



TOWN AND COUNTY OF NANTUCKET

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March 9, 2016

RE: Proposed Sewer Extension Projects and 2016 Annual Town Meeting

Dear Property Owner:

At the 2016 Annual Town Meeting (April 2, 2016), the voters will be considering two warrant articles pertaining to a sewer extension project, which is the first of several sewer extension projects recommended in the Town's Comprehensive Wastewater Management Plan Update ("CWMP Update"). This project is two-phased and includes "Nantucket Harbor Shimmo" (formerly called "Monomoy" in the CWMP) and "Plus" (larger neighborhood in-fill areas within or adjacent to the existing Town Sewer District). These areas, identified as "Needs Areas", are defined in the CWMP Update with recommendations for sewerage in order to address the reduction of nitrogen levels in the harbor, ponds and other nutrient and environmentally sensitive areas. You are receiving this letter because your property is included in one of the "Needs Areas" proposed for sewer in the 2016 Annual Town Meeting warrant articles and will likely be assessed a betterment fee.

The Town is conducting a public outreach campaign to bring as much information as possible to all residents of Nantucket before the 2016 Annual Town Meeting. Town staff have been working on all of the administrative details of the planning, funding and financing aspects of the projects so that we continue to bring updated information to the outreach portion. We started this information outreach with a newsletter mailed Town-wide detailing aspects of the projects, which you should have received in February. We are planning to hold and/or participate in a series of meetings throughout March right up to Annual Town Meeting at various venues to continue the outreach to the public. These will be publicized on the Town website and in the newspaper.

We have included a brief history of the wastewater planning efforts, color map of the two project areas and an estimate of project costs herein. If you have any questions or comments, please email us at Sewerproject@nantucket-ma.gov. Answers and/or comments may appear in future volumes of the Wastewater Plan Update newsletter and/or addressed at Board of Selectmen workshop meetings.

We encourage you to come out to meetings, view the sewer web page and welcome your questions and comments. The meetings will be broadcast live on NCTV18 and can be viewed online at <http://nantucket-ma.gov/363/Video-On-Demand>. If you are a member of a homeowners or neighborhood association that would be interested in meeting with us to review the project(s), please let us know -- we are more than happy to meet and discuss the project details.

Very truly yours,

C. Elizabeth Gibson
Town Manager

Enclosure



**Proposed Town Sewer Project: Nantucket Harbor Shimmo, “Plus” Needs Areas
for
Articles 18 and 19 of April 2, 2016 Annual Town Meeting**

Background

Nantucket began its Comprehensive Wastewater Management Planning (CWMP) in 2000. The first part of the CWMP was completed in 2004 and included a Town-wide wastewater management plan that identified areas of the Island that were not sustainable long-term with on-site wastewater (septic) systems. Data reviewed at that time concluded that Board of Health records for Title 5 failures, major repairs, multiple system pumping, soils and groundwater conditions and potential impacts of on-site systems to environmental resources, showed multiple areas needed to eliminate septic systems as the primary wastewater systems.

When we began the CWMP in 2000, there was no knowledge of the issues that would be encountered in future years due to nitrogen enrichment to the water resources, and the 2004 CWMP recommendations were made based on the information described above. The Commonwealth of Massachusetts then introduced the Massachusetts Estuaries Project (MEP), which looked at the problem of nitrogen pollution from various sources. Nantucket’s MEP Reports (Nantucket and Polpis Harbors, Madaket Harbor, Long Pond, Sesachacha Pond and Hummock Pond) identified nitrogen as the largest contributor of pollution to the water resources examined, with septic systems as the largest source. The state, in coordination with the federal government, mandated that Nantucket update its 2004 CWMP to include solutions to the nitrogen pollution in the MEP areas. ***The Clean Water Act, both federal and state versions, mandate that the polluting of the waters of the Commonwealth be eliminated.***

Following the completion of the MEP reports, the state issued multiple Total Maximum Daily Loads (TMDL), (which is a regulatory term in the Clean Water Act, describing a value of the maximum amount of a pollutant that a body of water can receive while still meeting water quality standards) to the Town that mandates us to reduce and or eliminate this pollution. In 2012, we initiated an update to the CWMP to address the MEP results. The Update, as required by the state, provides recommendations to meet the state mandated TMDLs with a 20-year planning process using a varied group of locally controllable solutions including sewerage, fertilizer reduction, storm water management and increased ocean flushing such as the Jetties

reconstruction and pond openings. Articles 18 and 19 on 2016 Annual Town Meeting warrant are the initial steps in implementing these recommendations.

