

Minutes of Joint Meeting

Route 20 Sewer - Citizen's Advisory and Steering Committees

Wednesday June 13, 2012

CAC Attendees: John Baranowsky, Craig Blake (Chairman), Andrew Sullivan, Peter Cramer, Dan Kenn, Peter Abair, Jonathan Lapat, Kirsten Roopenian

Steering Committee Attendees: Rich Robison, Bill Cossart, Jody Kablack, Mike Coutu, Ted Pasquarello, Stephan Grande, Bob Haarde

Others: Town of Sudbury: Maureen Hafner, Members of the Public: Pat Brown

As both Route 20 CAC and Steering Committee achieved quorum, Chairman Craig Blake called the meeting to ORDER at 7:36 PM.

Old Business

Approval of May 16, 2012 Meeting Minutes – After discussion of edits, a MOTION was made and SECONDED to accept the minutes as edited. The MOTION carried UNANIMOUSLY.

New Business – Three Items – Governance Options, Funding Options, and Outreach Questionnaire

The Chairman polled members as to whether any would object to a change in sequence for new business items to accommodate Maureen Hafner. Hearing no objections, the DIF Funding Options item was moved up.

1. DIF Funding Options - Discussion

Craig Blake introduced Maureen Hafner – Sudbury Director of Assessing who was made available to address questions concerning how her department would implement the DIF option should that option be deemed viable for the Route 20 Sewer District project.

The DIF option was presented previously (December 15, 2011 Joint Route 20 CAC/Steering Committee); however for the benefit of new members or those not present and to gain Ms. Hafner's perspective this program was reviewed.

In the absence of Peter Abair, Craig Blake began; Peter Abair arrived several minutes later and joined the DIF presentation.

Copies of the DIF handout were made and distributed.

The process occurs in sequential steps:

- I. Define district boundaries
- II. Aggregate the base district valuations (Time zero)
- III. Estimate additional captured values of the term. Future value less Base value plus base value growth for each data point (see graph on the handout)
- IV. Finance the project using DIF Bonds.
- V. Pay back the bond incrementally using captured valuations

Instances where the DIF program was considered or has been implemented include Carver, Springfield and Taunton.

Jody Kablack mentioned that a DIF district need not be contiguous therefore opportunities outside Route 20 Sewer District are possible.

John Baranowsky asked whether DIF is more of an urban re-development tool. The response was that it can work equally well on undeveloped land parcels. He also recalled that this option requires a so-called "anchor tenant" who acts as an advocate and drives the process.

Ted Pasquarello offered several remarks and suggestions at the outset of the presentation. He was reminded by Mr. Blake that the DIF program has very strict rules and regulations and that these must be closely followed to remain in program compliance as the DIF regulations supersede local assessment practice as a condition of program entry.

Ted believes that commercial property will be assessed at the higher rate the day that the value goes up and not gradually over time.

Maureen Hafner suggested that her practice concerning reassessment would be to throw the question of future valuations back to the property owners. Commercial lease property is assessed on the triple-net basis. Her approach would be to look at the cost of the sewer and the value added; value with vs. value without sewer. Typically increase not counted but sewer value would increase property value.

Craig Blake then asked Ms. Hafner to reply to a hypothetical question. Suppose I had 1,000 s.f. building lacking a municipal sewer then later the sewer became available to me on the property. How would you approach me in formulating a new assessed value all other factors being equal? She replied that she would work with the property owner.

Ted Pasquarello described a hypothetical redevelopment scenario whereby two relatively large land parcels (five to six acres) could be combined as one to immediately increase market valuation substantially. These parcels are Precourt Stone (Union Avenue LLC Map K08-0041) and Sudbury Lumber (McNamara K08-0074), both family owned businesses. Unfortunately, neither party is willing to sell at this time planning instead to pass the business down to the next generation.

Ted also remarked that should a DIF district be drawn up, he believes from his survey that six property owners are likely to opt out. The list includes Mill Village, Shaws, Bartlett's.

Other obstacles or lessons learned were touched upon but not discussed in any great detail including:

1. Wayland Town Center project progress has fallen behind schedule and has become plagued with trouble (a mess), 2. Zoning constraints have slowed progress for many years, 3. employee cannot afford to live in Sudbury, 4. Businesses here are generally not focused on real estate development, but rather on the core product or service.

