

**Sewer Commissioners Meeting  
Minutes of Wednesday, October 4, 2017  
Bourne Community Building  
Bourne, MA 02532**

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TA Guerino

**Sewer Commissioners**

Peter Meier, Chairman  
George Slade, Vice-Chairman  
Don Pickard, Clerk  
Judy Froman  
Michael Blanton

2017 NOV 30 PM 3:35  
TOWN CLERK BOURNE

RECEIVED

Note this meeting is being televised and recorded. If anyone in the audience is recording or videotaping, they need to acknowledge such at this time.

All items within the meeting agenda are subject to deliberation and vote(s) by the Board of Sewer Commissioners.

**Meeting Called to Order**

Chm. Meier called the meeting to order at 6:30 pm.

**Public Comment**

**3) Approval of minutes:**

None to approve

**4) Update from the Wastewater Facility Design and Building Committee**

- a. Update on project costs
- b. Update of financing
- c. Warrant Article Recommendation for the Special Town Meeting
- d. Current coordination efforts with Police Facility Committee

Mary Jane Mastrangelo, Chair of the Wastewater Design and Building Committee, said the Owner's Project Manager for Waste Water is Daedalus Projects, Inc. with primary contact Todd Goldman; the Wastewater Owners Project Manager for Police Facility is Daedalus Projects, Inc. with primary contact Joe Sullivan; Engineering Firm is Weston & Sampson, Corey Repucci and Fran Yanuskiewicz; Project consultant is Wes Ewell.

Mrs. Mastrangelo said Weston & Sampson is here to talk about sight design and plan and the process they have been going through. This plan is a draft plan on how this will fit with the police facility

Corey Repucci and Fran Yanuskiewicz from Weston & Sampson, gave a little background on how they arrived at the site plan they have. Awaiting final survey of the site. Went over the

leaching area. Have an approval from DEP on the three gal per day per sq. ft. loading rate, we are looking to double that to six. Will be resubmitted to DEP on Friday to resolve issues of flow. Working on resolving the location of the pump station. We have been working on costs. From a hydrological standpoint it is an ideal site for effluent disposal.

Judy questioned the possibility to expand. Fran Yanuskiewicz said the site does have the capability to handle more. Mary Jane Mastrangelo said there were issues raised when going over 100,000 gallons per day. At this point in time there is no plan to expand.

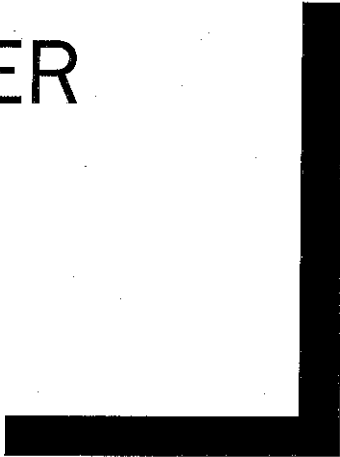
George Slade questioned the generator, is it a backup generator or the main generator. Fran Yanuskiewicz said it is a backup generator incase of a power outage. Mr. Yanuskiewicz went over the issues with the generators, and explained what the generator and back up generator will do.

Jim Mulvey questioned which way the flow will go. Fran Yanuskiewicz said we would be intercepting the gravity line; anything east of us would flow into Wareham or flow into Queen Sewell.



# BOURNE WASTE WATER FACILITY

October 4, 2017



## Project Cost

|                                   |                     |
|-----------------------------------|---------------------|
| ■ Facility Construction Cost      | \$5,249,000         |
| ■ Administration                  | \$ 121,000          |
| ■ Engineering Fees                | \$ 385,000          |
| ■ Testing Services                | \$ 15,000           |
| ■ Design Contingency              | \$ 788,000          |
| ■ Utilities                       | \$ 30,000           |
| ■ Furniture and Equipment         | \$ 5,000            |
| ■ <u>Construction Contingency</u> | <u>\$ 300,000</u>   |
| ■ Project Total                   | \$6,893,000         |
| ■ <u>Less May ATM Funding</u>     | <u>(\$ 335,000)</u> |
| ■ Total Project Request at STM    | \$6,558,000         |