Proposed Funding of the Sewer Extension Projects

The State Revolving Fund (SRF) Loan Program, administered by the Massachusetts Department of Environmental Protection (MassDEP), provides a low (or zero percent) interest loan to municipalities with eligible water quality projects that are primarily for pollutant reduction. The two-phased sewer project on the 2016 Annual Town Meeting warrant is a proposed nutrient removal project and thus qualifies us for the zero percent loan program (under special legislation filed to address nutrient pollution).

SRF loans are payable over 30-years at zero percent interest. All SRF loans cover the construction costs, but do not cover design costs -- the Town must bond these separately. The Town has applied for and received approval of its SRF application for the project on the 2016 Town Meeting Warrant. With SRF covering the construction costs, the capital recovery of these and the ineligible design costs (Town paid) are proposed through a combination of betterment assessments to the property owners and the general tax base (all taxpayers).

The betterments are to be assessed to all parcels that will be “bettered” or receive benefit by the extension of municipal sewer. The Town is proposing to issue betterments under Massachusetts General Laws Chapter 80 and 83, which allow the Town to construct and maintain sewers for public health and convenience and assess the cost to those receiving the benefit. If your property is located within the proposed sewer service area as defined below, you will likely be assessed a betterment fee. We have prepared a cost estimate of all costs as a result of implementing these two projects and included it on the back of the enclosed map.

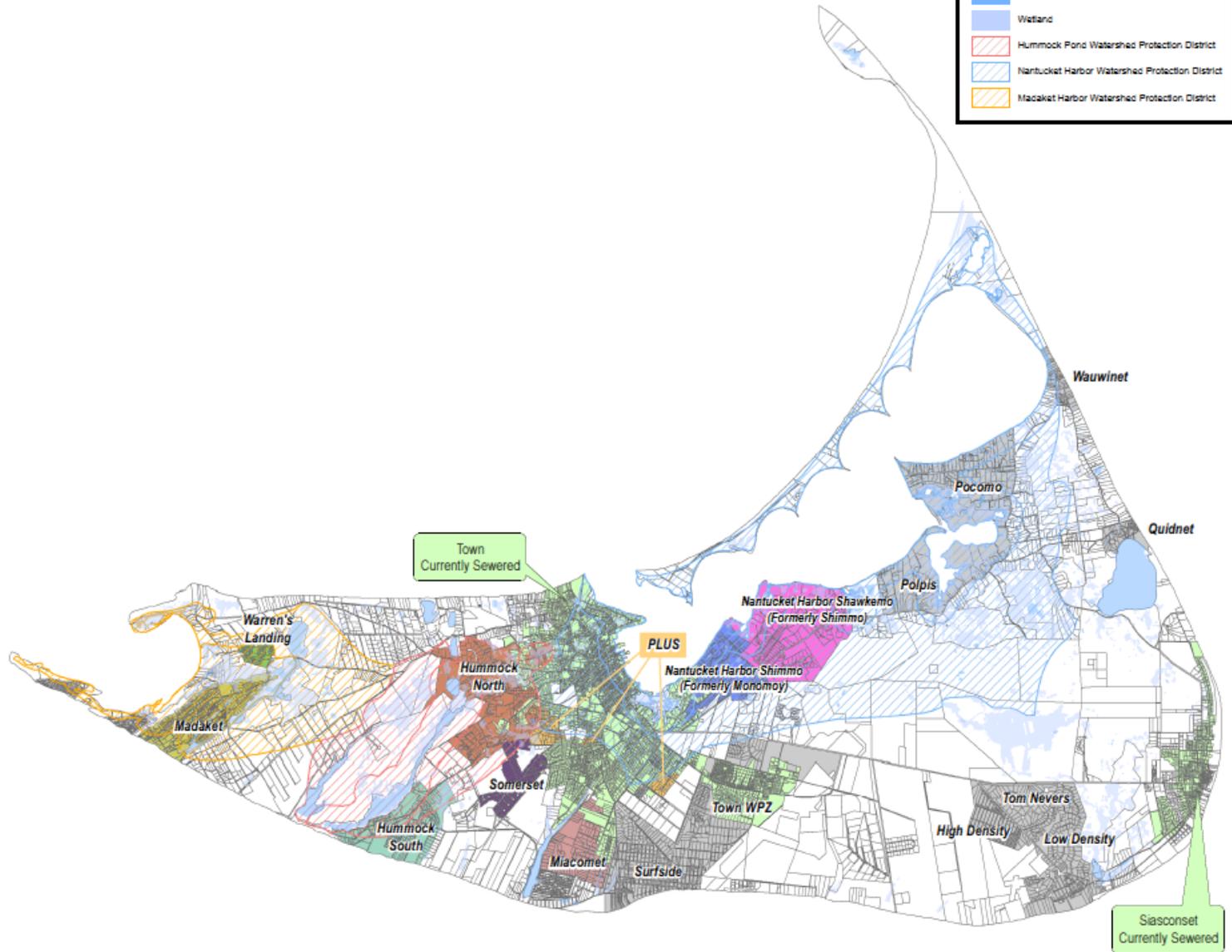
The enclosed color map shows the geographic locations of these areas. Wastewater from these areas will be collected, transported and treated at the Town’s Surfside Wastewater Treatment Facility.

