSTEM – FINANCIAL CONDITION

Ted Cole from Davenport and Company briefed the Board on the utility model that was started years ago, and had been continuously reviewed with staff as to how revenues were tracking, how build-out was occurring and who was connecting at what pace. He noted that the initial borrowing was primarily for the utility system in Bottoms Bridge. He commented that in light of the significant amount of capital invested, the fact that it was a growing system and in terms of a pending customer base was dependent upon connection fees, they were very careful along the way to make sure that there was a high level of comfort with the build-out assumptions. He reported that they continued to take a hard look at build-out assumptions and would continue to do that to make sure the model was realistic.

He reported that the purpose of his report was to update the Board on the financial standing of the water and sewer system; provide the Board with current estimates on the required future capital needs of the system, based on three different scenarios; and develop an

updated capital funding plan that would facilitate the completion of the utility system design and construction.

He advised that the County previously had a series of estimates of all phases, and had borrowed \$18 million and expected a future borrowing of about \$26 million. He reported that estimates had since become bids and that they were at a point where they were better able to determine how much additional funding would be needed, and it had been estimated that the County would need only another \$10 million, as opposed to \$26 million, to put the remaining facilities in place. He indicated that if the Board decided not to support the reclaimed water project, then that future borrowing figure would drop to around \$3 million.

Mr. Davis suggested that they were "putting the cart before the horse" because the Board had not yet made a decision on the reclaimed water project. Mr. Cole clarified that he was not recommending for or against the proposal, but wanted to clarify that if the Board did not support the project, then the County would only need another \$3 million to complete the utilities project.

Mr. Cole presented a scenario titled "Case 1" which was based on completion of Bottoms Bridge utilities at \$3.8 million; Phase II design completion at \$2.6 million; Courthouse Area completion at \$6.5 million; Phase II Construction (force main) completion \$6.5 million; and Phase II Construction Parham Plant expansion at \$6.5 million, for total original assumed borrowing of \$25.9 million.

He reviewed scenarios, "Cases 2 and 3", which were developed on revised estimates of \$25 million for the Parham Landing Wastewater Treatment Plant at 2 mgd; a reclaimed water force main at \$6.6 million; completion of the Courthouse system at \$475,000; completion of the Parham force main at \$181,000; Chickahominy pump station completion at \$263,000; and Whitehouse Farms well replacement at \$200,000, for total anticipated expenditures of \$32,889,939, less funds available of \$22,960,557 (which were primarily funds from the Farms of New Kent Community Development Authority to be spent on infrastructure), for a total updated borrowing amount for Case 2 of \$9,929,382, or without the reclaimed water force main project estimated at \$6,688,608, an updated borrowing for Case 3 of \$3,240,774.

It was computed that it would take around 833 connections to generate \$9.9 million.

Mr. Cole emphasized that because connection and availability fees were a significant component of the revenues from the utility system, they continued to be conservative in their estimates.

He added that staff and consultants would review with the Board later in the meeting the rationale behind reducing the Parham Plant expansion from 3mgd to 2mgd.

Mr. Trout asked about revenue that might be collected from a reclaimed water program. Mr. Cole indicated that had been discussed but for the time being, they had not made any assumptions on what sort of revenue might be derived from the sale of reclaimed water.

Mr. Cole advised that with Case 1, the (original) project amount of \$25.9 million additional borrowing was anticipated to be issued mid FY09, capitalizing interest the first two years, with a fully-funded debt service reserve fund, and continuing an increase of 8% per year in all utility rates and fees.

He acknowledged that it had always been critical to the Board that the utility system was entirely self-supported and not funded from general fund tax revenue. He emphasized that every time they reviewed the model, they had reduced the number of anticipated connections.

Mr. Cole advised that currently, the County knew how much cash it had and had a better sense of what would be needed to complete the system and under Case 2, would only need about \$10 million in additional borrowing. He advised that this scenario would include a project amount financing of \$9.9 million to be issued in the summer of 2009 (FY10) with capitalized interest the first two years, a fully-funded debt service reserve fund, and continued annual rate increases of 8%. He noted that under this scenario, the cash flow operations of the system became much better and there was more flexibility regarding increases in rates and fees.

