

## Minutes

Joint meeting to discuss Route 20 Sewer

April 7, 2011

4:30 pm, Flynn Building

Present: Maureen Valente, Bob Leupold, Jody Kablack, Andrea Terkelsen, Larry O'Brien (BOS), Bob Haarde (BOS), Mike Fee (PB), Chris Morely (PB), Eric Poch (PB), Bob Stein (FC), Joan Carlton (FC), Lisa Eggleston (TAC), Parker Coddington (TAC and ConCom), Bill Cossart (TAC and SWD), Louis Stephan (Chamber of Commerce), Richard Cohen (Sudbury Crossing), Dave Stratos (Roche Brothers), Chuck Katz (Rugged Bear), Jerry Katz (Rugged Bear), Jeffrey Lyons (MillVillage), Michael Doherty (Shaw's Plaza), Steve Pedersen (W&S), Kent Nichols (W&S)

The meeting was convened to discuss the issue of the Route 20 sewer project and the upcoming article on the 2011 Annual Town Meeting warrant for \$1 million for design and permitting of the system. Major policy boards and business people were invited, as well as Town staff and the town's consultant, Weston & Sampson. After introductions, Jody Kablack briefly explained the history of the project and updated the group on what was hoped to accomplish from the meeting. The business community has not been involved in the project for a number of years. The last extensive discussions with the businesses occurred in 2001/2002 regarding the establishment of a Business Improvement District. Those discussions terminated when it became apparent that without a sewer, the businesses were not willing or able to upgrade, renovate or grow in Sudbury to any great degree. The Town then proceeded to work diligently on finding a location for the sewer leach field. Many parcels were investigated, and most were eliminated for a variety of reasons. The Curtis Middle School property began to emerge as a possible site, despite its distance to Route 20. The soils on the site were preliminarily tested in 2009, and fully tested in 2010. The results have been favorable and have enabled the town to move forward with the project. Concurrently, a location for the treatment plant was also identified at 641 Boston Post Road. This property is owned by the town for general municipal use. Feasibility has been established.

Currently the Town and Weston & Sampson are working on an updated Needs Assessment to determine the capacity of the system. This will take into consideration the Title V wastewater design flows from all properties fronting on Route 20 in the "service area", including residential users. The "service area" is along Route 20 from approximately Massasoit Ave. to Lafayette Drive, and including the commercial properties along Union Ave and Station Road. The updated Needs Assessment and a project engineering report (which is needed to be approved for state revolving fund (SRF) loans for the construction of the system) will be completed by July 1, 2011. The next phase is the design of the system, and permitting through DEP and MEPA. The cost for the next phase is approximately \$1 million. This will be a debt exclusion.

There are still many issues that need to be decided on, some of which are critical to the town meeting article, and others that will be important if we are successful in getting the funding for design and permitting:

- A Citizens Advisory Committee will be formed. This is a recommended course of action for the SRF funding, and will bring additional perspectives to the table on the political side of the project.

- The service area must be defined, and the authority of the sewer system must be decided – should a separate governmental agency be formed (similar to the Water District), or should the town be the owner/operator?
- How will the costs for construction of the system be apportioned? Should all taxpayers be assessed, or should betterments be considered, or a combination?
- Should hook up in the service area be mandatory or voluntary?
- What are the estimated betterment and user fees?
- What zoning changes are we considering?
- What will be the expected increase in commercial property taxes if the sewer is installed?
- What other streetscape amenities should be considered during construction, such as installation of utilities underground?

There are many issues to discuss, however the most important item is in regards to the cost of the warrant article, and how will this be apportioned.

After the introduction, the meeting members had questions. The issue of expansion of the sewer system in the future was discussed. The 1999 Needs Assessment identified the central and west business districts as having the most critical needs. That is where the service area is currently identified. DEP will require justification of need in order to expand the system once it is permitted. The east business district also has some critical needs, however the distance to the central district, and the geography and topography make it difficult (i.e., costly) to include in the system as envisioned. However, the Curtis site is capable of handling greater flows than what exist and there will be reserve capacity built into the system. The current need is for approximately 187,000 gallons/day. With potential growth (change in use of some properties and expansion), Weston & Sampson is designing for approximately 280,000 gpd. Initial testing indicates the Curtis site can handle up to 400,000 gpd (however additional testing to make sure no sensitive receptors are impacted will need to be completed). Approximately 21 residential properties are also included in those flow rates, and 18 properties that are zoned residential but are in commercial use.

The location of the plant was discussed next. The plant location was chosen based on available land, and it is beneficial that there are few direct and close abutters. The plant can be constructed to look like a residential structure, and all mechanical equipment can be inside the building. A membrane bioreactor with closed tankage is currently being investigated by Weston & Sampson, which produces very high quality effluent. Odors are controlled by enclosing the equipment, and treating any ventilation. W&S will provide pictures of similar structures for the Town Meeting presentation.

Possible zoning changes were discussed which would promote smart growth and compact development, and discourage sprawl. With sewers, more dense development patterns can occur in the central business area, including residential development. This alleviates the need to spread commercial development along the entire Route 20 corridor.

The sewer was also discussed as having a positive influence on the environment and water quality.

The Town of Weston has a small decentralized treatment system in its downtown, and Raytheon also has a small plant on its Sudbury campus.

The time frame for the project is to proceed to design and permitting, which if the article passes at Town Meeting, will be completed in approximately 18 months (January 2013). If construction funds are passed at the 2013 town meeting, construction could be completed by July 2015 (2 year construction period). The construction funds are anticipated to be funded through the state's revolving loan fund, which is at 2% interest. These rates have remained constant for many years, as this is a subsidized rate.

