

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

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## COMMISSIONERS

Essex County  
Hon. Margaret H. Davis  
Hon. Edwin E. Smith, Jr.  
(Treasurer)  
Mr. David S. Whitlow

Town of Tappahannock  
Hon. Roy M. Gladding

Gloucester County  
Dr. Maurice P. Lynch  
Hon. John Northstein  
Hon. Louise D. Theberge  
(Chair)

King and Queen County  
Hon. Sherrin C. Alsop  
(Vice Chair)  
Vacant  
Hon. James M. Milby, Jr.  
Mr. Thomas J. Swartzwelder

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Mr. Trenton Funkhouser  
Mr. Eugene J. Rivara  
Hon. Cecil L. Schools  
Hon. Otto O. Williams

Town of West Point  
Hon. Charles D. Gordon

Mathews County  
Hon. Janine F. Burns  
Hon. O. J. Cole, Jr.  
Mr. Thornton Hill  
Mr. Stephen K. Whiteway

Middlesex County  
Hon. Wayne H. Jessie, Sr.  
Hon. Carlton Revere  
Mr. Kenneth W. Williams

Town of Urbanna  
Mr. John Bailey  
Hon. Donald Richwine

Secretary/Acting Director  
Mr. Lewis L. Lawrence

## MEMORANDUM

**TO:** MPPDC Board of Commissioners

**FROM:** Lewie Lawrence, Acting Executive Director 

**DATE:** October 20, 2011

**RE:** October Commission Meeting

The Middle Peninsula Planning District Commission will host its regular monthly meeting on Wednesday, October 26, 2011, in the Regional Board Room at the Middle Peninsula Planning District Commission office in Saluda at 7:00 p.m.

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

I look forward to seeing you on October 26<sup>th</sup>!

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***Middle Peninsula Planning District Commission***  
**Regular Monthly Meeting**  
**7:00 P.M.**  
**Wednesday, October 26, 2011**  
**Saluda, Virginia**

**AGENDA**

1. Welcome and Introductions
2. Approval of September Minutes
3. Approval of September Financial Report
4. Executive Director's Report on Staff Activities for the Month of October
5. Rules for Public Comment and Public Participation
6. Public Comments
7. Update on the Rural Regional Long Range Transportation Plan Technical Report
8. Sea Level Rise: Local Fact Sheet for the Middle Peninsula
9. Update on Chesapeake Bay Watershed Implementation Plan
10. Acceptance of Annual Audit
11. Report from the Regional Executive Planning Committee
12. Other Business
13. Adjourn

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**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**  
**September 28, 2011**  
**Saluda, Virginia**

The monthly meeting of the Middle Peninsula Planning District Commission was held in the Regional Board Room at the Middle Peninsula Planning District Commission office in Saluda, Virginia on Wednesday, September 28, 2011, at 7:00 p.m. Chair Louise Theberge (Gloucester County) welcomed everyone in attendance. Commissioners in attendance were: (Essex County) Margaret Davis, Edwin Smith, and David Whitlow; (Gloucester County) Dr. Maurice Lynch and John Northstein; (King and Queen County) Jim Milby, Jr; (King William County) Eugene Rivara, Cecil Schools, and Otto Williams; (Mathews County) Tim Hill; (Middlesex County) Wayne Jessie, Sr. and Carlton Revere; (Town of Urbanna) John Bailey; and (Town of West Point) Charles Gordon. Guests in attendance were Sherry Hamilton, Gloucester/Mathews Gazette Journal; Joe Schumacher, District Manager for Senator Rob Wittman; Keith Hodges, 98<sup>th</sup> District Republican Delegate Candidate; and citizens from the region. Middle Peninsula Planning District Commission staff in attendance were Acting Executive Director Lewis Lawrence, Administrative Assistant Beth Johnson, and Secretary Rose Lewis.

Chair Theberge welcomed Urbanna Town Manager John Bailey to the MPPDC Board, Joe Schumacher, District Manager for Senator Rob Wittman, and Republican Delegate Candidate Keith Hodges. Acting Executive Director Lewis Lawrence welcomed newly hired Economic Development Planner Harrison Bresee to the MPPDC staff effective Monday, October 3<sup>rd</sup>.

**Approval of June and July Minutes**

Chair Theberge asked whether there were any corrections, additions, or deletions to the June and July Minutes. There were no corrections, additions, or deletions to the June and July Minutes. Chair Theberge requested a motion to approve the June and July Minutes as distributed. David Whitlow moved that the June and July Minutes be approved as distributed. Charles Gordon seconded the motion; motion carried.

**Approval of July and August Financial Report**

Chair Theberge requested a motion to approve the July and August Financial Reports. Chair Theberge asked whether there were any questions before the financial reports are approved subject to audit. Chair Theberge requested a motion to approve the July and August Financial Reports. Otto Williams moved to approve the July and August Financial Reports subject to audit. Tim Hill seconded the motion; motion carried.

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

Chair Theberge requested that Lewis Lawrence, Middle Peninsula Planning District Commission Acting Executive Director, review the Executive Director's Report on Staff Activities for the month of September.

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.

Lewis Lawrence, MPPDC Acting Executive Director, reviewed the Executive Director's Reports for August and September as follows:

**August Executive Director's Report**

**Virginia Coastal Zone Management Program**

- Consulted with Anthony Moore, Assistant Secretary for Chesapeake Bay Restoration, and Joan Salvati, DCR Division of Stormwater Management, concerning a Middle Peninsula request for financial and technical assistance. Received notification of approval for the Circuit Rider assistance through the Center for Watershed Protection.

As local governments prepare to respond to DCR's request for assistance to deal with the Chesapeake Bay cleanup, staff continues to prepare our local staff with the necessary training. Chesapeake Bay Foundation held a special training at VIMS to work through the data sets that DCR will be providing to local governments. MPPDC is the first and only PDC to receive this technical assistance. A contract is in place with the Center for Watershed Protection and a conference call will be held on Friday with local government officials and staff.

**Middle Peninsula Comprehensive Economic Development Strategy**

- Researched Comprehensive Economic Development Strategies from other rural and coastal communities. Assembled a report of local Middle Peninsula economic industry information; example CEDS strategies and CEDS committee composition. Distributed binder to each MPPDC Commissioner for review.

Mr. Lawrence said that at the last Commission meeting, the Board requested that he prepare a binder that shows the location for jobs, employment sectors, and several other CEDS plans that have been developed by other rural coastal localities.

## September Executive Director's Report

### Water Supply Planning

- Mr. Lawrence said that the Water Supply Planning project is nearing the General Assembly's imposed deadline. Local boards are beginning to take action on this three year project. Staff has been assisting localities with the adoption process.

### Information Resources/Assistance

- Mr. Lawrence said that the MPPDC is developing a new MPPDC website. Information is reorganized in the way that it is presented. The temporary URL is [www.mppdc.org](http://www.mppdc.org).

Virginia Coastal Zone Management Program: Mr. Lawrence said that at the public policy forum that was held at VIMS it was learned from the panel discussion that VDH has some problems with addressing enforcement. As a result of the successful public policy forum, VDH set up a meeting with MPPDC staff to talk about developing a new enforcement paradigm. A strategy was developed to talk with the Commonwealth Attorneys and look at how often VDH sends out letters to inform folks that there are grant and loan funds available and find out why people are not repairing their failing systems.

- Consulted with Mr. Mark Slaughter, Virginia Department of Emergency Management, concerning a new program from the U.S. Geological survey (USGS). The program has developed a mobile storm-surge network to capture information of the timing, extent, and magnitude of storm tide. This mobile network consists of 40-70 water-level and barometric-pressure monitoring devices that are deployed in the days and hours just prior to hurricane landfall. VDEM asked if Middle Peninsula localities would be interested in designating location for mobile storm-surge data equipment.
- Mr. Lawrence said that the MPPDC received notification that an application requesting financial assistance to create a Rural Chesapeake Bay Working Waterfront coalition has been funded. MPPDC will partner with the Northern Neck PDC and Accomack Northampton PDC to convene a series of local meetings to discuss common issues and challenges facing the commercial seafood industry and barriers to economic growth and job creation.

### Rural Transportation Planning

Mr. Lawrence said that VDOT requested a Rural Regional Long Range Transportation Plan be developed. MPPDC has been working on the plan for several years. The Plan is almost complete and is waiting for Parsons

Transportation Group to put the finishing touches on the report which will be brought to the MPPDC Board for consideration and then on to local governments after adoption by the Commission. This Plan identifies long range transportation issues and prioritizes future projects to be funded when transportation funds become available.

Mr. Lawrence said that the Six-Year Plan is about to start again and there will be public meetings in October and November. The VDOT Six-Year Plan is the process for how state funds are allocated for transportation funding in the Commonwealth. The Commonwealth Transportation Board decides how VDOT's money is distributed. It's important for local governments to voice their needs to the Commonwealth Transportation Board concerning the Six-Year Plan. Clara Meier, MPPDC Regional Projects Planner, is available to assist local governments with communicating these needs into the Six-Year Plan.

#### Septic Pumpout

- Mr. Lawrence said that the septic pumpout project has been operating for a considerable amount of time to keep localities consistent with the Chesapeake Bay Preservation Act. As of September 20, 2011: Applications Mailed-78; Approved Vouchers-53; Pumpout Completions-50; Applications Approved by County: Essex-12; Gloucester-03; King and Queen-16; King William-10; Mathews-01; and Middlesex-11. Applications Denied-03 (1-Town of Urbanna—homeowner not eligible for 2<sup>nd</sup> pumpout until 5 years have elapsed; 1-Gloucester County--over income limit for assistance; and 1-Mathews County-not in the Chesapeake Bay preservation area). Applications on waiting list for next pumpout round-11.

#### Staff Support to Middle Peninsula Business Development Partnership, Inc.

- Mr. Lawrence said that MPBDP, Inc. should have sufficient resources to continue to operate until November 2011. MPPDC will no longer be able to provide staff support to MPBDP, Inc. after November 30<sup>th</sup>. Mr. Lawrence further said the MPBDP has assets that need to be maintained through the Revolving Loan Fund. There are several loans that are outstanding by businesses throughout the Middle Peninsula. The MPPDC is working with the MPBDP to transfer those assets over to the MPPDC to continue to service these loans.

#### Local Initiatives

- Convened first meeting of the MPPDC Executive Regional Planning Committee. Agenda items included marketing, new PDC website new logo design, establishment of a Mayors and Chairs Committee, Regional Strategic Planning, regional and cross jurisdictional and PDC priorities, sustainable agency funding, and CEDS committee population strategies.

Mr. Lawrence said the MPPDC Executive Regional Planning Committee will focus on strategic projects that the Commission and local governments have identified. One of the first initiatives was the establishment of a Mayors and Chairs Committee. Letters were sent to County Board Chairs and Town Council Mayors to gauge interest in participating. Mr. Lawrence will follow up. The Committee also discussed other MPPDC projects, the process for developing the annual work plan and priorities, and the CEDS Committee.

### Shallow Water Dredging

- Mr. Lawrence said that the Commission undertook the Shallow Water Dredging project about two and a half years ago and partnered with the Army Corps of Engineers at the direction of Congressman Rob Wittman. A final Plan is in place. The Plan shows what it will cost the Middle Peninsula local governments or some other entity to be able to fund the dredging of 17 maintained channels in the Middle Peninsula. As the Corps reinvents itself, most federal funding that was once dedicated to maintenance dredging is no longer going to be available. Mr. Lawrence said that keeping the creeks open is vital to the commercial seafood recreational boating industries, both vital to our economy. Mr. Lawrence said that it is going to be very expensive to set up a program to keep the creeks open. The Public Access Authority will receive the Dredging Report in October and after the Authority takes action, it will be presented to the MPPDC Board for consideration.

The most probable average annual cost for maintaining (dredging) a shallow draft navigation program on the Middle Peninsula is approximately \$1,630,000 per year. The cost for dredging could range from \$550,000 per year to \$4,917,000 per year. In addition, approximately \$111,000 per year would probably be required in order to use available suitable material in a beneficial manner for placement along nearby shorelines. The cost for beneficial placement could range from \$24,000 per year to \$247,000 per year.

Staff from the Army Corps of Engineers are available to meet with any Middle Peninsula localities to discuss the findings. Mr. Lawrence said that the Army Corps of Engineers gave an update on the project to the Board in Mathews County.

### ***Public Comments***

Chair Theberge opened the meeting for public comments. Chair Theberge informed the group that public comments are to be focused on the MPPDC's agenda items and time is limited to three minutes per person.

