

Appendix 10.1: 2014 LPSSA Public Information Documents

- Little Pond Meeting 8-21

Little Pond Wastewater Informational Meeting

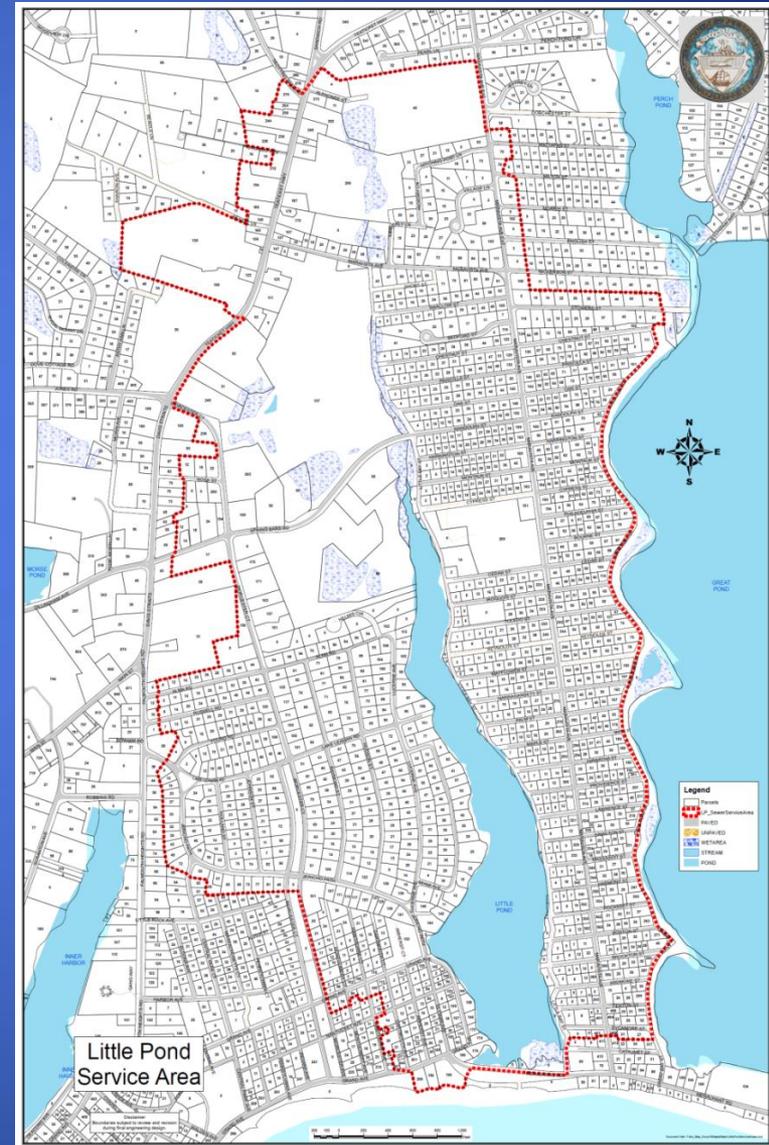
August 21, 2014

History of Falmouth's Comprehensive Wastewater Management Plan

- Planning for sewers in the Falmouth Heights and Maravista area began in the 1980's
- October 2013, Board of Selectmen unanimously approve a Final Comprehensive Wastewater Management Plan (CWMP) and submit to the state
- April 2014 Town Meeting and May 2014 Ballot Vote approved \$49,820,000 in bonding for: Little Pond Sewering Project (\$39.5 M); Bournes Pond Inlet Widening (\$5.22 M) ; Treatment Plant Upgrades (\$4.4 M); Woods Hole Infiltration/Inflow Project (\$700,000)

Little Pond Sewer Service Area

- 1279 Single family residential parcels (66% second homes and rentals)
- 201 Commercial/Multi-family/Vacant/Senior Housing/Other parcels
- Owners of vacant parcel must determine if parcel is buildable. Please do not rely on assessors records, seek professional advice



Alternatives Considered for Little Pond

Total Maximum Daily Load (TMDL) requires that 100% of the controllable nitrogen be removed

Sewering achieves 88% of the required nitrogen removal

The Falmouth Plan includes alternatives for the remaining 12%

- **Shellfish Aquaculture**
- **Eco-Toilets**
- **Fertilizer Control**
- **Inlet Widening**

What is a Betterment?

