



MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

Saluda Professional Center, 125 Bowden Street, P.O. Box 286, Saluda, VA 23149-0286

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COMMISSIONERS

Essex County

Mr. R. Gary Allen
Hon. Margaret H. Davis
Mr. A. Reese Peck
Hon. Edwin E. Smith, Jr.
(Vice Chairman)

Town of Tappahannock

Hon. Roy M. Gladding

Gloucester County

Hon. Ashley C. Chriscoe
Dr. Maurice P. Lynch
Hon. John Northstein

King and Queen County

Hon. Sherrin C. Alsop
(Chair)
Hon. James M. Milby, Jr.
Mr. Thomas J. Swartzwelder

King William County

Hon. Travis J. Moskalski
Mr. Eugene J. Rivara
Hon. Otto O. Williams
(Treasurer)

Town of West Point

Mr. John B. Edwards, Jr.
Hon. James H. Hudson, III

Mathews County

Hon. O. J. Cole, Jr.
Mr. Thornton Hill
Hon. Charles E. Ingram
Ms. Melinda Moran

Middlesex County

Hon. Elizabeth Hurd
Hon. Wayne H. Jessie, Sr.
Mr. Matthew Walker
(Vacant)

Town of Urbanna

Hon. Donald Richwine

Secretary/Director

Mr. Lewis L. Lawrence

MEMORANDUM

TO: MPPDC Board of Commissioners

FROM: Lewis Lawrence, Executive Director 

DATE: November 14, 2013

RE: November Commission Meeting

The Middle Peninsula Planning District Commission will host its monthly meeting on Wednesday, November 20, 2013, at 7:00 p.m. in the Regional Board Room at the Middle Peninsula Planning District Commission office in Saluda.

Enclosed are the agenda and supporting materials for your review prior to the meeting.

If you have any questions concerning your agenda packet, please give me a call at 804-758-2311 or email me at LLawrence@mppdc.com.

I look forward to seeing you on November 20th!

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Middle Peninsula Planning District Commission
Meeting

7:00 P.M.

Wednesday, November 20, 2013

125 Bowden Street

Saluda VA 23149

- I. Welcome and Introductions
- II. Approval of October Minutes
- III. Approval of October Financial Reports
- IV. Executive Director's Report on Staff Activities for the Month of November
- V. Public Comment

AGENDA ITEMS FOR DISCUSSION

- VI. Presentation of Middle Peninsula Ditching Report and Outcome of Special Meeting with Delegate Keith Hodges and Quintin Elliott, Fredericksburg District Administrator, VDOT
- VII. Presentation on Incentivizing Living Shorelines Study
- VIII. Presentation on Floating Buildings Study
- IX. Presentation of FY13 Annual Audit
- X. Adoption of Amended FY14 Indirect Cost Allocation Plan
- XI. Other Business: Request for Resolution in Support of Water Reuse and Protection of the Potomac Aquifer
- XII. Adjournment

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

October 23, 2013

Lowery's Restaurant
Tappahannock, Virginia

The Middle Peninsula Planning District Commission held its October dinner meeting at Lowery's Restaurant, Tappahannock, Virginia, on Wednesday, October 23, 2013. A regional networking period was held from 6:00-7:00 p.m.

Invocation

Mr. Edwin Smith, Jr., Essex County Board of Supervisor and MPPDC Vice Chairman gave the Invocation.

Meeting Called to Order

Chair Alsop (King and Queen County) called the October 23, 2013 meeting to order and welcomed everyone in attendance. Commissioners in attendance were: (Essex County) Gary Allen, Margaret Davis, Edwin Smith Jr., and A. Reese Peck; (Gloucester County) Ashley Chriscoe and John Northstein; (King William County) Travis Moskalski, Eugene Rivara, and Otto Williams; (Mathews County) Tim Hill, Charles Ingram, and Melinda Moran; (Middlesex County) Elizabeth Hurd; (Town of Urbanna) Donald Richwine.

Guests in attendance were Director Skip Styles and Associate Director Shannon Hulst of Wetlands Watch; Delegate of Virginia Keith Hodges; Joe Schumacher, District Director of U.S. Congressman Rob Wittman's office; Jason Perry, RCC Vice President of Workforce and Community Development; Ken Pollock, Director of Bay Transit; and citizens from the region. Middle Peninsula Planning District Commission staff in attendance were Executive Director Lewis Lawrence, Chief Financial Director Beth Johnson, Secretary Rose Lewis, Regional Projects Planner Jackie Rickards, Chief of Community Planning Marquitrice Wright, and Regional Projects Planner Harrison Bresee, III.

Approval of September Minutes

Chair Alsop asked whether there were any corrections or changes to the September Minutes. There were no corrections or changes to the September Minutes. Chair Alsop requested a motion to approve the September Minutes. Don Richwine moved that the September Minutes be approved. Travis Moskalski seconded the motion; motion carried.

Approval of September Financial Report

Chair Alsop asked whether there were any questions regarding the financial report before being approved subject to audit. There were no questions. Chair Alsop requested a motion to approve the September Financial Report subject to audit. Edwin Smith, Jr. moved to approve the September Financial Report subject to audit. Otto Williams seconded the motion; motion carried.

Executive Director's Report on Staff Activities for the Month of October

Chair Alsop requested Mr. Lewis Lawrence, MPPDC Executive Director, to review the Executive Director's Report on Staff Activities for the month of October.

Mr. Lawrence highlighted four updates:

- (1) VRS has lowered the VDLP (mandated disability benefits coverage) rates in response to competition from VML and VaCorp.
- (2) Stormwater Local Program Development deadlines are approaching.
- (3) Mr. Lawrence said he gave presentations this month to the Gloucester County and Mathews County Boards of Supervisors regarding ditches.
- (4) VDOT is planning Ride-a-Longs in each locality. The purpose of these Ride-a-longs is to give local leadership an opportunity to meet with VDOT staff about important transportation concerns within each Middle Peninsula locality.

Mr. Lawrence requested that the Board read the staff activities at their leisure and direct questions or comments to him. The Executive Director's Report on Staff Activities is developed at a monthly staff meeting, organized by PDC Service Centers, and the activities are used to report grant funding activities.

Agenda Items for Discussion

Presentation on Biggert-Waters Flood Insurance Reform Act of 2012: What you and Your Constituents Need to Know by Shannon Hulst and Skip Styles of Wetlands Watch

Mr. Lawrence said the flood insurance changes, including rate increases, are important issues that will affect many Middle Peninsula residents. Not all policyholders will see a major rate increase and not all communities will be impacted equally. The NFIP was created by Congress in 1968. After hurricanes Katrina, Rita, and Wilma in 2005, this Program has been in debt and the National Flood Insurance Program (NFIP) has been unable to make principal payments. Changes will come into effect beginning in October 2013. The changes are a result of the Biggert-Waters Flood Insurance Reform Act which was passed by Congress in 2012. This Act was intended to reduce the debt of the (NFIP).

Ms. Shannon Hulst, Associate Director for Wetlands Watch, said Wetlands Watch is interested in the flood insurance changes because of their interest in coastal open space and mechanisms for maintaining and creating open space. Changes to the rate structure of the NFIP and the changes occurring in the private property insurance industry will affect coastal communities.

Ms. Hulst said the Biggert-Waters Act purpose is to stabilize NFIP's finances, remove subsidies and grandfathered provisions, create a catastrophe fund, allow NFIP to use the most accurate and predictive flood data, and in theory allow NFIP to pay off its \$24 billion debt to Treasury and federal taxpayers.

Rate increases-

- (1) 25% rate increase went into effect earlier this year for the following:
subsidized non-primary residences, subsidized business properties, severe repetitive loss properties with cumulative flood claim damage totaling more than the value of the property, and properties with improvements of 30% or more or damages of 50% or more.
- (2) Another round of increases went into effect in October 1st of this year: full rates are now in effect for first-time policy purchases, renewal after a policy lapse, or policy purchases after property sales.
- (3) The final round will go into effect on or after October 1, 2014: rate increases will phase out all subsidies and grandfathering provisions for any remaining properties that were not affected by the 2013 changes and when new maps become effective for each community.

All Middle Peninsula counties are in the process of updating their flood maps. Gloucester County will be the only locality to finish the process before October 2014 and all other localities will be affected by map-driven rate increases. Updates schedules for all localities can be found at www.rampp-team.com/va.htm.

Ms. Hulst said property owners can find out if their property is subsidized or grandfathered, to help lower costs owners can get an elevation certificate, not let coverage lapse, do small fixes (such as flood vents), elevate homes, or apply for FEMA grants for elevation or acquisition.

Communities can also help lower flood insurance costs. FEMA has a program called the Community Rating System (CRS) which offers discounts on flood insurance rates for policyholders within the community. Points are earned for various floodplain management activities and total points correspond to different ratings (classes), which in turn correspond to flood insurance discounts for each policyholder. Communities will earn discounts in 5% increments and can earn up to 45% discounts. Ms. Hulst said CRS activity examples are: Public Information—elevation certificates, outreach, hazard disclosure; Mapping and Regulations-open space preservation, stormwater management; Flood Damage Reduction-Acquisition/relocation, floodplain management planning; and Warning and Response-flood warning and response, dams, and levees.

Questions and answers regarding increased rates and homeowner's affordability, importance of elevation certificates in communities, and increased rates affecting taxpayers followed.

Joe Schumacher, District Director for Congressman Rob Wittman's office, said negotiations are being discussed in Congress on the Insurance Reform Act and he will keep the MPPDC informed of any action taken.

Congressman Whitman's office attempted to get someone from FEMA to come discuss these changes but FEMA has no travel budget and could not send a spokesperson. The Virginia Department of Emergency Management has contacted Mr. Lawrence to inform him that the Hazards Mitigation Plan needs to be updated. MPPDC has secured funding from FEMA to begin this update for the region.

Chair Alsop requested a motion for the MPPDC to add Community Rating System (CRS) as an element to the MPPDC Annual Work Program. Jack Miller and Donald Richwine moved to add the CRS as an element to the MPPDC Annual Work program. Bud Smith seconded the motion; motion carried.

Other Business

- (1) Jack Miller, Middlesex County Board of Supervisor and VACo President, thanked Mr. Lawrence, MPPDC Executive Director, on behalf of VACo with his efforts in obtaining maps of flood zones in the Middle Peninsula and his corporation in getting information to VACo.

Adjourn

Chair Alsop requested a motion to adjourn the meeting. Donald Richwine moved to adjourn the meeting. Charles Ingram seconded the motion; motion carried.

COPY TESTE:

(Secretary)

Project Financial Report

Middle Peninsula Planning District Commission

Run Date: 11/12/2013
 Run Time: 9:42:00 am
 Page 1 of 1

Period Ending: 10/31/13

		Expenditures						
Code	Description	Budget	Curr Month	Project Total	Un/Over	% Budget	Revenues	Balance
30009	FY14 Local Programs	161,510.00	16,452.12	54,675.64	106,834.36	33.85%	150,871.38	96,195.74
30010	Local PAA Stewardship/	17,000.00	0.00	13,819.18	3,180.82	81.29%	17,000.00	3,180.82
30013	EE&CBG Project	3,894.00	69.54	1,836.22	2,057.78	47.16%	1,803.14	-33.08
30015	Tappahannock Comp Plan	11,200.00	708.21	5,786.24	5,413.76	51.66%	4,145.26	-1,640.98
30016	Essex Comp Plan Update	27,675.00	1,217.43	11,294.10	16,380.90	40.81%	6,196.28	-5,097.82
30104	MP-VSG Univ. Partner	3,000.00	1,025.08	2,878.66	121.34	95.96%	0.00	-2,878.66
30105	EDA Broadband	63,161.00	4,861.11	4,861.11	58,299.89	7.70%	0.00	-4,861.11
30170	MPBDP FY12 Staff Sup	13,825.00	351.62	8,336.76	5,488.24	60.30%	11,722.69	3,385.93
30209	FY14 Transportation Dem	74,000.00	6,254.77	22,430.54	51,569.46	30.31%	21,625.79	-804.75
30311	FY14 Rural Transportati	72,500.00	7,385.40	20,279.33	52,220.67	27.97%	12,892.95	-7,386.38
30420	Onsite Loan Management	105,940.14	292.21	102,123.26	3,816.88	96.40%	111,248.02	9,124.76
30423	VCWRFR Onsite Fund	82,500.00	2,000.00	51,532.92	30,967.08	62.46%	73,496.30	21,963.38
30426	WQIF 2010	102,883.00	0.00	101,234.12	1,648.88	98.40%	102,728.35	1,494.23
30502	Water Supply Planning	107,526.97	876.07	108,403.04	-876.07	100.81%	153,950.00	45,546.96
31002	GA Lobby FY09	0.00	0.00	18,247.75	-18,247.75	0.00%	24,000.00	5,752.25
31201	NHMP Update 2014	125,010.00	2,959.41	2,959.41	122,050.59	2.37%	0.00	-2,959.41
32008	FY14_PAA Staff Support	2,125.00	264.42	2,933.70	-808.70	138.06%	2,669.28	-264.42
32009	Lands End Master Plan	10,000.00	-133.34	10,042.43	-42.43	100.42%	9,675.77	-366.66
32120	FY13 Coastal TA Task 44	60,000.00	2,627.61	57,564.55	2,435.45	95.94%	51,918.06	-5,646.49
32121	Land & Water Quality Pr	50,000.00	2,882.37	47,461.34	2,538.66	94.92%	44,578.97	-2,882.37
32122	Living Shorelines	49,858.00	-186.19	49,848.84	9.16	99.98%	46,365.10	-3,483.74
32123	Stormwater Management (297,786.00	10,526.94	137,138.94	160,647.06	46.05%	113,810.47	-23,328.47
32124	Aberdeen Harbor Master F	13,034.00	1,260.35	6,272.90	6,761.10	48.13%	2,506.27	-3,766.63
32125	Floating Structures	29,780.00	-446.29	29,398.57	381.43	98.72%	28,291.00	-1,107.57
32126	VIMS WWF	5,000.00	-108.50	4,968.49	31.51	99.37%	5,000.00	31.51
32127	FY14_Coastal TA	60,000.00	6,741.85	6,741.85	53,258.15	11.24%	0.00	-6,741.85
32128	LWQ III FY14	47,022.00	4,350.58	4,350.58	42,671.42	9.25%	0.00	-4,350.58
32204	WW Coalition Summit A	46,341.00	1,759.10	19,293.06	27,047.94	41.63%	17,544.59	-1,748.47
Totals:		<u>1,642,571.11</u>	<u>73,991.87</u>	<u>906,713.53</u>	<u>735,857.58</u>	<u>55.20%</u>	<u>1,014,039.67</u>	<u>107,326.14</u>

Balance Sheet by Category

Middle Peninsula Planning District Commission

Run Date: 11/12/13
Run Time: 9:44:41 am
Page 1 of 1

Period Ending: 10/31/13
Format: 1 Board

Assets:

Cash in Bank	657,671.93
Receivables	268,737.16
Property & Equipment	13,879.50

Total Assets:

\$940,288.59

Liabilities:

