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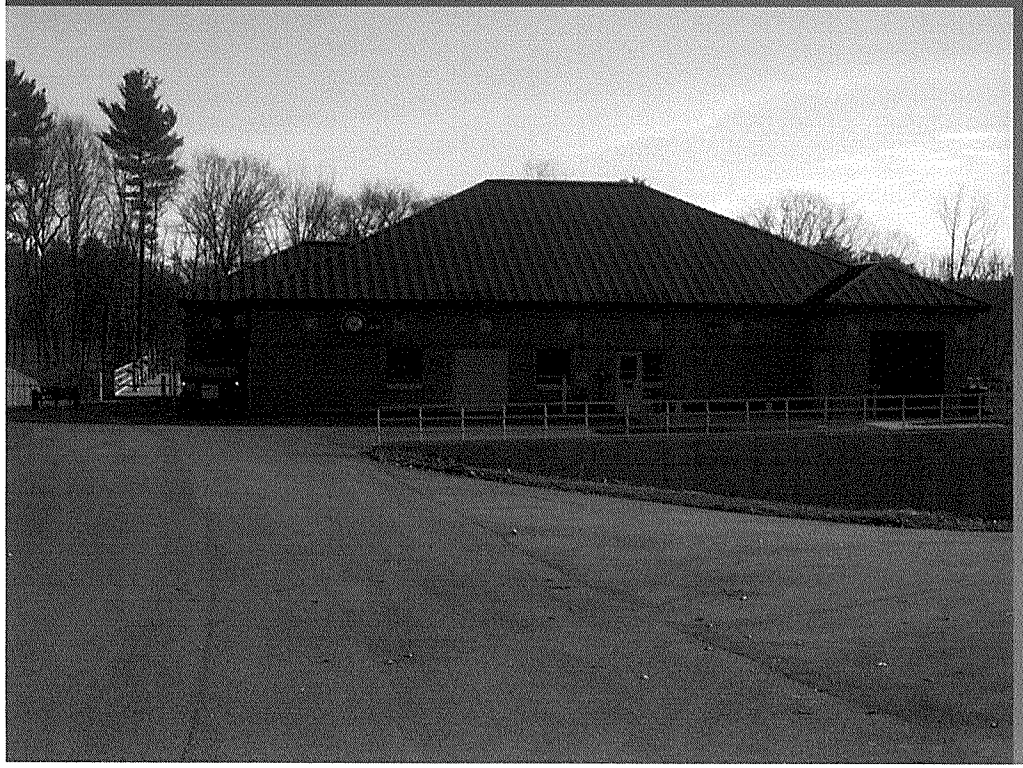
What Has Happened Since Sewers Were Built



June 24, 2013
Board of Selectmen
Meeting

Doug Halley, Health Director
Steve Barrett, Finance Director
Brian McMullen, Assistant Finance Director

Three Part Series

- What was done?
  - How were sewers constructed
  - How were costs allocated
- What are we doing now?
  - How are sewers operating
  - How are costs being offset
- What do we need to do in the future?
  - How should sewer capacity be used
  - How should costs work towards sustainability

How Are The Sewers Operated?

- Woodard & Curran is the contract operator
  - Designed the system
  - Oversaw construction
  - Knowledge of the complete system

- "Start Up" contract 2002-2005
- RFP for 5 Year contract awarded to W&C in 2005
- 5 year extension of contract awarded in 2010
  - Annual amendments
    - Based on area cost of living index
    - Quality and quantity of wastewater

What does the contract cover?