For these reasons, the implication left is that new building work remains highly unlikely.

Jody Kablack suggested that development could be incentivized with the addition of the proposed sewer district and changes to the zoning bylaw.

Maureen Hafner concluded by mentioning that when her department make estimates having to do with assessments she generally considers 6,000 homes as the rough number for these purposes.

The discussion on the DIF financing option wrapped up at 8:23 PM with the consensus being that the DIF option was not viable for this project.

2. Governance Options – Findings

Mr. Blake enumerated the governance options list as 1) new Sewer District, 2) Sewer Division of the Town of Sudbury Department of Public Works, or 3) new Sewer Division joining existing Sudbury Water District.

Report on Sudbury Water District Governance Option

Craig Blake and Jonathan Lapet met with SWD On May 29, 2012 to ask whether and under what circumstances SWD would be interested in expanding to include the proposed sewer district. Along with Bill Cossart they presented their findings.

Mr. Cossart stated that at the bottom line when giving consideration to the best fit, the SWD does not want to take on the additional services required to bring the sewer into the district. There was little interest initially, but after more discussion sufficient interest was expressed so as to leave the door open to further discussion.

The sub-committee reported that three additional personal would be needed in order to provide the necessary services associated with operation and maintenance of the proposed sewer utilities and treatment as a new independent utility.

Bill Cossart described the current SWD organization as consisting of nine persons and an approximate annual budget of three (3) million dollars.

The additional three persons would likely be required structured as follows:

- Superintendent \$80k per year (must have appropriate wastewater license)
- Foreman \$60k per year
- Laborer \$30 to 40k per year

The budget discussed for the entire new sewer division would fall in the \$500k per year range.

SWD was asked to respond to the question of using a private Consultant to provide sewer services. They did not respond favorably to this option for the following reasons:

- For profit driven enterprise may not have the best interest of the rate payers in mind
- Too much uncertainty with quality and control
- SWD has no prior experience with this business model creating uncertainty

In closing, the SWD indicated that all things considered, they prefer to keep things as they are and not expand into the wastewater business.

A follow-up question concerned physical space availability sharing of the existing works with the proposed new sewer operation and maintenance. The reply was the question of sharing physical space had not been brought up.

Report on Sudbury DPW Governance Option

John Baranowsky stated that he has completed his report and proceeded to circulate copies. The presentation consists of two page executive summary of the methodology comprising four discrete tasks each with several subtasks with attachments.

Task 1 consisted of the initial outreach with Bill Place – Director of Public Works for the Town of Sudbury.

In Tasks 2 and 3, findings from research into peer DPW structures, as during the May 16 meeting are presented.

Finally, Task 4 summarizes the eyeball meeting with Bill Place and Craig Blake on June 7, the follow-up conversation with Sudbury Town Manager Maureen Valente on June 12, and his recommended next steps plan for consideration prior to final recommendation.

Attachments include org charts, excerpts from annual Town Reports, and Newspaper (Wayland) articles. These can be useful in costing out and grasping further the true ramifications of the preferred alternative.

Shortly after beginning the presentation, he was advised by Chairman Blake not to discuss research efforts into the Town of Hudson sewer governance structure but limit remarks to conversations with the Town of Sudbury as the Town of Hudson discussion was not posted on the meeting agenda.

Mr. Baranowsky agreed stating that his report was completed in accordance with his May 16, 2012 assignment and the report speaks for itself and will be attached as an appendix to subsequent meeting minutes.

He then jumped ahead to Task 4 concerning the conversation with Director of Public Works, Bill Place, P.E. as requested.

Bill strongly prefers that the proposed Sewer Utility/Treatment function be brought into the existing DPW as a "sixth-block" of the Operations Division under Head of Operations/Lead Foreman Mr. Ken Anderson. The primary reason is that this structure preexists and works well in serving Town needs, allows for resource sharing, rolls up nicely and so on all according to Bill Place.

This "sixth-box" likely would comprise three individuals one of which would have the appropriate Wastewater Operators License. His assistant may or may not be licensed. The third person possibly a heavy equipment operator could be a shared resource across the other operation blocks. The top position pay scale was estimated in the \$80k range with others progressively less.