Concerned citizens of the Middle Peninsula: Patricia Stall, Jean Casanova, Dave King, Andy Maggard, Monica Sanders, DeWitt Edwards, Jim Alston, Trudy Feigum, Dorothy Baker, Ted Williams, and Betty Lucas, spoke regarding comprehensive development, Agenda 21, sustainable development, visioning 2020, model legislation to implement Agenda 21, Freedom 21, government control of land use, comprehensive plans, a handout related to MPPDC Agenda Item #7 (Chesapeake Bay Total Maximum Daily Loading), read a letter dated Feb. 1, 2010 to Virginia Department of Environmental Quality and copied to Virginia Legislators written by Essex County Administrator David Whitlow, and read Mark Alling's, Piedmont PDC, response regarding TMDL dated 3/3/2011 to DEQ.

Chair Theberge said that the Public Comment period was now closed.

***Public Policy Forum on Water Quality: VDH Failing Septic System Enforcement Discussion-A Possible Change in the Enforcement Paradigm and Update on the Chesapeake Bay Total Maximum Daily Loading (TMDL)-Watershed Implementation Plan (WIP) and Local Government Involvement***

Mr. Lewis Lawrence, MPPDC Acting Executive Director, said that at the strategic retreat this past spring, the Board identified a need for a more substantial policy discussion of challenging issues that the local governments are going to face in the future. Water quality as it relates to EPA and Chesapeake Bay Clean Up was one very important issue identified. A public policy forum was held in June 2011 to give state regulators an opportunity to talk about their approach to addressing water quality throughout the region.

Local governments have identified problems with failing septic systems and how those failing septic systems contribute to water quality problems. These failing systems have a deleterious effect on the seafood industry.

The Commonwealth is looking to the local governments to take an active role in cleaning up the Chesapeake Bay. Mr. Lawrence said that the MPPDC is submitting an application for the Virginia Association of Planning District Commissions and because of the MPPDC's experience with managing projects like this will be taking the lead on behalf of all of the local governments in the Chesapeake Bay Watershed to try to direct a good policy discussion with localities on how to adequately respond to the EPA mandate. An application will be submitted to DCR to develop a framework to allow local governments to voice concerns back to the state. December 1<sup>st</sup> is a deadline for the state to report back to the EPA. Local governments generally do not have the tools necessary from the state to respond nor has the state provided the mechanism needed for this response. Discussion was held regarding resistance to planning and private property rights, laws that are not enforced, problems between local Departments of Health and local governments as to who is in charge of enforcement, nutrient reduction, septic system repair costs, and potential for assistance from Commonwealth Attorneys.

Mr. David Whitlow, Essex County Administrator, requested that Mr. Lawrence talk briefly about a phone call received from a facilitator. Mr. Lawrence said that DCR hired the Center for Watershed Protection to be the lead point of contact for all local governments in Virginia to help them understand what the EPA wants the local governments to do. Mr. Lawrence said that we are able to contract with the Center for Watershed Protection for access for technical expertise. A conference call will be held on Friday.

**Comprehensive Economic Development Strategy: Process for Committee Membership Representation**

Mr. Lewis Lawrence, MPPDC Acting Executive Director, said that Virginia is suffering like other states. Virginia is suffering economically and not doing as good a job as it should be in creating employment and building wealth. The Association of Planning District Commissions (VAPDCs) convened today. The VAPDC asked retired President and Chief Executive Officer of Landmark Communications Inc., John “Dubby” Wynne to discuss regional job creation. Mr. Lawrence reviewed Mr. Wynne’s background history.

Mr. Lawrence said that the MPPDC CEDS Planning process will engage private businesses in the discussion of how to get the economy going in the region. At the last Commission meeting the Board discussed how to populate the MPPDC Executive CEDS Committee. Mr. Lawrence reviewed the flow chart of the MPPDC Final CEDS Plan. The top seven employment sectors are identified as government, retail, health care, accommodations/food services, manufacturing, construction, and natural resources. Each locality may appoint more than one. The Code of Federal Regulations requires that Committee membership be comprised of more than 51% private sector business leaders. The business leaders will need to talk about ways of creating new jobs, building wealth, and expanding the economy.

Mr. Lawrence said that once the members are appointed, the Committee will meet to identify individual sector strengths, weaknesses, opportunities, threats, and the needs required to allow business to grow. Once these questions are answered the information will be funneled up to the Executive CEDS Committee. The Executive CEDS Committee will be comprised of the leadership of the MPPDC Board, the two past chairs, as well as additional membership dictated by the Code of Federal Regulation. Mr. Lawrence said that by January 2012 appointments will need to be made by local Boards of Supervisors. Chair Theberge asked whether it was the consensus of the MPPDC Board to use the model Mr. Lawrence proposed.

Mr. David Whitlow, Essex County Administrator, addressed the possible need of adding another sector that is not listed if it is determined to be needed. Mr. Lawrence said that they could add additional sectors to the Plan. Mr. Lawrence said that a letter will be sent to local Boards and Councils. Mr. Carlton Revere asked Mr. Lawrence to include a specific timeframe in the letter to the local Boards

and Councils and asked if there was something in writing that explains the CEDS Plan. Mr. Lawrence said that EDA has a one page flyer that can be included.

The consensus of the MPPDC Board was to use the model presented by Mr. Lawrence and move forward.

**Discussion on Legislation Program Development and Meeting Location**

Chair Theberge said that she and MPPDC Acting Executive Director Lewis Lawrence had discussed the legislation program development and meeting location to be held in October. Chair Theberge said that the forum meeting that was held in June was productive and she would rather continue that discussion than have another legislative dinner meeting as they have not been very productive of late.

Chair Theberge said that VA Code Section 15.2 1200 deals with powers of local government and could relate to the enforcement of failing septic systems. A forum to talk about how local government may go about enforcing these regulations could continue the discussions begun in June. There are local governments across Virginia using VA Code Section 15.2 1200 for water quality protection measures. Mr. Lawrence asked legal counsel at the Chesapeake Bay Foundation about six months ago to develop a legal white paper on how VA Code Section 15.2 1200 can be used as a possible tool in the toolbox to deal with some of the Chesapeake Bay Clean Up issues.

Mr. Lawrence said that he was considering asking the Chesapeake Bay Foundation's lead attorney be the spokesman for the forum and speak on how local governments may want to use this tool or may be directed to use this tool. Discussion was held regarding having a spokesman from the Chesapeake Bay Foundation to speak at the next dinner meeting. Mr. Carlton Revere said not to assume that's what the localities want and Chair Theberge said that it was an option for a forum discussion. The goal is to let local governments know and understand options that may or may not be out there to address water quality problems. If new tools are required, each locality can talk with their County Attorney before exercising any new approach.

Chair Theberge stated that all Middle Peninsula Boards of Supervisors and Town Councils members are always invited to the dinner meetings. Chair Theberge said that rather than passing out information, they thought that it would be a good opportunity to educate everyone on a topic that all local governments are struggling with.

Dr. Maurice Lynch asked whether the forum will address the expansion of unused tools that are available in the legal sense. Mr. Lawrence said that he will look at the tools that will be necessary to address the Chesapeake Bay Clean Up and try to

prioritize it based on the tools that are most likely to be used and emphasize those for discussion.

Chair Theberge asked if everyone was in agreement to move the dinner meeting from October to the 3<sup>rd</sup> Wednesday in November to organize a forum for the November meeting and have a regular business meeting in October. Mr. Carlton Revere asked about a central location for the November meeting. Mr. Lawrence said that the meeting will probably be held at the King William County Ruritan Club.

**Executive Planning Committee: Discussion on Future Commission Work Plan Development and Funding**

Chair Theberge said that the MPPDC Executive Committee met. The Strategic Plan meeting revealed a need to discuss a long-term work plan and financial strategies for sustaining the MPPDC's funding outside of the normal budget process. Chair Theberge said that the MPPDC Executive Committee also discussed the general financial status of the MPPDC.

The MPPDC is not in an immediate financial crisis at this moment, but if general funds continue to be used to fund the agency, that will change. Chair Theberge said that one problem is that the MPPDC cannot sustain itself on what localities presently pay in fees. Grant funding is declining and grants are getting smaller. Localities have to provide larger matches for the grants. There are also changes in reimbursement schedules and with these changes the MPPDC has to have a larger reserve fund for cash flow. Chair Theberge pointed out that MPPDC staff assist local government with a lot of inquiries for their constituents. MPPDC staff also provide assistance when local governments do not have staff available. When MPPDC staff perform tasks for local governments, there is often no charge. Chair Theberge discussed the possibility of switching to a per capita fee per locality.

Mr. Lawrence reviewed the MPPDC Service Centers handout. The Service Centers (green boxes) of the MPPDC are transportation, onsite septic repair and pumpout, environmental coastal community development, mandates, staff support/various partners, housing, local initiatives, new 2012 economic development (CEDS program), and agency administration. The blue boxes reflect why the programs are important to the local governments or their constituents directly (keep the local governments consistent with mandates, provide direct services to the citizens, provide answers to complex or technical issues or problems where the local governments do not have the time or resources necessary). The gray boxes relate to how local and state contributions are used to access grant funds to make those Service Centers work.

Mr. Lawrence said that in order to operate these Service Centers it requires about \$160,000 of local and state investment (FY12). The FY12 local dues are \$65,000 and state contributions are \$75,971 leaving a need for \$19000 from the general fund. With the grant structure changing, the MPPDC requires an estimated \$175,000-\$200,000 for cash flow needs. Mr. Lawrence said that he has been talking with local banks regarding financial lending tools that may be available. The MPPDC has approximately \$300,000 in unrestricted assets. There will be an additional loss of about \$41,000 because of the Middle Peninsula Business Development Partnership dissolution. Mr. Lawrence reviewed the 2009 VAPDC comparative PDC assessment rates and MPPDC options.

Questions and answers period regarded increases in service centers, bill for service (GIS mapping), per capita vs equal dues structure, and the composite index.

Chair Theberge said that the MPPDC Executive Committee will reconvene before the MPPDC Board meeting October to discuss these issues and bring recommendations to the Board at the October meeting.

### **Other Business**

Chair Theberge asked if there was any other business. Mr. Carlton Revere asked if the Board would consider holding the October Board meeting at another location because of the large crowd. Mr. Revere suggested the Cooks Corner Complex meeting room if the meeting location stays in Middlesex County. Mr. Lawrence said that he will call the Middlesex County office and regarding the availability of the meeting room at Cooks Corner Complex.

### **Adjourn**

Chair Theberge requested a motion to adjourn. Otto Williams moved to adjourn. Tim Hill seconded the motion; motion carried.

COPY TESTE:

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**(Secretary)**

# Project Financial Report

Middle Peninsula Planning District Commission

Run Date: 10/11/2011  
 Run Time: 11:16:31 am  
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Period Ending: 09/30/11

		Expenditures						
Code	Description	Budget	Curr FY	Project Total	Un/Over	% Budget	Revenues	Balance
30007	FY12 Local Programs	187,429.00	2,442.87	12,624.24	174,804.76	6.74%	20,061.84	7,437.60
30010	Local PAA Stewardship/	17,000.00	425.00	7,330.49	9,669.51	43.12%	17,000.00	9,669.51
30013	EE&CBG Project	703,872.00	-12,379.28	65,749.88	638,122.12	9.34%	61,328.84	-4,421.04
30170	MPBDP FY12 Staff Sup	46,500.00	9,239.39	22,553.26	23,946.74	48.50%	13,325.54	-9,227.72
30207	FY12 TDM	74,000.00	5,896.37	16,969.66	57,030.34	22.93%	0.00	-16,969.66
30309	FY12 Rural Transportati	72,500.00	6,353.45	17,183.49	55,316.51	23.70%	0.00	-17,183.49
30420	Onsite Loan Management	119,458.85	382.32	94,887.78	24,571.07	79.43%	103,574.72	8,686.94
30423	VCWRFR Onsite Fund	80,000.00	0.00	8,962.50	71,037.50	11.20%	16,171.50	7,209.00
30426	WQIF 2010	102,883.00	1,049.79	7,707.46	95,175.54	7.49%	10,684.86	2,977.40
30440	Septic Pumpout VII	14,372.00	1,308.55	14,413.29	-41.29	100.29%	325.54	-14,087.75
30502	Water Supply Planning	106,784.79	2,397.22	95,503.77	11,281.02	89.44%	153,950.00	58,446.23
31002	GA Lobby FY09	0.00	0.00	18,247.75	-18,247.75	0.00%	24,000.00	5,752.25
31200	Emergency Managment	191,777.84	0.00	196,148.25	-4,370.41	102.28%	196,148.25	0.00
31404	Dragon Run Day	5,511.00	0.00	5,460.13	50.87	99.08%	6,830.34	1,370.21
31410	FY11 Dragon SAMP	25,000.00	0.00	16,634.26	8,365.74	66.54%	16,543.04	-91.22
32007	PAA Administration	97,690.01	195.44	78,885.25	18,804.76	80.75%	104,017.51	25,132.26
32113	MP SW Dredging Master l	32,000.00	0.00	31,713.66	286.34	99.11%	32,000.00	286.34
32115	FY11 Coastal TA	60,000.00	8,920.21	64,020.50	-4,020.50	106.70%	44,808.21	-19,212.29
32116	FY11 Climate Change	76,000.00	6,454.36	68,731.21	7,268.79	90.44%	49,996.61	-18,734.60
32117	Conservation Corridors	40,000.00	1,258.37	33,084.91	6,915.09	82.71%	26,329.52	-6,755.39
33000	MP Comprehensive Econ	120,000.00	1,191.06	4,879.08	115,120.92	4.07%	0.00	-4,879.08
<b>Totals:</b>		<u>2,172,778.49</u>	<u>35,135.12</u>	<u>881,690.82</u>	<u>1,291,087.67</u>	<u>40.58%</u>	<u>897,096.32</u>	<u>15,405.50</u>