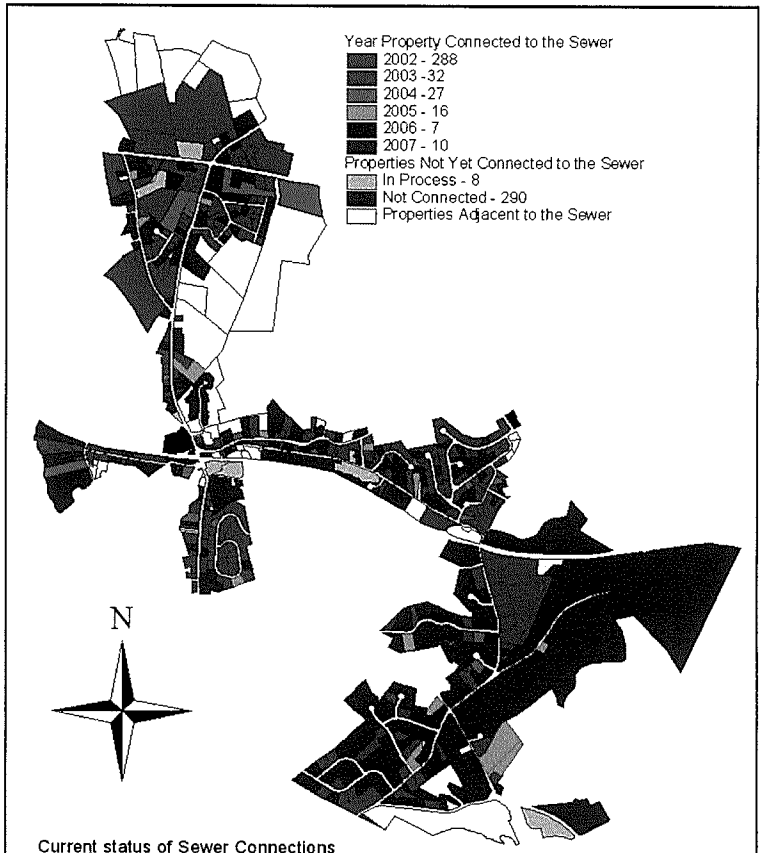
- All sewer operations
  - Wastewater Treatment Plant
  - Collection System (10 miles)
  - 11 Pump Stations
  - $500,000 annual fee
- Pass Through Costs
  - Small unanticipated repairs or equipment replacement
  - $50,000 annual budget
- Small Capital Purchases
  - 5 year capital plan
  - $60,000 annual budget

How Are Finances Handled?

- Finance Department performs monthly billing
- Bill is based on average water use
  - Water District six winter month readings
- Sewer Use Rates
  - Total annual operating costs/total gallons per year
    - Commercial rate per gallon = $0.02430 gpd
    - Residential rate per gallon = $0.01710
  - Users without a water use history
    - Title 5 allocation * 40% residential
    - Title 5 allocation * 50% commercial
- Annual approval by Board of Selectmen

How Many Users Does the Sewer System Have?

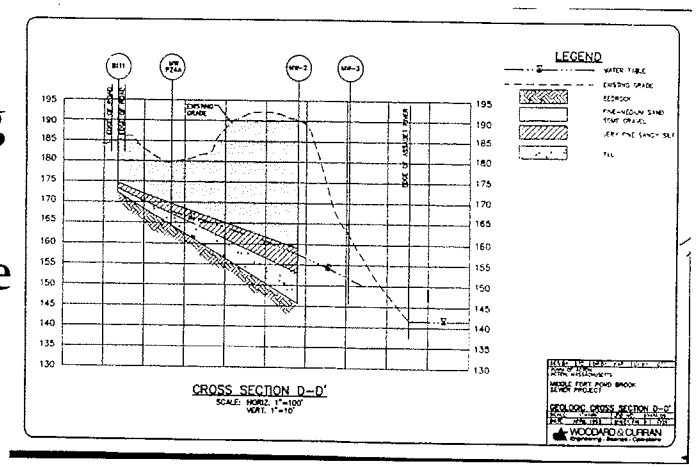
- How many bettered properties have connected? 680
  - 72.6% of total bettered properties
- How many Sewer Betterment Units have connected? 1075
  - 65% of total eligible betterment units
- What is the current water usage of connected users? 133,000 gpd
  - 53% of total capacity of sewer system
- What is the current treated wastewater discharge? 123,000 gpd
  - 49% of total capacity of sewer system



Current status of Sewer Connections
Properties Connected represent 1200.58 Sewer Betterment Unit Equivalents
(Including Privilege Fees, School and Town Assessments)
Properties not yet Connected represent 681.19 Sewer Betterment Unit Equivalents
(including W. R. Grace)

What is the Potential for Additional Capacity?

- Discharge permit issued in 2000
  - Limited capacity to 250,000 gpd
- Discharge permit renewal in 2005
  - Increased capacity to 299,000
  - Based on 5 year history of on-site hydrology
  - Limiting factors
    - Groundwater mounding
    - Slope stability
    - Groundwater emergence



How is Wastewater Capacity Linked to Supersizing?

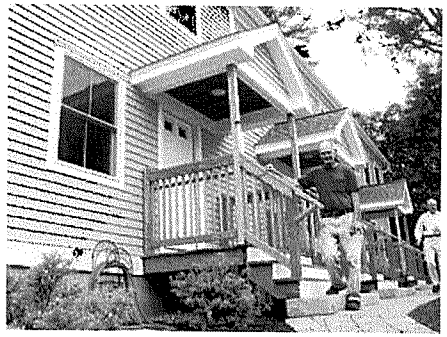
- Collection System was Supersized to 500,000 gpd
  - $1,166,200 cost allocation calculated for Supersizing
- Original Service Area
  - 50% of collection system capacity
  - 100% of treatment plant capacity (250,000 gpd)
- Revised Original Service Area with increased capacity
  - 50% of collection system capacity
  - 84% of treatment plant capacity (299,000 gpd)

How Has Additional Capacity and Associated Costs Been Allocated ?