Accounts Payable	2,767.20
VRA Loan Payables	135,996.29
Payroll Withholdings	0.60
Accrued Leave	30,756.62
Cost Allocation Control	9,699.60

Total Liabilities:

\$179,220.31

Equity:

Local Initiatives/Information Resources	98,389.90
Economic Development	-4,353.88
Transportation Programs	-8,191.13
Onsite Repair & Pumpout	32,591.74
Housing	-32.53
Coastal Community & Environmental	-53,657.63
Mandates	42,592.86
Temporarily Restricted	188,479.87
General Fund Balance	465,249.08

Total Equity:

\$761,068.28

Total Liabilities and Equity

\$940,288.59

Balance:

\$0.00

Agencywide R&E by Category

Middle Peninsula Planning District Commission

Run Date: 11/12/2013
 Run Time: 9:57:55 am
 Page 1 of 1

Period Ending: 10/31/13
 Format: 1 Agencywide R&E
 With Indirect Cost Detail

Code & Description	Budget	Current	YTD	Un/Ovr	% Bud
Revenues					
Local Match	110,064.00	0.00	33,353.45	76,710.55	30.30%
Local Annual Dues	109,899.00	0.00	109,899.00	0.00	100.00%
Local Other Revenues	64,960.00	0.00	55,802.08	9,157.92	85.90%
Local Other Organizations	4,516.00	5,728.56	5,728.56	-1,212.56	126.85%
State Revenues	218,912.00	42,740.00	63,232.72	155,679.28	28.88%
Federal Revenues	234,999.00	70,656.91	98,126.27	136,872.73	41.76%
Miscellaneous Income	12,000.00	1,082.05	7,603.97	4,396.03	63.37%
Onsite Loan Program Income	8,840.00	737.13	12,719.40	-3,879.40	143.88%
Revenues	764,190.00	120,944.65	386,465.45	377,724.55	50.57%
Expenses					
Personnel	437,235.70	45,813.35	162,187.01	275,048.69	37.09%
Facilities	29,864.00	2,802.94	10,139.34	19,724.66	33.95%
Communications	2,550.00	422.13	1,390.84	1,159.16	54.54%
Equipment & Supplies	9,750.00	638.99	1,740.82	8,009.18	17.85%
Travel	5,425.00	1,009.73	2,353.83	3,071.17	43.39%
Professional Development	13,650.00	28.00	2,825.30	10,824.70	20.70%
Contractual	67,489.00	3,450.00	46,980.67	20,508.33	69.61%
Miscellaneous	46,865.00	4,682.06	18,154.85	28,710.15	38.74%
Regional Share	110,064.00	0.00	33,353.45	76,710.55	30.30%
Expenses	722,892.70	58,847.20	279,126.11	443,766.59	38.61%
Agency Balance	41,297.30	62,097.45	107,339.34		

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Middle Peninsula Planning District Commission



MPPDC General Fact Sheet

WHAT IS MPPDC?

The Middle Peninsula Planning District Commission (MPPDC) was established pursuant to the Virginia Area Development Act (Title 15.1, Chapter 34, Sections 15.1-1400, et seq., Code of Virginia (1950) as amended) and by joint resolutions of the governing bodies of its constituent member jurisdictions.

The "MPPDC" describes the geographic section of Virginia which encompasses the Counties of Essex, Gloucester, King and Queen, King William, Mathews and Middlesex and the Towns of Tappahannock, Urbanna and West Point.

BACKGROUND

The Agreement to organize a Planning District Commission was made on January 31, 1972, by and between the government subdivisions as authorized by the Virginia Area Development Act.

WHAT DOES MPPDC DO?

The purpose of the Commission is to promote the orderly and efficient development of the physical, social, and economic elements of the Planning District by planning and encouraging and assisting governmental subdivisions to plan for the future.

HOW ARE DECISIONS MADE AT MPPDC?

Decision-making occurs through the Middle Peninsula Planning District Commission, a governing body comprised of elected officials, citizens, and chief administrative officers representing the six counties and three towns in the region.

QUICK FACTS

Region at Glance

- Six Counties: Essex, Gloucester, King & Queen, King William, Mathews and Middlesex
- Three Towns: West Point, Urbanna, and Tappahannock
- 1,387 Square Miles
- 1,055 Miles of Shoreline

➤ 888,064 Acres of Land

➤ 90,826 People

➤ \$567 Average Weekly Wage (State=\$952)

➤ 71% Out Commute Rate

By the Numbers

➤ 1.1% Total State Population

➤ \$50,001 Median Household Income



For More Information:

MPPDC
 P.O. Box 286
 Saluda Professional Center
 125 Bowden Street
 Saluda, Virginia 23149
 Phone: 804-758-2311
 Please visit the MPPDC website at:
www.mppdc.com

Regional Profile:

2000-2011 Demographic Information

All data is from Census 2000 and Census 2010 unless otherwise stated

Population Trends				Median Household Income and Unemployment Rate ¹			
Locality	Total Population		Population Growth from 2000-2010	Median Income Estimates		Unemployment Rate Estimates	
	2000	2010		2006-2010	2007-2011	2006-2010	2007-2011
Essex	9,989	11,151	12%	\$46,235	\$44,581	9.0%	8.2%
Gloucester	34,780	36,858	6%	\$58,389	\$60,269	6.5%	5.9%
King & Queen	6,630	6,945	5%	\$44,442	\$48,170	8.6%	7.4%
King William	13,146	15,935	21%	\$64,964	\$64,982	7.3%	6.7%
Mathews	9,207	8,978	-2%	\$47,435	\$54,118	5.9%	6.0%
Middlesex	9,932	10,959	10%	\$50,207	\$53,615	7.4%	6.4%
Town of Tappahannock	2,138	2,375	11.1%	\$39,149	\$35,313	6.6%	7.6%
Town of Urbanna	543	476	-12.3%	\$44,813	\$45,682	1.5%	4.5%
Town of West Point	2,866	3,306	15.4%	\$51,979	\$52,768	7.4%	9.5%
Region Total	83,684	90,826	9%	\$49,735	\$51,055	7.6%	6.5%

Ethnicity in the Middle Peninsula						
Locality	Hispanic			Non-Hispanic		
	2000	2010	Percent Change	2000	2010	Percent Change
Essex	72	349	385%	9,917	10,802	9%
Gloucester	560	935	67%	34,220	35,923	5%
King and Queen	58	184	217%	6,572	6,761	3%
King William	120	324	170%	13,026	15,611	20%
Mathews	73	104	42%	9,134	8,874	-3%
Middlesex	55	166	202%	9,877	10,793	9%
Regional Total	938	2,062	120%	82,746	88,764	7%

Race in the Middle Peninsula												
Locality	White			Black			Asian			Other		
	2000	2010	Percent Change	2000	2010	Percent Change	2000	2010	Percent Change	2000	2010	Percent Change
Essex	5,790	6,370	10%	3,900	4,247	9%	81	86	6%	218	448	106%
Gloucester	30,148	32,149	7%	3,585	3,197	-11%	240	286	19%	807	1,226	52%
King and Queen	4,059	4,663	15%	2,365	1,975	-16%	18	17	-6%	188	290	54%
King William	9,703	12,297	27%	2,999	2,819	-6%	48	118	146%	396	701	77%
Mathews	8,038	7,898	-2%	1,036	823	-21%	17	31	82%	116	226	95%
Middlesex	7,797	8,680	11%	1,999	1,978	-1%	12	37	208%	124	264	113%
Regional Total	65,535	72,057	10%	15,884	15,039	-5%	416	575	38%	1,849	3,155	71%

¹ Data from the Bureau of Labor Statistics Local Area Unemployment data & the American Community Survey 5-year Estimates

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

Staff Activities Service Summary of Regional Progress

Locality	Core Services Administered by the MPPDC							
	Information Resources/ Assistance	Coastal Community Development/ Environmental	Transportation	Onsite Repair and Pumpout	Economic Development	Local Initiatives	Housing	Emergency Management
Region-wide	✓	✓	✓	✓	✓		✓	
Essex		✓	✓		✓	✓		
Gloucester		✓	✓	✓	✓			
King & Queen			✓	✓	✓	✓		
King William		✓	✓	✓	✓			
Mathews		✓		✓	✓	✓		
Middlesex		✓	✓	✓	✓			
Town of Tappahannock			✓	✓		✓		
Town of West Point			✓					
Town of Urbanna								
Other		✓		✓				

REPORT ON MANDATED INITIATIVES

Locality	Water Supply Plan Support Staff: Lewie Start Date: 7/2008 Completion Date: 6/2011		Stormwater Management Support Staff: Jackie Start Date: 12/2012 Completion Date: 6/2014		All-Hazards Mitigation Plan Update Support Staff: Harrison Start Date: 1/2014 Completion Date: 12/2016	
	Participating	Current Status	Participating	Current Status	Participating	Current Status
Essex	✓	Addressing review compliance issues	✓	Local/regional program under development	✓	Project startup underway
Gloucester		NA	✓	Local/regional program under development	✓	Project startup underway
King & Queen	✓	Addressing review compliance issues	✓	Local/regional program under development	✓	Project startup underway
King William	✓	Addressing review compliance issues	✓	Local/regional program under development	✓	Project startup underway
Mathews	✓	Addressing review compliance issues	✓	Local/regional program under development	✓	Project startup underway
Middlesex	✓	Addressing review compliance issues	✓	Local/regional program under development	✓	Project startup underway
Town of Tappahannock	✓	Addressing review compliance issues	✓	Local/regional program under development	✓	Project startup underway
Town of West Point	✓	Addressing review compliance issues	✓	Local/regional program under development	✓	Project startup underway
Town of Urbanna	✓	Addressing review compliance issues	✓	Local/regional program under development	✓	Project startup underway

New Opportunities Identified to Implement Commission Priorities

Service Center	Project Title and Description	Funding Requested	Status
Emergency Mgmt	SAFER Grant – Emergency Services Personnel Recruitment & Retention -King & Queen	\$644,144	Submitted
Economic Dev	EDA Broadband	\$58,000	Funded
Mandate/Environ	DEQ Regional Stormwater Program Design	\$85,250	Funded - delayed
Mandate/Environ	NFWF Mathews Ditching	\$38,850	Submitted
Emergency/Mandate	VDEM – Natural Hazard Mitigation Plan Update	\$93,750	Funded
Economic Dev	AFID Grant – Forestry/Agriculture – Essex County	\$17,000	Submitted
Economic Dev	USDA RBEG Flashfreeze Study	\$90,000	Not funded
Environmental	CZM Water Reuse	\$22,798	Funded - delayed
Environmental	CZM – TIF Dredging	\$40,000	Funded – delayed
Economic Dev	DHCD Planning Grant – MP/University Partnership	\$37,000	Funded
MPCBPAA	DGIF – Captain Sinclair Public Boating Access Facility	\$25,000	Submitted
MPCBPAA	DGIF – Stampers Bay Landing – Middlesex County	\$50,000	Submitted
MPCBPAA	CBRF – PAA signage	\$500	Submitted

Middle Peninsula Planning District Commission
Executive Director's Report of Regional Progress
November 12, 2013

MPPDC: Membership, Appointments, Committee Assignments, and Networks

Coastal Policy Team (CPT) - The CPT, whose members and alternates represent the Virginia Coastal Zone Management Program's key partners and eight planning district commissions, provides a forum for discussion and resolution of cross-cutting coastal resource management issues. Members serve on the team at the discretion of their agency or planning district commission director. The CPT recommends funding levels to the DEQ Director for coastal zone management projects. (MPPDC Staff 10 years +)

Chesapeake Bay Licenses Plate Committee- The Chesapeake Bay Restoration Fund was created by Chapters 227 and 323 of the 1992 Acts of Assembly for use by the Commonwealth of Virginia for environmental education and restoration projects to the Chesapeake Bay and its tributaries (MPPDC Staff 7 years +)

Congressman Robert Wittman's Fisheries Advisory Committee and Environmental Advisory Committee (MPPDC Staff 3 years +)

Virginia Sea Grant Program External Advisory Committee (EAC): The EAC provides stakeholder input on the strategic planning process, the research proposal review process, and on Commonwealth-wide trends and needs. The EAC is a diverse group of end-users including representatives from state agencies, the education community, coastal planning and management, the private sector, and NGOs. (MPPDC Staff 4 years+)

General Assembly Directed Study Panel: Aquaculture production activities; authority of local governments (MPPDC Staff- current)

The Association for Commuter Transportation (ACT) (Telework Council Secretary): ACT is the premier association for professionals and organizations whose focus is the delivery of commuting options and solutions for an efficient transportation system. The Telework Council is composed of employer representatives, regional transportation, air quality and planning officials, as well as state and local government officials concerned with promoting telework and providing telework information and technical assistance to employers (MPPDC Staff 5 years+)

The Chesapeake Chapter of ACT: (Chapter Treasurer) – The Chapter is comprised of ACT members and TDM professionals from the states of Virginia, Maryland, West Virginia and the District of Columbia (MPPDC Staff 3 years+)

Middle Peninsula Northern Neck Coordinated Human Services Mobility Committee: provides direction for a unified comprehensive strategy for transportation service delivery in the Middle Peninsula and Northern Neck Planning Districts focused on unmet transportation needs of seniors, people with disabilities, and people with low incomes. (MPPDC Staff 7 years)

The National Working Waterfront Networks- Outreach and Education committee: Provided education and outreach on national, state and local matters related to the preservation of working waterfronts.

MPPDC Staff and Contact Information

Executive Director: Lewis Lawrence

Contact Info: llawrence@mppdc.com (804) 758-2311x24 (804) 832-6747 (cell)
Programs: *Coastal Zone Technical Assistance, Local Initiatives, Public Access Authority*

Finance Director: Beth Johnson

Contact Info: bjohnson@mppdc.com (804) 758-2311x22
Programs: *Commuter/ Employer Transportation Services, Septic Repair & Pumpout Assistance, Revolving Loan Programs Administration, PDC Finance & Grants Administration*

Chief of Community Planning : Marquitrice Wright

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Programs: *Rural Transportation Planning, Local Community Planning Assistance*

Planner 2: Harrison Bresee

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Programs: *Comprehensive Economic Development Strategy, Public Access Authority, Working Waterfronts*

Planner 2: Jackie Rickards

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Programs: *Stormwater Management, Graphic Arts*

Secretary: Rose Lewis

Contact Info: rlewis@mppdc.com (804) 758-2311x21
Programs: *PAA Hunting licenses assistance, Facilities Scheduling*

MANDATES

Funding – VDEM, VDEQ, localities, MPPDC General Fund

Project 30502 Water Supply Planning

9 VAC 25-780 establishes a planning process and criteria that all local governments will use in the development of local or regional water plans. The plan will be reviewed by the Department of Environmental Quality and a determination will be made by the State Water Control Board on whether the plan complies with this regulation. Within five years of a compliance determination by the board, the plan will be reviewed to assess adequacy and any significant changes will require the submission of an amended plan and review by the board. All local programs will be reviewed, revised, and resubmitted to the Department of Environmental Quality every 10 years after the last approval. The jurisdictions of Essex, King and Queen, King William, Mathews, Middlesex, Tappahannock, Urbanna and West Point opted to prepare a regional plan with assistance from Middle Peninsula Planning District Commission staff and EEE Consulting, an environmental consulting firm. The Regional Plan was completed and submitted to the Virginia Department of Environmental Quality for compliance review by the November 2, 2011 deadline for Regional Plan submission.