## Projected Tax Revenue Current Planning Board Projects

|                  |                             |                              |
|------------------|-----------------------------|------------------------------|
| ■ New Hotel      | \$21,000,000 Assessed Value | \$216,300 annual tax revenue |
| ■ +55 Apartments | \$24,000,000 Assessed Value | \$247,000 annual tax revenue |

\$45,000,000 Assessed Value with \$463,500 projected annual tax revenue

Tax Revenue Based on the FY17 tax rate (possible abatements and current payments not included)

## Potential Additional Projected Annual Tax Revenue

|   |              |                |                               |
|---|--------------|----------------|-------------------------------|
| ■ 100 Main Street*  | \$20,000,000 | Assessed Value | \$ 206,000 tax revenue        |
| ■ 12 Wagner Way **  | \$15,000,000 | Assessed Value | \$ 154,500 tax revenue        |
| ■ 25 Perry Phase 3 ***  | \$24,000,000 | Assessed Value | <u>\$ 247,200 tax revenue</u> |
|   |              |                | \$ 607,700 tax revenue        |
| ■ * Preliminary Allocation Granted  |              |                |                               |
| ■ ** Waiting on Preliminary Allocation due to no allocation available       |              |                |                               |
| ■ *** Discussed but Allocation not requested due to no allocation available |              |                |                               |

Tax Revenue Based on the FY17 tax rate (possible abatements and current payments not included)

## Total projected annual Tax Revenue

|  |                   |
|--|-------------------|
| ■ Projects before Planning Board with allocation   | \$ 463,500        |
| ■ Pending Projects with preliminary allocation     | \$ 206,000        |
| ■ Projects waiting for preliminary allocation      | \$ 154,500        |
| ■ Known Projects on hold due to no allocation      | <u>\$ 247,200</u> |
| ■ Total projected revenue                          | \$1,071,200       |
| ■ \$104,000,000 in projected property improvements |                   |

Tax Revenue Based on the FY17 tax rate (possible abatements and current payments not included)

## Waste Water Project Financing

|                                  |                       |
|----------------------------------|-----------------------|
| ■ Total Project Cost             | \$ 6,893,000          |
| ■ Less ATM Appropriation         | <u>(\$ 335,000)</u>   |
| ■ STM Appropriation              | \$ 6,558,000          |
| ■ Mass Works Grant               | <u>(\$ 1,500,000)</u> |
| ■ Balance after Mass Works Grant | \$ 5,058,000          |

## Financing with full EDA Grant

|                                  |                      |
|----------------------------------|----------------------|
| ■ Balance after Mass Works Grant | \$5,058,000          |
| ■ Federal EDA Grant              | <u>(\$2,600,000)</u> |
| ■ Financed by Sewer Enterprise   | \$2,458,000          |

## Financing with No EDA grant

|                                 |                      |
|---------------------------------|----------------------|
| ■ Balance after MassWorks Grant | \$5,058,000          |
| ■ Federal EDA Grant             | \$ 0                 |
| ■ Financed by Taxpayer Subsidy  | <u>(\$2,600,000)</u> |
| ■ Financed by Sewer Enterprise  | \$2,458,000          |

## Current and Proposed Sewer Rate Assumptions

- Current Base Rate \$776
- Current rate of 1 cent per gallon over 45,000 gallons per year
- No rates changes proposed

## Sewer Fund Financing

- Projected Initial New Units 450
- Projected Base Fee Revenue \$349,200 at current \$776 annual rate
- Projected chargeable gallons revenue \$ 67,322 at 1 cent per excess gallon
- Total Revenue from Initial New Units \$ 416,522

Projected Revenue based on DEP estimated flows and current rates

Only units that have been granted or are next in line or preliminary allocation are included

## Projected New Facility Expenses vs. Revenue

- New Facility Operation Costs \$ 250,000
- Projected Sewer Annual Debt Service \$ 177,520
- Projected Annual Expenses \$ 427,520