If you have additional questions, please go to the Town’s web page at <http://www.nantucket-ma.gov/719/Sewer> for Frequently Asked Questions (FAQs) as you may find your answer covered here. If you have a specific question, please email us at sewerproject@nantucket-ma.gov.



Legend

- Pond
- Wetland
- Hummock Pond Watershed Protection District
- Nantucket Harbor Watershed Protection District
- Madaket Harbor Watershed Protection District



**COMPREHENSIVE WASTEWATER
MANAGEMENT PLAN UPDATE
TOWN OF NANTUCKET, MA**

NEEDS AREAS



SCALE: 1 inch = 8,000 feet DOC: NeedsAreas.MXD
DATE: REV JAN 2018 JOB NO.: 225139
DRAWN BY: JSM & RTB SOURCE: MassGIS & Town

**ESTIMATED CAPITAL COST RECOVERY PLAN – FUNDING & FINANCING PLAN
NANTUCKET HARBOR SHIMMO & “Plus” NEEDS AREAS
ESTIMATES OF CAPITAL COSTS, TAX INCREASE AND PRIVATE PROPERTY COSTS
As of March 9, 2016**

ESTIMATED BETTERMENTS

<i>Needs Area</i>	<i>Design Costs</i>	<i>Construction Cost</i>	<i>Total Estimated Capital Costs</i>	<i>Total Estimated Betterment*</i>	<i>Estimated Monthly Betterment to Property Owner**</i>
Nantucket Harbor Shimmo	\$2,782,916	\$25,046,246	\$27,829,162	\$30,450	\$90.12
“Plus”	\$1,309,821	\$11,788,385	\$13,098,206	\$17,700	\$52.17

**Proposed with Town paying 75 percent and property owner paying 25 percent*

***25 Percent of overall betterment financed over 30 years*

ESTIMATED TAX INCREASE

This is the 75 percent apportionment of the overall project cost

<i>Needs Area</i>	<i>Estimated Annual Cost Impact – Average Assessment of \$1,784,378</i>	<i>Estimated Annual Cost Impact – Average Assessment Year Round residential \$1,144,544</i>
Nantucket Harbor Shimmo	\$66.55	\$42.69
“Plus”	\$31.32	\$20.09

PRIVATE PROPERTY COSTS¹

These are the costs to connect the physical property to the public sewer. Some of these are extremely variable and site specific, i.e. a house that is 300 feet off the road will be more expensive due to the length of pipe needed to connect the house to the sewer stub in the street.

<i>Connection to Sewer including permitting, excavation, abandonment of septic system</i>	<i>Landscaping/Restoration</i>	<i>Sewer Connection Fee**</i>	<i>Sewer User Fee – cost to maintain island-wide sewer system - similar to water use fee</i>	<i>Privilege Fee***</i>	<i>Potential Electrical & Plumbing Costs – if adjustments needed inside of property</i>
Average \$4,000*	Varies depending on extent of landscaping	\$500	\$1,200 per year (average)	\$6,322	Varies

¹ Refer to the Board of Health website for financing options available at <http://www.nantucket-ma.gov/303/Septic-Management>

* Average local cost varies based on extent of pipe, excavation, location of connection to public way. Local source quoted \$4,000 as base average.

**For Nantucket Harbor Shimmo and “Plus” Needs Areas

***The Privilege Fee is the set cost to offset the Surfside WWTF Upgrades passed in 2005/2006