- Consulted with Melinda Moran, Mathews County Administrator, concerning the need for Mathews County to hold a public hearing and adopt outstanding required elements under Comprehensive Water Supply Planning Process; state, regional and local water supply plans. Received notification that the Mathews County Board has taken action to hold a public hearing and to consider adopting the proposed Ordinance to implement the drought response and contingency plan as required.
 - 9VAC25-780-40. Program development.

Local governments shall develop programs for local or regional water plans that are necessary to comply with this chapter. Local governments shall consult and coordinate with all community water systems in the planning area during the preparation of local or regional programs. Community water systems within the planning area shall cooperate and participate with the locality during preparation of the local program. Counties, cities, and towns are encouraged to develop regional programs. Local programs shall be designed to (i) ensure that adequate and safe drinking water is available, (ii) encourage and protect all beneficial uses, (iii) encourage and promote alternative water sources, and (iv) promote conservation.
- Consulted with Ian Frost, President EEE Consulting, Inc. concerning a response to the DEQ compliance letter to MPPDC. Discussed DEQ requirements and consulted with DEQ staff concerning a strategy for addressing water projection needs.
- Provided DEQ Water Supply Planning staff with an update on progress made related to the requirement for compliance

A. REQUIREMENTS FOR COMPLIANCE

1. Clarify whether written comments were received during the adoption processes. If applicable, provide a copy of the all written comments received and the locality's response to comments. (Checklist Part I D.3, page 4).

Answer: No written comments were found.

2. Provide an update on how Mathews County will implement and enforce the drought response and contingency plan, and, if applicable, provide DEQ with a copy of any adopted ordinances (Checklist Part I E. & Part II F.3).

Answer: Mathews County has scheduled a public hearing to consider adopting the drought response and contingency plan.

3. Provide an attested copy of the Town of Tappahannock's Water emergencies and conservation ordinance (Town Code: Chapter 58 Article IV, Section 58-124) found in Appendix U. DEQ was unable to confirm the adoption date. (Checklist Part I E, page 4).

Answer: Town Staff is researching the records,

4. Provide the estimated water demand for each existing or proposed community water system on both an annual average and peak monthly basis. (Checklist Part II D.5.c, page 14).

Answer: EEE Consulting is drafting a letter of response characterizing data obtained to date and the problems with the data.

Project 32123 DCR Stormwater Management

The Virginia General Assembly created a statewide, comprehensive stormwater management program related to construction and post-construction activities (HB1065 - Stormwater Integration). The Virginia Department of Conservation and Recreation requires stormwater management for projects with land disturbances of one acre or more. This new state mandate requires all Virginia communities to adopt and implement stormwater management programs by July 1, 2014 in conjunction with existing erosion and sediment control programs. Additionally, the communities within the MPPDC are required to address stormwater quality as stipulated by the Chesapeake Bay TMDL Phase II Watershed Implementation Plan and the Virginia Stormwater Regulations. The goal of the MPPDC Stormwater Program is to develop tools specific to the region necessary to respond to the state mandate requirement for the development of successful stormwater programs. The local governments need to develop programs either locally or regionally to assure compliance with regulations designed to reduce runoff from developed areas.

- Attended the MPPDC Local Planners Meeting on October 16, 2013, to provide an update on Stormwater related topics that were covered at the Local Government Stormwater Management Advisory meeting on October 8, 2013. Topics covered included: (1) new proposed changes to regulations, (2) e-permitting, (3) new funding opportunities, and (4) training. Also, planners were made aware that County Administrators were asked to provide MPPDC staff with a Letter of Intent expressing if the locality will be participating in the Regional VSMP program.
- Developed a presentation for the Mayors and Chairs Meeting reviewing the Stormwater Management Program components.
- Attended the Mayors and Chairs meeting on October 16, 2013 and requested a letter of intent from localities be submitted to the MPPDC that sets forth a commitment to a regional program and the acknowledgement of potential cost sharing. Additionally, a list of services the locality is interested in receiving from the program should be included in the letter.
- Reviewed Virginia Department of Environmental Quality proposed changes to VSMP regulations that will be presented to the State Water Control Board on December 17, 2013 for consideration.

- Reviewed current King and Queen County Zoning, Building and Administrative Ordinances to assess their consistency with the new local Virginia Stormwater Management Program ordinance still under development.
- Reviewed the October 2013 updated Administrative Guidance Manual to supplement MPPDC locality Virginia Stormwater Management Programs. Comments were sent to Carolyn Howard, Draper Aden Associates.
- Attended a Stormwater Educational Workshop hosted by Gloucester County to review new stormwater management regulations and local implications with Gloucester citizens and construction community.
- Drafted a 1-page History of Stormwater that provides a brief history and timeline of associated Federal and State laws and efforts impacting the development of current VSMP regulations, as well as an overview of local VSMP develop in Virginia. This document and VSMP presentations developed by MPPDC staff and Draper Aden Associates were sent to Delegate Keith Hodges to aid in his presentation to VaCO on Monday, November 11, 2013.
- Attended the Middlesex County Board of Supervisors meeting on November 6, 2013 in support of a presentation given by Carolyn Howard. Carolyn reviewed the components of the upcoming Stormwater Management Program that localities will need to adopt by April 1, 2014.
- Corresponded with Jon Gill, Urbanna, regarding Middlesex County’s progress regarding the Virginia Stormwater Management Program. Jon was wondering if Urbanna needed to submit additional material to DEQ for the December 15th Final Preliminary Package deadline.
- Corresponded with Joan Salvati concerning local VSMP ordinances for the December 15th Preliminary Final Package. Joan informed me that draft local VSMP ordinances should include the draft regulatory changes being considered by the State Water Control Board on December 17th. She also shared that DEQ staff is in the process of developing “template” language to be used by local staff or partners to “paste” the language into their ordinances. DEQ began this process and hopes to have it completed next week. In addition to developing the template language there will be slight adjustments to the VSMP adoption schedule. This too will be sent out next week.

Project 31201 Middle Peninsula All-Hazards Mitigation Plan Update

The 2016 All Hazards Mitigation Plan Update is designed to update the 2011 Middle Peninsula All Hazards Mitigation Plan (AHMP). The plan will address several natural hazards, including hurricanes, winter storms, tornadoes, coastal flooding, coastal/shoreline erosion, sea level rise, winter storms, wildfire, riverine flooding, wind, dam failures, drought, lightning, earthquakes, shrink-swell soils, extreme cold, extreme heat, landslides, land subsidence/karst, tsunami, and volcanoes.

- Presented the details of the 2016 AHMP planning process to the LGA on November 8, 2013 in the MPPDC boardroom and requested that the counties of Essex, King William, King and Queen, Mathews, and Middlesex and the towns of Tappahannock, West Point and Urbanna each provide 2 members for the Local Planning Team (LPT). The LPT is responsible for a comprehensive re-assessment of each hazard identified in the 2011 AHMP, profiling new historic occurrences since November 2011, and assisting with public hearings, meetings and/or workshops during the plan development period.
- Developed a draft timeline for the All Hazards Mitigation Plan Update.

INFORMATION RESOURCES/ASSISTANCE

Services to provide critical assessment and thinking.....

- Revised the Middle Peninsula Planning District Commission letterhead and fax sheet to include the new PDC logo.
- Updated www.mppdc.com website –meeting notices, public meeting notices, reports.

COASTAL COMMUNITY DEVELOPMENT/ ENVIRONMENTAL

Funding – VDEQ, VIMS, VDCR, local match from MPPDC General Fund & partners

Projects 320080 Staff Support to Middle Peninsula Chesapeake Bay Public Access Authority

Middle Peninsula Chesapeake Bay Public Access Authority Special Project – Support of Executive Order 23, Goal 8 Coastal Management Coordination Public Access: Continue implementation of adopted annual work program, including identifying land, either owned by the Commonwealth or private holdings that can be secured for use by the general public as a public access site; researching and determining ownership of all identified sites; determining appropriate public use levels of identified access sites; developing appropriate mechanism for transferring title of Commonwealth or private holdings to the Authority; developing appropriate acquisition and site management plan. This Program allows the Authority to function by supporting the individual projects and operations of the Authority, as well as, by responding to daily requests for assistance from local government staff.

- Prepared vouchers, processed A/P, reconciled bank statements. Prepared financial statements.
- Invoiced Gloucester Rowing Association for utility bills at Lands End.
- Provided checks for recordation of Stuart property acquisition to Attorneys Title.

Projects 32120/32127 Virginia Coastal Zone Management Program

This project provides ongoing support to member localities of the Planning District Commission and other stakeholders committed to improving community development and coastal management within the coastal zone.

- Provided staff support for the MPCBPAA in areas such as: property maintenance, equipment maintenance, duck blind construction, and public interaction.
- Consulted with Kirk A. Whiting, Director of Operations and Marketing for Virginia Interactive, LLC concerning automating the registration process for future PAA users. Provided a matrix of all PAA properties and possible uses which could have a fee associated to generate revenue to help sustain the operations of the PAA.
- Participated in the third Social Coast Forum conference planning team meeting. The Social Coast Forum will be held in February in Charleston, South Carolina. The focus of the second national forum will be *Understanding people—where they live, what they do, what they value—is an important part of successful coastal management.* The Forum is being discussed and promoted as important because of the following.....

"Of course, a community is more than just its local government. Culture also plays a role; culture, that is, in the sense of a community's collective behaviors, assumptions, values, relationships, and shared history. Culture is why things-politics, business, recreation, daily

life-are done differently in Osaka, Nairobi, and Houston. It's the framework through which the community exists in the present and plans for the future."

- Consulted with Lee Stephens of Lee Stephens' Law concerning an issuance of a letter of no-trespass given to an adjoining land owner at the Williams Wharf facility in Mathews County. The Middle Peninsula Chesapeake Bay Public Access Authority holds the public access easement and has the duty to ensure that the public's right of access is not limited by the letter of no-trespass or does the letter of trespass have standing.
- Attended a meeting held at the Virginia Department of Housing and Community Development in Richmond with Essex County representatives to review the proposal submitted for an Enterprise Zone designation. Discussed improvement to the application for the next funding cycle as well as other strategies to make Essex County more economically competitive.
- Consulted with Pete Mansfield, Middlesex County Board of Supervisors, concerning salt water intrusion and overall water consumption from the Potomac Aquifer as well as various strategies for discussing the need for promoting water reuse across the region. Discussed the need to promote awareness of Middle Peninsula drinking water and water reuse challenges as well as a resolution encouraging localities to engage in a discussion about the importance of water reuse and water preservation.
- Provided Middlesex County Administrator Matt Walker with information concerning pet waste disposal stations for a potential dog and cat park in Deltaville. Advised that the York and Small coastal Basins Roundtable has funding to assist localities with purchasing pet waste disposal stations for water quality improvements.
- Discussed Chesapeake Bay Septic Pump Out requirements with a reporter from Smithfield. The reporter was interested in knowing if Middle Peninsula localities send out notices reminding community members of the requirements to pump out septic systems.

Project 32121 Land and Water Quality Protection

In light of changing Federal and State regulations associated with Bay clean up-nutrient loading, nutrient goals, clean water, OSDS management, storm water management, TMDLs, etc, staff from the Middle Peninsula Planning District Commission (MPPDC) will develop a rural pilot project which aims to identify pressing coastal issue(s) of local concern related to Bay clean up and new federal and state legislation which ultimately will necessitate local action and local policy development. Staff has identified many cumulative and secondary impacts that have not been researched or discussed within a local public policy venue. Year 1-3 will include the identification of key concerns related to coastal land use management/water quality and Onsite Sewage Disposal System (OSDS) and community system deployment. Staff will focus on solution based approaches, such as the establishment of a regional sanitary sewer district to manage the temporal deployment of nutrient replacement technology for installed OSDS systems, assessment of land use classifications and taxation implications associated with new state regulations which make all coastal lands developable regardless of environmental conditions; use of aquaculture and other innovative approaches such as nutrient loading offset strategies and economic development drivers.

- Convened a meeting of the Middle Peninsula Local Government Administrators, Delegate Keith Hodges, and Quinton Elliot, VDOT Fredericksburg District Administrator, to discuss how best to advance forward strategies to improve drainage issues across the Middle Peninsula based on the findings of the final report under the Land and Water Quality project. Three outcomes arose from the meeting:
 1. Seek legislation to amend the VDOT Revenue Sharing Program. The Virginia Department of Transportation administers the program, in cooperation with participating localities, under

the authority of Section 33.1-23.05 of the *Code of Virginia*. It was suggested that legislation could be offered to amend the “Tier 1” projects to include specific language for ditch and drainage problems.

2. Outreach to VDEM to discuss safety issues associated with repetitive flooded roads and how VDEM and FEMA may be able to assist.
3. Explore legislation that would remove or limit the liability associated with a private citizen voluntarily cleaning an outfall ditch to improve the flow of water.

Project 32128 Land and Water Quality Protection 3

Virginia local governments continue to respond to the Commonwealth’s request for TMDL action associated with Chesapeake Bay cleanup efforts. To assist with the effort, MPPDC’s Phase 3 proposal will continue to develop rural pilot projects which aim to identify pressing coastal issues of local concern and possible solutions related to Bay clean up. MPPDC staff will continue developing, assessing, and articulating the development of possible enforceable policy tools to assist localities with TMDL Phase II WIP requirements. Phase 3 will focus on identifying the legal and financial aspects of sustaining permanent funding sources to address septic repairs and rural storm water ditch maintenance.

- Consulted with Delegate Keith Hodges concerning various strategies to increase funding available to Middle Peninsula localities and citizens with ditches not draining as they once did.

Project 32124 Aberdeen Creek Harbor Master Plan

This project proposes to focus on developing an Aberdeen Creek Commercial Seafood Master Plan focused on maintaining services and working waterfront industries within Aberdeen Creek. Aberdeen Creek is second behind Perrin River as one of two major commercial seafood hubs in Gloucester County. Within recent years, Aberdeen Creek has experienced the closure of a Gloucester Seafood Inc which was a seafood processing plant that processed local watermen catches, as well as provided fueling and mooring facilities for their boats. Since this business has closed, Aberdeen creek has experienced significant shoaling and dredging has become a priority issue. To develop this plan, MPPDC staff will take the lead and conduct a site analysis, including an inventory of creek activities (i.e. public and private), a count of the number of watermen that utilize the creek, and an analysis of the creek navigational conditions. MPPDC staff will also research public and private infrastructure and property ownership to better understand options to improve or expand working waterfront industry services within the Creek. The plan will rely on community participation to identify and discuss infrastructure needs and potential improvements for Aberdeen Creek users. Technical staff will develop cost opinions including discussion of capital improvement needs, and capacity analysis for private and public facilities.