Projected Initial New Unit Annual Revenue \$ 416,522

## What if the Federal EDA grant awarded is less than \$2,600,000?

- What if there is no Federal Grant awarded?
- Highest anticipated principal and interest cost for \$2,600,000 based on current rates is about \$240,000 per year for about 20 years
- Anticipated New Growth in tax revenue should offset this cost
- The Capital Stabilization fund could be used to pay initial debt service until anticipated tax and sewer revenues are realized

## Project Benefits

- *Increased Tax Revenue*
- *Increased Growth and Economic Vitality in Buzzards Bay*
- *Limited impact on taxpayers and Sewer rate payers*
- *Potential for revitalization of Buzzards Bay*
- *More likely long term success for projects being proposed*
- *Better for the Environment*

Mary Jane Mastrangelo went over the Total Project Cost, which includes Facility Construction Cost, Administration Costs, Engineering Fees, Testing Services, Design Contingency, Utilities, Furniture and Equipment, and Construction Contingency. The total project cost will be \$6,893,000; less the previous approved funding of \$335,000. So the total project cost request at the Special Town meeting will be \$6,558,000.

Mary Jane Mastrangelo went over the Projected Tax Revenue, Potential Additional Projected Annual Tax Revenue, Total Projected Annual Tax Revenue; Waste Water Project Financing; Financing with full EDA Grant; Financing with No EDA Grant; Current and Proposed Sewer Rate Assumptions; Sewer Fund Financing; Projected New Facility Expenses vs. Revenue; What if the Federal EDA Grant awarded is less than \$2,600,000; and Project Benefits.

Don Pickard questioned the estimated tax, and sewer revenue. Mary Jane spoke about maximizing the use of bond anticipation notes.

Peter Meier questioned will we have excess bonding capacity to do other capital projects in the future. Tom Guerino said we have sufficient capacity in our non-exempt debt area. Mary Jane Mastrangelo said the Wastewater project and the fire station project are feasible

Don Pickard said town wide the taxpayers are borrowing between 2.6 million and 5 million and have already contributed \$335,000 from Annual Town Meeting Funding. It is his understanding that this has to be paid by the Enterprise Fund and not town wide taxpayers. Mary Jane Mastrangelo spoke about the Enterprise Fund. Mrs. Mastrangelo said this project is a benefit for the whole town.

Don Pickard questioned what is the number that is going to be associated with the Article at Special Town meeting, is it going to be 2.6 million or 5.58 million. Mary Jane Mastrangelo said it will be the higher number, the amount is \$6, 558,000.

Michael Blanton said it is true the taxpayers are responsible for the subsidization of the project but they also get the benefit of the project. Increased growth and economic vitality in Buzzards Bay, limited impact on tax payers and sewer rate payers, potential revitalization for the down town area of Buzzards Bay, and long term success with projects being proposed.

Peter Meier stated how important this is to the town going forward.

Mary Jane Mastrangelo would like the Board of Sewer Commissioners to accept the recommendation to move this project forward. Once approved it goes to the Capital Outlay Committee on October 12, then it goes to the Finance Committee on October 16<sup>th</sup>.

Jim Mulvey questioned the bonded interest. Mary Jane Mastrangelo said she thinks this debt service is manageable in terms of the general fund.

Don Pickard spoke about the 25 Perry Ave. developer. Has there been any attempt to talk to some developers about instead of paying 10%, having some private participation in this. Mary Jane Mastrangelo said it is always possible to have those negotiations. I don't think we can make it part of our presentation for Special Town Meeting because we don't have any negotiations made. Don Pickard spoke about the private public partnership.

Elmer Clegg said there has been no discussion about a \$500,000 contribution by any develop to subsidies or partly pay for this plant. I did have a discussion with Mr. Carreria, he said he thought he could get a private investor to build the plant and build it for much less than we could, run it for 10 years and then take his money out of it and turn it over to the town. Don't think we want a sewer plant owned and run by a private company for the next ten years, sharing a lot with our town's police station.