In summary, he confirmed that the County's utility system was continuing to operate in a self-supporting manner with no general fund or tax support being provided, and that its actual operating results were in line with budget projections; that the net borrowing needs were declining and able to be delayed as cash reserves were being spent slower than projections (resulting in increased interest earnings); that the County was in complete compliance with its Revenue Bond Covenants; and if the trend continued, the County might be able to reduce the 8% annual increase scheduled for rates and fees.

Mr. Cole reported that the next steps would be to continue to update and refine the Utility financial pro forma as necessary, and Davenport would continue to meet periodically with staff; to update the actual financial results as that information became available (CIP items, costs); to revisit build-out assumptions (look at economy and market, make sure not over-reliant on connections); to monitor the spend-out of system cash reserves so as to better schedule any required utility borrowings (continue to watch how long the current cash might last to determine how much and when additional borrowing will be needed); and to develop a detailed plan of finance and a financing schedule. He added that at this point, the assumption would be that the County would need to borrow some amount of money in the summer of 2009, predicated on how fast the \$23 million was spent, adding that he would be surprised if the borrowing was any sooner than 10 – 12 months from now.

Mr. Trout asked about interest rates. Mr. Cole indicated that there was no way to predict what interest rates might be, but added that if the County borrowed funds now at 4.5%, it could invest those funds at 2% and would have to bear the cost to carry it. He advised that the longer the County could delay borrowing, the better.

Mr. Trout commented that only hook-up fees were being collected from Patriot's Landing because of the ad valorem tax, and asked if all of the lots in Brickshire were prepaid. Utilities Director Larry Dame indicated that some sections in Brickshire were prepaid and others were not, and that he continued to be "pleasantly surprised" at the amount of connection fees that were being collected.

IN RE: GROUNDWATER WITHDRAWAL PERMITS

Public Utilities Director Larry Dame and Community Development Director George Homewood briefed the Board on the pending groundwater withdrawal permits.

Mr. Dame indicated that of the twelve water systems in the County, ten of them had a permit in some form. He reported that permits were received for Woods Edge, Quinton Park, Quinton Estates and the Courthouse area, and five others were at various stages of

review. He noted that the permit for the system at Kenwood-Greenwood was under review and no problems were expected. He advised that the permit for Bottoms Bridge was in modeling and awaiting comments from the Department of Environmental Quality (DEQ), and the permit for The Colonies was also in modeling. He indicated that the renewal application for the Route 33 permit had been submitted, and DEQ comments had been received and responded to. Regarding the permit for Colonial Downs (includes the I-64 Rest Area), he advised that they were addressing comments from DEQ. He indicated that an application for a permit for Whitehouse Farms was necessitated because of an increase in usage by that system but no problems were anticipated. He reported that the permit for the Farms of New Kent had gone to modeling.

Mr. Dame indicated that neither the Minitree Glen nor the Sherwood Estates systems required permits, but that the usage was up at Minitree Glen. He added that they felt that increase may have resulted from a leak that was now repaired and they would continue to monitor the situation.

He advised that the fact that New Kent was in the groundwater management area was having an effect on the County's permitting process with DEQ. He indicated that the permitting process used to be fairly fast, but that currently there was much more scrutiny on allocation and justifications, and the State was asking the County to reduce usage through conservation and was "pushing hard" to eliminate usage for irrigation.

Mr. Davis asked what would happen in those developments where homeowners association (HOA) covenants required irrigation. County Attorney Jeff Summers indicated that most of those documents required irrigation systems to be in place but not that they be used. He added that most had guidelines that prohibited dead grass, but even with that, almost all documents of large associations had government regulations clauses that provided that if the law changed, the regulations changed, and then the regulations overruled the HOA guidelines.

Mr. Dame indicated that issue had been discussed and explained and although DEQ had not said "no", they had asked the County to develop a water conservation management plan and advised that they did not want to see irrigation in future developments. He added that they had discussed Farms of New Kent, who might receive a small finite amount of water for irrigation but not what they had asked for. He advised that one of the things DEQ had requested was that the County restrict private wells in public water service areas.

Mr. Burrell mentioned the water saving devices that are required in the Building Codes.

Mr. Dame explained that DEQ was setting a lot more conditions than in the past, and he explained that they were asking for individual conservation plans with each permit. He indicated that they were encouraging the County to monitor private well use on private property, and that he continued to explain to the State how difficult that would be.

Mr. Davis asked what they were doing with private systems, like the one in Woodhaven Shores. Mr. Dame advised that DEQ would prefer that they be taken over by the County, but they were requiring the private systems to meter and provide water accountability.