The November 30, 2011 organization chart was displayed and discussed. While the new "three-man sixth block" addition to Operations seems reasonable, it is noteworthy that as DPW Operations evolves from a road department to one having stronger utility component (i.e. sewer) base other changes horizontally across "Operations six-block" might be worthy of consideration; for example having the new "six-block" roll up directly to the Director as other study Town's have done.

With respect to outsourcing to a for profit firm, Mr. Place stated that he had no prior experience to draw on and thus no strong opinion either way.

We talked about outreach methods (Chamber of Commerce, Rotary, Lions Club), Unions (he does not see these as significant obstacles) and anything else he would be inclined to share with us at this time. See transcripts for details.

3. Outreach Questionnaire – Findings

Dan Kenn and Ted Pasquarello provided those present with the results of their survey of local business owners (see attached). Approximately fifteen (15) owners were contacted. They estimate that this sample represents approximately fifteen (15) percent of all properties and fifty (50) percent of all square feet included in the proposed sewer district.

The survey was framed with a specific outcome or goal in mind and in accordance with well defined, specific parameters as follows:

Goal: To receive respondent feedback as to whether they understand the proposal AND whether they could offer any non-zoning impediments to expanded property use given that we do not know cost or fee allocation except that for the sake of argument you are to accept that both costs and fees will be within amounts and ranges acceptable to you.

According to the survey the list of non-zoning impediments include:

- Family business with a clear succession path to future generations, not interested in change
- Maxed out by parking, wetland issues
- Generally maxed out (cannot site wetlands or other specific causes)
- Large building designed and built for a specific use which owners are pleased with
- Limited to tenants whose water use requirements are low, could benefit

The above responses came from the Union Avenue properties

Along the Boston Post Road corridor the properties are again maxed out; however the survey indicates that these properties generally feel that the proposed sewer would allow them to attract a better mix of tenants. Hair salons and restaurants were mentioned frequently.

Dan Kenn found one owner who was not aware of the proposed sewer, one who might benefit with removal of the water impediment, one who sees no benefit and a fourth who believe increased traffic would be the result and from his perspective that would benefit him by bringing in prospective clientele.

Ted Pasquarello summarized his feelings by sorting out consistent with the survey the Union Avenue properties from the Boston Post Road Corridor properties stating that while the latter had more to gain, the former felt “the sewer represented money out of the bottom line”.

Jody Kablack informed those present that the Weston and Sampson deliverable was now available and would soon be uploaded to the Town web-site. Among other things the report presents needs assessments. Twenty-nine properties are on the critical needs list per this report.

John Baranowsky asked whether the hydro-geologic topic had been address further with respect to the inter-basin transfer out of Zone II and into Zone III. Jody replied that that this issue had not been addressed further.

Other Business – Alternative Plans

Discussion on how best to respond to a question sent to the Route 20 Sewer CAC committee membership via email by resident Andrew MacEntee concerning an alternative wastewater disposal plan took place. Mr. MacEntee has asked why more detailed consideration has not been given to the MWRA connection alternative as the nearby Town of Framingham is one of forty-three (43) sewer-service community members of this large metropolitan regional utility agency (note: Framingham is also one of sixty-five (65) MWRA member water member communities). Mr. MacEntee wondered whether further study of this alternative might find it to be a less costly, viable alternative to the alternative now under consideration by various Route 20 Sewer study committees (Tech/Steering and CAC) and others in Town as defined by Consultant Weston and Sampson Engineers.

As to cost, Craig Blake stated that water usage from the MWRA source would be significantly higher than the comparable rate charged for water furnished by the Sudbury Water District (presently \$4.00

per 1,000 gallons). However there was some confusion over the retail rate for the MWRA alternative source charged by the Town of Framingham (MWRA is a wholesale supplier). Finally, according to Mr. Blake, this rate for the retail user was found to be \$12.59 per 100 cubic feet or \$16.83 per 1,000 gallons (1 cubic foot contains 7.485 gallons by volume) payable to the Town of Framingham (retail cost).

