

## Frequently Asked Questions

### Article 2 Special Town Meeting December 14, 2009 Completion of the Phase 6 Sewer Project

Prepared by  
Town of Hopkinton  
Department of Public Works and Town Manager's Office

#### 1. Where is Phase 6?

Phase 6 is the Town's primary industrial and business zoned land along South Street, Elmwood Park, Lumber Street and a portion of West Main Street in the vicinity of Lumber Street.

#### 2. What is different about this project from the project approved by Town Meeting in 2007?

The original project in 2007 was for the construction of the Fruit Street Wastewater Treatment Plant. This plant would provide 100,000 gallons per day (gpd) of treatment capacity since we are nearing the limit of the 400,000 gpd capacity of our contract with the Westborough wastewater treatment plant. The project as currently proposed includes the 100,000 gpd Fruit Street Wastewater Treatment Plant and a sewer connection to Milford which will provide an additional 200,000 gpd of capacity. Since the Comprehensive Wastewater Management Plan (CWMP) was completed in 2005 the Town has seen several changes that affect the estimated amount of treatment capacity to support the needs of Phase 6. These changes include re-zoning areas in Phase 6 to allow hotels, an increase in allowed building heights and a major expansion of the South Street biotechnology firm, Lonza Biologics Inc (Lonza). The Lonza expansion by itself has sewer capacity needs of 75,000 gpd, an increase of about 60,000 gpd over its current use. Also there has been approval of several yet to be constructed projects throughout the Town outside of Phase 6 that also will use our overall available sewer treatment capacity. These include Collela's Market expansion, Hopkinton Village, expansion of Bills Pizza, Golden Pond Assisted Living, Hopkinton Square and the recently completed Hopkinton Pediatrics building. The project as proposed under this article will provide the Town with 300,000 gpd of additional treatment capacity to serve existing needs and provide capacity for the growth promoted by the Town's Master Plan and anticipated by the zoning changes.

Other changes to the project resulted from the several appeals to the permits granted for the Fruit Street Wastewater Treatment Plant. In an effort to amicably resolve these appeals the Town has revised some aspects of the project. Most notably the earthen fill previously installed to cross a wetland will be removed and replaced with a bridge to access the wastewater treatment plant. Also the leach beds used to recharge the aquifer have been moved further from Whitehall Brook.

**3. How much will the project cost?**

The Phase 6 Sewer Project will cost \$19,172,795. The following is a breakdown of the project costs.

Engineering, Installation of Pipes and Pump Station	\$ 4,099,000 (Spent to date)
Fruit Street Treatment Plant	\$ <u>7,476,877</u> (Bid)
Force Main from Saddle Hill Road to the Plant	\$ 1,488,305 (Bid)
Milford Connection Fee	\$ 3,885,795 (Contract)
Pipe extension to sewer line in Milford	\$ 100,000 (out to bid)
Inspection & Construction Services	\$ 1,152,000 (Cost Proposals)
Legal & Expert Witness expenses related to Appeals	\$ <u>116,000</u> (Spent to date)
Expected Project Cost	\$18,317,977
Contingency Fund (9.5% of remaining construction costs)	\$ <u>854,818</u>
Total Project Cost	\$19,172,795

**4. Why has the total project cost changed since Town Meeting approved construction of the Fruit Street Wastewater Treatment Plant in 2007?**

The largest change in project cost, approximately \$4 million, results from the addition of the Milford connection to the project's scope. Also the bids for the Fruit street plant and force main came in higher, by about \$800,000, than the construction estimates used to authorize the funding approved in 2007. Other cost impacts resulted from successfully defending the appeals to the permits for the Fruit Street Wastewater Treatment Plant. These include expenses of \$116,000 for legal and expert witness services.

**5. Will Phase 6 properties have to pay the full \$19 million cost?**

No. The Town is cognizant of the fact that providing this needed infrastructure is expensive and has worked to obtain alternative sources of funding to keep the betterments as low as possible. The town has secured the following non-town funding for this project.