# Balance Sheet by Category

Middle Peninsula Planning District Commission

Run Date: 10/11/11  
Run Time: 11:17:32 am  
Page 1 of 1

Period Ending: 09/30/11  
Format: 1 Board Balance Sheet

## Assets:

Cash in Bank	483,271.90
Receivables	155,346.82
Property & Equipment	19,344.87

**Total Assets:**

**\$657,963.59**

## Liabilities:

Accounts Payable	2,663.00
Other Payables	116,171.50
Payroll Withholdings	-93.85
Accrued Leave	20,592.94
Deferred Revenue	3,750.16
Cost Allocation Control	0.04

**Total Liabilities:**

**\$143,083.79**

## Equity:

Local Initiatives/Information Resources	23,145.70
Economic Development	-14,106.80
Transportation Programs	-34,153.15
Onsite Repair & Pumpout	4,785.59
Housing	-4,421.05
Coastal Community & Environmental	-18,291.03
Mandates	58,446.23
General Fund Balance	499,474.31

**Total Equity:**

**\$514,879.80**

**Balance:**

**\$0.00**

## Agencywide R&E by Category

Middle Peninsula Planning District Commission

Run Date: 10/11/2011  
Run Time: 11:18:13 am  
Page 1 of 1

Period Ending: 09/30/11  
Format: 1 Agencywide R&E  
With Indirect Cost Detail

Code & Description	Budget	Current	YTD	Un/Ovr	% Bud
<b>Revenues</b>					
Local Match	75,709.00	0.00	0.00	75,709.00	0.00%
Local Annual Dues	69,999.00	10,000.00	15,000.00	54,999.00	21.43%
Local Other Revenues	74,900.00	13,313.87	112,128.43	-37,228.43	149.70%
State Revenues	266,947.00	7,593.99	7,880.33	259,066.67	2.95%
Federal Revenues	822,500.00	-13,113.53	17,867.19	804,632.81	2.17%
Miscellaneous Income	42,407.00	2,022.57	17,659.57	24,747.43	41.64%
Onsite Loan Program Income	7,000.00	355.70	10,877.16	-3,877.16	155.39%
PAA Program Income	0.00	150.00	175.00	-175.00	0.00%
<b>Revenues</b>	<b>1,359,462.00</b>	<b>20,322.60</b>	<b>181,587.68</b>	<b>1,177,874.32</b>	<b>13.36%</b>
<b>Expenses</b>					
Personnel	408,523.00	31,137.27	93,541.66	314,981.34	22.90%
Facilities	30,912.00	3,074.85	8,357.73	22,554.27	27.04%
Communications	5,700.00	565.19	1,958.86	3,741.14	34.37%
Equipment & Supplies	6,370.00	313.43	1,146.15	5,223.85	17.99%
Travel	5,750.00	418.29	1,393.27	4,356.73	24.23%
Professional Development	10,185.00	1,258.94	8,532.23	1,652.77	83.77%
Contractual	767,917.00	-7,116.87	35,417.47	732,499.53	4.61%
Miscellaneous	54,741.00	5,484.02	15,834.81	38,906.19	28.93%
Regional Share	75,709.00	0.00	0.00	75,709.00	0.00%
<b>Expenses</b>	<b>1,365,807.00</b>	<b>35,135.12</b>	<b>166,182.18</b>	<b>1,199,624.82</b>	<b>12.17%</b>
<b>Agency Balance</b>	<b>-6,345.00</b>	<b>-14,812.52</b>	<b>15,405.50</b>		



# 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

#### 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](http://www.mppdc.com)

# Regional Profile:

## 2000-2010 Demographic Information

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



Population Trends				Median Household Income and Unemployment Rate <sup>1</sup>			
Locality	Total Population		Population Growth from 2000-2010	Median Income		Unemployment Rate	
	2000	2010		2000	2005-2009	2000	2009
Essex	9,989	11,151	12%	\$46,589	\$46,678	2.7%	8.2%
Gloucester	34,780	36,858	6%	\$56,589	\$56,830	1.9%	5.9%
King & Queen	6,630	6,945	5%	\$44,778	\$43,766	2.5%	7.8%
King William	13,146	15,935	21%	\$62,139	\$64,682	1.9%	6.9%
Mathews	9,207	8,978	-2%	\$53,849	\$49,318	2.2%	5.4%
Middlesex	9,932	10,959	10%	\$45,941	\$50,181	2.1%	6.8%
Town of Tappahannock	2,138	2,375	11.1%	\$33,688	\$37,754	14.5%	12.1%
Town of Urbanna	543	476	-12.3%	\$42,054	\$42,788	4.7%	11.2%
Town of West Point	2,866	3,306	15.4%	\$49,655	\$64,948	2.8%	4.5%
<b>Region Total</b>	<b>83,684</b>	<b>90,826</b>	<b>9%</b>	<b>\$49,837</b>	<b>\$50,001</b>	<b>8.5%</b>	<b>9.6%</b>

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%
<b>Regional Total</b>	<b>938</b>	<b>2,062</b>	<b>120%</b>	<b>82,746</b>	<b>88,764</b>	<b>7%</b>

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%
<b>Regional Total</b>	<b>65,535</b>	<b>72,057</b>	<b>10%</b>	<b>15,884</b>	<b>15,039</b>	<b>-5%</b>	<b>416</b>	<b>575</b>	<b>38%</b>	<b>1,849</b>	<b>3,155</b>	<b>71%</b>

<sup>1</sup> Data from the Bureau of Labor Statistics Local Area Unemployment data

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

## Staff Activities Service Summary of Regional Progress

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

### Report on Mandated Initiatives

Localities	Water Supply Planning		Hazard Mitigation	
	Support staff: Clara Start Date: 7/2008 Completion Date: 6/2011		Support staff: Lewie Start Date: 2/2008 Completion Date: 6/2011	
	Participating Localities	Current Status	Participating Localities	Current Status
Essex	✓	Approved/Adopted	✓	ADOPTED
Gloucester	NA	NA	✓	ADOPTED
King and Queen	✓	Approved/Adopted	✓	ADOPTED
King William	✓	Approved Plan	✓	ADOPTED
Mathews	✓	Pending	✓	ADOPTED
Middlesex	✓	Public Hearings Scheduled	✓	ADOPTED
Town of West Point	✓	Public Hearings Scheduled	✓	ADOPTED
Town of Urbanna	✓	Approved/Adopted	✓	ADOPTED
Town of Tappahannock	✓	Approved/Adopted	✓	ADOPTED

**Middle Peninsula Planning District Commission  
Executive Director's Report of Regional Progress  
October 18, 2011**

**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)

**Citizens Planning Education Association of Virginia**- (Regional 9 Director) Established to further public understanding and awareness throughout the Commonwealth of the need for excellent community planning as a means of making our localities better places in which to live, work, and do business (MPPDC Staff 5 year +)

**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 3 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 2 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 4 years)

**Middle Peninsula Referral Network (MPRN)** – (Vice President and Training Coordinator) comprised of a group of small businesses, mostly located in Gloucester and graduates of MPBDP Business Training Series, that meet weekly to refer business to each other, learn about each other's enterprises and receive on-going business training. (MPPDC Staff 6 years+)

**Virginia Microenterprise Network (VMN) (Secretary)** – state-wide organization of microenterprise practitioners which advocates for microenterprise at the state and national level. (MPPDC Staff 4 years)

## MPPDC Staff and Contact Information

### **Acting Director: Lewis Lawrence**

Contact Info: [llawrence@mppdc.com](mailto:llawrence@mppdc.com) (804) 758-2311x24 (804) 832-6747 (cell)

Programs: *Coastal Zone Technical Assistance, Natural Hazard Plan Update, Local Initiatives, MPCBPAA*

### **Administrative Assistant: Beth Johnson**

Contact Info: [bjohnson@mppdc.com](mailto:bjohnson@mppdc.com) (804) 758-2311x22

Programs: *Commuter/ Employer Transportation Services, Septic Repair Assistance, PDC Finance & Grants Administration*

### **Planner: Clara Meier**

Contact Info: [cmeier@mppdc.com](mailto:cmeier@mppdc.com) (804) 758-2311x28 (540) 908-5057 cell

Programs: *Rural Transportation Planning, Water Supply Plan, EECBG Weatherization*

### **Planner: Harrison Bresee**

Contact Info: [hbreesee@mppdc.com](mailto:hbreesee@mppdc.com) (804) 758-2311x26 (757) 871-2245 cell

Programs: *CEDS, PAA, Working Waterfronts*

### **MPBDP Inc Director: Candie Newman**

Contact Info: [cnewman@mppdc.com](mailto:cnewman@mppdc.com) (804) 758-4917

Programs: *Economic Development, Business Technical Assistance & Loans*

### **Secretary: Rose Lewis**

Contact Info: [rlewis@mppdc.com](mailto:rlewis@mppdc.com) (804) 758-2311x21

Programs: *Septic Pumpout 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.*

- Corresponded with Mr. John Marling, EEE Consulting, about dates for Water Supply Plan and drought ordinance public hearings in various localities.
- Discussed attending the October Urbanna Town Council Work Session to brief the Council on the Regional Water Supply Plan.
- Attended the October 11, 2011 King and Queen Board of Supervisors meeting where the Board held a public hearing on the Regional Water Supply Plan and the Drought Response Ordinance, after a brief presentation by EEE Consulting. The Board approved the Plan by resolution and adopted the Ordinance.
- Attended the October 17, 2011 Urbanna Town Council meeting and presented a brief overview of the Regional Water Supply Plan before their scheduled public hearing on the Plan and the Drought Response Ordinance. The Council approved the Plan by resolution and adopted the Ordinance.
- Attended the October 18, 2011 Middlesex Board of Supervisors meeting and presented a brief overview of the Regional Water Supply Plan before their scheduled public hearing on the Plan and Drought Response Ordinance. After the public hearing and questions, the Board decided to table both issues until their November 1, 2011 meeting.

### **Project 31200 Natural Hazard Plan Update**

*Section 44 Code of Federal Regulation Part 201 requires that local jurisdictions develop and adopt hazard mitigation plans to remain consistent with the Disaster Mitigation Act of 2000.*

## INFORMATION RESOURCES/ASSISTANCE

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

- Updated [www.mppdc.com](http://www.mppdc.com) website.
- Designed new brochure -*MPPDC: The Power of Numbers.*

**Projects 31410 Dragon Run SAMP**

*The project is a partnership between Middle Peninsula Planning District Commission's Dragon Run Steering Committee and the Virginia Coastal Program. The project's mission is to support and promote community-based efforts to preserve the cultural, historic, and natural character of the Dragon Run, while preserving property rights and traditional uses within the watershed.*

- Submitted semiannual reimbursement request to DEQ.

**Projects 32007 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.*

- Visited Browne Tract and Haworth Tract to pick up and drop off hunter sign-in sheets.
- Met with Mr. Jim Vagas from Clearwater Forestry at the Haworth Tract. He will be providing us with a plan for timbering the tract based on the Habitat and Wildlife Management Plans we have in place.
- Discussed Kabota tractor vandalism with insurance representative Tracy Dunlap, Virginia Municipal League. Damage to the tractor in King and Queen County on the Clay Tract is covered under the Commissions insurance policy. Worked on fixing tractor and ordering new trailer.
- Transmitted a copy of the repair estimate from Fleet Brothers Tractor to Deputy Williams in King and Queen County Sheriff's office.