Mr. Blake also advised the Framingham sewer rate to be \$26.74/1000 gallons. Since 280,000 gpd wastewater flow has been estimated as the wastewater volume of for the proposed Sudbury sewer system, a tie in the Framingham (MWRA) system would cost \$2,733,000 per year for the service not including capital costs (pump station, force main and MWRA connection fee) whereas the estimated cost for operation and maintenance of the proposed Sudbury sewer system according to Weston and Sampson would be in the \$600,000-\$800,000 per year range.

Mr. Blake noted that in addition to alternative cost considerations, there are many more permitting issues involved in gaining support for the issuance of a wastewater discharge permit by the Commonwealth of Massachusetts Department of Environmental Engineering (DEP) and these may be difficult to overcome.

Beyond the question of cost with respect to the Framingham alternative, the discussion turned to other wastewater alternatives including the viability of a Marlborough connection. Andrew Sullivan participated in this discussion mentioning his keen interest and support for environmental causes and his activism by group association.

Mr. Blake mentioned that we need to curtail further discussion on the Marlborough alternative as it was not noticed as an agenda item. Furthermore, there is a litigious history ongoing between the City of Marlborough and the Town of Sudbury with respect to the East Marlborough effluent discharge permitting. He did mention that these discussions could be placed on a future agenda.

Jody Kablack requested a copy of the Marlborough DPW Organizational Chart and John Baranowsky provided her a copy of same.

Finally, Jody stated that the proper course of replying to the question raised by Mr. MacEntee would be to discuss the matter further with Chairman Blake then respond as appropriate to his question.

Other Business – Membership and Liaisons

Bob Haarde mentioned that a resident (Steven S. Eppich) has applied to serve as a member of the Route 20 Sewer CAC and that this will be taken up at the next meeting of the Board of Selectman. He also mentioned that the Finance Committee has been asked to nominate a liaison to the CAC as well and that he expects this appointment to be brought up at the next BOS meeting.

Schedule Meeting

The next meeting will be held on Wednesday July 11 at 7:30P.M (DPW Building 275 Old Lancaster Road).

At 9:30 PM a MOTION to ADJOURN was made, SECONDED, and VOTED unanimously as AFFIRMED.

LOCAL BUSINESS OWNER QUESTIONING FOR SEWER SYSTEM IMPLEMENTATION IN THE TOWN OF SUDBURY

As previously discussed at the last Sewer Committee meeting on May 16th, a couple of committee members, Ted Pasquarello and Dan Kenn, committed to contacting some of the local property owners that fall within the proposed sewer district. Our goal was to obtain an early indication of their understanding of the sewer system and whether or not, if the system was in place, they would have any other zoning impediments that would prevent them from expanding their property (i.e.: parking, wetlands, pervious coverage, etc.).

The discussions were started off by saying that, at this time, we don't know how the cost of the system would be allocated to the business owners or residential homeowners that fall within the district, nor do we know what the ongoing usage fees would be, but we'll assume for now that it would be an acceptable amount for you.

The members contacted approximately 15 property owners, representing about 15% of the properties and roughly 50% of the square footage that lies within the proposed sewer district. The responses were as follows:

•PRECOURT STONE

Precourt is located at 46 Union Avenue and has approximately 6 acres of land and 1 building of approximately 1,000 sq. ft. Contacts are Mike and Charlie Precourt. Both parties indicated that if it was a reasonable amount they would be in favor of the sewer system; however, Mike indicated that this is a family business and other than expanding the existing building by doubling its size, they would never have any interest in changing the use of the property as there are other Precourts in the family that plan to keep it as a family business.

•ED TUCKER

Ed's property is located at 55, 57, 75, and 83 Union Avenue and contains approximately 25,000 sq. ft. Ed's comment was that if it was a small fee, he would consider hooking up also said he is maxed out on any additional building on his property due to parking and wetland issues.

•STEPHEN GRANDE

Steve's property is located at 56 and 60 Union Avenue and contains approximately 20,000 sq. ft. The cost would determine whether or not he would support the system. Also, it would be highly unlikely that he could, or would, add any additional square footage to his property.

•METHODS MACHINE

Methods is located at 64 & 65 Union Avenue and contains approximately 118,000 sq. ft. The contact is Dave Duane. The response was the same. There are no zoning issues, but they could not expand the property due to parking and wetland issues. Further, the building was designed for a specific use and they would probably never consider changing its use.

