

Minutes of Meeting

Route 20 Sewer - Citizen's Advisory Committee

Wednesday February 1, 2012

Attendees: John Baranowsky, David Duane, Craig Blake (Chairman), Daniel Kenn, Jonathan Lapat, Kirsten Roopenian, Peter Cramer, Richard Cohen, Hal Garnick

Craig Blake called the meeting to order at 7:38 PM.

Approval of Minutes

December 15, 2011 Joint Meeting (Route 20-CAC and SC) Minutes with edits discussed. Motion to approve made, seconded, and voted unanimously in favor.

Assignment

John Baranowsky was assigned as Recording Secretary for this meeting.

Approve Committee Report

Craig Blake informed those present of the report submittal requirement (MGL Chapter 40 Section 49) for each committee summarizing their activities for inclusion in the Town of Sudbury Annual Report. Members were asked whether they had reviewed the draft and instructed to provide comments and concerns they may have then acknowledge receipt and acceptance by signing on the form passed around. Craig noted that the Route 20 Sewer Steering Committee has already reviewed and signed off on the report.

A MOTION to accept the report was made, seconded and with no further discussion VOTED unanimously in favor of.

Discussion – Costs and Financing

Craig Blake provided a framework for discussion in the form of an outline to include project 1) cost estimates, 2) cost recovery, and 3) comparisons (cost data and lessons learned from contact with other Towns). Various slides were included in a handout.

The handout showed Summary Costs as categories with these associated values:

- Permitting and Design, \$1,000,000
- Construction, \$14,000,000
- Private connection Fee, \$2,500 to \$50,000
- Cost to Abandon Existing Systems, \$1,000 to \$10,000
- Annual O&M Cost (Town System), \$700,000

John Baranowsky suggested that the Construction (\$14,000,000) portion be broken down or tiered as “full-build”, “partial-build” and “no-build” alternatives against key parameters (flow-rate, zoning overlays, costs, and so forth) perhaps as a matrix. When questioned, he replied that during prior meetings various visioning scenarios were described some more fully exploiting “excess” wastewater capacity available at the Curtis Middle School site.

The reply was that these higher flow-rate alternatives are not a part of the \$15 million dollar program and that those advocating for alternative build-out to wastewater capacities in excess of 262,000 gpd are simply mistaken.

A breakdown of “Annual O&M Cost” was estimated (separate slide) as:

- Municipal Pump Station, \$20 - \$30k
- Collection System, \$20 - \$25k
- Grinder Pumps, \$12.5 - \$25k
- WWTP O&M, \$380 - \$550k
- Administration, \$20 - \$50k

TOTAL \$450 - \$650k (\$700k)

Craig went through each item on this list in turn.

Grinder-pump (twenty-five to thirty are proposed) power costs will be borne by the property Owner. This issue and similar public relations matters need to be addressed.

It was noted that some businesses/residences within the eastern portion of the proposed sewer district may not be able to connect to the gravity sewer without installation of a private pumping station. This connection method should be added to the “Summary of Costs” list. Cost information for this alternative connection means is not yet available.

John Baranowsky mentioned that when estimating costs for projects such as this where annual O&M cost/year are known in a base year, they must be adjusted over the term (life-cycle) and then brought forward to present worth using cost equivalence methods for meaningful decision making. Craig Blake stated that cost equivalencies have not been taken into account.

Discussion (Financing Options)

The next slide showed available financing options as follows:

- Grants
- Municipal Bonds
- State Revolving Funds
- User Fees

Craig went through this list in sequence.

Discussion (Cost Recovery)

Cost recovery options include:

- Grants
- General Taxes
- Betterments
- Connection Fees
- District Improvement Financing
- Privilege Fees
- User Fees
- Combination of Options

Craig Blake described each option in sequence.

Jonathan Lapat remarked that he would prefer an approach where the cost “end-game” is identified upfront before working backwards toward a solution with the objective of more certain cost predictability. Mr. Lapat also supported the concept of plan alternatives including the “no-action” alternative and other flow-range alternatives. Such an approach could ensure the viability of the Commercial District in Town.

Mr. Blake replied that this end-game approach may not be viable, but that this committee will over the next year be looking into these issues in much greater detail.

Betterment methods include 1) Frontage and 2) Uniform Unit.

The Route 20 Sewer Technical Advisory Committee has developed two “Uniform Unit” formulas. These differ in that one is flow based (330 gpd per Unit) while the other is Floor Area based (4,000 SF per unit).

John Baranowsky expressed comments critical of the flow based “Uniform Unit” method. While significant portions of the proposed Route 20 Sewer District are non-residential, the 330 gpd “Uniform Unit” represents the MGL Title V design flow-rate for a three-bedroom house (three bedrooms x two persons/bedroom x 55 gpd/person = 330 gpd/unit). This allocation does not make sense for a warehouse facility or retail store that is not generating these large quantities of waste-water.

The other cost recovery options were presented followed by a demonstration.

Cost Recovery Demonstration

Craig Blake demonstrated an Excel spreadsheet application showing how various cost recovery scenarios may be automated. Available recovery options include “General Taxes” and “Betterments”.

The spreadsheet permits input cost data entry and outputs results using predetermined Excel formulae for the proverbial “average (\$628k residential, \$810,357commercial) property”. The Town of Sudbury tax-base allocation (residential, commercial, and personal property) is assumed fixed over the term. Term for “Design/Permitting” is 5 years while “Construction” term is assumed at twenty years.

A cost recovery method or combination of methods is chosen within this framework.

First, "Design/Permitting" (Cost \$1M) recovery was sought using 100 percent "General Tax" allocation. The output for this scenario was displayed as \$173.94 residential, \$293.56 Commercial.

Next, "Construction" (Cost \$15m) was considered. Both 50/50% General/Betterment allocation and 100/0% for same were input and output displayed.

Some discussion followed. Recurring themes were 1) lack of consideration for cost/time equivalencies, 2) "average" property not representative of specific cases which trend widely, 3) sheer magnitude of the costs, and 4) build-alternatives have not been thoroughly vetted.

Craig Blake cautioned these cost recovery figures should be considered preliminary only.

Discussion (Further Research)

Attendees were presented with a list of "Municipalities with Similar Sewer Issues" and asked to sign up for a community for research. For this purpose, a questionnaire was provided. Some outreach efforts by members of the Route 20 Sewer Steering Committee are underway.

Information sought by the survey include: 1) Description of the system, 2) Understanding of costs, 3) Operation, 4) Financing, 5) Marketing or public Outreach, 6) Lessons learned, 7) Contact Information.

The community list and research assignments are shown in the following table:

TABLE SHOWING RESEARCH ASSIGNMENTS	
Citizen's Advisory Committee	Route 20 Steering Committee
Acton - Daniel Kenn	Chatham - Steve Grande
Fairhaven - Andrew Sullivan	Chelmsford - Bob Haarde
Gloucester - Kirsten Roopenian	Hopkinton - Ted Pasquarello
Plainville - Richard Cohen	Holliston - Bill Cossart
Shirley - Peter Cramer	Mashpee Commons - Michael Coutu
Tyngsboro - Jonathan Lapat	
Westport - Kirsten Roopenian	
Easton, Portsmouth, RI - unassigned	

Schedule

Craig Blake anticipates the next meeting two weeks hence stating that he would like to have survey results compiled in time for presentation at the next meeting.

At 9:16 PM a motion to ADJOURN was made, seconded and VOTED for in the affirmative.