Total Project Cost	\$ 19,172,795
Stimulus Grant (8.8% of Fruit Street Plant & Force Main Cost)	\$ (-965,536)
MORE Job Grant to offset the Milford cost	\$ (-2,500,000)
Lonza Biologics Inc. (Lonza) gift	\$ (-100,000)
Total Cost to be Bettered on Phase 6 Properties	\$ 15,607,259

Worst case assuming the entire \$850,000 contingency fund is needed, results in an actual cost increase of \$2,580,964 over the current project authorization of \$13,026,295 or about a 20% increase in the betterments estimated in 2007. In addition the Town has submitted a request to the state for a zero interest loan.



**6. Will the project affect the tax rates?**

No. The project will be paid for through the Sewer Enterprise Fund and not by the general fund. The enterprise fund will be reimbursed by property owners in Phase 6 through betterments.

**7. How will the project costs affect sewer rates?**

The capital cost of the project will not affect sewer rates because it is funded through betterments and grants. The operational costs of the project will be included in the operation and maintenance (O&M) budget of the Sewer Enterprise Fund just as other O&M costs of the previous sewer phases 1 through 5 are included. The construction delays caused by the permit appeals affect the sewer rates until the project is complete and betterments are set to reimburse the Enterprise Fund. This is due to the fact that the enterprise fund must pay for the cost of the money previously borrowed to install the sewer pipes in Phase 6 and the money spent on the design and permitting of the treatment plant.

**8. If the Fruit Street project is paid for by Phase 6 users, can it be used by other sections of Town?**

Yes. This project will be paid for by the Town and the Town will be reimbursed by betterments on the properties in Phase 6. Each of our previous sewer phases were paid for through this same betterment system under the Town's betterment bylaw adopted in 1988. Sewer infrastructure is commonly built in phases with each phase building on the improvements of the earlier phases. The future expansion of Fruit Street Plant would be similar to expanding an existing pump station to serve a new phase.

**9. Is it legal to charge the cost of Fruit Street plant to the Phase 6 properties that will send its wastewater to Milford?**

Yes. Since the existing infrastructure allows the entire Phase 6 service area to discharge to Fruit Street, the costs can be included in the overall betterments. In fact this is how the project was to be operated when approved in 2007. At this time, the Town is opting to use the Milford capacity as a way to serve a portion of the Phase 6 area that has immediate capacity needs. This decision was affected by the fact that Fruit Street will take up to 18 months to build and that grants available from the State reduce the cost of the Milford connection considerably. In the future, the choice to rely on Milford may change. That decision will depend on many factors, such as the location and rate of growth within the industrial area and future operating costs charged by Milford. Properties in Phase 6 that cannot be served by Milford will not be bettered the cost attributable to the Milford connection.

**10. How are the properties in Phase 6 currently treating their wastewater?**

Currently all sewer users in the Town of Hopkinton send their wastewater to the Westborough Wastewater Treatment Plant under a 400,000 gpd contract. This includes all of the sewer phases 1 through 5 but only a portion of Phase 6 users. Additional connections in Phase 6 have been delayed because the Town is very close to its contractual limit with Westborough. Currently many Phase 6 businesses are still on septic systems.

**11. Why do we need both the Milford connection and Fruit Street?**

The original plan approved by Town Meeting in 2007 was to gain a 100,000 gpd increase in our available treatment capacity by construction of the Fruit Street Plant and allow those properties within Phase 6 still on septic systems to connect to the sewer system. Since 2007 it has become clear that the capacity needs of Phase 6 are difficult to estimate and unlike residential areas, are highly dependent on the type of industry developed on each property. For example, the Lonza expansion results in an increase of its flows from a current use of 15,000 gpd to a build out of 75,000 gpd. Also, the impact from recent zoning changes and flows from approved projects in the “pipeline” is yet to be felt. By themselves the treatment capacity available in Milford or at Fruit Street would just preserve the status quo of our sewer needs. The treatment capacity provided by both Milford and Fruit Street, as well as the existing contract with Westborough, will provide sufficient capacity to serve the industrial areas’ future needs. Given the grants available at this time for the Milford connection it makes sense to pursue this option now to supplement the Fruit Street plant.

**12. The Intermunicipal Agreement with Milford is for 500,000 gpd. Why can’t we send all of our Phase 6 wastewater to Milford?**

The amount of sewage that Hopkinton can send to Milford is based on state permitting requirements and approvals. The State regulates the amount of water and wastewater that can be transferred from one river basin to another river basin. Hopkinton receives its water from the Concord River Basin and Milford is in the Charles River basin. The State agreed with the Town that transfer of up to 204,000 gpd would have an insignificant effect on the Concord River Basin. The State is committed to keeping water local so that our river basins do not become overstressed. This is one reason that the groundwater recharge component of the Fruit Street plant is so important.