Mr. Dame reported that permits were now taking anywhere from 18 months to two years to obtain, and that as long as one was in the application process and negotiating with DEQ, expiration dates were not a concern.

Mr. Budesky advised that he felt that everyone was concerned that at some point, one of the water sources was going to go dry, and that was the reason for all of the caution. He added that some of the County's businesses depended on irrigation, and if it came to the point where they were unable to get water, then it would be of concern to the County. Mr. Dame commented that he felt that a lot of the concern resulted from a survey model that showed much more stress on the aquifer than anyone thought, and that there were fines and consent orders that could result, but that as long as a locality was working with DEQ, then that should not happen.

Mr. Davis asked if it made a difference which permit writer was assigned. Mr. Dame indicated that it did not and that was an assignment that was made by DEQ and not subject to request.

Mr. Trout asked if DEQ was allowing small irrigation wells. Mr. Dame advised that there had been a change in policy in the last 12 to 18 months and that they are no longer allowed. Mr. Budesky indicated that would require a change in the County's policy.

Mr. Davis asked how this would affect developers. Mr. Homewood explained that the County could no longer assume that water would be available and that will result in a huge paradigm shift in the way things were done. He stated that DEQ definitely had a preference in terms of allocating water to residents of the Commonwealth and had told staff many times that they were not in the economic development business, but in the resident protection business and that human consumption was a higher order than commercial development. Mr. Homewood advised that DEQ was adamant that it would not be permitting speculative development; unfortunately, the County cannot guarantee what will develop or predict the market.

Mr. Davis asked what would happen if Henrico Jail East wanted to expand. Mr. Dame advised that it would be considered commercial in nature.

Mr. Budesky indicated that they were looking at it on an allocation basis and the modeler commented to staff something to the effect that if the Governor thought a project was important enough, it would get the water. Mr. Davis suggested that maybe the County should be talking to the Governor's office rather than working through DEQ. Staff indicated that it might get to that point, but it would be advantageous to have worked through the system and met all of the requirements, and then if the County still wasn't getting its permits, then may have to look for help elsewhere, including the Governor's Office.

There was discussion regarding the speed with which the permit for the Courthouse area was issued. Staff admitted that was unusual and felt that it was due to the fact that the area was small and involved school and government buildings.

Mr. Budesky pointed out that the length of the County impacted the issuing of permits, noting that unused allocations at the western end of the County could not be shifted to a system at the eastern end.

Mr. Homewood voiced his concerns about the County's ordinance that required that developments with 25 or more lots were required to put in a community water system to be turned over to the County; that all development designated to be in the utility service area in the Comprehensive Plan must be connected to public utilities; and that building permits would not be issued if any public infrastructure required was not available. He noted that if water was not available, then building permits could not be issued for lots, and that was a big issue. He added that a larger issue was that DEQ permits were tied to zoning and land

– they wanted to see zoning and lots, and in the past, the County would not approve a rezoning if there was no water, resulting in a “Catch 22”.

Mr. Budesky advised that was critical for development in Bottoms Bridge, Route 106 and Route 33, and that DEQ was looking at zoning and not future classifications in the Comprehensive Plan. Mr. Homewood expressed his concerns that if there was zoned land, it would be possible that the County could not prevent it from being subdivided if it met the requirements, even if water was not available.

Mr. Summers advised that the property might be able to be subdivided, but the County could block the building permits. Mr. Homewood advised that would raise the possibility of the land being subdivided and then sold to unsuspecting citizens who might not be able to get a building permit, and then blame the County. He indicated that if the plat were marked with that warning, it might affect a homeowner’s ability to get financing.

Mr. Budesky reminded that the County was still in the process of working with DEQ on the various permits and was hopeful to receive some allocation to meet the water needs, but it was important to keep in mind that the solution for future water sources would be something other than groundwater and that DEQ had recommended that the County look at a water supply plan. Mr. Dame advised that the County’s consultants had begun work on a plan that would consider all options, including the possibility of purchasing water from surrounding localities and some allocation from Newport News Waterworks.

There was some discussion regarding the water in New Kent reservoirs that belonged to Newport News Waterworks.