- MPPDC Staff visited Aberdeen Creek in Gloucester County to identify existing working waterfront businesses, survey workboats at public dock, and assess the physical condition of the waterfront. The old Gloucester Seafood building appears to be in poor condition, had two boats docked, and is fenced off; the public docks are in poor condition and had 7 workboats tied up side-to; and access to the waterfront is good with a paved public road.
- Researched Gloucester County Zoning Code for permitted uses of zoning districts along the Aberdeen Creek area.

Project 32204 Working Waterfront Coalition Summit

The Rural Chesapeake Bay-Seaside Working Waterfront Coalition partners (MPPDC, A-N and NN PDC) propose to organize, coordinate and convene a Virginia Working Waterfront Summit to be held at a central location (possibly VIMS) and possible remote location (Wachapreague) to discuss the challenges faced by

Coastal Virginian's engaged in owning, managing or developing policy on issues related to working waterfronts. Summit invitees will come directly from the data base of working waterfront business developed under the Section 309 Working Waterfront project administered by the Virginia Sea Grant Marine Advisory Program. The Summit will consist of three parts: a) Panel of working waterfront specialist will discuss the growing national problem faced by working waterfront business and Virginia challenges, b) Introduction/ use of the Working Waterfront web portal. c) Discussion of Virginia specific issues, problems, and challenges of those in attendance.

- Participated in a planning workshop on November 14, 2013 at VIMS.
- Participated in a conference call with Northern Neck, Accomack-North Hampton and Hampton Roads PDC staff to discuss how to graphically illustrate which zoning districts are friendly to working waterfronts.
- Consulted with several possible session speakers for the Virginia Working Waterfront Workshop to be held at the Virginia Institute of Marine Science and the Eastern Shore Community College on February 26th from 9:00 a.m. to 4 p.m. The workshop is intended to exchange ideas and suggestions about issues impacting Virginia's working waterfronts and discuss potential strategies to keep Virginia's waterfronts working.
- Researched zoning districts and their permitted uses for the localities in the PDC. Drafted maps for King William, Middlesex and Gloucester Counties identifying working waterfront friendly zoning districts by comparing district uses to the working waterfront friendly definition.

TRANSPORTATION

Funding – VDRPT, VDOT, local match from MPPDC General Fund

Project 30209 Transportation Demand Management (TDM) Services

This program assists local commuters and employers with transportation issues. The main emphasis is on lowering the number of single occupancy vehicle commutes within and from the Middle Peninsula region through marketing and promotion of the program through local media and provision of ride matching services to commuters.

- Consulted with Laura Loding, IT services contractor, regarding status of new Rideshare website.
- Attended meeting at Department of Rail and Public Transportation (DRPT) to discuss needs for ridematching software for non NOVA agencies. Currently the ridematching software being used by these agencies (including MPPDC) was designed in 2001. It is inadequate and no longer supported by the contractor. MPPDC has maintained that, to provide the best service to Middle Peninsula commuters, MPPDC needs to be able to tap into the databases maintained by Ridefinders (Richmond) and TRAFFIX (Hampton Roads). Department of Rail and Public Transportation (DRPT) is looking to rate available ridematching software to provide a comprehensive database for all non NOVA agencies. Software would allow for online ridematching and allow TDM agencies to collect data needed for reports to the state. After reviewing required and optional components, 6 or more software programs will be rated. TDM agencies will be asked to “test drive” the top contenders and a recommendation will be made to DRPT to purchase new software for the agencies.
- Consulted with Emily Gibson, Gloucester County, regarding overnight use of Park and Ride Lots. Researched VDOT P&R lot rules and regulations and forwarded information to Gloucester.

- Reviewed Ridematching System and evaluation matrix submitted to TDM agencies by DRPT contractor.
- Met with John Edwards, West Point Town Manager, and planning staff to discuss possible locations for Park and Ride lot in the Town. Prioritized 2 possible locations to be presented to VDOT for action.
- Provided statistics on MPPDC TDM Ridematching program to Marquitrice Wright for VDOT workshop display.
- Will attend Vanpool Bootcamp workshop in Fredericksburg on November 13th. This workshop is presented by the Chesapeake Chapter of the Association for Commuter Transportation.

Project 30311 Rural Transportation Planning

This program provides rural transportation planning services through the Rural Transportation Planning Work Program which outlines specific tasks and goals to guide the rural planning of transportation services.

- Coordinated with James Syndor, Tappahannock Assistant Town Manager, on the Prince Street conveyance from VDOT to the Town of Tappahannock. Researched what is required by law for conveyance and language for proposed resolution to be adopted by Town Council.
- Contacted all Middle Peninsula localities regarding VDOT’s request for new park and ride lots or improvements to existing park and ride locations. Submitted four park & ride recommendations from counties of King William, Essex, Middlesex, and Town of West Point to VDOT for consideration.
- Met with Bret Schardein, Planning Director for King William County, to discuss update to the Transportation section of the Comp Plan. Discussed format and content and provided samples of good transportation plan layouts from other jurisdictions.
- Conducted Ride-Along with VDOT and Administrators from King William County, Town of West Point, Essex County, and Town of Tappahannock. Drafted reports prioritizing issues and recommendation presented by each locality.
- Per Donna Sprouse, Zoning Administrator King and Queen County, researched funding options available to assist with paving roads identified in the county’s secondary Six-Year improvement Plan.
- Compiled information and created a display on the Rideshare program in the Middle Peninsula for presentation at the VDOT Fall Multimodal Transportation workshop in Fredericksburg.

ONSITE REPAIR & PUMPOUT

Funding – VDCR, VRA Loan Funds, local match from MPPDC General Fund, cost sharing

Project 30420, 30423 On-Site technical Guidance Assistance and Revolving Loan Program

The On-Site Technical Guidance Program aids the Middle Peninsula localities and residents in the technical understanding and implementation of approaches to address On-Site Disposal Systems and improve water quality by assisting local homeowners with repairing failing septic systems through low-interest loans and/or grants.

- Consulted with Julie Goens, Gloucester County Health Department, regarding septic repair assistance availability.

- Received phone call from King and Queen County homeowner regarding septic repair assistance availability.
- Received phone call from Julie Kaylor, Mathews County, regarding assistance available for 85 year-old homeowner using portable toilet as septic system has been inoperable for over a year. Discussed funding availability and requested application be submitted.
- Prepared and submitted BMP tracking report (which provides locational and watershed data for all septic repairs and pumpouts funded by WQIF grant) and final report to Kevin Landry, DEQ, to close out grant.
- Received phone call from Gary Wood, VDH contractor administering NFWF grant to upgrade GMP waived repairs, regarding source of MPPDC loan and grant funds. Mr. Wood is attempting to convince a Middlesex County homeowner who had just been approved for financing through MPPDC for a conventional repair to upgrade to an alternative system utilizing NFWF grant funding and needed to know if MPPDC funds being provided are federal funds for match purposes.
- Received phone call from Thomas Gray, Town of Tappahannock, who was referred to MPPDC by VDH for assistance with well and septic system installation. This is for a new installation. Provided information on SERCAP well and septic assistance and contact information. MPPDC does not fund new septic systems, only repairs to failing systems.
- Received phone call from Jamie Miller, Miller's Septic, regarding assistance availability. He will provide application and contact information to homeowner.
- Consulted with Gloucester County homeowner regarding application for septic repair. Requested additional documentation regarding federal tax liens and documentation of equity. Assistance had been approved, but rescinded due to discovery of federal tax liens. It was determined that since homeowner has initiated repayment agreement with IRS and has considerable equity in property to reapprove funding. Information resent to attorney to set-up loan closing.
- Received application from Middlesex County homeowner for assistance for septic repair. Requested income verification and estimate.
- Received phone call from Julie Kaylor, Mathews County, regarding application.
- Received application from King and Queen County homeowner. Consulted with homeowner regarding additional documentation needed to process application.
- Consulted with Marc Longest, Middlesex County Health Department, regarding characterization of pump replacement for Advantex system as septic repair. MPPDC program can only provide assistance for jobs that are designated by VDH as septic repairs. If VDH will not characterize this work as repair to a failing septic system MPPDC will not be able to assist this low income homeowner. Providing alternative systems to low income property owners who cannot afford to maintain them may prove to be problematic as more and more are installed in the region.
- Consulted with Richard Smith, Smith's Septic Service, regarding application sent from Mathews County. Discussed need for homeowner to contact VDH regarding repair permit.
- Consulted with Tammy Faulkner, Mathews County Health Department, and Julie Kaylor, Mathews County, regarding VDH involvement in septic repair. MPPDC needs a repair permit or letter from VDH regarding septic system failure to process application.

- Mailed certified letters to clients whose accounts are in arrears.
- Consulted with Middlesex County loan client regarding past due payments and need to make regular monthly payments through valid bank account. Client provide ACH authorization for new bank account and requested payments be held until December 15th.
- Provided information on MPPDC Onsite Program to Dave Tiller, VDH. VDH has received National Fish and Wildlife Foundation (NFWF) grant to upgrade waived conventional septic systems to alternative nitrogen reducing systems.
- Consulted with Janet Swords, AOSE, and Tammy Faulkner, Mathews County Health Department, regarding Mathews County septic repair design.
- Executed ACH loan payments for EECBG loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). MPPDC staff process these payments on the 15th of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to the loan processing date of the 12th of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans.

*Note: All WQIF grant funds have been committed. Extremely limited grant funds available from VRA loan funds that do not have to be repaid. MPPDC staff are continuing to search for additional grant funding for this program. The ability to blend loans with grants is crucial in assisting low income homeowners in correcting failing septic systems. **Remaining funding - ~\$85,000 of which a maximum of \$28,500 can be in the form of grants.***

ECONOMIC DEVELOPMENT

Funding – EDA, local match from MPPDC General Fund, BDP Loan Program Income

Project 301702 Small Business Revolving Loan Fund

MPPDC agreed to service Middle Peninsula Business Development Partnership's (MPBDP) Small Business Loan Portfolio after MPBDP's dissolution November 30, 2011. MPPDC established a revolving loan fund and staff initiate ACH loan payments from clients bank accounts and manage the accounts. Principal repaid will be held until the Commission determines the best use for these funds as allowed by the USDA (RBEG) original lending restrictions. Interest earned will be used to offset administration costs.

- Sent certified letter to loan client whose account is in arrears. Received phone call promising payments on a regular basis.
- Executed ACH loan payments for MPBDP loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). MPPDC staff process these payments on the 15th of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to the loan processing date of the 12th.

Project 30104 DHCD Planning Grant—VA Sea Grant Universities MP Partnership

This initiative looks to develop new partnerships with Virginia Universities participating within the Virginia Sea grant Network to enhance Virginia Universities' impacts and value-added services to Middle Peninsula private businesses and coastal localities.

- Consulted with Mark W. Luckenbach, Associate Dean for Research and Advisory Services; Professor of Marine Science, concerning how Advisory Service outreach programs meet the needs of end users and how products and services can be developed that are useful to local governments.

Project 30104 Middle Peninsula Broadband Study

The EDA Broadband Initiative is a project designed to bring together Middle Peninsula counties and towns in a series of workshops with the intent of determining the proper model to follow in developing and running a broadband service in the MPPDC region.

- A meeting of the Middle Peninsula Broadband Authority (MPBA) was held on November 8, 2013 in the MPPDC Boardroom. The member counties of Essex (A. Reese Peck), Gloucester (Brenda Garton), King William (Trenton Funkhouser), and Mathews (Melinda Moran) were present, as well as, Tom Swartzwelder from King and Queen County, Matt Walker from Middlesex County, Richard Conch from the Mathews IDA, Sandie Terry of CIT on a conference line, and MPPDC staff. An introduction to the EDA Broadband Grant was presented to the MPBA Board. Requested that the Counties identify citizens to participate in the upcoming Broadband workshops. The first workshop will be in January 2014 (time and date TBD). Ms. Terry of CIT will be the speaker at the first workshop where the discussion will focus on rural broadband models: what works, what doesn't, how, and why.

LOCAL INITIATIVES

Funding - local dues, PDC base-funding from VDHCD and/or MPPDC General Fund. Funding for specific projects may come from locality requesting assistance.

Project 30009 Local & Regional Technical Assistance

This program responds to daily requests for technical assistance which other commission programs are unable to provide.

- Consulted with Jessica Rogers, Sands, Anderson regarding MPPDC Septic Repair Program design. Sands, Anderson is working on Septic Heir Property Ordinance for Mathews County.
- Provided information to Donna Spouse, King and Queen County Zoning Administrator, on various funding sources available to assist in GIS software update.

(See Coastal Community Development/Environmental- in a cost saving strategy, many activities such as the monthly meeting of the local government administrators have been shifted away from using local funds)

Project 30015 Tappahannock Comp Plan Update

The Town of Tappahannock has contracted for the Planning District Commission to provide technical planning support for the Town of Tappahannock's Planning Commission as they go through their 2014 Comprehensive Plan Update Process. Every jurisdiction in Virginia is mandated by Virginia Code Section 15.2-2223 to create and adopt a comprehensive plan that outlines a vision for the future of the community with a twenty year planning horizon.

- Created survey to be provided to Town of Tappahannock residents for comments on Comprehensive Plan update.
- Prepared Steering Committee Handout and schedule drafted for Comp Plan meeting.

Project 30016 Essex Comp Plan Update

Essex County has contracted for the Planning District Commission to provide technical planning support for the Essex County Planning Commission as they go through their 2014 Comprehensive Plan Update Process. Every jurisdiction in Virginia is mandated by Virginia Code Section 15.2-2223 to create and adopt a comprehensive plan that outlines a vision for the future of the community with a twenty year planning horizon. Along with the Comprehensive Plan, Essex County has contracted for the Planning District Commission to lead the Planning Commission in discussions regarding the future preparation of a Capital Improvement Plan (CIP), and prepare a Virginia Enterprise Zone Designation (VEZD) application for the County. The Virginia Enterprise Zone (VEZ) program is a partnership between state and local government in which both parties seek to improve economic conditions within designated localities. The program is meant to complement additional local, state, and federal economic development activities to create an improved climate for private sector investment and to focus limited resources on strategically targeted areas. A proposal will be submitted on behalf of the locality by the deadline of June 28th, 2013 using the Department of Housing and Community Development Centralized Application Management System (CAMS).

- Attended the Essex County IDA meeting on October 22, 2013 to review the status of the AFID grant and the intent to re-submit the application upon re-scoping the application.
- Re-scoped the AFID grant application to include a list of Agriculture and Forestry Industries Advisory Board members and a draft Request of Proposals to complete a strategic plan. Currently the application is being reviewed by the IDA.
- Created survey to be provided to Essex County residents for comment on Comprehensive Plan update. Prepared Steering Committee Handout and schedule drafted for comp Plan meeting.

HOUSING

Funding –Housing Loan Program Income

Project 300132 Energy Efficiency and Conservation Block Grant (EECBG)

Summary: Governor Timothy Kaine announced on October 6, 2009 that \$9.7 million in Energy Efficiency and Conservation Block Grants (EECBG) would be distributed on a competitive basis to small local governments. Virginia's 21 Planning District Commissions administered the program and assisted localities in the development of proposals which were ranked and awarded by the Department of Mines, Minerals and Energy (DMME). The program emphasizes a community-based approach to help meet energy and climate protection goals. MPPDC was awarded a contract to provide weatherization renovations to 12 homeowners ineligible for LMI weatherization programs in each of the 6 counties. MPPDC subcontracted the promotion and construction portions of this project to Bay Aging but is tasked with administering the overall project. MPPDC is administering the revolving loan program per DMME.