Another issue limiting the amount of flow that can be sent to Milford is the topography of the Phase 6 area. The upper end of South Street, where many of the larger businesses are located, is well suited to flow toward Milford. The lower end of South Street, Elmwood Park and the West Main/Lumber Street area is suited to flow toward the Westborough and Fruit Street plants.



**13. Are the appeals still ongoing and what risk do they pose to the project?**

Four of the permits issued for the Fruit Street Wastewater Treatment Plant were appealed. These include the two wetlands permits issued by the Hopkinton Conservation Commission under the State *Wetlands Protection Act* and the Town's Wetland Bylaw, a water quality certificate and a groundwater discharge permit, both issued by the Department of Environmental Protection (DEP). Thus far, the Town has been successful at every step in its defense against each appeal. The two wetlands appeals were rejected by the Superior Court and the Appeals Court, and the appellants have not pursued these any further. The other two permits issued by DEP have been upheld after adjudicatory proceedings before an administrative hearing officer, and the appellants still may decide to appeal those decisions in the Courts. Whether or not they choose to appeal, the Town may move forward with the project and is not currently required legally to wait for any future appeal to be resolved.

During the permitting process for the project, which lasted approximately two years, the town has listened to the appellants' concerns and revised the plans in an attempt to address those concerns. For example, the leach beds were relocated farther from Whitehall Brook, the wetland crossing previously filled will be restored and a bridge installed, and the Town agreed to a plant operating permit with some of the lowest phosphorous and nitrogen discharge limits in the state. The commitment to treat effluent to a higher level than required by regulation were received well by the DEP during the numerous hearings that have been held on the project. If further appeals of the Water Quality Certificate and Groundwater Discharge Permit are pursued, we have every reason to believe that the Town will prevail.

**14. How will this project benefit the town?**

In addition to serving current needs of our industrial zoned area, the project will make additional capacity available to serve expansion needs of the existing businesses and allow growth on industrial properties currently undeveloped or underdeveloped. This growth will ultimately increase tax revenues to the Town's general fund, increasing funding for education, public safety and general government

The Fruit Street portion of the project will recharge the Sudbury River basin. The Town water wells are currently restricted by DEP on the amount of water that can be withdrawn from the basin until the Fruit Street plant is constructed. Although the treatment plant does not directly recharge the wells, it does recharge the area immediately down gradient of the wells to replenish the aquifer, wetlands and streams affected by the water withdrawals of the Town wells.

The Fruit Street plant is expandable to provide the Town with additional treatment capacity for other needs areas identified in the CWMP.

**15. Why fund this project now?**

The Phase 6 project was initiated by Town Meeting vote in 1996. It has yet to be fully completed because the Town's only available wastewater treatment capacity is with the Town of Westborough. Many of the businesses located in Phase 6 have been forced to continue using their outdated septic systems until the Town secures additional treatment capacity. Just as important are the cost implications of continued delays. The construction costs will only continue to increase. In the 2 year delay from 2007 we saw about an \$800,000 increase in construction costs. The interest charges on the money expended on the project to date are placing an unfair burden on the sewer customers in Phases 1 through 5. Also the Town has secured approximately \$3.6 million in grants to offset the cost of the project. If the project is further delayed, we cannot expect to benefit from these grants in the future.

**16. Will this sewer project facilitate "excessive development" of the Industrial and Commercial areas?**

This project is consistent with the town's vision for increasing the potential of its' existing commercial and industrial areas. Completing the sewers in Phase 6 supports that approach as well as the town's recently approved rezoning of the South Street commercial/industrial zone. Further, construction of the project will allow the town to take charge of its own destiny in implementing its vision rather than completely relying on neighboring Towns for needed infrastructure. Completion of this project will provide the Town with a wastewater treatment capacity of 700,000 gpd and the ability for an additional 250,000 gpd at full build out of the Fruit Street plant. At this capacity, the town's sewer system supports Hopkinton's vision of a viable but substantially smaller industrial/commercial base than surrounding towns. By comparison the communities of Milford and Westborough have wastewater treatment plants of 5 million gpd and 7 million gpd respectively.