•CHISWICK PARK

Chiswick Park tenants are located at 31, 33 and 39 Union Avenue, as well as at 490 and 490-B Boston Post Road and totals approximately 335,000 sq. ft. Owner is Ted Pasquarello. Other than our 39 Union Avenue building, we have no room for expansion due to both parking and wetland issues, and cannot see any change in use with the property. However, the property at 39 Union Avenue could benefit someday with a change of use on the first floor, currently occupied by Carpet Carousel, by implementing a hair salon, restaurant, or some other tenant with a higher water usage need. So depending upon the cost, we cannot yet state whether or not we would be supportive of the proposed sewer system.

•SUDBURY LUMBER

Located at 27 and 28 Union Avenue. Contact is Tom Vachon, who represents the McNamara family. Tom indicated they have approximately 5 acres of land and very little building space. They realize that the proposed value would go up with the sewer line in place; however, they intend to run this as a lumber yard for the next 100 years, as the family has 5 sons and other grandchildren running their other 4 lumber yards at this time. On the other hand, until they know the actual cost for them, the cost would determine their support.

The next few property owners that were contacted are on the Boston Post Road corridor and, as you would expect, they tend to be more positive on the sewer system implementation.

•SUDBURY CROSSINGS

Property is located at 423 Boston Post Road and the contact is Hal Garnick. Hal believes he is pretty well maxed out and would not be able to add any additional square footage due to parking and wetland issues; however, he feels the sewer system would allow him greater flexibility in bringing in a higher use water tenant such as a restaurant, hair salon, or fitness center, and would likely support the sewer line.

•RUGGED BEAR PLAZA

Property is located at 410 Boston Post Road, and the contact is Chuck Katz. No zoning issues are present and they don't feel they would build any additional square footage, but again, a better mix of tenants would be possible. Depending upon the cost, they would be amenable to supporting the sewer system.

•SUDBURY PLAZA

Property is located at 505, 507, and 525 Boston Post Road, and the contact is Mike Doherty. He believes they are maxed out in terms of square footage, but again, as with Sudbury Crossings, would be able to attract a different mix of tenants (i.e. hair salon, restaurant, fitness center, etc.) if the sewer system was implemented.

The next few responses are from business owners contacted by Dan Kenn:

•BEARLY READ BOOKS/ULTRA SALON

Property is located at 320 Boston Post Road. Dan spoke with the owner and indicated he was not aware of anything going on with the sewer system and further commented that they would not have any plans to expand, as he believes there is no excess space available for expansion. He knows of no other zoning restrictions on his property.

•CLAPPERS/ORGANIC MATTRESS

Property is located at 338 Boston Post Road. Tenants would be in favor of the sewer system, but there is no room for expansion; however, he feels there is approximately 2,000 sq. ft. currently being used as warehouse space that he would be able to convert to a better use. He knows of no other zoning issues that would restrict this.

•HILL JEWELERS

He is not in favor of the sewer system and feels it would not be of any help to him. There are no other zoning restrictions on his property.

•WESTPORT GRILL

Property is located at 442 Boston Post Road. Westport would be in favor of the sewer system. They believe it would increase traffic and business in the area; however, they would not be able to expand their property due to the footprint. No known zoning issues.

•COLONIAL AUTO BODY

Property located at 430 Boston Post Road. Spoke to Dick Hodgson, who said he would be in favor of the sewer system, although it would not expand his current business. However, they would become a prime location for redevelopment. He knows of no other zoning issues on his property other than the wetlands.

•SADBURY COFFEE WORKS

Property located at 15 Union Avenue; owned by Dan Kenn. The cost to his property for implementing the sewer system would determine his support. He also stated he'd probably not be able to add any square footage to his property, but that a sewer system would allow him more flexibility in a mix of tenants

In conclusion, no surprise to most of the responses we received . . . several of the small business owners didn't know anything about the proposed sewer system coming into Town. Almost everyone indicated that they would only support the project if it was a reasonable cost to them; however, no one has been able to define what that is.

Also, most business owners are not familiar with the zoning bylaws, so they do not know of any changes they would need to add square footage.