- Executed ACH loan payments for EECBG loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). MPPDC staff process these payments on the 15th of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to the loan processing date of the 12th of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans.

EMERGENCY SERVICES

Funding - Pending

In response to the Commission's work plan to address emerging emergency management issues, MPPDC staff prepared an application to the Federal Emergency Management Agency for a proposal for *Staffing for Adequate Fire and Emergency Response Grants (SAFER)*. Unfortunately, only King and Queen County was able to provide the required information for submittal. Each locality identified a reason for not being able to respond. Two of the local Emergency Coordinators and MPPDC staff had a difference of opinion as to submittal eligibility. MPPDC staff contacted the SAFER RFP staff and was advised that "*As long as the locality was not duplicating efforts they could participate in another proposed project*". Some localities were unable to respond. MPPDC amended the proposal and submitted singularly for King and Queen County.

Project 31201 Middle Peninsula All-Hazards Mitigation Plan Update (Reported under Mandates above)

AGENCY ADMINISTRATION

Funding - Indirect cost reimbursements from all PDC projects

300091 MPPDC Administration

Administrative services provided to MPPDC programs. Planned FY13 Indirect Cost rate =50%

- Prepared vouchers, processed A/P, processed payroll, processed deposits and balanced bank accounts. Prepared MPPDC monthly financial statements.
- Consulted with Michael Aukamp, Dunham, Aukamp and Rhodes, and MPPDC Auditor regarding MPPDC Indirect Cost Allocation Plan. Mr. Aukamp recommends MPPDC change Indirect Cost Allocation Plan methodology to not utilize funding to lower indirect rate, but rather to direct charge general agency administration salaries to new element under local programs. Prepared updated MPPDC Indirect Cost Allocation Plan to be presented to Commission at November meeting.
- Consulted with Michael Aukamp, Dunham, Aukamp and Rhodes regarding FY13 audit. Prepared and submitted Management Discussion & Analysis for inclusion in audit report. Reviewed draft audit, requested corrections and approved final draft to be submitted to Commissioners at November meeting.
- Discussed the overall program design for the Middle Peninsula Planning District Commission Alternative Performance Pay program with Elaine Meil, Executive Director for the Accomack-Northampton PDC. The AHNPDPC may have an interest in replicating the MPPDC program.
- Attended the VAPDC annual Executive Directors/ State Agency Head meeting held at the Virginia Department of Housing and Community Development office in Richmond Virginia. Discussed the importance of PDC's advancing forward the work of both local governments and state agencies.

CLOSED FY14 PROJECTS: Includes additional items as a result of the project (new projects, clarification, strategic planning etc).

30426 DCR WQIF Septic Repair Funding

The Middle Peninsula Planning District Commission Regional On-Site Wastewater Treatment and Disposal Funding Program targets known failing septic systems which impact the surface and ground water of the Rappahannock, York and Coastal Watersheds. The program works directly with the Three Rivers Health District and Middle Peninsula localities to identify failing septic systems and offer financial assistance to homeowners to repair/replace these failing systems. WQIF funds are to be used to install and/or repair failing septic systems. Grants funds, blended with low-interest loans from the MPPDC On-Site Revolving Loan fund, will be used to assist homeowners in paying for these systems. An Easement and Landowner Agreement requiring that property owners accept responsibility for the manufacturer recommended maintenance of these systems for their lifespan is required for WQIF funding. Funding will also be used to assist low-mod Middle Peninsula homeowners to comply with Chesapeake Bay regulations to pump their septic systems every 5 years.

Projects 320081 PAA Perrin Wharf Construction

The Middle Peninsula Middle Peninsula Chesapeake Bay Public Access Authority recently acquired ownership of the 320 ft Perrin River wharf in Gloucester County from VDOT. The Perrin River exists as the urban working waterfront for the county and the Perrin River wharf is traditionally used by commercial watermen for vessel moorage. This project serves as a revitalization of the urban waterfront-commercial seafood hub for Gloucester County. With the recent closure of several key docking locations, up to 25 commercial workboats have been displaced and are rafting at the Perrin Wharf. This project will revitalize and reorganize the public wharf moorage space. The current moorage space is unorganized. Vessels now tie up parallel with the pier, making inefficient use of public space. Rafting is also used, but is not as safe as slip mooring. This project will reorganize the pier by installing 10 new slips, 4 finger piers, an ADA approved ramp, and ADA parking spot, and a port-a-potty to assist with access, mooring, off loading, and sewage disposal.

Project 32009 Lands End Master Plan

In February 2013, the MPCBPAA was gifted 96.81 acres of waterfront property located on the Severn River in Gloucester County. This Severn River property consists of twenty-one parcels, three of which have dwellings. While much of the property is pristine coastal ecosystem, including densely forested mixed hardwood and pine trees, and tidal wetlands, the three dwellings on this land present new management issues for the MPCBPAA. The MPPDC is partnering with the MPCBPAA to develop a preliminary management plan for the Severn River property that meets the goals of the MPCBPAA while maximizing water access, outdoor recreational, and community needs. With the development of a community stakeholder group, MPPDC staff will facilitate discussions and work towards developing an approach to creating a final management plan for the Severn River Property. The preliminary management plan will include potential management options, needed actions, as well as draft management goals and objectives for the Severn River Property.

Project 32122 Living Shorelines

On April 29, 2011 legislation was approved directing The Virginia Marine Resource Commission (VMRC), in cooperation with the Department of Conservation and Recreation and with technical assistance from the Virginia Institute of Marine Science (VIMS), to establish and implement a general permit regulation that authorizes and encourages the use of living shorelines as the preferred alternative for stabilizing tidal shorelines in the Commonwealth. "Living shoreline" means a shoreline management practice that provides erosion control and water quality benefits; protects, restores or enhances natural shoreline habitat; and maintains coastal processes through the strategic placement of plants, stone, sand fill, and other structural and organic materials. VMRC, with assistance from VIMS, is developing a general permit which can expedite the permitting process as an incentive to encourage property owners to select the "preferred alternative" for stabilizing tidal shorelines in the Commonwealth. This proposal will serve as a feasibility study and offer a

potential design for a publicly sponsored water quality improvement-living shoreline revolving loan construction program. MPPDC staff will work with the Virginia Resource Authority, Department of Environmental Quality, Federal Agencies as well as legal counsel to explore an administrative program design and options for capitalizing a revolving loan program within the Middle Peninsula to encourage living shoreline construction by Middle Peninsula homeowners.

- Consulted with Beth Polak, Coastal Zone Management/Dept. of Environmental Quality, regarding final report. Added section on RLF program design and resubmitted report.

Project 32125 Floating Structures

As a result of a proposed “Oysterplex” in King and Queen County, which included two floating structures in open water used for commercial use rather than residential use, new permitting, regulatory, and jurisdiction questions were raised. Therefore MPPDC staff will: (1) review the lessons learned with the proposal approval of the Oysterplex, (2) create a Floating Structures Committee to discuss permitting barriers related to process for future applicants as well as strategies for possible guidance for permitting of floating commercial structures in the future, and (3) the committee will work to develop the necessary policy and guidance to include local planning administrators /departments in the Joint Permit Application process.

- Completed and submitted the final report and final project summary for the Floating Structure Project to the Coastal Zone Management Program on November 1, 2013.

Project 33000 Middle Peninsula Comprehensive Economic Development Strategy

The purpose of this project is to develop a Comprehensive Economic Development Strategy (CEDS) for the Middle Peninsula. The CEDS process will be extremely valuable for the region as a means to tie together the many activities and plans of 9 jurisdictions (6 counties and 3 towns) and also to identify and prioritize cross-region initiatives. The last Regional Economic Development Strategic Plan was completed in March 2002. The past ten years have witnessed significant changes in the region’s demographics. The increase in population has also created demand for services and infrastructure development. There is also an interest in sustaining traditional trades such as fishing and agriculture.

Participated in a conference call with Brian Baker, Executive Director University of Mary Washington, Center for Economic Development

- Participated in a conference call with Brian Baker, Executive Director University of Mary Washington, Center for Economic Development concerning expanding business training services across the Middle Peninsula.

1301 Mathews Heritage Park

Mathews Heritage Park was donated to the Middle Peninsula Chesapeake Bay Public Access Authority (PAA) in 2010 and is a 9.119 acre waterfront parcel located on Field Point Road in Moon, Mathews County, Virginia. As designated in the Deed of Gift with Declaration of Restrictions, the property can only be used as a nature park and waterfront center for the purpose of teaching about the history of the people of Mathews County, Virginia and the ecology of the land and the surrounding waters, including, but not limited to, teaching skills associated with the traditional trades and crafts of the people of Mathews County, Virginia including farming, fishing, boat building, seamanship, navigation, sailing and rowing. In 2011 a grant with the National Park Service Rivers, Trails and Conservation Assistance Program (RTCA) was awarded to the PAA to provide guidance in water access and park planning; facilitation of a planning process that merges the various ideas of community stakeholders, resolves past conflicts, and gains consensus on a vision, goals, and management approach for the site. The outcome of the grant is expected to be a management plan for the park.

- Consulted with a Mathews County resident interested in knowing the status of the Mathews Heritage Park and possible future uses. Advised that a citizen grass roots group is working with adjoining land owners to develop a plan utilizing the site.
- Consulted with Jim Smith, Mathews Land Conservancy/ Mathews Boy Scouts, concerning a community level meeting called to meet with the adjoin land owners of the Mathews Heritage Park on November 18 at the Mathews Library to discuss how to proceed.

REPORT

ROADSIDE AND OUTFALL DRAINAGE DITCHES

John S. Morris, III

Beale, Davidson, Etherington & Morris, P.C.

For full report – <http://www.mppdc.com/index.php/reports/2013>

RECOMMENDATIONS FOR ANALYSIS OF FUTURE PROBLEMS

The duty to keep ditches clear and maintain them will be determined by the circumstances. If the ditch was created by a single landowner or used to channel excessive water from a single landowner, that landowner would be responsible for damages resulting from the ditch. If a party has a drainage easement for the ditch, that party would be responsible for maintaining the ditch. *Jenkins v. County of Shenandoah*, 246 Va. 467, 436 S.E.2d 607 (1993).

Landowners have the ability to fend off water, but there are limits to that ability. As long as the water is going into a natural watercourse and does not improperly damage adjoining or downstream land, there is typically no liability or obligation to do anything further.

The difficult issue with most of these ditches is whether there is a duty to keep the water flowing. This is complicated by the fact that, in many of the outfall ditches, the water is not flowing very well at substantial distances from roadside ditches due to the lack of elevation change and a corresponding lack of flow in the natural watercourses. No party is responsible for such lack of flow if it has not taken some action that impedes that flow in the natural watercourse. However, if that flow has been impeded in an unreasonable manner, the party impeding the flow of water would be liable for any resulting damage. *Mullins v. Greer*, 226 Va. 587, 311 S.E.2d 110 (1984); *Howlett v. City of South Norfolk*, 193 Va. 564, 69 S.E.2d 346 (1952).

If the ditch is a natural watercourse or has been in existence for many years, it must be determined whether there has been an excessive increase in the amount of water going into it. For example, if a property that had previously been unimproved becomes improved with an extensive area of impermeable surface, such as multiple buildings, asphalt parking lots or a large road system, the party creating the excessive amount of water runoff may be responsible for an unreasonable increase in the water placed into the natural channel. Nevertheless, every landowner has the right to reasonably develop its property and to fend off water. Its only other limitation is that it cannot collect the water in a volume and pour it upon the land of another to his injury, such as occurred in *Seventeen, Inc. v. Pilot Life Insurance Co.*, 215 Va. 74, 205 S.E.2d 648 (1974). That situation could occur on Brays Point Road, depending on how water is handled at the Woodville Park development and how extensive the development of Woodville Park may become.

If the problem is that a ditch has become clogged, it must be determined why the ditch is clogged. If the clogging is caused by natural growth in it, it is possible that no party is responsible. However, if a party created or relocated a channel on or along its property in such a manner that caused it to become clogged or handle less water, the party may have responsibility to maintain the ditch. *Livingston v. Virginia Department of Transportation*, 284 Va. 140, 726 S.E.2d 264 (2012). Therefore, VDOT may have a responsibility to keep roadside ditches clear of natural vegetation so that the flow of water is not impeded. However, if the water does not flow because of a lack of elevation change, VDOT would not be responsible for that standing water.

A party with a drainage easement over the property of another has the right to channel water into the easement. However, that party also has a duty to keep the easement area clean enough to allow the flow of water through the channel. *Jenkins v. County of Shenandoah*, 246 Va. 467, 436 S.E.2d 607 (1993). If a party had an easement to flow water through the property of another and that easement terminates, as was the case with the School Board's easement onto the McMinn property, the former holder of the easement must then take steps to prevent the flow of the water onto the neighbor's land in any concentrated flow.

To determine the existence of an easement, one must examine the land records. Although certain easements can be implied or created by necessity, that rarely happens with regard to drainage easements. Most drainage easements are express and set forth in a recorded document such as a deed or plat.

No one is responsible for a ditch to the extent it is a natural channel. Most of the properties in Gloucester County along the outfall ditches at Maryus Road and Guinea Circle Road had plats or deeds which reflected the existence of the ditch. Designations like ditch, creek or stream indicate that such a ditch is a natural watercourse or has become one over the course of many years. Therefore, any adjoining landowner has the right to channel its water into that ditch, creek or stream so long as it does so in a reasonable manner.

In situations in which a ditch overflows and floods a road, like the two ditches at Guinea Circle Road and the ditch at South Haven Bay Road, further investigation is needed to determine the cause. If the cause is an unusually large storm that meets the Supreme Court's definition of an extraordinary rainfall, no one is responsible. *City of Portsmouth v. Weiss*, 145 Va. 94, 133 S.E. 781 (1926). If a road floods when water on the downstream side is below road level, then the culvert may be damaged or too small to handle water coming towards the culvert. If the water level on both sides of the culvert are at the same elevation, the problem is likely downstream or simply too much water in too short a period of time.

A STUDY TO DETERMINE THE EFFICACY OF INCENTIVIZING THE USE OF LIVING SHORELINES IN VIRGINIA THROUGH THE ESTABLISHMENT OF A REVOLVING LOAN FUND

EXECUTIVE SUMMARY

On April 29, 2011 legislation was approved directing the Virginia Marine Resource Commission, in cooperation with the Virginia Department of Conservation and Recreation and with technical assistance from the Virginia Institute of Marine Science), to establish and implement a general permit regulation that authorizes and encourages the use of living shorelines as the preferred alternative for stabilizing tidal shorelines in the Commonwealth. “Living shoreline” means a shoreline management practice that provides erosion control and water quality benefits; protects, restores or enhances natural shoreline habitat; and maintains coastal processes through the strategic placement of plants, stone, sand fill, and other structural and organic materials. This project was undertaken as a feasibility study to offer a potential design for a publicly sponsored water quality improvement-living shoreline revolving loan construction program. This program would include offering grants and/or loans at below market rates to encourage the financing of living shoreline projects to advance the Commonwealth’s water quality and coastal habitat goals.