Mr. Budesky indicated that the County might be in a position where it would get permits for a limited time until it could locate other water sources. He reminded that the County had an obligation to those in the Bottoms Bridge Service Area and to some developers, and there were implications of not meeting those commitments. He indicated that New Kent was facing an uphill battle with a State agency regulating a resource that the County had no control over. He emphasized that New Kent needed to identify its destiny and how it was going to control it.

He advised that staff had submitted all of the necessary paperwork for the permits and would continue to work with DEQ to meet the immediate needs, but would be bringing a long-term solution to the Board for consideration in the future.

Mr. Trout asked if DEQ had proposed any solutions. Mr. Dame advised that there were other solutions but cost-effectiveness was the bottom line. Mr. Budesky indicated that there may be a multitude of solutions for different areas but there would be no single simple solution.

Mr. Burrell commented that not having water would certainly affect development and serve to deter urbanization. Mr. Budesky indicated that the Comprehensive Plan was designed to manage growth, but not having water was doing so.

Mr. Davis asked if DEQ would monitor the use of developments with 24 homes or less, or single wells. Mr. Dame advised that they were not currently doing so but had suggested that the County should, which he had discouraged. It was pointed out that it would not make sense that the Health Department, and not the County, issued permits and controlled private wells. There was discussion regarding the disconnect between the Health Department and DEQ.

Mr. Trout asked what DEQ was doing about the paper mills using potable water in their processes. Mr. Budesky advised that DEQ had encouraged New Kent to take on the paper mills on its behalf.

Staff reported that they did not believe that DEQ would give New Kent any additional allocation if it proceeded with a reclaimed water process. It was also pointed out that DEQ would not disclose what would be approved, and that the County had to keep submitting until DEQ felt comfortable.

IN RE: UPGRADE OF PARHAM TREATMENT PLANT & RECLAIMED WATER

Assistant County Administrator Bill Whitley briefed the Board on the development of a plan to use reclaimed water from the Parham Landing Sewage Treatment Plant for specific purposes in the community. He advised that the concept under consideration was to close the Chickahominy plant to treatment and to treat all of the sewage at the Parham facility, and then pump the treated water to the Chickahominy plant area for storage, to sell to specific customers at a rate to be set by the Board. He reported on preliminary discussions with Colonial Downs, Brickshire and Royal New Kent about being future customers for the reclaimed water for irrigation uses.

Mr. Whitley advised that staff supported the concept for several reasons, the first of which was the need to reduce the use of groundwater. He reported that the Virginia Ground Water Withdrawal Act of 1992 regulated withdrawals in the Eastern Virginia Ground Water Withdrawal Area because of the concern about the quantity available for potable uses in the future, and he cited the difficulties being faced in new and renewing withdrawal permits. He spoke about the lack of water for non-potable uses, such as irrigation. He indicated that the development of a reclaimed water project would preserve valuable groundwater for the future, and would provide irrigation water for three important business partners in the community, solving a serious problem for them, with the probability that other businesses and perhaps residences might be able to use this resource in future years.

He reminded that the Chickahominy Sewage Treatment Plant was under-designed, could not meet current requirements for discharge into its receiving stream, was under Consent Order, and needed to be closed, and the plan being proposed would allow for that. He added that the current permit would expire in 2010 and predicted that it would be extremely difficult to receive a new permit from DEQ because of the discharge problems.

He explained that by developing a reclaimed water option, the County would be saving valuable groundwater for future generations and would substantially reduce its discharge into the Pamunkey River and ultimately into the Chesapeake Bay.

He indicated that another benefit would be the saving of taxpayer dollars. By reducing the quantity of effluent discharged from the Parham plant by diverting some of the wastewater into reclaimed water, the County could extend the life and the capacity of the facility. In the future, when the plant needed to be expanded, the high treatment level (high capital cost) equipment might not be necessary if enough reclaimed water was being used to offset the amount that the plant actually discharged to the river. In addition, the County would be able to reduce costs by operating only one sewage treatment plant rather than two.

He reported that the original plan had been to expand the Parham facility into a 3 million gallon plant to handle future growth capacity. He indicated that while that might a proactive way to deal with the issue, staff was concerned about building a plant for the future based upon current regulatory standards, which were highly unpredictable. He warned that if those standards changed in future years, the County may have built a plant with capacity that did not meet the new standards and would likely have to retrofit it at considerable expense.