**Projects 32115 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.*

- Received the final report from the General Assembly directed stakeholder panel to attempt to determine the appropriate balance between a private landowner's right to develop a commercial aquaculture enterprise and the extent of local government's authority to oversee land use through its zoning power. During the 2011 General Assembly Session, Senator Thomas K. Norment, Jr. patroned SB 1190 which would have amended and reenacted §§ 3.2-300, 28.2-603, and 28.2-1203 of the Code of Virginia, relating to aquaculture and the use of pier structures authorized by the Virginia Marine Resources Commission (VMRC) and the authority of local governments. The bill would have expanded the definitions of agricultural operation and production agriculture in the Right to Farm Act (RTFA) to include the practice of aquaculture. As proposed, no special exception or conditional use permit would

be required for aquaculture production in areas zoned to allow agriculture. The bill would also have specifically allowed the use of a noncommercial pier to support aquaculture operations and allow the placement of up to 1,200 square feet of floating aquaculture structures tied to such pier. Given the lack of consensus among the panel members for any specific approach, the panel could only identify several options for consideration. Without making any recommendations these include:

- 1) take no action, thereby preserving local land-use authority
  - 2) adopt legislation similar to SB1190 as amended
  - 3) amend the RTFA such that it would only apply to aquaculture in agriculture districts and areas classified specifically for agriculture
  - 4) place aquaculture under state oversight, including the land-based activities and those activities on state-owned submerged lands that are now managed on behalf of the Commonwealth by VMRC
- Received a water quality legal research paper from Ms. Peggy Sanner, Virginia Senior Attorney with the Chesapeake Bay Foundation. The purpose of the paper was to discuss how various Virginia local governments are currently using 15.2-1200 to address water quality problems locally.
  - Convened a special dredging meeting called by the Middle Peninsula Chesapeake Bay Public Access Authority Vice Chairman Carlton Revere and several Middlesex County residents interested in knowing more about dredging non-federally maintained creeks in Middlesex County.
  - Consulted with Mr. Scott Lerberg, Chesapeake Bay National Estuarine Research Reserve in Virginia located at VIMS. Mr. Lerberg was interested in knowing more about the work of the Commission related to vulnerability assessment, climate change, and sea level rise.
  - Attended the PDC Coastal Committee meeting held at Crater PDC in Petersburg Virginia. Agenda items included: Ms. Sandra Erdle (VIMS) – Climate Change Science and Adaptation Training; Ms. April Bahen- (DEQ) Guidance on Final Products and Semi- Annual Reports CZM Program Updates & Discussion; PDC Updates, and State Agency Updates.
  - Attended a meeting with the Army Corps of Engineers (ACE) to discuss the potential level of commercial fishing activity on Put in Creek in Mathews. ACE staff working with the Mathews County will be surveying commercial interest associated with Put in Creek to determine the possibility of future dredging using a cost benefit analysis.
  - Convened the October meeting of the local government administrators. Agenda items included: Presentation from USGS staff on the availability of storm surge gauges; Progress on the Energy Efficiency Conservation Block Grant; Chesapeake Bay TMDL and locality responses; General CEDS Discussion; Regionalism, Localism and Community Development; MPPDC and local budgets; and Discussion of the October 13<sup>th</sup> VDOT 6 Year Plan Meeting at MPPDC.
  - Drafted and submitted the Semi-Annual report to the Virginia Coastal Zone Management Program.
  - Drafted the Final Summary Report for the Virginia Coastal Zone Management Program. Submission of this report will occur in November.

- Held a phone conference with Mr. Douglas Stampler, USACE, and Captain Billy Simmons to discuss debris removal option and funding for Middle Peninsula localities.
- Corresponded with Mrs. Clara Meier, MPPDC Regional Projects Planner, in order to receive information regarding redistricting efforts within the Middle Peninsula that will help supplement the final report of the Coastal TA project.
- Attended MPCBPAA meeting on Oct. 14<sup>th</sup>. Agenda included standard items plus a presentation by Captain Alan Alexander for an Eco Tourism Proposal for PAA lands, dredging, working waterfronts, and legal issues with the Haworth Tract (CELCP ROW).
- Attended the quarterly Coastal PDC meeting in Petersburg, VA.
- Submitted final reimbursement request to DEQ.
- Provided assistance to Dr. Ric Davila, Middlesex citizen, requesting USGS Wilton Quadrangle map. MPPDC was temporarily out of that particular quad, but was able to provide the information the citizen required through GIS technology.

### **Chesapeake Bay WIP**

- Participated in several conference calls with 12 PDCs within the Chesapeake Bay Watershed to discuss the DCR funding opportunity for Watershed Implementation Plan support. Discussed various services PDCs could provide to member local governments under a unified proposal.
- MPPDC staff prepared and coordinated a joint application covering 12 PDCs and 85 local governments requesting \$165,000 in state funding to enable PDCs within the Chesapeake Bay Watershed to assist local governments with addressing Watershed Implementation Plan requirements (WIP).
- Discussed local government role and possible responsibility to respond to WIP issued by the Department of Conservation with Mr. Marty Schlesinger, Gloucester County Public Works Director.
- Discussed Chesapeake Bay Foundation data training with Mr. Eugene Rivera, MPPDC Commissioner, interested in knowing more about King William County's possible responsibility related to Watershed Implementation Plan requirements.
- Discussed the overall Middle Peninsula strategy for local government coordination to address the Watershed Implementation Plan needs with Mr. John Shaw, Planning Director in Mathews County.
- Convened a conference call with the staff from the Center for Watershed Protection and staff from Gloucester, Mathews, Essex, King and Queen, King William counties and the Town of West Point to discuss how the Center For watershed protection can assist middle peninsula local governments with addressing Watershed Implementation Plan requirements.
- Consulted with Mr. Phil Elsick, Gloucester County resident, concerning No-discharge zone designation for impaired waterways in Gloucester County.

- Consulted with Ms. Joan Salvati, Department of Conservation and Recreation Division of Stormwater Management, concerning local government response to Watershed Implementation Plan requirements.
- Discussed Watershed Implementation Plan requirements with Mrs. Mary Carson Saunders, William and Mary law student, assisting with determining the local legal aspect associated with Watershed Implementation Plan requirements.
- Advised Middle Peninsula local staff assigned to address Watershed Implementation Plan requirements of a special training for the VAST system. VAST is the Commonwealths tool for local data upload associated with to Watershed Implementation Plan requirements.
- Attended the Virginia Assessment and Scenario Tool (VAST) training at VIMS. VAST is the Department of Conservation and Recreation tool which local governments will utilize to report information for the Watershed Implementation Plan.
- Assisted a walk-in with locating a topographic map for a portion of Middlesex County.
- Participating in a GIS/Technology Survey at the request of VAPDC. They survey all PDCs about once a year to get an idea of what technology is being used and if there are any advantages to doing group agreements with software companies like ESRI.

#### **Projects 32116 Initiating Adaptation Public Policy Development**

*MPPDC staff will continue educational outreach to the general public and to elected officials about climate change and sea level rise. To encourage Middle Peninsula member localities to consider the development of public policy to respond to climate change and sea level rise impacts, MPPDC staff will also create a "START" (Start Adaptation and Response Today) kit which will comprehensively assemble, present, and customize relevant (1) local scientific data, (2) Kaiser- Permanente Natural Hazard Vulnerability Assessment Tool results for the Middle Peninsula, (3) local, state, national and international case studies as well as (4) sample ordinances from communities (nationwide and internationally) that have adopted adaption policies.*

- Received the final draft of the 1-page climate change document focused on local scientific data from CBNERR (Chesapeake Bay National Estuarine Research Reserve).
- Received correspondence from Virginia Tech that a draft of the Climate Change Adaption project will be complete and ready for review by October 21, 2011.
- Sent Scott Lerberg, Chesapeake Bay National Estuarine Research Reserve (CBNEER), copies of the MPPDC climate change final product from year 1 and 2.
- Attended the Mid-Atlantic Marine Educators Association Conference in Williamsburg, Virginia October 7-9<sup>th</sup> and presented information on the MPPDC Climate Change and Sea Level Rise project. During the presentation Qwizdom was used to collect the opinion of VA Environmental educators.
- Corresponded with Mr. Albert Reid, Virginia Cooperative Extension Specialist 4-H Environmental Education, who was interested in having the MPPDC present information at a 4-H Climate Change Workshop in November.

- Submitted semiannual reimbursement request to DEQ.

### **Project 32117 Conservation Corridors**

*MPPDC staff will utilize the Priority Conservation Area maps from year 1 and overlay these maps with private easements and zoning classifications for conservation purposes. MPPDC staff will also utilize the qualitative and quantitative information from year 1 to host stakeholder meetings to discuss how localities may approach off-setting this loss of revenue and how current public policy is impacting locality tax revenues.*

- Sent Ms. Sally Pearson, King William County Commissioner of Revenue, a list of conservation easements collected during Year 1 of the conservation easement project to assist in accounting for conservation easements within King William County.
- Submitted the Semi-Annual Progress Report to the Virginia Coastal Zone Management Program.
- Submitted semiannual reimbursement request to DEQ.

## **TRANSPORTATION**

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

### **Project 30207 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 ridematching services to commuters.*

- Received online registration from Saluda resident commuting to Norfolk. Provided contact information for commuter matching her commute.
- Received online registration from Gloucester County resident commuting to Virginia Beach. No match available. Referred to TRAFFIX and NuRide for assistance.
- Posted news releases on Virginia Telework Tax Credit, Tax credit workshop and tax credit application on [www.midpenrideshare.org](http://www.midpenrideshare.org) website.
- Participated in conference call for ACT Chesapeake/MidAtlantic Joint Symposium budget committee to discuss draft budget for joint conference to be held in conjunction with Association for Commuter Transportation Legislative Conference.
- Provided MPPDC TDM Initiatives Report to DRPT to be incorporated into DRPT - Making An Impact Update for General Assembly.
- Received online registration from Williamsburg resident commuting to Kilmarnock. Provided contact information for commuter matching her commute.
- Participated in conference call for ACT Chesapeake/MidAtlantic Joint Symposium budget committee to discuss date changes for joint conference to be held in conjunction with Association for Commuter Transportation Legislative Conference. Conference will be moved from March/April to January so that members can participate in Transportation Reauthorization efforts. That week will host the ACT

Legislative Conference, Transportation Research Board meeting, ACT Board Meeting, ACT Leadership Academy and the joint ACT Chesapeake/MidAtlantic Chapters Symposium.

- Received online registration from Saluda resident commuting to Richmond. Provided contact information for commuter matching her commute. Commuter responded to new billboard on Rt. 33.
- Took DRPT Virginia TDM Training Needs Assessment Survey.
- Participated in conference call for ACT Chesapeake Chapter Vanpool Bootcamp workshop to be held November 7<sup>th</sup> in Arlington.
- Participated in ACT Chesapeake Chapter Board conference call to discuss Joint Symposium with MidAtlantic Chapter draft budget, draft MOU, Vanpool Bootcamp workshop and 2012 budget issues.
- Received notice that the Association for Commuter Transportation's Public Policy Council has approved the ACT Telework and Alternative Work Arrangements Council's proposal for ACT support of its legislative initiatives including more expansion of broadband access in rural areas to enable telework.
- Received phone call from traveler requesting information on traffic delays in Town of West Point. Returned call to inform traveler that there were no scheduled bridge openings and that the delay was most likely caused by construction on Rt. 33 in the town.
- Attended a workshop on Integrating Demand Management into the Transportation Planning Process hosted by the Virginia Department of Transportation (VDOT) and the Federal Highway Administration (FHWA).
- Participated in a TDM Training and Needs Assessment Survey as requested by the Virginia Department of Rail and Public Transportation (DRPT).

### **Project 30309 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.*

- Submitted quarterly reimbursement request to VDOT.
- Received the Rural Regional Long Range Transportation Plan Technical Report from Margaret Moore, Parsons Transportation Group.
- Attended a meeting in Gloucester County on the Enhancement Grant the County is planning to submit an application for on behalf of the Fairfield Foundation.
- Attended the first Broadband Authorities Information Meeting hosted by the Eastern Shore of Virginia Broadband Authority and the Department of Housing and Community Development where the group discussed barriers and obstacles wireless/broadband authorities and projects have faced throughout Virginia.
- Discussed setting up a meeting to update Middle Peninsula localities on the Six Year Improvement Program with Mr. Craig Van Dussen, VDOT.