A contractual partnership was established with the National Sea Grant Law Center for a review and assessment of examples of existing revolving loan programs to promote living shorelines or similar coastal erosion control methods. Of the seventeen programs reviewed two were identified that could be utilized as models for a Virginia program. The Center for Coastal Resource Management at the Virginia Institute of Marine Science was contracted to assess the preferences of permit holders to consider using a local revolving loan program to finance a living shoreline project, as opposed to installing a conventional shoreline hardening approach, if more favorable lending terms were available for the preferred method. Forty-eight percent of respondents who installed conventional hardening stabilizations indicated that they would have considered a living shoreline approach had they been offered better financing options. Discussions with Virginia Department of Environmental Quality Virginia Clean Water Financing & Assistance Program staff regarding utilization of the Virginia Clean Water Revolving Loan (VCWRL) program to fund a living shoreline revolving loan program were held and determination made that this may be an acceptable use of these funds. MPPDC currently administers several revolving loan programs, one of which, the Middle Peninsula Septic Repair Assistance Program, has utilized funding from the VCWRL. MPPDC has in place an approved program design utilizing DEQ revolving loan funds to repair failing septic systems. The Middle Peninsula Planning District Commission Regional On-Site Wastewater Treatment and Disposal Funding Program FY 1997 Virginia Revolving Loan Fund Program Design And Guidelines dated May 1997 (Revised June 1998, August 2000, and May 2002, November 2005, October 2008, February 2011) will be used as the model for establishing a living shoreline revolving loan program should the MPPDC Commission direct staff to establish a living shoreline revolving loan program.

The Middle Peninsula Planning District Commission will review the study and determine if the establishment of a Middle Peninsula Living Shoreline Revolving Loan Funding Program should

be established. If the Commission decides to offer an RLF for this purpose, MPPDC staff will enter into discussions with DEQ and VRA to explore funding from the VCWRL and acceptable program design parameters.

Full Report can be viewed here - <http://www.mppdc.com/index.php/reports/2013>

Floating Structures: *The Policy and Permitting Complexities*

Executive Summary

As many coastal localities struggle with becoming less rural and more suburban, balancing growth, preserving coastal character, and encouraging and permitting new coastal uses predicated on innovative ideas, become more complex.

In summer 2012, Anderson's Neck, LLC submitted a Joint Permit Application (JPA) to Virginia Marine Resources Commission (VMRC) to establish an aquaculture business using an "Oysterplex" that would be used to harvest, clean, tag, and bag oysters in Morris Bay (King & Queen County). This Oysterplex was described by the applicant as "basically a barge with a building on it, walls, windows, doors, a roof, and solar panels on the roof to power upwellers."

In past efforts the Middle Peninsula Planning District Commission (MPPDC) staff assessed the policy implications of floating homes from a local government perspective (Virginia Coastal Zone Management Program Grant # NAOS4190466, Task 2.02). MPPDC staff considered the "use" of floating homes and focused on three specific classifications: (1) marina moorage, (2) private pier moorage, and (3) random moorage along waterfront moorage. As these categories encompassed the breathe of floating structures within the region at the time, with the proposal of the Anderson Neck's Oysterplexes that included two floating structures in open water used for commercial use rather an residential use, new permitting, regulatory and jurisdictional questions presented themselves to State and Local entities.

For this project (#NA10NOS4190205 Task 53) MPPDC staff worked to understand the permitting challenges and breakdowns of the Anderson's Neck project and explored ways to improve permitting processes for future innovative projects. To assist with gathering this information, MPPDC staff created a Floating Structures Committee that consisted of representatives from VMRC, Virginia Department of Health, Virginia Department of Housing and Community Development, and King & Queen County. Through extensive discussions with the Committee it became clear that each State entity has a very specific lens in which they consider a proposed project that is based on the agency's authority and mission. Nevertheless there were two questions consistently asked amongst these entities: (1) what is the location of the floating structure, and (2) what are the intended uses of the structure? As these questions typically guide the agency in the direction of remitting the proper permit(s), State agencies

advised that each submitted JPA project has unique details that are taken into consideration on a case-by-case basis.

As another outcome of working with Committee, communication was identified as an essential aspect of the permitting process that moves a project along in a timely manner. It was found that State entities need to work amongst each other as well as with local entities to provide a holistic solution to a proposed project. For instance, during the permitting of the Anderson's Neck project the JPA was received by the Local Wetland Board staffer at the County, it was reviewed and was found not to fall into the Board's jurisdiction. Although this satisfied the JPA's authorization needs from the Local Wetland Board, there were new and unanticipated local land-use implications that the King & Queen County Planning and Zoning Staff had to address. Thus communication between the Wetland Board staffer and the Planning and Zoning Staff would have improved efficiencies at the local level. Beyond this example, JPA applicants are encouraged to provide as much detailed information about the project and the proposed business plan to State and Local entities. This will assist entities with their permitting decisions. If information changes through the permitting process, this may alter the permitting course of the project and delay the project altogether.

The Anderson's Neck Oysterplex project proved to be challenging, and as the scale and intensity of aquaculture technology and water uses change, localities across the coastal zone as well as State agencies will continue to face complicated policy questions and permitting options. While localities may need to acknowledge their jurisdiction over water and/or even consider zoning over water which is consistent with the 2011 Virginia Supreme Court ruling ***JENNINGS v. BOARD OF SUPERVISORS OF NORTHUMBERLAND COUNTY***, State agencies may need to redefine traditional uses and their approach to projects. Regardless, however the permitting of Anderson's Neck pushed State and Local entities to think outside of their traditional box and work through the permitting process. Overall, each entity gained an experience that will be a reference for the permitting of future projects.

Full report can be viewed here <http://www.mppdc.com/index.php/reports/2013>

**MIDDLE PENINSULA PLANNING
DISTRICT COMMISSION**

**AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013**

DRAFT

DUNHAM, AUKAMP & RHODES, PLC
Certified Public Accountants
Chantilly, Virginia

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

TABLE OF CONTENTS

	<u>Page</u>
Board of Commissioners	1
Independent Auditor's Report	2-3
Management's Discussion and Analysis	4-7
Financial Statements	
Statement of Net Assets	8
Statement of Revenues, Expenses and Changes in Net Assets	9
Statement of Cash Flows	10
Notes to Financial Statements	11-19
Schedule of Revenues and Expenses by Program	20-21
Budgetary Comparison Schedule	22
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23-24

DRAFT

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
BOARD OF COMMISSIONERS

R. Gary Allen - Essex County
Margaret H. Davis - Essex County
A. Reese Peck – Essex County
Edwin E. Smith - Essex County
Ashley C. Chriscoe - Gloucester County
Maurice P. Lynch - Gloucester County
John Northstein - Gloucester County
Sherrin C. Alsop - King and Queen County
James Milby - King and Queen County
Thomas J. Swartzwelder - King and Queen County
Travis J. Moskalski - King William County
Eugene Rivara - King William County
Otto O. Williams - King William County
O. J. Cole, Jr. - Mathews County
Thornton Hill - Mathews County
Charles E. Ingram - Mathews County
Melinda Moran - Mathews County
Elizabeth Hurd - Middlesex County
Wayne H. Jessie, Sr. - Middlesex County
Matthew Walker - Middlesex County
Roy M. Gladding - Town of Tappahannock
Mayor Donald Richwine - Town of Urbanna
John B. Edwards - Town of West Point
James H. Hudson, III - Town of West Point

INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Middle Peninsula Planning District Commission
Saluda, Virginia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Middle Peninsula Planning District Commission as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented components units, each major fund, and the aggregate remaining fund information of the Middle Peninsula Planning District Commission as of June 30, 2013 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenue and expenses, and budgetary comparison information on pages 4 through 7 and page 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Certified Public Accountants
Chantilly, Virginia

November 20, 2013

Middle Peninsula Planning District Commission Management's Discussion and Analysis

In this section of the annual financial report of the Middle Peninsula Planning District Commission (the "Commission"), management provides a narrative discussion and an analysis of its financial activities for the fiscal year that ended June 30, 2013. Responsibility for the accuracy of the data as well as the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This data is reported in a manner designed to fairly represent the Commission's financial position and the result of operations of its various funds. All disclosures necessary to enable the reader gain an accurate understanding of the Commission's financial activities have been included. The Commission's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Overview of the Financial Statements

The financial statements presented herein included all of the activities of the Commission using the integrated approach as prescribed by GASB Statement No. 34. Management's Discussion and Analysis (MD&A) is intended to introduce the Commission's financial statements. In addition to this Management's Discussion and Analysis (MD&A), the report consists of the enterprise fund financial statements, and the notes to the financial statements. These financial statements are designed to be more corporate-like in that all activities of the Commission are considered to be business-type activities.

Required Financial Statements

The Statement of Net Assets focuses on resources available for future operations. In simple terms, this statement presents a snap shot view of the assets the Commission has, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Business-type activities are reported on the accrual basis of accounting. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Assets details the Commission's revenues and expenses by functional type, and the net operating result of the current year. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

The Statement of Cash Flows shows the cash flows from the Commission's operating, capital and related financing, and investing activities.

The notes to the financial statements provide additional disclosure required by governmental accounting standards and provide information to assist the reader in understanding the Commission's financial condition.

The MD&A is intended to explain the significant changes in financial position and the differences in operation between the current year and prior years. Significant changes from the prior year are explained in the following paragraphs.

Financial Analysis

Summary Statements of Net Assets June 30,

	<u>2013</u>	<u>2012</u>
Current Assets	\$884,920	\$893,207
Capital Assets (net)	<u>15,457</u>	<u>12,614</u>
Total Assets	<u>900,377</u>	<u>905,821</u>
Current Liabilities	145,288	130,252
Long-Term Liabilities	<u>101,360</u>	<u>96,784</u>
Total Liabilities	<u>246,648</u>	<u>227,036</u>
Invested in Capital Assets	15,457	12,614
Unrestricted	<u>638,272</u>	<u>666,171</u>
Total Net Assets	<u>\$653,729</u>	<u>\$678,785</u>

Current assets decreased during the year by approximately \$8,300. MPPDC serves as fiscal agent for the Middle Peninsula Chesapeake Bay Public Access Authority (MPCBPAA). MPCBPAA had unreimbursed expenditures of approximately \$19,200 in FY13. Management and the MPCBPAA Board determined that MPCBPAA's financials had become sufficiently complex to warrant a separate accounting system and thus MPCBPAA assets and liabilities were removed from MPPDC books at the end of the year. Discounting MPCBPAA assets and expenditures, MPPDC current assets actually increased by approximately \$12,700.

Current liabilities increased during the year by approximately \$15,000 primarily as a result of the booking of the 2010 VRA loan payments which will commence in FY2014 and an increase in accrued leave payable.

Long-term liabilities increased by approximately \$4,600 during the current year, as the Commission made scheduled principal payments on the 1997 VRA loan in the amount of \$12,500, and received proceeds of \$29,576 from the 2010 loan with VRA.

Total net assets decreased by approximately \$25,000 this year due in large part to an increase in matching fund requirements of grants obtained to further the work program of the Commission, most especially for the Stormwater Management Program funded by a grant through the Virginia Department of Conservation and Recreation (DCR). DCR does not allow for the reimbursement of indirect costs on its grants necessitating Management to treat this unreimbursed expense as matching funds.

Summary Statements of Activities

For the Years Ended June 30,

	<u>2013</u>	<u>2012</u>
Revenues		
Operating revenues	\$863,784	\$ 956,184
Assumption of Small Business and Housing Loan		
Portfolios	-	188,480
Interest	<u>2,969</u>	<u>3,392</u>
Total Revenues	<u>866,753</u>	<u>1,148,056</u>
Expenses		
General and administration	64,245	39,207
Project costs	<u>827,564</u>	<u>929,538</u>
Total Expenses	<u>891,809</u>	<u>968,745</u>
Change in net assets	(25,056)	179,311
Net assets at beginning of year	<u>678,785</u>	<u>499,474</u>
Net assets at end of year	<u>\$653,729</u>	<u>\$ 678,785</u>

Operating revenues decreased by approximately \$90,000 and project expenses decreased by approximately \$100,000 from the prior year. It is not uncommon for these figures to change substantially from year to year due to differences in the Commission’s work program based on changes in the Commission’s priorities and the availability of funding.

In FY 2013 actual revenues came in over budgeted revenues by approximately \$192,000 mainly because of 2 “technical assistance awards” received totaling \$150,000 that management had not anticipated needing to document in the budget as no funding was to be received. These awards provided technical assistance to the MPPDC in the form of consulting services at no cost to the organization. Additionally several small federal grants were received that had not been anticipated. Management takes opportunities to apply for funding to further the work program of the Commission as they become available, which does not always conform to the organization’s budgeting process. In this instance several opportunities became available from reprogrammed CZM funding late in the year.

Actual expenses exceeded budgeted expenses for consultant and contractual costs by approximately \$182,000 as a result of the unbudgeted “technical assistance consulting services” discussed above and due to continuation of reduced staffing in the first half of the year necessitating contracting out of services unable to be provided by existing staff. Actual personnel costs were approximately \$25,000 over budget due primarily to the hiring of a new planner in December to provide staffing for the Stormwater Management program.

General Administration expenses increased by \$25,000 as increased overall staffing allowed management the opportunity to reorganize and return administrative staff to more administrative duties and key administrative staff were promoted with accompanying higher compensation. Project costs decreased by \$100,000 due to the decrease in operating revenues and size and scope of funded projects. It is not unusual for the project costs to change substantially based on the projects funded from year to year and the priorities of the Commission.

Capital Assets

The capital assets in the governmental funds consist of computer equipment, furniture and vehicles used in the business-type activities of the Commission.

Long-Term Debt

Long-term debt consists of two loans from the Virginia Water Facilities Revolving Fund. The first loan was originally made in 1997 in the amount of \$250,000, but through regular annual payments has been reduced to \$75,000. In 2011 the Commission received another \$250,000 loan from the Virginia Water Facilities Revolving Fund to increase the revolving loan fund for wastewater loans. This loan consists of a \$125,000 no interest loan and a \$125,000 “principal forgiveness” loan. As of June 30, 2013 \$51,360 had been drawn on the new loan and an additional \$51,360 on the “principal forgiveness loan”.

Economic Factors and Future Outlook

Presently, management of the Commission is aware of the changing federal, state, regional and local economic climate and is working to comprehensively understand, address and plan for the future security of the Commission consistent with the evolving new economic model. Management is working with the MPPDC Executive Committee to explore strategies to fund the Commission, provide for a motivated and adequately compensated staff, and increase performance while maintaining compliance with the requirements of OMB Circular A-21 and the needs and resources of the member localities.

Contacting the Commission’s Financial Management Staff

This financial report is designed to provide a general overview of the Commission’s finances and show the Commission’s accountability for the funds it receives. If you have questions about this report or need additional information, contact the Commission’s Executive Director at 125 Bowden Street in Saluda, Virginia.