Mr. Whitley advised that the work would need to begin as soon as possible in order to have it completed by the end of 2010. He stated that date was important because of the need to have the upgraded portion of the Parham plant on-line and the Chickahominy plant closed as a condition of the nutrient portion of the County's discharge permit. He referred to a proposed schedule prepared by consulting engineers on the project, Royer/ Malcolm Pirnie, which called for design to begin immediately, construction to begin in June of 2009, and the project finished by May of 2011.

Regarding the financial aspects, he reviewed the preliminary engineering estimate to construct the project that consisted of upgrading the Parham plant and building 10.5 miles of reclaimed water line from the Parham plant to the Chickahominy plant was \$27,274,573, and the total estimated cost for the project, including design costs and contingencies, was \$31,770,939. He advised that the intent was to pay for this project with the funds that remained available from the Farms of New Kent project dollars at the end of FY2008 and funds from revenue bonds to be issued at a future date that would make up the difference, estimated at \$9.7 million. He pointed out that as the utilities system had been established as an enterprise project, no general fund tax dollars were proposed to support the effort. He added that future utility charges as well as the new reclaimed water charges to participating customers would pay the debt service on the borrowed funds.

Mr. Whitley commented that this was an important project that had been under consideration for some time. He acknowledged that the suggested schedule was tight, but reminded about the 2011 deadline imposed on New Kent because of the nutrient-removal standards for the sewage treatment plant. He pointed out that the FY09 budget included funding for improvements to the Parham plant so there was no appropriation needed to proceed with this project.

It was confirmed that current customers were using all of the grey water the County could produce and would like more.

There was discussion regarding the Chickahominy plant. Mr. Dame advised that the plant could not meet current load capacity and its capacity could not be increased without an upgrade; however, the 2 million gallon lagoon could hold 10 days' worth of grey water. He said that it was much cheaper to proceed with the proposed plan than to upgrade the Chickahominy plant. He also confirmed that the reclaimed water project would give the County credit on its load allocation and would be looked favorably upon by DEQ.

Mr. Davis asked if any other localities had similar programs. Roger Hart of Royer stated that Chesterfield was sending some reclaimed water to Dominion Virginia Power for use in its scrubbers.

Mr. Trout asked whether, when the Parham plant was expanded to either 2 mgd or 3 mgd, there would be demand for that much reclaimed water. Mr. Dame predicted that there

would be, noting that Colonial Downs and Brickshire Golf Course were asking for more, and Royal New Kent would also likely want to participate, and that the reclaimed water would be sold back to those who were generating. It was also suggested that there might be potential businesses along Route 33 who would want reclaimed water for chillers and similar equipment.

Mr. Whitley predicted that as DEQ continued to tell businesses that they could not use potable water for non-potable uses, there would be more interest.

Mr. Evelyn asked about the proposed \$9.7 million borrowing. Mr. Budesky explained that the County had originally anticipated borrowing another \$25 million, but after scaling back the expansion and adding in the reclaimed water project, the anticipated borrowing had been reduced to just under \$10 million to complete the project. Mr. Dame indicated that the County would be adding a benefit with reclaimed water, because by not discharging, it would be receiving credits that might be able to be used in other areas.

Mr. Davis advised that he would feel more comfortable if the County had some commitment from potential customers for the reclaimed water before approving the project. Mr. Dame indicated that some preliminary discussions had been held and that there was some understanding that there would be a charge that would be in the neighborhood of 50% of the potable water rates. Mr. Budesky confirmed that staff had met with Colonial Downs and Brickshire and that they understood the concept of what was being proposed. He added that Colonial Downs had been told to discontinue the use of its well. He indicated that there was some question as to whether or not when the Chickahominy plant was no longer operating, the County would still have the obligation to provide grey water under existing agreements. Mr. Summers advised that he did not think that the agreements conditioned the provision of reclaimed water on the successful operation of any plant.

Mr. Budesky pointed out that the affected businesses were a major tax base of the County. He indicated that staff was seeking guidance and a sense of the Board before moving forward with design and obtaining commitment from business.

Mr. Trout summarized that staff was looking for general consensus to develop a reclaimed water process rather than to discharge. Mr. Budesky confirmed, stating that he wanted to make sure the Board understood and was comfortable with the recommendation to reduce the expansion of the plant from 3 mgd to 2 mgd, and move forward with a design of a reclaimed water process, and come back at a later date for approval.