- Inquired with local government administrators and local planning staff about a date for a SYIP update meeting.
- Scheduled a meeting for the SYIP update on October 13, 2011 where Mr. Craig Van Dussen, VDOT, updated local staff in attendance on what has changed in the process.
- Reviewing the Fairfield Enhancement Grant draft application at the request of the Fairfield Foundation.
- Prepared the meeting minutes from the July 2011 PlanVIRGINIA Board of Directors meeting for consideration at the October 2011 board of directors meeting.
- Prepared a proposed budget for 2012 to be presented at the October 2011 PlanVIRGINIA Board of Directors meeting.
- Attended the 2011 PlanVIRGINIA Commonwealth Land Use and Zoning Conference October 9-11, 2011 and gave a presentation on water planning efforts in the Middle Peninsula Region, highlighting the Dragon Run Special Area Management Plan and the impact on local policy.
- Participated in a VAPDC Board of Directors Conference call to get direction on the tasks the VAPDC Transportation Committee should be pursuing.
- Prepared and submitted the first quarterly report for fiscal year 2012 to Mr. Craig Van Dussen, Virginia Department of Transportation.

## ONSITE REPAIR & PUMPOUT

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

### **Project 30420, 30423, 30426 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.*

- Executed ACH loan payments.
- Received phone call from Ms. Beth Burruss at Essex Concrete regarding King and Queen County septic pumpout client who had been informed that her pump was not working. Essex sent someone out who determined that the circuit breaker had been tripped. Reset breaker and problem appears to be solved.
- Received phone call from King William County resident continuing to seek solution to problems with community septic system – Mount Olive.
- Consulted with Dave Demuth, Gloucester County Health Department regarding Gloucester County resident who is in an “heir situation” and attempting to repair a failing septic system. Client continues to have difficulty understanding the complexity of the problem and what is required from the executor of the estate to allow MPPDC to provide funding assistance for this repair.

- Received another phone call from Mount Olive resident regarding solution to septic problems.
- Received phone call from homeowner with septic problems requesting application. Application mailed.
- Received phone call from Mathews County client requesting loan pay-off amount.
- Received phone call from King and Queen County resident requesting septic repair application.
- Discussed MPPDC Septic Pumpout program with Sherry Hamilton, *Gloucester Mathews Gazette Journal*. Article appeared in October 12<sup>th</sup> issue.
- Received septic repair application from Gloucester County homeowner for waived conventional system repair. Homeowner cannot afford to hook into sewer and according to Dave Demuth, Gloucester Health Department; her only option is to repair her failing conventional septic system.
- Submitted quarterly report and reimbursement request to Virginia Department of Conservations and Recreation.
- Septic Pumpout as of October 18, 2011
  - Applications mailed 48
  - Applications approved 15
  - Pumpout Completions 0

Applications approved by County

Essex	8
Gloucester	3
King and Queen	1
King William	3

**Project 30440 Septic Pumpout**

*The Chesapeake Bay Preservation Act requires that septic systems be pumped out or inspected at least once every five years to reduce non-point source pollution. Low-to-moderate income (LMI) families are especially burdened by the requirement to pump out their septic systems. In order to assist these households, the MPPDC secures funding to pay for the pump out of systems of LMI households. Applicants are taken on a first-come, first-served basis until funding is exhausted.*

- Submitted quarterly report and reimbursement request to Virginia Department of Conservation and Recreation.
- Consulted with Daniel Moore, DCR, regarding status of reimbursement request submitted July 13, 2011. Mr. Moore requested that reimbursement request be resubmitted with October date.

## **ECONOMIC DEVELOPMENT**

Funding – MPBDP, Inc reimburses MPPDC for staff support

### **Project 30170 Staff Support to Middle Peninsula Business Development Partnership, Inc.**

*Middle Peninsula Business Development Partnership (MPBDP), Inc, a 501-C3 non-profit corporation was established to promote compatible economic development for the six counties and three towns within the Middle Peninsula. MPBDP is committed to undertaking activities that will enhance the future economic competitiveness of the region. MPPDC provides staff support to MPBDP which provides training, technical assistance, and access to capital to very small, micro-businesses. The program is focused on providing assistance to low-to-moderate entrepreneurs who lack adequate access to capital or training to start or expand business.*

- Prepared vouchers, processed A/P, processed deposits, balanced bank accounts for MPBDP, Inc.
- Prepared MPBDP, Inc. September financial statements.
- Prepared and submitted billings for MPBDP September staff support.

### **Revolving Loan Fund (RLF)**

- Executed ACH loan payments and transfers for small business loans and transferred principal repayments to RLF savings account.
- Prepared and mailed ACH authorizations to small business loan clients in anticipation of MPPDC takeover of MPBDP Revolving Loan Fund on November 1.
- Prepared final reimbursement request for USDA RMAP grant.
- Restructured and closed a loan for an existing business on October 10<sup>th</sup>. This will continue to protect our collateral as well as reduce the monthly payment for the business.
- Transfer of the RLF asset is proceeding as planned.

### **Economic Development Program**

- The USDA RMAP grant was closed out. The final transfer of funds will see the organization through to the November 30, 2011 dissolution date.
- A meeting of the Virginia Microenterprise Network was held on Friday, October 7<sup>th</sup>, at 10:30 a.m.

### **Technical Assistance Program**

- Training continues for the eight-week program that began September 13<sup>th</sup> with 10 participants.
- A brief Customer Service Training was held for the Middle Peninsula Referral Network on October 5<sup>th</sup>.
- For the first two weeks of October there have been 3 technical assistance sessions all with an existing Gloucester County business.

- Additional TA sessions since the September report include:
  - Gloucester – existing business consultation
  - Mathews – review of steps to close a business.
  - King William – review of options to keep business part-time venture.

**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.*

- Researched 13 CEDS plans from various states/locations including Hawaii, Coastal Georgia, the Eastern Shore of Virginia, Vermont, Mid-coast Maine, Mid-Columbia (Oregon and Washington area), Treasure Coast (Florida), Alabama, Rhode Island, Gulf Coast (Texas), Alaska (Fairbanks), California (Del Norte County), and Cape Cod. Also researched and familiarized myself with all contracts and information specific to the MPPDC CEDS project.
- Attended a free conference at the Federal Reserve “Unleashing the Power of Local Data.” Conference speakers used case studies to discuss different ways of finding and using public data (i.e. the Census and New American Factfinder) to further educated decision making.
- Drafted letters for each Middle Peninsula locality to explain the need to make appointments for the Comprehensive Economic Development Strategy Committee. The Committee is a requirement of the CEDS process and should represent 51% private sector interests.

**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 30007 Local & Regional Technical Assistance**

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

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

- Developed a Marketing Brochure that focuses on the Middle Peninsula Planning District Commission – describing role the PDC plays for localities within the region.

**Project 32113 Shallow Water Dredging**

*This project will identify and discuss the issues and framework necessary to establish a Middle Peninsula Regional Dredging Management Plan.*

*(See Coastal Community Development/Environmental- Staff support for this initiative is funded from DEQ Coastal Zone Management program)*

- Presented the final dredging report titled *Shallow Draft Navigation and Sediment Management Plan for the Middle Peninsula Chesapeake Bay Public Access Authority* to the Middle Peninsula Chesapeake Bay Public Access Authority at the bi-monthly October meeting of the Authority. The plan was accepted. The Authority also discussed the need for understanding local options for revenue generation to fund local dredging projects. Staff will consult with Mr. Tom Murray, Marine Economist at VIMS.
- Provided Mr. Steve Whiteway, Mathews County Administrator, with copies to of the Middle Peninsula Shallow Water Dredging project for use and review by local elected officials in Mathews County.

## HOUSING Funding –VDMME

### **Project 30013 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.*

- Continue to remain in communication with Bay Aging and MPPDC Regional Projects Planner Mrs. Clara Meier to monitor the progress of this project.
- Received phone call from Weatherization client regarding ACH loan payment scheduled for October 15<sup>th</sup>. Client was concerned that MPPDC had taken a payment even though the work has yet to be started by Bay Aging. Assured client that first payment will not be taken until MPPDC has been informed by Bay Aging of satisfactory completion of construction. Tentative first payment date now November 15<sup>th</sup>.
- Corresponded with Mr. Vincent Smith, Bay Family Housing, about information needed for the September 2011 monthly report.
- Prepared and submitted the consolidated monthly report for September 2011 to the Virginia Department of Mines, Minerals and Energy (DMME).
- Received and reviewed the non-federal locally leveraged funds documentation from Bay Family Housing.
- Requested an updated client and audit schedule from Mr. Vincent Smith, Bay Family Housing, which reported the following:
  - Essex County: 5 applications approved, 2 loans and 3 grants
  - Gloucester County: 4 applications approved, 2 loans and 2 grants, 2 loan jobs should be in construction in October 2011
  - Mathews County: 0 applications approved
  - Middlesex County: 3 application approved, 1 loan and 2 grants, 1 grant no longer in program

- King and Queen County: 1 application approved, 1 loan
- King William County: 1 application approved, 1 grant
- Attended the October 2011 Local Government Administrators meeting where Mr. Patrick Frere and Mr. David Lundin, Bay Aging, gave an update on the project's status.
- Revised all monthly consolidated reports from October 2010-May 2011 to reflect information in the non-federal locally leveraged funds documentation submitted from Bay Family Housing.
- Submitted all non-federal locally leveraged funds documentation to date and all revised monthly consolidated reports to DMME.

## AGENCY ADMINISTRATION

Funding - Indirect cost reimbursements from all PDC projects

### MPPDC Administration

*Administrative services provided to MPPDC programs. Planned FY12 Indirect Cost rate =73.9%*

- Prepared vouchers, processed A/P, processed payroll, processed deposits and balanced bank accounts.
- Prepared MPPDC financial statements.
- Consulted with Mrs. Marcia Jones, Assistant Middlesex County Administrator, regarding Cooks Corner Meeting Room suitability and availability as MPPDC Commission meeting room. Room should be large enough, but is not available in October. Mrs. Jones believes the room can hold 50 people in addition to the Commissioners.
- Began arrangements for MPPDC Quarterly Dinner Meeting to be held at the King William Ruritan Building. Consulted with Mr. Cecil Schools, King William County Board Of Supervisors, and Rocky Hurley, King William Ruritan Club.
- Reviewed FY11 MPPDC draft audit and consulted with Michael Aukamp, Dunham, Aukamp & Rhodes regarding corrections and clarifications. Prepared and submitted Management Discussion and Analysis for inclusion in final audit report.
- Requested an assessment of building capacity from Mr. David Selph, Middlesex County Building Official. MPPDC Board room is limited to a total of 36 people. The kitchen and the general lobby area are limited to 9 people each. The entire building is limited to 50 people.

## **MPPDC Public Participation**

### **MPPDC Office Building Capacity**

- MPPDC Board Room Capacity per Middlesex Building Inspector – 36
- Standing room – 9 in kitchen, 9 in lobby
- Total building capacity – 50

### **Public Participation Rules**

VA Code 2.2-3707 – there is no statutory mandate to have public comment at regular Commission Meetings

- All speakers must give their name and locality prior to start of meeting
- Each speaker will be limited to 3 minutes
- No one may cede their time to another speaker
- Speakers unable to complete their comments within the time limit may submit their comments in writing to the Commission, please provide 25 copies which will be made available to the Commissioners
- Comments must be directly related to items on the current or last Commission Meeting Agenda
- Written comments must include name and election district of the author
- Public Comment period will be limited to no more than 20 minutes per regularly scheduled Commission Meeting

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# ***Sea Level Rise: Local Fact Sheet for the Middle Peninsula, Virginia***

## **Statement of the Problem**

A look at the geologic record of Chesapeake Bay shows a long and dynamic history - from the bolide (asteroid or comet) impact about 35 million years ago which formed the Chesapeake Bay impact crater, to the melting of glaciers beginning about 18,000 years ago, resulting in a continued rise of sea level and drowning of the Susquehanna River valley. Given that the rise in sea level has been occurring for thousands of years and is fundamental to the present formation of the Chesapeake Bay and our local tidal waters, why is there a recent heightened level of concern regarding this phenomenon? Concern is justified given that current and projected rates of sea level rise represent a significant increase over what we experienced during the last century. There is general consensus that rise in sea level will continue for centuries to come, and that human and natural communities within the Middle Peninsula will be vulnerable. Understanding the challenge is vital for local government to develop strategies to reduce the regions vulnerability to sea level rise.

