

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.