**Voted:** Michael Blanton moved and seconded by Judy Froman to support the recommendation of the Waste Water Facility Design Building Committee and authorizes them to move forward to the next steps. **Vote 5-0.**

Tom Guerino said next Tuesdays meeting of the Board of Selectmen will be a joint meeting with the Board of Sewer Commissioners to vote on the Articles.

Peter Meier read Article 2 and Article 6.

#### **d. Current coordination efforts with Police Facility Committee**

Mary Jane Mastrangelo updated the Commissioners on the coordination efforts with the Police Committee. Everything is going according to plan.

#### **5) Third reading of the proposed Allocation Policy**

Peter Meier briefly went over the Wastewater Allocation Policy. This is needed; it will be our standard procedure going forward.

**Voted** Michael Blanton moved and seconded by Judy Froman to accept the Commercial Wastewater Management Allocation Policy as presented in the final third reading as the policy endorsed by the Board of Sewer Commissioners.

Don Pickard asked a few questioned about the Wagner Way project.

Stephen Mealy, Wastewater Advisory Committee, stated it is a policy. Whether any application coming before the Board gets an allocation is up to the Board of Sewer Commissioners. In addition to giving guidelines to Board members relative to allocations, it also requests the Board to undertake a review of all the allocations that have already been made. It sets an even playing field for everyone. Everyone has to fill out the application for allocation.

Don Pickard spoke about the three projects that are currently waiting for allocations.

Mary Jane Mastrangelo read Page 4 Section 6 B of the policy:  
Allocations that have been granted by vote of the Board to projects not complete at the time of the adoption of this policy shall be considered Preliminary Allocations. The developer or owner of such projects shall have six months to meet the requirements for a Preliminary Allocation as stated in Section III C.

Mary Jane Mastrangelo also read from section III C

- 1) Demonstrate evidence of adequate financing;
- 2) Demonstrate control of the projects parcels (i.e. Purchase and Sale agreement, evidence of ownership);
- 3) Have been presented to the Planning Board for a preliminary project review;
- 4) Have milestones established with the mutual agreement of the Board and the Applicant; and
- 5) Demonstrate that the requested allocation is based on state and local regulations.

We are trying to set up a process that makes it clear to everyone how it will progress. This is meant for us to continue to work with developers and have steps that we can all agree on.

Tom Guerino said this will free up some of the capacity that we have already allocated out that isn't being used for some existing projects that are in the queue.

Mary Jane Mastrangelo said one of the most important parts of this is the Board of Sewer Commissioners is going to take an active role in determining what allocation is available and whether or not they can grant an allocation to someone who wants to use it rather than reserving allocations that aren't being used.

Don Pickard questioned where the money goes that the project owners pay for the application fee and the cost to hold allocations. Mary Jane Mastrangelo said it goes into a Sewer Enterprise Capital Stabilization Fund.

Elmer Clegg said they wrote the policy so if a project/property changes ownership the new owner should come back to the Sewer Commissioners to show they are just as viable as the previous owner.

Jim Mulvey stated it would not be the best interest to approve this tonight. You are setting up a special group outside the policy that would be treated differently because they were engaged in this before the policy was put in place. Were these allocations done by motion of the Commissioners? Don Pickard explained how the three in the queue were granted. Two were by a vote of the Board (Perry Avenue and 100 Main Street) and the Wagner Way project was just agreed that he would be next.

Stephen Mealy said this is a policy to help guide the Board of Sewer Commissioners in making decisions. It gives the Board of Sewer Commissioners the ability to make adjustments.

**Roll Call Vote:** Michael Blanton - Yes; Don Pickard - Yes; Peter Meier - Yes; George Slade - Yes; Judy Froman - Yes

**6) Certificate of vote signatures regarding allocation policy**

**7) Establish next meeting date**

The next Board of Sewer Commissioners meeting will be next Tuesday and will be a joint meeting with the Board of Selectmen.

**8) Adjourn**

**Voted** Don Pickard moved and seconded by George Slade to adjourn at 8:05 P.M.

**Vote 5-0.**

Respectfully submitted – Carole Ellis, secretary.