## **Causes and Current Rates of Local Sea Level Rise**

Processes responsible for rising sea levels are complex. To help simplify the matter, it is useful to make a distinction between the concepts of eustatic and relative sea level (RSL) change. Eustatic change, which can vary over large spatial scales, describes sea level changes at the oceanic to global scale that result from changes in the volume of seawater or the ocean basins themselves. The two major processes responsible for eustatic change are the thermal expansion of seawater due to warming and the melting and discharge of continental ice (i.e., glaciers and ice sheets) into the oceans. The global average for current (2003-mid 2011) eustatic sea level change is 0.11 in/yr (2.8 mm/yr) (NOAA Laboratory for Satellite Altimetry) with estimates for the Chesapeake Bay region on the order of 0.07 in/yr (1.8 mm/yr; Boon et al. 2010) for the approximate same time period.



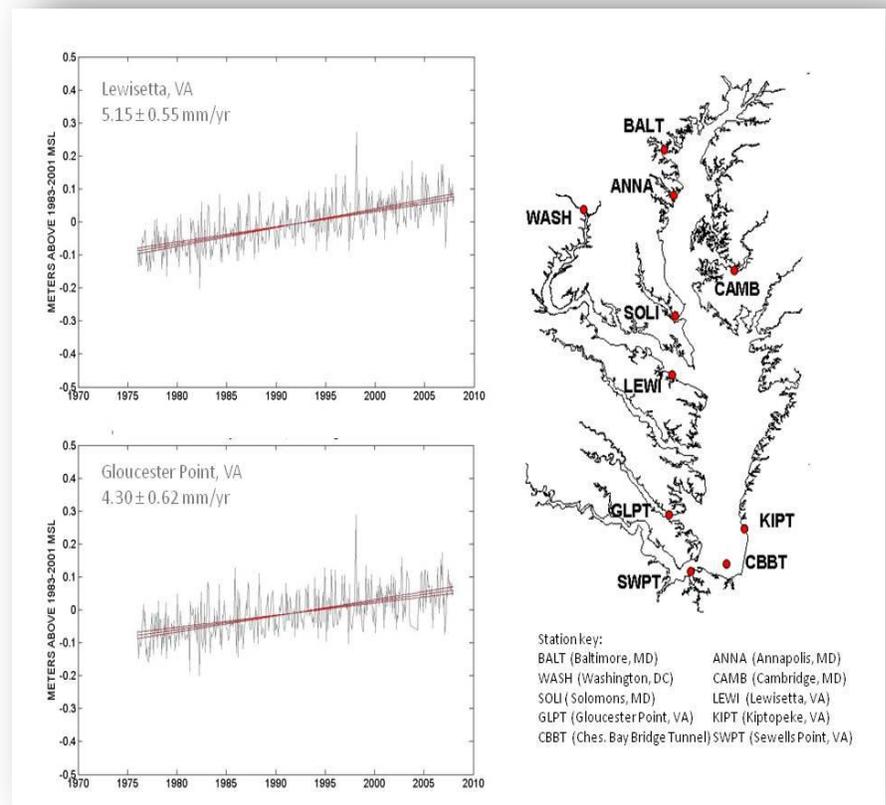
Coastal flooding at Gloucester Point during Hurricane Isabel, 2003. Photo credit: VIMS.

RSL change describes the observed change in water level at a particular location and represents the sum of eustatic sea level change and local vertical land movement (subsidence or uplift) at that location. Within the Chesapeake Bay region, land subsidence represents a significant component of RSL change. Processes contributing to land subsidence include tectonic (movement of the earth's crust) and man-induced impacts (e.g., groundwater withdrawal, hydrocarbon removal). During the last glacial period (maximum extent approximately 20,000 yr BP), the southern East Coast limit of the Laurentide ice sheet coincided with northern portions of Pennsylvania (Mickelson and Colgan 2003). As a consequence, land subsided under the ice load and, in turn, created a fore-bulge or upward displacement of lands south of the ice load. Upon retreat of the glacier, the land continued to redistribute, rebounding in previously glaciated areas and subsiding in the more southern forebulge region. Land subsidence rates on the order of 0.05-0.06 in/yr (1.2-1.4 mm/yr) are attributed to the postglacial forebulge collapse within the Bay region (Douglas 1991). It can take many thousands of years for impacted regions to reach isostatic equilibrium.

At a more local level, overdrafting of groundwater is a significant factor driving land subsidence rates. Within the Eastern Virginia Groundwater Management Area, large industrial and domestic use groundwater withdrawals from the Potomac aquifer series occur in the areas of Franklin, Suffolk and West Point, VA. Elevated subsidence rates, which integrate both regional and local causes, were first observed near the centers of large groundwater withdrawals through repetitive high-precision relevelings and analysis of tide records, and later through studies that directly measured aquifer system compaction. Land subsidence rates within the Middle Peninsula, based on releveling analysis, vary between 0.09-0.15 in/yr (2.4-3.8 mm/yr) with maximum values being observed at West Point (Holdahl and Morrison 1974; Davis 1987). Pope and Burbey (2004) reported average aquifer system compaction rates of 0.06 in/yr (1.5 mm/yr; 1979-1995) and 0.15 in/yr (3.7 mm/yr; 1982-1995) near the Franklin and Suffolk pumping centers, respectively, and that compaction appeared to correlate with groundwater withdrawal; West Point was not included as part of this study. It has been suggested that the Chesapeake Bay impact structure, whose outer rim traverses the lower Middle Peninsula (Powars and Bruce 1999) may contribute to local land subsidence. While observations suggest postimpact subsidence at a geologic scale (Johnson et al. 1998), present day influence is currently unknown.

RSL rise rates at the local level are derived from accurate time series of water level measurements spanning several decades or more. A recent analysis of tide gauge data by the Virginia Institute of Marine Science reported RSL rise rates ranging from 0.11-0.23 in/yr (2.9-5.8 mm/yr; period: 1976-2007; 10 stations) within the Chesapeake Bay region, with a number of the values representing the highest rates reported along the U.S. Atlantic coast (Boon et al. 2010). With respect to the Middle Peninsula, the two nearest stations located at Gloucester Point and Lewisetta, VA indicate current RSL rise rates of 0.17 (4.30 mm/yr) and 0.20 in/yr (5.15 mm/yr), respectively (see Figure 1). Although there are no additional adequate tidal records available for the Middle Peninsula's bordering rivers (i.e., York and Rappahannock Rivers), one would expect RSL rise rates to increase as one approached areas of elevated land subsidence such as West Point, VA. Based on land subsidence and eustatic sea level information, the RSL rise rate would be expected to be on the order of 0.22 in/yr (5.6 mm/yr) at or near West Point, VA.

Extrapolating current Gloucester Point and Lewisetta rates, RSL would increase by another 0.7-0.8 ft (21-25 cm) by 2050 and 1.4-1.7 ft (43-51 cm) by 2100; this represents a conservative and low-end estimate. There is growing concern that RSL rise rates will accelerate in the future with projections of sea level increases in the Bay region of approximately 2.3-5.3 ft (70-160 cm) by 2100 (Pyke et al. 2008).



**Figure 1.** RSL trends and 95% confidence intervals for Lewisetta, VA and Gloucester Point, VA (after removal of seasonal cycle and decadal signal) for the 1976-2007 period and location map for Chesapeake Bay National Water Level Observation Network stations (Boon et al. 2010; reprinted with permission).

### **Why You Should Care: Examples of Impending Risks**

Sea level rise, along with direct influences on inundation of low-lying lands, coastal erosion and flooding from storms, and saltwater intrusion into coastal freshwater/low salinity water bodies and groundwater aquifers represent significant threats to the people, public and private property, and natural resources of the Middle Peninsula.

- ***Increased Inundation and Land Conversion.***

The Middle Peninsula is rich in gently sloping, low elevation uplands and wetlands immediately adjacent to or in close proximity to tidal waters. Lands exhibiting these characteristics are at risk to increased frequency of high-tide flooding and gradual inundation from rising sea levels. Within the Middle Peninsula, vulnerable lands include but are not limited to New Point Comfort, Bohannon, Retz, Onemo, Diggs, Roane, Heart Quake Trail area, Deltaville, Locklies, West Point, Romancoke, Winona Park Road, Pamunkey Tribe Reservation, Ware Neck, Nexara, Guinea, Purtan Bay, Catlett Islands, Tappahannock, Gynnfield Subdivision, Lower Essex, Kendall Road, and Layton Peninsula (MPPDC, 2010).



Marsh regression into an adjacent low-lying pine forest on the York River. Photo credit: W. Reay.

In developed areas, the combined effect of rising sea level and water tables can have profound consequences on underground (e.g., onsite wastewater disposal systems, fuel storage tanks) and ground-level (e.g., building structures, roads, drainage ditches) infrastructure. In contrast to developed areas where some protection measures may be feasible, vast expanses of natural and agricultural areas will remain exposed to the consequences of a rising sea level. Tidal wetlands within the Middle Peninsula region are already responding to sea level rise and associated salt intrusion. Observed responses include elevated erosion rates, inundation of fringing marshes and marsh interiors, transgression of marshes into adjacent coastal forests, and conversion of freshwater to brackish water vegetation communities.

- ***Increased Storm Damage.*** Elevated sea levels will intensify storm impacts due to increases in damaging wave energy and risks of severe flooding further inland. Comparisons between two locally relevant storms whose storm surges peaked near high tide illustrate the impact of sea level rise on coastal flooding. The more powerful 1933 hurricane produced a storm surge 1.0 ft (0.3 m) greater than Hurricane Isabel in 2003, yet the high water mark or storm tide elevation (sum of storm surge and astronomical tide), was comparable to Hurricane Isabel's 7.9 ft (2.4 m) above mean lower low water. A rise in sea level over the 70 year period between storms, on the order of 1.0 ft (30 cm), is attributed to allowing the weaker storm to produce an equivalent storm tide (Boon 2005). In light of rising sea levels, significant property and infrastructure damage from erosion, wave action and flooding is likely to occur from severe storm events such as hurricanes and nor'easters, as well as less powerful storm systems.



Storm damage incurred on the York River during Hurricane Isabel, 2003. Photo credit: J. Rickards.

- ***Increased Saltwater Intrusion.*** Rising sea levels and associated saltwater intrusion can raise the salt content of Chesapeake Bay proper, its tidal tributaries and groundwater aquifers. Under various sea level rise scenarios ranging from 0.5-5.5 ft (18-167 cm), Hilton et al. (2008) estimated Chesapeake Bay salinity changes

of 0.4-12 by 2100. If such large-scale changes in Bay salinity are realized, both coastal natural resources and society would suffer. Saltwater intrusion is problematic for surface and groundwater domestic, irrigation and industrial water sources. In the Middle Peninsula, where nearly all water for domestic and business use is groundwater sourced, wells have already been contaminated by saltwater to the point of being unusable or requiring expensive reverse osmosis treatment (MPPDC 2010). In addition to saltwater intrusion into freshwater aquifer systems, inundation and storm induced flooding of wellheads and shallow wells can contaminate and jeopardize the dependability of wells and groundwater sources.

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Prepared by:

William G. Reay, Ph.D., CBNERRVA, Virginia Institute of Marine Science and Sandra Y. Erdle, CBNERRVA, Virginia Institute of Marine Science. September 2011.



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**MIDDLE PENINSULA PLANNING  
DISTRICT COMMISSION**

**AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011**

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

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

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**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**  
**BOARD OF COMMISSIONERS**  
**JUNE 30, 2011**

Margaret H. Davis - Essex County

Edwin E. Smith - Essex County

David S. Whitlow - Essex County

Maurice P. Lynch - Gloucester County

John Northstein - Gloucester County

Louise D. Theberge - Gloucester County

Sherrin C. Alsop - King and Queen County

Thomas J. Swartzwelder - King and Queen County

Trenton Funkhouser - King William County

Eugene Rivara - King William County

Cecil L. Schools - King William County

Otto O. Williams - King William County

Charles D. Gordon - Town of West Point

Janine F. Burns - Mathews County

O. J. Cole, Jr. - Mathews County

Thornton Hill - Mathews County

Stephen K. Whiteway - Mathews County

Wayne H. Jessie, Sr. - Middlesex County

Carlton Revere - Middlesex County

Kenneth W. Williams - Middlesex County

Mayor Donald Richwine - Town of Urbanna

**Dunham, Aukamp & Rhodes, PLC**  
*Certified Public Accountants*

4437 Brookfield Corporate Dr., Suite 205-D  
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P.O. Box 2584  
Winchester, VA 22604

**INDEPENDENT AUDITORS' REPORT**

To the Commissioners  
Middle Peninsula Planning District Commission  
Saluda, Virginia

We have audited the accompanying financial statements of the Middle Peninsula Planning District Commission, as of and for the year ended June 30, 2011 as listed in the table on contents. These financial statements are the responsibility of the Commission's management. 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2011, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2011 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management discussion and analysis and budgetary comparison information on pages 4 through 7 and 22 be present to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Middle Peninsula Planning District Commission basic financial statements. The accompanying schedule of revenues and expenses by program is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

*Dunham, Aubrey & Phlores, PLLC*

Certified Public Accountants  
Chantilly, Virginia

October 7, 2011

## **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, 2011. 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>2011</u>	<u>2010</u>
Current Assets	\$783,982	\$956,326
Capital Assets (net)	<u>22,031</u>	<u>35,410</u>
Total Assets	<u>806,013</u>	<u>991,736</u>
Current Liabilities	207,880	283,385
Long-Term Liabilities	<u>98,659</u>	<u>100,000</u>
Total Liabilities	<u>306,539</u>	<u>383,385</u>
Invested in Capital Assets	22,031	35,410
Unrestricted	<u>477,443</u>	<u>572,941</u>
Total Net Assets	<u>\$499,474</u>	<u>\$608,351</u>

Current assets decreased during the year by approximately \$172,000 primarily as a result of decreases in local and base funding in conjunction with increased provision of regional services and studies.