- Sewer Assessment Bylaw Amended in 2006
- Privilege Fee Defined
  - Sewer Commissioners may establish reasonable fees
    - Land not previously served
    - Land not previously assessed
  - Also reasonable fees for land previously served or assessed
    - More Intensive Use
      - Comprehensive Permit
      - Zoning change
      - Subdivision or Approval Not Required
      - Or Other Means (Special Permits)

What Are Some Examples of Sewer Privilege Fee Assessments?

- <u>Outside The Service Area</u>
  - Powdermill Plaza
  - 4 High Street – Faulkner Mill
- <u>Inside The Service Area</u>
  - 159 Prospect Street – Davis Place
  - 83-87 River Street – Lothrop Mill
  - 139 Prospect Street – Blanchard Place
  - 288 Main Street – Edward Bravo
  - 442 Mass. Ave - Lalli Terrace
  - 3 Charter Road – Town House Common
  - Main Street – Subway & Salerno's



What Policies Have Been Developed From Privilege Fees?

- Powdermill Plaza
  - Contribution in lieu of Privilege Fee
- Faulkner Mill
  - Provision of Affordable Housing
  - Historical Preservation
  - Advancement of municipal infrastructure
- Subway and Salerno's
  - Intensified Uses
  - Title 5 flow in excess of Build-out capacity

What is the Status of Supersizing/Privilege Fees?

- Privilege fees received as of June 20, 2013
  - $1,048,818
  - 90% of Supersizing Allocation
- Privilege fees by category
  - Outside Service Area
    - Residential = $164,974
    - Commercial = $185,000
  - Inside Service Area
    - Residential = $653,619
    - Commercial = $45,225

How Are Betterments Collected?

- Final Betterments Issued in 2005
  - Election to Apportion
    - 30 year term
    - 1.55% interest
    - Quarterly tax bill
    - Right to Abatement
- Betterment Receipts track with debt payments
  - Pre-payments are set aside
    - $2,490,317 fund balance reserved debt service

How Were Abatements Handled?

- Six months to petition for an abatement
  - 21 Petitions received
    - Single family homes
    - Condominium Units
    - Industrial Property
- All resolved with the exception of WR Grace
  - Mediated settlement for taxes and betterment
    - Grace Bankruptcy Protection
    - $3.6 m Betterment reduced by $1.5 m to $2.1 m
    - Conservation restriction 15.2 acres
      - Passive recreation

How is Future Capital Accounted for?

- Each year O & M contributes funds within the Enterprise Fund to go towards major capital investments
  - $1,435,818 Capital Reserve Designated Fund Balance

What About the Comprehensive Water Resources Management Plan?

- Plan was required by DEP
  - Wastewater Discharge Permit conditioned
- Analyzed all Wastewater Systems in Acton
  - Review of all Health Department records
  - Interpolated depth to groundwater
- Mapped Needs Properties
  - Where wastewater system replacements
    - Not environmentally viable
    - Not economically viable

What were the CWRMP recommendations?

- 15 Needs Area identified
  - Based on clustering of Needs Properties
  - Subjective Boundaries determined by group consensus
- Needs Areas Prioritized
  - High, Medium and Low
    - Density of Needs Properties
    - Underlying environmental factors
    - Readiness of Solutions

What Solutions did the CWRMP recommend?

- Three Solution Methodologies Identified
  - Sewer Extensions or Construction
    - Existing Middle Fort Pond Brook Sewer System
    - Proposed Lower Nashoba Brook Sewer System in East Acton
  - Cluster Systems
    - Neighborhoods
    - Common Leaching Area
  - Wastewater Management Districts
    - Additional Maintenance and Inspection Requirements
    - Greater design requirements for construction

What is the Status of the CWRMP Implementation?

- Spencer/Tuttle/Flint
  - Design Basis Report
  - $16,665 per Sewer Betterment Unit
  - Special Town Meeting of 2009 - 54% - 2/3 required
- Water Resources Advisory Committee
  - Working on Stormwater Bylaw
  - Implementation of CWRMP next on agenda

What is on the Horizon for Additional Users?

- Acton Water District
  - Water Filtration Plant
  - Access to Powdermill Pump Station
  - Anticipated 10 Sewer Betterment Units
- Parker Village Apartments
  - Private Treatment Plant
  - Access to River Street Pump Station
  - Anticipated 50 Sewer Betterment Units

Next Presentation?

- Policy Recommendations
  - Capacity Allocation
    - Within Service Area
    - Outside Service Area
  - Privilege Fee payments
    - Special Permit Intensification Formula
    - Interest Rates
  - Long Term Capital Plan