Mr. Davis asked about staff's trip to Cary, North Carolina, to look at its processes. Mr. Budesky reported that Cary had reclaimed water running to businesses and to residential homes, and described some of its practices. He noted that currently localities in Virginia didn't have permission from DEQ to provide reclaimed water for residential use.

Mr. Hart reviewed the estimate on the design work and described some of the variables, including acquisition of necessary easements, permission needed from VDOT to put the lines in their rights-of-way, and existing utilities. He indicated that wetlands had already been delineated and if they could stay within 10 feet of the pavement on the north side of Route 33, there was already enough survey data. The cost estimates included plan construction and engineering, \$24,056,077; Reclaimed Water Force Main construction, easement acquisition, engineering, \$6,688,608 and 5% construction market contingency, for a project total of \$31,770,939.

Mr. Evelyn asked if any other estimates would be obtained. It was explained that Mr. Hart's company was one of three consultants already under contract with the County for the utility project. However, it was clarified that the construction portion would be competitively bid. Mr. Hart advised that with the decrease in residential construction, pricing on recent bids had been favorable, with some of the heavier construction projects coming in at less than one-third of what had been anticipated. However, he warned that there would soon be a big influx of wastewater treatment plants that would have to be upgraded and it would be good for New Kent to be "out on the street first".

Mr. Hart indicated that the County would also have the alternative of running the line down Stage Road and going underneath Good Hope Road and then getting back into the easement.

There was a consensus from the Board that they were comfortable with moving forward with the design phase. Mr. Budesky advised that there was still the potential to build both projects during the current fiscal year. Mr. Davis repeated that he would feel more comfortable after discussions were held with potential customers. Staff indicated that they did not want to push those discussions without having a sense of the Board. Mr. Summers commented that it would also be a good time to update existing agreements with those customers.

IN RE: WATER CONSERVATION AND MANAGEMENT PLAN

Public Utilities Director Larry Dame reported that New Kent's proposed Water Conservation and Management Plan had been submitted to DEQ and once it had received final approval, it would be brought to the Board for adoption.

He noted that the plan included water loss reduction, system demand reduction, education on how to save water, recycling water and reuse programs, and drought response. He advised that the County's ordinance would have to be amended and updated, to include change in the rate structure requested by DEQ to discourage excess water usage.

Mr. Dame indicated that DEQ seemed very excited about New Kent's proposed re-use plan. Board members asked about the likelihood of obtaining grant funds for the project and there was discussion regarding the current economic situation. Mr. Dame reminded that the County would be pro-active, would be saving groundwater and not discharging to the Chesapeake Bay, and he felt that it was the right step.

IN RE: LONG RANGE WATER SUPPLY PLAN

County Administrator John Budesky reviewed that staff was continuing to work on a long range plan and would be meeting with other jurisdictions to explore ways to move forward. He reminded that groundwater was not a long-term solution for the County, and that he did not believe that there would be any one "silver bullet". It was emphasized that water would be the largest issue facing the County for many years to come, and that it would be an important consideration in land use planning.

Mr. Budesky advised that staff would continue to move forward and be proactive, and would be coming to the Board with updates. He noted that there were many challenges and issues with the small systems which might require future capital projects.

Mr. Trout commented that Mr. Dame had recently met with residents in Woodhaven Shores and made some good suggestions on how to improve the situation with their private water system.

Mr. Burrell thanked staff for their efforts and for being pro-active.

IN RE: FALL RETREAT

There was discussion regarding the need for a fall retreat. Staff was asked to provide suggested dates to the Board members so that a date could be set.

IN RE: ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANTS

Mr. Burrell asked that the Board consider Resolution R-34-08 asking Congress to include funding for the Energy Efficiency and Conservation Block Grants program in any national economic stimulus legislation. He admitted that because of its size, New Kent might not qualify for any funding but support of the request would not cost the County anything.

Mr. Davis moved to adopt Resolution R-34-08 asking Congress to include funding for the EECEBG program in national economic stimulus legislation.

Thomas W. Evelyn	Aye
David M. Sparks	Absent
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
James H. Burrell	Aye

The motion carried.

IN RE: ADJOURNMENT

Mr. Evelyn moved to adjourn the meeting. The members were polled:

David M. Sparks	Absent
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye
James H. Burrell	Aye

The motion carried.

The meeting was adjourned at 6:14 p.m.