Current liabilities decreased during the year by approximately \$75,000 primarily as a result of a decrease in deferred revenue from projects that were unable to be completed during the time originally anticipated.

Long-term liabilities decreased by approximately \$2,000 during the current year, as the Commission made scheduled principal payments on the VRA loan in the amount of \$12,500, and received proceeds of \$11,159 from a new loan with VRA.

Total net assets decreased by approximately \$109,000 this year. This reflects the overall current state of the economy and the reliance placed on the MPPDC general fund to offset funding reductions and unanticipated expenses for local initiatives throughout the year.

## Summary Statements of Activities

For the Years Ended June 30,

	<u>2011</u>	<u>2010</u>
Revenues		
Operating revenues	\$720,425	\$884,381
Interest	<u>4,792</u>	<u>7,504</u>
Total Revenues	<u>725,217</u>	<u>891,885</u>
Expenses		
General and administration	111,374	113,839
Project costs	<u>722,720</u>	<u>879,766</u>
Total expenses	<u>834,094</u>	<u>993,605</u>
Change in net assets	(108,877)	(101,720)
Net assets at beginning of year	<u>608,351</u>	<u>710,071</u>
Net assets at end of year	<u>\$499,474</u>	<u>\$608,351</u>

Operating revenues decreased by approximately \$164,000 from the prior year and project expenses decreased by approximately \$157,000 from the prior year. It is not uncommon for these figures to change substantially from year to year due to the timing of the start and/or finish of grant projects and the potential for significant differences in the Commission's work program based on changes in the Commission's priorities.

The Commission has experienced significant losses in 2010 and 2011. The Commission reduced local dues by 50% during FY10 and FY11 to assist its member localities. To eliminate the continuation of operating losses the Commission underwent a strategic planning exercise in the Spring of 2011 to examine the programs most important to its stakeholders and to begin to identify new potential funding sources to operate these programs. The Commission has formed an Executive Regional Planning Committee to continue these efforts, to examine the local dues structure, and to make recommendations to the Commission.

In FY 2011 budgeted revenues exceeded actual revenues by approximately \$20,000 because several projects were extended due to staff reductions and a major anticipated federal program was not funded until June.

Actual expenses exceeded budgeted expenses for construction and consultant costs by \$64,000 as a result of new funding for the Commission's Onsite Repair Program which assists homeowners in repairing failing septic systems, the MPPDC Strategic Planning event, and a Due Diligence component for the MP Broadband Application.

Actual costs of fringe benefits were under budget by \$26,000 due to staff reductions including the retirement of the longtime MPPDC Executive Director. Several positions will remain vacant until such time as new funding sources have been identified and secured.

## **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 \$100,000. 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. As of June 30, 2011 \$11,159 had been drawn on the new loan.

## **Economic Factors and Future Outlook**

Presently, management of the Commission is well 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.

## **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, 2011**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$	523,722
Restricted cash		12,500
Accounts receivable		114,500
Loans receivable		133,187
Employee advances		73
Total Current Assets		783,982

**Capital Assets**

Property and equipment		99,747
Accumulated depreciation		(77,716)
Total Capital Assets		22,031

Total Assets		806,013
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**LIABILITIES**

**Current Liabilities**

Accounts payable		27,947
Deferred revenue		146,840
Accrued leave payable		20,593
Current portion of notes payable		12,500
Total Current Liabilities		207,880

**Long-Term Liabilities**

Notes payable, net of current portion		98,659
Total Liabilities		306,539

**NET ASSETS**

**Net Assets**

Invested in capital assets, net of related debt		22,031
Unrestricted		477,443
Total Net Assets		499,474
Total Liabilities and Net Assets	\$	806,013

See accompanying notes

**Middle Peninsula Planning District Commission**  
**Statement of Revenue, Expenses, and Changes in Net Assets**  
**For the Year Ended June 30, 2011**

**Operating Revenues**

Grants and appropriations	\$ 305,872
Federal grants	135,207
State grants and appropriations	136,168
Local grants and appropriations	143,178
Miscellaneous	<u>720,425</u>
Total Operating Revenues	<u>720,425</u>

**Operating Expenses**

Salaries	384,175
Consultant and contractual	145,216
Fringe benefits	133,316
Rent and utilities	25,746
Promotion and advertising	24,841
Construction	19,798
Legal and accounting	18,463
Printing and duplicating	13,876
Depreciation	13,379
Workshops and conferences	10,397
Office supplies	8,826
Telephone	6,530
Meeting supplies and expenses	5,950
Insurance	5,219
Deferred/forgiven loan expense	3,996
Miscellaneous	3,311
Vehicle costs	3,122
Postage	2,356
Lodging and staff expense	1,955
Dues and memberships	1,760
Travel	1,596
Subscriptions and publications	266
Total Operating Expenses	<u>834,094</u>

Operating Income (Loss) (113,669)

**Non-Operating Revenues**

Interest income 4,792

Change in Net Assets (108,877)

Net Assets - Beginning of Year 608,351

Net Assets - End of Year \$ 499,474

See accompanying notes

**Middle Peninsula Planning District Commission**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2011**

<b>Cash Flows from Operating Activities</b>	
Received from customers	\$ 620,374
Paid to suppliers for goods and services	(408,300)
Paid to employees for services	(393,882)
Net Cash Flows from Operating Activities	<u>(181,808)</u>
 <b>Cash Flows from Capital and Related Financing Activities</b>	
Proceeds from note payable	11,159
Principal paid on notes payable	(12,500)
Net Cash Flows from Capital and Related Financing Activities	<u>(1,341)</u>
 <b>Cash Flows from Investing Activities</b>	
Disbursement for new loans made	(22,622)
Loan payments received	36,777
Interest income	4,792
Net Cash Flows from Investing Activities	<u>18,947</u>
 Net Change in Cash and Cash Equivalents	(164,202)
Cash and Cash Equivalents - Beginning of Year	<u>700,424</u>
 Cash and Cash Equivalents - End of Year	<u><u>\$ 536,222</u></u>
 <b>Reconciliation of Operating Income to Net Cash Flows from Operating Activities</b>	
Operating income	\$ (113,669)
Depreciation	13,379
Changes in Assets and Liabilities	
Accounts receivable	(6,874)
Employee advances	861
Accounts payable	27,379
Deferred revenue	(93,177)
Accrued annual leave	(9,707)
 Net Cash Flows from Operating Activities	<u><u>\$ (181,808)</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, 2011, 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 \$12,176 as of June 30, 2011.
- 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 \$8,417 as of June 30, 2011.
- (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, 2011 the carrying amount of the Commission's deposits with banks was \$488,988 and the bank balances were \$503,153. 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 \$47,235 at June 30, 2011.

### 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 1.70% 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 5.0% per year. AFC is defined as the highest consecutive 36 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/2010-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. This 5.0% member contribution has been assumed by the employer. 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, 2011 was 11.25% of the annual covered payroll.

**Annual Pension Cost** - For the year ended June 30, 2011, the Commission's annual pension cost of \$58,815 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 <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/09	\$75,626	100%	\$75,626
6/30/10	\$58,815	100%	\$58,815

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 4 - Pension Plans (Continued)**

The FY10 required contribution was determined as part of the June 30, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2010 included (a) an investment rate of return (net of administrative expenses) of 7.0%, (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, 2010 actuarial valuation was 20 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)
6/30/09	\$128,115	\$352,764	\$224,648	36.32%	\$480,030	46.80%
6/30/10	\$253,212	\$537,855	\$284,643	47.07%	\$436,300	65.24%

**NOTE 5 - Property and Equipment**

A summary of property and equipment as of June 30, 2011 is as follows:

	Balance July 1, 2010	Additions	Disposals	Balance June 30, 2011
Equipment	\$99,747	\$ -	\$ -	\$99,747
Accumulated Depreciation	<u>64,337</u>	<u>13,686</u>	<u>-</u>	<u>77,716</u>
Net	<u>\$35,410</u>	<u>\$13,686</u>	<u>\$ -</u>	<u>\$22,031</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. Rent expense for the year ended June 30, 2011 was \$21,577.

**NOTE 7 - 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 \$100,000 at June 30, 2011.

On February 10, 2011 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 August 1, 2013. As of June 30, 2011 \$11,159 had been drawn down against this note.

The following is a summary of changes in long-term debt for the year ended June 30, 2011:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
VRA 1997 Note	\$112,500	\$ -	\$12,500	\$100,000
VRA 2011 Note	<u>-</u>	<u>11,159</u>	<u>-</u>	<u>11,159</u>
Total	<u>\$112,500</u>	<u>\$11,159</u>	<u>\$12,500</u>	<u>\$111,159</u>

Mandatory debt service requirements consist of the following:

<u>Year ending</u> <u>June 30,</u>	<u>Total</u>
2012	\$ 12,500
2013	12,500
2014	23,659
2015	12,500
2016	12,500
Thereafter	<u>37,500</u>
Total	<u>\$111,159</u>

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 8 - 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, 2011, was 60.66%, and is calculated as follows:

Indirect costs	<u>\$228,082</u>
Total direct salaries, leave, and fringe benefits	\$375,974 = 60.66

The following are included in indirect costs allocated to projects:

Salaries	\$105,059
Fringe benefits	36,457
Rental	21,577
Printing and duplicating	13,876
Depreciation	11,679
Consulting/contractual services	9,507
Accounting	5,504
Telephone	4,960
Utilities	4,169
Facility insurance	3,210
Office supplies	2,799
Postage	2,244
Vehicle operating costs	2,171
Conferences	1,793
Subscriptions and publications	1,160
Vehicle insurance	950
Equipment/supplies expense	525
Lodging and staff expenses	412
Miscellaneous	<u>30</u>
Total	<u>\$228,082</u>

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Concluded)**

**NOTE 9 - 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, 2011, are shown below:

Leave	
Annual	\$25,619
Holiday	20,037
Sick	<u>14,032</u>
Total	<u>\$59,688</u>

The leave allocation rate for the fiscal year ended June 30, 2011, is calculated as follows:

Leave allocation	\$ <u>59,688</u>
Total salaries excluding leave	\$324,487 = 18.39%

**NOTE 10 - 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, 2011 was 34.70%, and is calculated as follows:

Fringe benefit expense	\$ <u>133,315</u>
Total salaries	\$384,175 = 34.70%

Components of fringe benefit expense for the year ended June 30, 2011, are shown below:

Fringe benefits	
Retirement and special pension	\$ 58,815
Group health insurance	43,655
Social Security taxes	28,683
Group life insurance	1,013
Workers compensation insurance	646
Unemployment	<u>503</u>
Total Fringe Benefits	<u>\$133,315</u>

## **MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

### **NOTES TO FINANCIAL STATEMENTS (Concluded)**

#### **NOTE 11 - 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, 2011, 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 12 –Evaluation of Subsequent Events**

The Commission has evaluated subsequent events through October 17, 2011, the date which the financial statements were available to be issued.