Joan Carlton suggested that the issue of capacity and ability for properties to expand must be made clearly. She also opined that it was beneficial to spread the cost of the design and permitting amongst all taxpayers as all of Sudbury benefits from the water quality aspect and the potential of raising higher taxes from the commercial sector. Bill Cossart added that 60% of the town's water supply comes from the wells located directly adjacent to the Route 20 area. The idea of shifting the commercial tax rate more towards the commercial properties to pay for the article was mentioned. This would need a Selectmen vote each year at the tax rate hearing, and would not be subject to town meeting vote. There are many scenarios for payment. The debt exclusion would be funded over a 5 year period. If shared equally among all taxpayers, the cost to a residential property at the average assessment (\$628,000) would be \$175 (or \$35/year) and the cost to a commercial property at the average assessment (\$810,000) would be \$300 (or \$60/year).

Lou Stephan noted that the businesses won't immediately see an increase in their property value, particularly office space. He thought that the \$1 million should be shared amongst all taxpayers, as most of the town is also within the Sudbury Water District and would benefit from the protection of the water supply. It is likely that even businesses that can expand won't see a benefit for many years.

Mike Fee added that the allocation for the construction project can't be decided at this point. He urged the business community to publicly support the project and express a willingness to work with the town on the apportionment at the appropriate time.

Larry O'Brien noted that most business owners are not residents or voters. He also said that zoning is a very critical component of this project and will have a tremendous impact on property values in the service area if and when it is approved.

Discussion continued on what will be the issues and questions from residents at Town Meeting:

- Location of residential properties in proximity to the treatment plant – odor issues
- Water supply protection must be stressed
- A model of what the treatment plant will look like is important
- Impact on the Curtis field

The plaza owners were asked what their difficulties were with their current system of wastewater disposal.

Sudbury Farms is working on water conservation. They will need to replace their system at a future date, and currently spend considerable money monthly on septic repairs, maintenance and operation. The owner of the Sudbury Farms plaza is very receptive to the sewer project.

Sudbury Crossing stated that while they currently do not have a problem with their system, they run the risk of having serious problems in the future which will affect their ability to stay in Sudbury. They estimate that in 5-10 years they will have problems keeping their system functioning.

Mill Village replaced a portion of their system 3 years ago at a cost of \$100,000. They own property in Weston Center and are hooked into that treatment system and it has been very beneficial for them.

Shaw's Plaza has recently replaced ½ of its system so they are managing currently, but there is no room to grow. They have turned several good businesses away due to septic system constraints, including Bertuccis and Panera Bread. Their opinion is that turning businesses away in this economy is very unusual.

One business owner stated that service industries are in high demand in Sudbury. Many of these do have high water use, such as hair salons. Some potential tenants don't even approach the business property owners because they know of the septic limitations in Sudbury.

Discussion moved to the topic of betterments as a means to pay for the project. Weston & Sampson led this discussion. Betterments are a fee on an individual property based on the assumption that the property being improved will have a higher value after the improvement. Many large infrastructure projects use a combination of betterments and raising taxes. It is a fairness and affordability issue. It looks at general benefits town wide versus specific benefits to a property. Betterments are usually in the 50 – 100% range of the cost of the project. W&S did some very preliminary calculations on betterments for the Route 20 sewer project. Many assumptions were made, but it was thought that some discussion on potential cost was appropriate for this meeting. One of the big assumptions was that Raytheon would be part of the service area, even though they have their own treatment plant.

A scenario was presented which included every property in the approximate service area participating. The betterment would be assessed on Title V wastewater design flows. There are 119 properties (98 commercial and 21 residential). Betterments are established using a base flow model, and then adding units based on the actual flows of the property. This makes large water users (and dischargers) pay more for the system than small water users. Based on the estimated flows, W&S calculated that an estimated betterment unit would be equivalent to a 3 bedroom house (or 330 gpd). There are an estimated 578 units in the service area currently, with an additional 218 calculated for growth, or 796 total units. Dividing the \$14 million construction cost among the 796 units produces an average assessment unit cost at \$17,600. A small system of 330 gpd or less would have to pay \$17,600 for their portion of the sewer construction project. A system discharging 6,000 gpd would have to pay approximately \$320,000. Betterments can be paid up front, or financed by the town over a 20-30 year period. They become liens on the property. This scenario again is made with many assumptions and decisions which would have to be made by the town at the appropriate time. Many decisions will require town meeting votes.

Several property owners opined that the betterment fees seem reasonable and are in line with their 10-20 year budgeting forecasts for wastewater disposal.

Preservation of the town's water supply has a cost, and Larry O'Brien asked if these sums are commensurate with the cost to find a new water supply if the existing supply became contaminated. The need for participation by the Sudbury Water District is apparent.

Bill Cossart stated that the SWD monitors their water supply at a very high rate. There are currently no indicators for contamination, and they have plenty of capacity. However, they also have no other properties in line for well development except for a property on Concord Road. They are supportive of

this project, but they don't necessarily expect to see improvement in the water quality with sewers unless there is a major contamination threat.

There was a discussion on what would be the comparable cost of hooking into the MWRA system, or to develop new water supply wells, or the loss of commercial tax revenue if businesses have to close.

The group agreed that there are 3 components to the sewer issue: quality of life, protection of the water supply and economics (being the most important in order to persuade town meeting to vote to proceed). Business support is critical to passage of the article. The question was asked if the business owners would come forward and support a plan which places a majority of the financial burden of the construction costs on their shoulders. There was some agreement to this. The businesses agreed to write a letter in support for publication in the Town Crier, and to notify their customers of the importance of the project.

The meeting adjourned at 6:15 pm