



## TOWN OF NANTUCKET

### Sewer Planning Work Group Report to Board of Selectmen May 27, 2015

#### 1. SPWG Background and Policy:

The Sewer Planning Work Group (SPWG) was created by the Board of Selectmen in 2012 to “examine, evaluate and advise” on funding for the revised recommendations for sewer system expansion and to advise on public outreach and education. The SPWG has met regularly since then, reviewing the approach for the updated Comprehensive Wastewater Management Plan (CWMP) analysis and the consultant’s recommendations in the report provided to the Massachusetts Department of Environmental Protection (MA DEP). During this review, the SPWG members sought clarity on the underlying criteria supporting the analysis and recommendations in order to understand the merit of those recommendations. After considerable discussion at meetings both with and without the consultants, the SPWG has adopted the following policy statement:

**Responsible stewardship of Nantucket’s water resources is a responsibility of all and requires that the community take the necessary steps to reduce all sources of resource degradation sooner rather than later. The updated CWMP is based on conclusions from the Nantucket Estuary Reports, as part of the MA Estuary Program (MEP), and the applicable water quality standards. The SPWG concurs that municipal wastewater treatment should be provided for identified “needs areas,” although this finding is based on the clear evidence we all see that our water resources are threatened, rather than the very detailed data in the reports. We concur with the Adaptive Management Plan included in the CWMP update that affords the Town the ability to make changes to the recommended course of action for the identified “needs areas” based on the impacts of other projects (e.g., jetties enhancement), particularly for later-scheduled projects. The SPWG finds that the Town must act to reduce pollutant impacts on our valuable water resources and finds that the Town must invest in expansion of the sewerage system, generally as recommended in the updated CWMP.**

**In addition, other pollutant control measures must be implemented. The Town must develop and implement a septic system management plan with enforceable requirements for proper use, operation and maintenance of septic systems. Implementation of the approved fertilizer management plan must be monitored and enforced. It is recognized that both the septic and the fertilizer management plans will require additional municipal resources for implementation and enforcement and these additional resources must be provided concurrent with any sewer expansions.**

2. Principles for Allocation of Costs of the Sewerage System Expansion:

- a. A written implementation plan is required to provide context and clarity for voters when discussing individual capital projects, and to ensure that the designated allocations are implemented as intended.
- b. The environmental and public health benefits associated with expansion of the sewer system accrue to all Nantucket residents and taxpayers. Extending the sewers will provide a public benefit. Thus, a significant portion of the costs should be raised through the general fund (property taxes).
- c. Property owners will enjoy direct, immediate benefit when sewers are extended to their properties. Thus, a significant portion of the costs for those projects should be raised through betterment assessments.
- d. On-site septic systems are an integral part of all island-wide wastewater treatment, and provide environmental and health benefits for all Nantucket residents and taxpayers when they are properly maintained. The significant costs of installing, maintaining and replacing such systems are borne by the individual property owners, and the level of those costs should be considered in determining the allocation of costs to the tax base since the property owners are also taxpayers. Costs allocated to the general tax base must result in the overall costs for wastewater treatment being equitable for both sewer and septic system users.
- e. The Sewer Enterprise Fund should not pay any portion of the current expansion of the system.
- f. The cost allocation percentages must be the same for all needs areas.
- g. State law requires that betterment charges be calculated using actual costs.
- h. Any special programs to lower costs based on generally accepted affordability criteria must include an enforceable mechanism which creates "permanent" affordability.
- i. The remaining debt service in the Sewer Enterprise Fund related to the Surfside and Sconset Sewer Plants should be recalculated so as to remove the inequities that have placed an unfair burden on the sewer rate payers.

3. SPWG Recommendations:

The SPWG used the above principles to decide on the percentage split between the tax base and the bettered properties. There is no common practice or law which guides this decision. Our recommendations are intended to balance benefits and burdens across our Town recognizing the competing interests of those who are being asked to pay for this very important program.

- a. The issue of cost allocation was one of the most difficult the SPWG addressed. The members debated long and hard on the issues, with support from the Finance and DPW Directors. Ultimately the majority voted for the following allocation:
  - 50% assigned to property bettered
  - 50% assigned to General Fund
- b. Betterment assessments for each needs area should be calculated based on the land values of the properties which will be sewered. The value of conservation land and other parcels

which are not buildable will not be included in the total land value, and there will be no assessment for those properties.

- c. Automatic cost of living adjustments for fees paid when a property is connected to the sewerage system (currently connection, privilege and capacity utilization) should be implemented.
- d. The current Board of Health "Septic Loan Program," which provides 20 year low interest loans for funding septic system replacement and is also available for sewerage connection fees (currently, connection, privilege and capacity utilization), should be continued indefinitely.
- e. Proper operation and maintenance (O&M) of septic systems is also critical to preventing degradation of our water resources. The Town should develop a regulatory program which requires appropriate O&M practices and which regularly communicates with all septic system owners to ensure that those practices are followed.
- f. Septic system users in needs areas who have installed new septic systems within 8 years prior to the betterment assessment should not be required to connect to the sewerage system in less than 5 years, provided the system is maintained consistent with the Town's septic system management plan.
- g. The Town should periodically review the effect these CWMP projects to ensure the financial impacts are equitable, as implemented.

#### 4. Public Outreach:

Property owners and taxpayers should understand the need for an expansion of the sewer system in order to improve and preserve our water resources. There should be an aggressive public outreach program that will explain the program, its benefits and costs with clear and concise information. The foundation for the public outreach campaign must be based on the concept of "fairness." The costs are considerable and will impact every taxpayer and property owner significantly, but will be accepted if all constituents feel they are being treated fairly.

The SPWG will not outline a specific plan for public outreach since it is our understanding that the Town has a consultant to support this effort. We do have recommendations on important elements:

- a. It is important to start communicating with property owners affected by the recommendations and those who will be sharing costs soon. It should be well before the first warrant article at Town Meeting. Public outreach should start as soon as possible and no later than August 1, 2015. A complete schedule should be produced by August 1, 2015.
- b. There must be direct communication with all affected property owners. Meetings with civic associations, while helpful, do not reach all.
- c. Presentations should include CWMP recommendations, rationale for these recommendations, financing options and projected impacts on property owners both inside and outside the sewer districts.
- d. Presenters should be prepared to address the effectiveness and costs of alternatives such as Town-managed tight tanks, innovative/alternative systems, small, cluster systems and decentralized facilities, as well as new technology.
- e. The SPWG found the use of neighborhood names for the needs areas was very confusing. The needs areas "Monomoy" and "Shimmo" are not consistent with the neighborhoods

Monomoy and Shimmo. While MA DEP reportedly will not allow a change of names in the updated CWMP, the public communications which refer to these needs areas must use names that reflect the correct neighborhood locations. The public must have a clear understanding of the geographic impact of the various projects.

- f. The regulatory approach to evaluation of appropriate water quality improvements is complex and highly technical. There will be difficult questions. Experts, Town officials, staff and volunteers must be well-prepared to acknowledge questions from the general public and respond in a manner that is easily understood. The substantive response does not have to convince the public that details of the underlying support for the recommendations are perfect; only that the projects are needed and will contribute to improved water quality.