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM**

**For the Year Ended June 30, 2011**

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

For the Year Ended June 30, 2011

	Local Programs	Rural Trans- portation Planning	Rideshare Project	Water Supply Planning	VCWRFR Onsite Repair	Onsite Loan Management
<b>Revenues</b>						
Federal	\$ -	\$ 58,000	\$ -	\$ -	\$ 6,063	\$ -
State	66,062	-	59,544	-	-	-
Local	61,481	-	-	12,204	-	3,381
Interest	4,752	-	-	-	-	15,027
Other	4,908	-	-	-	-	18,408
<b>Total Revenues</b>	<u>137,203</u>	<u>58,000</u>	<u>59,544</u>	<u>12,204</u>	<u>6,063</u>	<u>18,408</u>
<b>Expenses</b>						
Salaries	32,289	32,968	20,067	4,062	-	3,177
Fringe benefits	11,206	11,441	6,964	1,410	-	1,102
Telephone	-	-	890	-	-	-
Website	-	-	121	-	-	-
Office supplies	58	-	-	-	-	-
Meeting supplies	1,434	72	-	-	-	-
Private mileage	102	94	66	-	-	-
Lodging and staff expense	712	72	102	-	-	27
Travel	18	36	94	-	-	-
Dues and memberships	-	25	575	-	-	-
Subscriptions and publications	251	-	-	-	-	-
Workshops	-	27	40	-	-	-
Conferences	210	592	3,331	-	-	-
Data processing	-	-	-	-	-	-
Professional development	-	980	-	-	-	-
Accounting and audit	69	-	-	-	-	582
Legal services	2,001	-	-	-	-	63
Consultant and contractual	31,871	-	1,184	3,412	-	-
Construction	-	-	-	-	6,063	6,805
Postage	44	18	-	-	-	-
Promotion and advertising	-	-	24,684	-	-	-
Insurance	753	-	-	-	-	-
Miscellaneous	1,329	-	-	-	-	60
Deferred/forgiven loan expense	-	-	-	-	-	3,996
Quarterly meeting	2,643	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Indirect expense	26,384	26,940	16,398	3,320	-	2,596
<b>Total Expenses</b>	<u>111,374</u>	<u>73,265</u>	<u>74,516</u>	<u>12,204</u>	<u>6,063</u>	<u>18,408</u>
Revenues Over (Under) Expenses	25,829	(15,265)	(14,972)	-	-	-
General Fund Support	(134,706)	15,265	14,972	-	-	-
<b>Revenues and General Fund Support Over (Under) Expenses</b>	<u>\$ (108,877)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WQIF	Local PAA Stewardship Public Safety	Energy Efficient CDBG	Septic Pumpout	Middle Peninsula Disability Service Board	VADSB Employment Grant	Costal TA	Climate Change
\$ -	\$ -	\$ 53,643	\$ -	\$ -	\$ 40,596	\$ 29,913	\$ 35,342
2,726	-	-	4,675	200	-	-	-
-	-	-	-	30,214	-	-	-
-	-	-	-	-	-	-	-
-	1,700	-	-	-	-	-	-
<u>2,726</u>	<u>1,700</u>	<u>53,643</u>	<u>4,675</u>	<u>30,414</u>	<u>40,596</u>	<u>29,913</u>	<u>35,342</u>
446	-	15,073	646	7,311	3,503	25,432	32,547
155	-	5,231	224	2,537	1,216	8,826	11,294
-	-	-	-	25	-	-	-
-	-	-	-	162	-	-	-
-	-	-	-	3,398	-	185	936
-	-	-	-	438	-	212	-
-	-	-	-	5	-	316	13
-	-	30	-	27	-	448	41
-	-	-	-	15	-	34	12
-	-	-	-	-	-	-	-
-	-	-	-	-	-	15	-
-	-	-	-	-	-	35	30
-	-	-	-	-	-	700	1,235
-	-	-	-	-	-	540	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,422	-	-	-
-	-	20,991	-	6,999	33,015	3,500	-
2,125	-	-	4,805	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	100	-	-	-
-	-	-	-	-	-	-	-
-	1,700	-	-	-	-	-	-
365	-	12,318	529	5,975	2,862	20,782	26,597
<u>3,091</u>	<u>1,700</u>	<u>53,643</u>	<u>6,204</u>	<u>30,414</u>	<u>40,596</u>	<u>61,025</u>	<u>72,705</u>
(365)	-	-	(1,529)	-	-	(31,112)	(37,363)
<u>365</u>	<u>-</u>	<u>-</u>	<u>1,529</u>	<u>-</u>	<u>-</u>	<u>31,112</u>	<u>37,363</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2011**

	Aquaculture and Working Waterfronts	Emergency Management	Shallow Water Dredging Master Plan	Matthews Aquaculture CDBG Assistance	Dragon Run Day	Dragon Run Samp
<b>Revenues</b>						
Federal	\$ 15,438	\$ 1,480	\$ 2,000	\$ -	\$ -	\$ 24,425
State	-	-	-	-	-	-
Local	-	15,914	-	3,000	-	-
Interest	-	-	-	-	-	-
Other	-	-	-	-	9	-
<b>Total Revenues</b>	<u>15,438</u>	<u>17,394</u>	<u>2,000</u>	<u>3,000</u>	<u>9</u>	<u>24,425</u>
<b>Expenses</b>						
Salaries	6,515	10,564	-	1,400	-	11,445
Fringe benefits	2,261	3,666	-	486	-	3,971
Telephone	-	-	-	-	-	-
Website	-	-	-	-	-	-
Office supplies	26	-	-	16	-	101
Meeting supplies	-	-	-	-	9	136
Private mileage	-	-	-	25	-	30
Lodging and staff expense	8	-	-	82	-	158
Travel	8	-	-	-	-	-
Dues and memberships	-	-	-	-	-	-
Subscriptions and publications	-	-	-	-	-	-
Workshops	-	-	-	-	-	-
Conferences	975	-	-	-	-	-
Data processing	-	-	-	-	-	-
Professional development	-	-	-	-	-	-
Accounting and audit	-	-	-	-	-	-
Legal services	-	-	-	-	-	-
Consultant and contractual	1,666	-	26,500	-	-	-
Construction	-	-	-	-	-	-
Postage	35	-	-	-	-	-
Promotion and advertising	-	-	-	157	-	-
Insurance	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Deferred/forgiven loan expense	-	-	-	-	-	-
Quarterly meeting	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Indirect expense	5,324	8,633	-	1,144	-	9,353
<b>Total Expenses</b>	<u>16,818</u>	<u>22,863</u>	<u>26,500</u>	<u>3,310</u>	<u>9</u>	<u>25,194</u>
Revenues Over (Under) Expenses	(1,380)	(5,469)	(24,500)	(310)	-	(769)
General Fund Support	<u>1,380</u>	<u>5,469</u>	<u>24,500</u>	<u>310</u>	<u>-</u>	<u>769</u>
Revenues and General Fund Support Over (Under) Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Middle Peninsula Business Development Partnership	PAA Administration	Conservation Corridors Plan	Floating Homes Law and Policy	Mount Olive	General Assembly Lobby	Total
\$ -	\$ -	\$ 36,727	\$ 4,245	\$ -	\$ -	\$ 307,872
-	-	-	-	-	-	133,207
-	-	-	-	8,155	5,200	136,168
-	2	-	-	-	-	8,135
107,958	10,233	-	-	-	-	139,835
<u>107,958</u>	<u>10,235</u>	<u>36,727</u>	<u>4,245</u>	<u>8,155</u>	<u>5,200</u>	<u>725,217</u>
49,359	-	16,379	2,185	3,744	-	279,112
17,128	-	5,684	758	1,299	-	96,859
655	-	-	-	-	-	1,570
-	-	-	-	-	-	283
-	-	780	-	-	-	5,500
-	413	587	-	-	-	3,301
-	105	7	-	23	-	786
62	59	46	-	-	-	1,874
-	-	254	-	8	-	479
-	-	-	-	-	-	600
-	-	-	-	-	-	266
-	-	-	-	-	-	132
-	615	724	91	-	-	8,473
-	-	-	-	-	-	540
-	-	-	-	-	-	980
420	-	-	-	-	-	1,071
-	6,402	-	-	-	-	11,888
-	1,369	-	-	-	5,200	135,707
-	-	-	-	-	-	19,798
-	16	-	-	-	-	113
-	-	-	-	-	-	24,841
-	1,256	-	-	-	-	2,009
-	-	-	-	-	-	1,489
-	-	-	-	-	-	3,996
-	-	-	-	-	-	2,643
-	-	-	-	-	-	1,700
40,334	-	13,385	1,786	3,059	-	228,084
<u>107,958</u>	<u>10,235</u>	<u>37,846</u>	<u>4,820</u>	<u>8,133</u>	<u>5,200</u>	<u>834,094</u>
-	-	(1,119)	(575)	22	-	(108,877)
-	-	1,119	575	(22)	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (108,877)</u>

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, 2011**

	Actual	Budget	Favorable (Unfavorable)
<b>Operating Revenues</b>			
Grants and appropriations			
Federal grants	\$ 307,872	\$ 396,853	\$ (88,981)
State grants and appropriations	133,207	118,062	15,145
Local grants and appropriations	136,168	97,801	38,367
Miscellaneous	143,178	123,865	19,313
Total Operating Revenues	<u>720,425</u>	<u>736,581</u>	<u>(16,156)</u>
<b>Operating Expenses</b>			
Salaries	384,175	376,615	(7,560)
Fringe benefits	133,316	160,081	26,765
Construction	19,798	-	(19,798)
Consultant and contractual	135,709	70,867	(64,842)
Rent and utilities	25,746	27,802	2,056
Promotion and advertising	24,841	14,750	(10,091)
Information technology	9,507	16,050	6,543
Printing and duplicating	13,876	16,500	2,624
Deferred/forgiven loan expense	3,996	-	(3,996)
Depreciation	13,379	8,987	(4,392)
Office supplies	8,826	5,500	(3,326)
Telephone	6,530	6,000	(530)
Workshops and conferences	10,397	5,500	(4,897)
Legal and accounting	18,463	10,500	(7,963)
Vehicle costs	3,122	2,950	(172)
Meeting supplies and expenses	5,950	6,500	550
Insurance	5,219	5,219	-
Postage	2,356	3,000	644
Lodging and staff expense	1,955	1,800	(155)
Private mileage	1,596	1,000	(596)
Miscellaneous	3,311	-	(3,311)
Dues and memberships	1,760	750	(1,010)
Subscriptions and publications	266	-	(266)
Total Operating Expenses	<u>834,094</u>	<u>740,371</u>	<u>(93,723)</u>
Operating Income (Loss)	(113,669)	(3,790)	(109,879)
<b>Non-Operating Revenues</b>			
Interest income	4,792	3,790	1,002
Change in Net Assets	<u>(108,877)</u>	<u>-</u>	<u>(108,877)</u>
Net Assets - Beginning of Year	<u>608,351</u>	<u>608,351</u>	<u>-</u>
Net Assets - End of Year	<u>\$ 499,474</u>	<u>\$ 608,351</u>	<u>\$ (108,877)</u>

See accompanying notes

**Dunham, Aukamp & Rhodes, PLC**  
*Certified Public Accountants*

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P.O. Box 2584  
Winchester, VA 22604

**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 the financial statements of the Middle Peninsula Planning District Commission as of and for the year ended June 30, 2011, and have issued our report thereon dated October 7, 2011. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Middle Peninsula Planning District Commission's internal control over financial reporting as a basis for designing our auditing procedures 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 Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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 a 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.

Our consideration of the 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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Middle Peninsula Planning District Commission's financial statements are free of 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*.

This report is intended solely for the information and use of the Executive Committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants  
Chantilly, Virginia

October 7, 2011

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## MPPDC Executive Regional Committee Recommendation for Increasing Local Dues

<b>\$1.61 is average per capita dues for small rural PDC's in Virginia</b>					<b>Proposed</b>	<b>Proposed</b>
<b>2010 MPPDC population = 90826</b>						
	<b>pre 1994 Dues</b>	<b>FY94</b>	<b>FY10-11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
				<b>0.72</b>	<b>1.21</b>	<b>1.61</b>
<b>County</b>	\$6,500	\$10,000	\$5,000	\$10,000	\$15,700	\$20,890
<b>Town</b>	\$2,167	\$3,333	\$1,667	\$3,333	\$5,233	\$6,963
<b>Region</b>	<b>\$45,500</b>	<b>\$69,999</b>	<b>\$35,001</b>	<b>\$69,999</b>	<b>\$109,899</b>	<b>\$146,230</b>

\* Last increase of MPPDC local dues was in 1994

\* Recommendation - MPPDC dues increase to meet average of other small rural PDC's

\* Recommendation - MPPDC dues increase to 1.21 regional per capita for FY13

\* Recommendation - MPPDC dues increase to 1.61 regional per capita for FY14

\* Recommendation - dues increase to provide for MPPDC administration and lower MPPDC Indirect rate