Middle Peninsula Planning District Commission
Statement of Net Assets
June 30, 2013

ASSETS

Current Assets

Cash and cash equivalents	\$ 477,874
Restricted cash	12,500
Accounts receivable	121,443
Loans receivable	273,103
Total Current Assets	884,920

Capital Assets

Property and equipment	112,466
Accumulated depreciation	(97,009)
Total Capital Assets	15,457

Total Assets	900,377
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LIABILITIES
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Current Liabilities

Deferred revenue	89,531
Accrued leave payable	30,757
Current portion of notes payable	25,000
Total Current Liabilities	145,288

Long-Term Liabilities

Notes payable, net of current portion	101,360
Total Liabilities	246,648

NET ASSETS

Net Assets

Invested in capital assets, net of related debt	15,457
Unrestricted	638,272
Total Net Assets	653,729
Total Liabilities and Net Assets	\$ 900,377

See accompanying notes

Middle Peninsula Planning District Commission
Statement of Revenue, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2013

Operating Revenues

Grants and appropriations	
Federal grants	\$ 292,630
State grants and appropriations	212,957
Local grants and appropriations	120,240
Miscellaneous	237,957
Total Operating Revenues	863,784

Operating Expenses

Salaries	315,904
Consultant and contractual	255,270
Fringe benefits	110,275
Construction	73,567
Promotion and advertising	30,613
Rent and utilities	25,118
Legal and accounting	18,018
Workshops and conferences	11,155
Depreciation	8,954
Printing and duplicating	8,742
Insurance	8,292
Meeting supplies and expenses	5,769
Miscellaneous	4,473
Telephone	3,184
Dues and memberships	3,131
Office supplies	2,745
Vehicle costs	2,727
Lodging and staff expense	1,574
Postage	1,279
Travel	507
Subscriptions and publications	276
Deferred/forgiven loan expense	171
Bad debt	65
Total Operating Expenses	891,809

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Operating Income (Loss) (28,025)

Non-Operating Revenues

Interest income	2,969
Change in Net Assets	(25,056)

Net Assets - Beginning of Year 678,785

Net Assets - End of Year \$ 653,729

See accompanying notes

Middle Peninsula Planning District Commission
Statement of Cash Flows
For the Year Ended June 30, 2013

Cash Flows from Operating Activities	
Received from customers	\$ 828,435
Paid to suppliers for goods and services	(558,053)
Paid to employees for services	(315,904)
Net Cash Flows from Operating Activities	<u>(45,522)</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from note payable	29,576
Principal paid on notes payable	(12,500)
Net Cash Flows from Capital and Related Financing Activities	<u>17,076</u>
Cash Flows from Investing Activities	
Disbursement for new loans made	(46,273)
Purchases of property and equipment	(11,693)
Loan payments received	63,383
Interest income	2,969
Net Cash Flows from Investing Activities	<u>8,386</u>
Net Change in Cash and Cash Equivalents	(20,060)
Cash and Cash Equivalents - Beginning of Year	<u>510,434</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 490,374</u></u>
Reconciliation of Operating Income to Net Cash	
Flows from Operating Activities	
Operating income (loss)	\$ (28,025)
Depreciation	8,850
Changes in Assets and Liabilities	
Accounts receivable	(28,883)
Employee advances	-
Accounts payable	-
Deferred revenue	(6,466)
Accrued annual leave	9,002
Net Cash Flows from Operating Activities	<u><u>\$ (45,522)</u></u>

See accompanying notes

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Organization and Summary of Accounting Policies

The Middle Peninsula Planning District Commission (the "Commission") was established April, 1972, pursuant to the provisions of Section 15.1-1403 of the Virginia code (the 1968 Virginia Area Development Act) as an authorized regional planning district commission. The Commission's primary duty is to promote orderly and efficient development of the physical, social and economic elements of the district by planning, encouraging and assisting governmental subdivisions to plan for the future. The Commission is a subsidiary organization of the counties of Essex, Gloucester, King and Queen, King William, Mathews, Middlesex and the towns of Tappahannock, Urbanna and West Point. Commission funding is obtained from member jurisdictions' contributions, from funds provided by the Commonwealth of Virginia, and from Federal, state and local grants and contracts for specified projects designed to further the Commission's goals and objectives.

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) (prior to the adoption of GASB 34) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies followed in the preparation of these financial statements:

- (a) Financial Statement Presentation – In June 1999 GASB issued Statement #34 “Basic Financial Statements and Management Discussion and Analysis for State and Local Governments.” This Statement established new financial reporting requirements for state and local governments. The objective of this statement is to enhance the understanding and usefulness of the external financial reports of state and local governments to the citizenry, legislative and oversight bodies, and investors and creditors.
- (b) Basis of Accounting – The accounting and reporting policies of the Commission relating to the accompanying basic financial conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) the American Institute of Certified Public Accountants in the Publication entitled Audits of State and Local Government Units and by the Financial Accounting Standards Board (when applicable).

Management believes that the periodic determination of revenues earned, expenses incurred and net income is desirable for purposes of facilitating management control and accountability. Therefore, the activities of the Commission are accounted for as a proprietary fund which uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned. The Commission considers grant revenue as earned when the grant expenditure is incurred. Expenditures are recorded when the related liability is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 31, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – Organization and Summary of Accounting Policies (Continued)

- (c) **Project Expenditures** – The costs of goods and services that are identifiable for indirect costs are allocated to projects as described in Note 8. Personnel costs for Commission employees, including overtime and compensatory time, are direct charges to the appropriate projects. Expenses of annual, sick, and other types of paid leave and fringe benefits are allocated to projects as described in Notes 6 and 8.
- (d) **Concentrations of Credit and Market Risk** – Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions which, at times, may exceed federally insured limits. Credit exposure is limited to any one institution. The Commission has not experienced any losses on its cash equivalents.
- (e) **Deposits and Investments** – State statute authorizes the Commission to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, repurchase agreements, certificates of deposit or time deposits insured by the FDIC, and the local government investment pool. Deposits are carried at cost, which approximates fair value.
- (f) **Accounts Receivable** – Accounts receivable are reported at their gross value when earned as the underlying exchange transaction occurs. Receivables related to non-exchange transactions are recognized when their eligibility requirements have been met. Receivables are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on collection history and current information regarding the credit worthiness of the debtors. When continued collection activity results in receipts of amounts previously written off, revenue is recognized for the amount collected. Management considers all of the receivables collectible at June 30, 2013, and no allowance for doubtful accounts has been provided.
- (g) **Employee Leave Benefits** – Commission policy allows employees to accumulate unused vacation leave up to certain maximum hours. Commission employees earn from twelve to eighteen vacation days a year, depending on the length of their employment. Annual leave may be carried over from one fiscal year to the next, subject to certain limitations. The liability for accrued vacation is \$19,776 as of June 30, 2013.
- All employees receive fifteen sick days a year. Sick leave may be carried over from one fiscal year to the next. Upon termination or retirement, employees with five or more years of continuous salaried service may receive up to 25% of their unused sick leave balances up to a maximum of \$5,000. The liability for accrued sick leave is \$10,981 as of June 30, 2013.
- (h) **Management Estimates** – The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – Organization and Summary of Accounting Policies (Continued)

- (i) Capital Assets – Capital assets are recorded at historical or estimated historical cost if actual historical cost is not available for items exceeding \$1,000. Depreciation is taken on the straight-line method over the estimated useful life of the respective asset.

The estimated lives are as follows:

Equipment	3-5 years
Furniture	7 years

Assets that have been purchased with grantor funds may revert to the grantor in the event the program is discontinued.

- (j) Budgets and Budgetary Accounting – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds.

All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the adopted budgets as amended.

- (k) Advertising Costs – Advertising costs are expensed as incurred.

NOTE 2 – Cash and Investments

Deposits are carried at cost, which approximates fair market value. At June 30, 2013 the carrying amount of the Commission's deposits with banks was \$424,268 and the bank balances were \$477,503. All of the bank balances were covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

Investments in 2a7-like pools are valued based on the value of pool shares. The Commission invests a 2a7-like pool, the Local Government Investment Pool, managed by the Virginia Department of Treasury. Permitted investments in the pool include U.S. government obligations, repurchase agreements, certificates of deposit, banker's acceptances, commercial paper, short-term corporate notes, and short-term taxable municipal obligations. The investment pool has not been assigned a risk category since the Commission is not issued securities, but rather owns an undivided interest in the assets of the pool. The Commission's balance in the investment pool was \$66,106 at June 30, 2013.

NOTE 3 – Restricted Cash

The Virginia Resources Authority has required the Commission to provide a loan loss reserve of one year's worth of debt service on the 2010 Septic Repair Revolving Loan Fund note payable. A restricted cash account in the amount of \$12,500 has been established.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 – Pension Plan

The Commission contributes to the Virginia Retirement System (VRS), an agent and cost-sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia. All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with five years of service or at age 50 with 30 years of service if elected by the employer payable monthly for life in an amount equal to 1.65% of their average final compensation (AFC) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for an annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 3.0% per year. AFC is defined as the highest consecutive 60 months of reported compensation. The VRS plan also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report is available on their website at <http://www.varetire.org/Pdf/Publications/2012-annual-report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Funding Policy – Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.0% of their annual reported compensation to the VRS. In addition, the Commission is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the statute and approved by the VRS Board of Trustees. The Commission's contribution rate for the fiscal year ended June 30, 2013 was 12.88% of the annual covered payroll.

Annual Pension Cost – For the year ended June 30, 2013, the Commission's annual pension cost of \$39,438 for VRS was equal to the Commission's required and actual contributions.

Three-Year Trend Information

Fiscal Year <u>Ended</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/11	\$58,815	100%	\$58,815
6/30/12	\$42,920	100%	\$42,920
6/30/13	\$39,438	100%	\$39,438

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 – Pension Plans (Continued)

The FY13 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7%, (b) projected salary increases ranging from 3.75% to 5.60%, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases also include an inflation component of 2.50%. The actuarial value of the Commission’s assets is equal to the modified market value of the assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The Commission’s unfunded actuarial accrued liability is being amortized as level percentage of projected payroll on an open basis. The remaining amortization period for the June 30, 2011 actuarial valuation was 30 years.

Funded Status and Funding Progress – The schedule of funding progress presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UUAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/10	\$253,212	\$537,855	\$284,643	47.08%	\$436,300	65.24%
6/30/11	\$319,550	\$638,644	\$319,094	50.04%	\$293,126	108.86%
6/30/12	\$348,553	\$686,382	\$337,829	49.22%	\$263,220	128.34%

NOTE 5 – Property and Equipment

A summary of property and equipment as of June 30, 2013 is as follows:

	Balance July 1, 2012	Additions	Disposals	Balance June 30, 2013
Equipment	\$100,773	\$ 11,693	\$ -	\$112,466
Accumulated Depreciation	<u>(88,159)</u>	<u>(8,850)</u>	<u>-</u>	<u>(97,009)</u>
Net	<u>\$ 12,614</u>	<u>\$ (2,843)</u>	<u>\$ -</u>	<u>\$ 15,457</u>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 – Lease Commitments

The Commission was obligated under a non-cancelable operating lease for office facilities. The ten-year facility lease expired in March 2006. The lease has been continued on a month-to-month basis in the amount of \$1,800. The Commission subleases a portion of its office to various community organizations under month-to-month operating leases of \$150 to \$200 per month. Rent expense for the year ended June 30, 2013 was \$19,952.

NOTE 7 – Loans Receivable

The Commission operates several loan programs to provide low or no interest loans for wastewater, small business and housing projects. The loans are carried at the net realizable value, and all amounts are believed collectible as of June 30, 2013. Loan loss reserves exist for several of the programs. No loan amounts were written off during the year.

NOTE 8 – Notes Payable

On October 1, 1997 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a \$250,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of \$6,250 commencing on November 1, 1999. The balance of this loan was \$75,000 at June 30, 2013.

On February 10, 2011 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a \$125,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of \$6,250 commencing on August 1, 2013. As of June 30, 2013 \$51,360 had been drawn down against this note.

The following is a summary of changes in long-term debt for the year ended June 30, 2013:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
VRA 1997 Note	\$ 87,500	\$ -	\$12,500	\$ 75,000
VRA 2011 Note	<u>21,784</u>	<u>29,576</u>	-	<u>51,360</u>
Total	<u>\$109,284</u>	<u>\$29,576</u>	<u>\$12,500</u>	<u>\$126,360</u>

Mandatory debt service requirements consist of the following:

<u>Year ending</u> <u>June 30,</u>	<u>Total</u>
2014	\$ 25,000
2015	25,000
2016	25,000
2017	25,000
2018	13,860
Thereafter	<u>12,500</u>
Total	<u>\$126,360</u>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – Indirect Costs

Indirect costs, which support all projects, are allocated based on the ratio of the individual project's direct salaries, leave, and fringe benefits to total direct salaries, leave, and fringe benefits (excluding temporary help). The indirect cost rate for the fiscal year ended June 30, 2013, was 49.99%, and is calculated as follows:

Indirect costs	\$151,530
Total direct salaries, leave, and fringe benefits	\$303,066 = 49.99%

The following are included in indirect costs allocated to projects:

Salaries	\$ 56,532
Rental	19,952
Fringe benefits	19,772
Consulting/contractual services	13,950
Printing and duplicating	8,742
Depreciation	7,254
Accounting	6,591
Utilities	4,790
Facility insurance	3,231
Telephone	2,913
Vehicle operating costs	1,785
Office supplies	1,452
Postage	1,239
Website/internet	1,199
Vehicle insurance	942
Professional development	750
Lodging and staff expenses	218
Dues/memberships	160
Subscriptions and publications	<u>58</u>
Total	<u>\$151,530</u>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 10 – Leave Allocation

The leave allocation includes annual leave expense which is based on the amount of leave earned during the year. Other types of leave (i.e., holiday leave, administrative leave, etc.) are based on the amount of leave actually taken. Components for the leave allocation for the year ended June 30, 2013, are shown below:

Leave	
Holiday	\$23,475
Annual	21,336
Sick	<u>9,043</u>
Total	<u>\$53,854</u>

The leave allocation rate for the fiscal year ended June 30, 2013, is calculated as follows:

Leave allocation	\$ <u>53,854</u>
Total salaries excluding leave	\$306,902 = 20.55%

NOTE 11 – Fringe Benefit Allocation

Fringe benefit expense is allocated using the percentage of benefits to total salaries. The fringe benefit rate for the fiscal year ended June 30, 2013 was 34.91%, and is calculated as follows:

Fringe benefit expense	\$ <u>110,275</u>
Total salaries	\$315,904 = 34.91%

Components of fringe benefit expense for the year ended June 30, 2013, are shown below:

Fringe benefits	
Group health insurance	\$ 41,670
Retirement and special pension	39,438
Social Security taxes	22,457
Group life insurance	3,643
Unemployment	2,908
Workers compensation insurance	<u>159</u>
Total Fringe Benefits	<u>\$110,275</u>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Concluded)

NOTE 12 – Commitments

The Commission participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Commission may be required to reimburse. As of June 30, 2013, the Commission believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Commission.

NOTE 13 – Evaluation of Subsequent Events

The Commission has evaluated subsequent events through November 20, 2013, the date which the financial statements were available to be issued.

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

For the Year Ended June 30, 2013

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM
For the Year Ended June 30, 2013

	Local Programs	Rural Trans- portation Planning	Comprehensive Economic Development	Stormwater Management
Revenues				
Federal	\$ -	\$ 58,000	\$ 34,396	\$ 38,443
State	75,971	-	-	-
Local	109,899	-	-	-
Interest	2,845	-	-	-
In-kind	-	-	-	50,000
Other	7,255	-	-	-
Total Revenues	<u>195,970</u>	<u>58,000</u>	<u>34,396</u>	<u>88,443</u>
Expenses				
Salaries	36,610	35,506	32,775	28,001
Fringe benefits	12,806	12,419	11,463	9,794
Telephone	-	-	-	-
Office supplies	-	32	21	30
Meeting supplies	101	-	558	91
Private mileage	-	110	-	27
Lodging and staff expense	206	111	207	76
Travel	-	-	29	20
Dues and memberships	2,300	25	-	-
Subscriptions and publications	204	-	-	-
Workshops	34	194	-	195
Conferences	3,108	904	2,425	209
Accounting and audit	-	-	-	-
Legal services	-	-	-	-
Consultant and contractual	-	-	-	50,000
Construction	-	-	-	-
Postage	-	21	-	-
Promotion and advertising	-	-	-	-
Insurance	752	-	-	-
Miscellaneous	3,200	-	-	-
Deferred/forgiven loan expense	-	-	-	-
Quarterly meeting	3,621	-	-	-
Depreciation	-	-	-	-
Indirect expense	1,303	23,962	22,119	18,897
Total Expenses	<u>64,245</u>	<u>73,284</u>	<u>69,597</u>	<u>107,340</u>
Revenues Over (Under) Expenses	131,725	(15,284)	(35,201)	(18,897)
General Fund Support	<u>(156,781)</u>	<u>15,284</u>	<u>35,201</u>	<u>18,897</u>
Revenues and General Fund Support Over (Under) Expenses	<u>\$ (25,056)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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VCWRFR Onsite Repair	Onsite Loan Management	WQIF	Local PAA Stewardship Public Safety	Energy Efficient CDBG	Heir Property	TDM	Land and Water Quality
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,157	\$ -	\$ 67,196
17,896	-	59,890	-	-	-	59,200	-
-	-	-	-	-	-	-	-
-	75	-	-	7	-	-	-
-	-	-	-	-	-	150,000	-
-	3,174	-	1,700	853	-	-	1,948
<u>17,896</u>	<u>3,249</u>	<u>59,890</u>	<u>1,700</u>	<u>860</u>	<u>6,157</u>	<u>209,200</u>	<u>69,144</u>
-	1,407	3,319	-	353	644	21,075	26,717
-	492	1,161	-	124	225	7,371	9,344
-	-	-	-	-	-	243	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	24	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	575	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	444	-
-	140	-	-	140	-	-	-
-	-	-	-	-	-	-	-
17,896	-	57,773	-	-	5,000	150,000	17,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	30,594	-
-	-	-	-	-	-	-	-
-	181	-	-	-	-	-	-
-	55	-	-	5	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,700	-	-	-	-
-	950	2,240	-	238	434	14,223	18,031
<u>17,896</u>	<u>3,249</u>	<u>64,493</u>	<u>1,700</u>	<u>860</u>	<u>6,303</u>	<u>224,525</u>	<u>71,092</u>
-	-	(4,603)	-	-	(146)	(15,325)	(1,948)
-	-	4,603	-	-	146	15,325	1,948
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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The accompanying notes to financial statements
are an integral part of this statement

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

For the Year Ended June 30, 2013

	Costal TA	Living Shorelines	Aquaculture and Working Waterfronts	PAA Perrin River WW Plan
Revenues				
Federal	\$ 32,201	\$ 10,661	\$ 32,147	\$ 5,827
State	-	-	-	-
Local	-	-	-	-
Interest	-	-	-	-
In-kind	-	-	-	-
Other	-	-	275	-
Total Revenues	<u>32,201</u>	<u>10,661</u>	<u>32,422</u>	<u>5,827</u>
Expenses				
Salaries	31,465	10,532	15,081	3,172
Fringe benefits	10,790	3,683	5,275	1,110
Telephone	-	-	-	-
Office supplies	586	-	-	-
Meeting supplies	998	-	-	-
Private mileage	203	-	-	-
Lodging and staff expense	567	-	119	-
Travel	27	-	-	-
Dues and memberships	-	-	-	-
Subscriptions and publications	-	-	-	-
Workshops	50	-	-	-
Conferences	419	-	2,426	-
Accounting and audit	-	-	-	-
Legal services	-	-	-	-
Consultant and contractual	-	-	15,000	-
Construction	-	-	-	-
Postage	-	-	-	-
Promotion and advertising	-	-	-	-
Insurance	-	-	-	-
Miscellaneous	-	-	-	-
Deferred/forgiven loan expense	-	-	-	-
Quarterly meeting	-	-	-	-
Depreciation	-	-	-	-
Indirect expense	21,127	7,107	10,178	2,141
Total Expenses	<u>66,232</u>	<u>21,322</u>	<u>48,079</u>	<u>6,423</u>
Revenues Over (Under) Expenses	(34,031)	(10,661)	(15,657)	(596)
General Fund Support	<u>34,031</u>	<u>10,661</u>	<u>15,657</u>	<u>596</u>
Revenues and General Fund Support Over (Under) Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Comp Plan Update	Dragon Run Day	Dragon Run SAMP	Middle Peninsula Business Development Partnership	PAA Administration	Floating Structures	Total
\$ -	\$ -	\$ 3,170	\$ -	\$ -	\$ 4,432	\$ 292,630
-	-	-	-	-	-	212,957
10,341	-	-	-	-	-	120,240
-	-	-	41	1	-	2,969
-	-	-	-	-	-	200,000
-	70	-	3,317	19,365	-	37,957
<u>10,341</u>	<u>70</u>	<u>3,170</u>	<u>3,358</u>	<u>19,366</u>	<u>4,432</u>	<u>866,753</u>
5,108	-	1,566	1,587	74	4,378	259,370
1,786	-	547	555	26	1,531	90,502
-	-	-	-	28	-	271
-	-	-	-	624	-	1,293
-	70	-	-	330	-	2,148
-	-	-	-	83	-	423
-	-	-	-	53	-	1,363
-	-	-	-	-	-	76
-	-	-	-	70	-	2,970
-	-	-	-	15	-	219
-	-	-	-	-	-	473
-	-	-	-	1	-	9,936
-	-	-	140	389	-	809
-	-	-	-	10,619	-	10,619
-	-	-	-	2,218	-	239,218
-	-	-	-	-	-	75,669
-	-	-	-	18	-	39
-	-	-	-	19	-	30,613
-	-	-	-	4,309	-	5,061
-	-	-	-	440	-	3,821
-	-	-	5	-	-	65
-	-	-	-	-	-	3,621
-	-	-	-	-	-	1,700
<u>3,447</u>	<u>-</u>	<u>1,057</u>	<u>1,071</u>	<u>50</u>	<u>2,955</u>	<u>151,530</u>
<u>10,341</u>	<u>70</u>	<u>3,170</u>	<u>3,358</u>	<u>19,366</u>	<u>8,864</u>	<u>891,809</u>
-	-	-	-	-	(4,432)	(25,056)
-	-	-	-	-	4,432	25,056
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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The accompanying notes to financial statements
are an integral part of this statement

**Middle Peninsula Planning District Commission
Budgetary Comparison Schedule
For the Year Ended June 30, 2013**

Operating Revenues	Actual	Budget	Favorable (Unfavorable)
Grants and appropriations			
Federal grants	\$ 292,630	\$ 329,437	\$ (36,807)
State grants and appropriations	212,957	202,389	10,568
Local grants and appropriations	120,240	118,807	1,433
Miscellaneous	237,957	21,225	216,732
Total Operating Revenues	<u>863,784</u>	<u>671,858</u>	<u>191,926</u>
Operating Expenses			
Salaries	315,904	290,221	(25,683)
Consultant and contractual	255,270	72,929	(182,341)
Fringe benefits	110,275	126,809	16,534
Construction	73,567	57,769	(15,798)
Promotion and advertising	30,613	26,500	(4,113)
Rent and utilities	25,118	26,702	1,584
Legal and accounting	18,018	12,100	(5,918)
Workshops and conferences	11,155	9,200	(1,955)
Depreciation	8,954	5,600	(3,354)
Printing and duplicating	8,742	10,000	1,258
Insurance	8,292	5,312	(2,980)
Meeting supplies and expenses	5,769	10,300	4,531
Miscellaneous	4,473	-	(4,473)
Telephone	3,184	4,000	816
Dues and memberships	3,131	3,060	(71)
Office supplies	2,745	7,370	4,625
Vehicle costs	2,727	3,450	723
Lodging and staff expense	1,574	1,600	26
Postage	1,279	2,000	721
Travel	507	700	193
Subscriptions and publications	276	350	74
Deferred/forgiven loan expense	171	-	(171)
Bad debt	65	-	(65)
Total Operating Expenses	<u>891,809</u>	<u>675,972</u>	<u>(215,837)</u>
Operating Income (Loss)	(28,025)	(4,114)	(23,911)
Non-Operating Revenues			
Interest income	2,969	3,400	(431)
Change in Net Assets	<u>(25,056)</u>	<u>(714)</u>	<u>(24,342)</u>
Net Assets - Beginning of Year	<u>678,785</u>	<u>608,351</u>	<u>70,434</u>
Net Assets - End of Year	<u>\$ 653,729</u>	<u>\$ 607,637</u>	<u>\$ 46,092</u>

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See accompanying notes

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Commissioners
Middle Peninsula Planning District Commission:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of governmental activities, the business-type, activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Middle Peninsula Planning District Commission as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Middle Peninsula Planning District Commission's basic financial statements, and have issued our report thereon dated November 20, 2013.

Internal Control Over Financial Reporting

Management of Middle Peninsula Planning District Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered Middle Peninsula Planning District Commission's internal control over financial reporting to determine the audit procedures that are appropriate in circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Middle Peninsula Planning District Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Middle Peninsula Planning District Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Middle Peninsula Planning District Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Certified Public Accountants
Chantilly, Virginia

November 20, 2013

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November 20, 2013

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

INDIRECT COST ALLOCATION PLAN

FY 2013-2014

The FY 2013-2014 Indirect Cost Allocation Plan attached is based on the budget figures adopted by the Commission in May, 2013. The Indirect Cost Allocation Plan enables the Commission to charge funding sources for indirect personnel costs including salaries and fringe benefits as well as facility expenses, supplies, professional development, certain shared consultant and contractual fee expenses, travel expenses and certain other miscellaneous expenses such as advertising, postage, and printing/duplicating. The Indirect Cost Rate and Employee Benefit Rate are aids used in preparing future funding proposals.

Indirect costs associated with the operating of the Middle Peninsula Planning District Commission are shared by all projects in the Commission's work program. The direct charges associated with the various programs are charged as incurred.

Attached is the Statement of Indirect Costs and the calculation for the Indirect Cost Allocation rate of 49.9%. The Statement of Employee Benefits and the Salary Distribution are supporting documents used to calculate the employee benefit rate of 36.8% and, ultimately, the indirect cost allocation rate.

** FY13 actual indirect rate was 49.999% - planned rate was 50.0%*

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
STATEMENT OF INDIRECT COSTS FY 2013-2014 BUDGET**

Indirect Personnel Costs

Indirect Salaries	\$72,522	
Employee Benefit Rate at 40%	26,677	
Total Indirect Personnel Costs.....		\$99,198

Facility Expense

Rental	\$22,202	
Utilities	4,450	
Telephone	2,550	
Facility Insurance	3,212	
Total Facility Expense.....		\$32,414

Equipment and Supplies Expense

Office Supplies	\$3,000	
Depreciation	0	
Total Supplies Expense.....		\$3,000

Consultant/Contractual Expense

Accounting/Auditing Expense	\$5,850	
Total Consultant/Contractual Expense.....		\$5,850

Travel Expense

Vehicle Lease	0	
Vehicle Insurance	950	
Vehicle Operating Costs	2,500	
Total Travel Expense.....		\$3,450

Miscellaneous Expense

Postage	1,750	
Printing/Duplicating	9,000	
IT Costs	19,000	
Pub Officials Insurance	752	
Total Miscellaneous Expense.....		\$30,502

Indirect Costs.....		\$174,414
Base Funding from DHCD.....		
Office Space Rent.....		1,800

TOTAL INDIRECT COSTS.....\$172,614

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
STATEMENT OF INDIRECT COSTS FY 2013-2014 BUDGET
PAGE TWO**

Direct Personnel Costs

¹ Direct Chargeable Salaries	\$253,317
Employee Benefit Rate at 40%	93,182

Total Direct Chargeable Personnel Costs.....\$346,500

CALCULATION OF INDIRECT COST ALLOCATION RATE

Total Indirect Costs	\$172,614	= 49.8%
<hr/>		
Total Chargeable Direct Personnel Costs	\$346,500	

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
STATEMENT OF EMPLOYEE BENEFITS FY 2013-2014 BUDGET**

Benefits

Health Insurance	\$45,696
Retirement	42,099
Workmen's Compensation	300
Social Security	25,004
Life Insurance	3,890
Unemployment	2,870
Total Employee Benefits.....	\$119,859

Basis for Allocation of Employee Benefits

Total Chargeable Salaries.....	\$3325,839
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Employee Benefit Rate

Total Employee Benefits	\$119,859	
<hr/>		= 36.8%
Total Chargeable Salaries	\$325,839	

Annual leave is based on employment tenure and accumulated per calendar month as follows:

0-5 years.....	8 hours/month	15-19 years.....	14 hours/month
5-9 years.....	10 hours/month	20-24 years.....	16 hours/month
10-14 years.....	12 hours/month	25 plus years.....	18 hours/month

Carryover of annual leave from one fiscal year to the next may not exceed the maximums listed in the personnel handbook. Permanent staff members earn 10 hours of sick leave for each completed calendar month of work. Sick Leave may be carried over from one fiscal year to the next. Upon termination employees with five or more years continuous salaried service, may receive up to 25% of their unused sick leave balances up to a maximum of \$5,000.

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
FY 2013-2014 SALARY DISTRIBUTION**

Position	Base Salary	% Indirect	%Agency Admin
Executive Director	\$101,050	15%	10%
Finance Director	\$52,380	44%	11%
Regional Planner	\$44,250		
Regional Planner	\$42,500		
Regional Planner	\$42,220		
Secretary	\$43,439	79%	
Total Chargeable Salaries	\$325,839		

**CALCULATION OF DIRECT CHARGEABLE SALARIES
AND TOTAL CHARGEABLE SALARIES**

¹Direct Chargeable Salaries

Total Salaries	\$325,839
Less Indirect Salaries	<u>73,569</u>
	\$252,270

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