- Massachusetts General Laws allows communities to charge property owners a “betterment assessment” if a road, water main or sewer is built to serve a property thereby improving or “bettering” the property.
- Up front, the Town pays the cost of the improvement by bonding construction of the project, and then, after the final costs of the project are known, recovers some percentage (Little Pond Sewer Service Area: 70%) of that cost by charging the “betterment assessment”.
- In legal terms, a “betterment assessment” is a lien on the property. It can be paid all at once or over payback period voted by Selectmen. If the property is sold, or the estate settled, any remaining balance must be paid.

Estimated Betterment Cost

Estimated cost of sewerage for each residential unit in the Little Pond Sewer service area is \$25,625. Town Meeting approved the Town paying 30% of this cost, leaving an estimated \$17,938 to be paid by the property owner through a betterment fee.

Betterment with 0% Percent Interest:

20 yr. payback period @ 0% interest = \$897/yr.

30 yr. payback period @ 0% interest = \$598/yr.

Betterment with 2% Percent Interest:

20 yr. payback period @ 2% interest = \$1091/yr.

30 yr. payback period @ 2% interest = \$804/yr.

Estimated date of first payment: 2017-2018

Schedule for Next Steps

- **October 15, 2014:** State Revolving Fund (SRF) applications submitted
- **Winter 2014 - 2015:** Following notification of SRF decision on interest rate, Board of Selectmen vote betterment interest rate and payback period
- **Winter 2014 - 2015:** Betterment Hearing
 - Property owners notified by Certified Mail
- **Spring 2015:** Construction begins
- **2017:** Final Betterment Cost determined after project completion
- **Estimated date of first payment: 2017-2018**



Financial Help to Homeowners

- **Special Legislation**
- **Full deferral of betterment payments**
- **Property Tax Exemption**
- **Senior Circuit Breaker Tax Credit**
- **State Income Tax Credit**
- **Community Septic Management Loan Program**
- **Eco-toilet Exemption**

Low Pressure Systems

- Collection System Design
- Combined low pressure and gravity systems are widely used in Massachusetts

Questions/Comments



Thank You

Appendix 10.1: 2014 LPSSA Public Information Documents

- Handout March 8

Support for Falmouth's Comprehensive Wastewater Management Plan (CWMP)

- **April 2011 Town Meeting** - Passage of Article 17: Funding for Lower Little Pond Sewer and Alternative Demonstration Projects
- **May 2011 ballot vote** - Voters approve funding for Article 17 by a 2-1 margin, passed in every precinct
- **August 2012** - Board of Selectmen unanimously approved Draft Comprehensive Wastewater Management Plan (DCWMP)
- **November 2012** - Secretary of Energy and Environmental Affairs (EOEEA) found DCWMP "adequate"
- **April 2013 Town Meeting** – Passage of bonding for design and permitting of Lower Little Pond collection system, inlet widening, and other town infrastructure projects.
- **May 2013 ballot vote** – Voters approved this bonding by a 58% to 42% margin
- **November, 2013** – Town Meeting Passed the following Articles:
 - Flow Neutral Bylaw for Little Pond Sewer Service Area
 - Special Act - Reducing Costs to Property Owners in New Sewer Service Areas
 - Eco-toilet Exemption in Little Pond Sewer Service Area
- **January 10, 2014** - Final CWMP declared "adequate" by Secretary of EOEEA
- **February 28, 2014** – Development of Regional Impact approval from Cape Cod Commission

Why are we sewerage the Lower Little Pond watershed?

- Little Pond is the town's most degraded estuary, in the most densely populated part of town
- History of fish kills and odor
- Very small lots (5000 square feet or less), many with cesspools that cannot meet Title 5
- 2001 Wastewater Plan and 2007 Needs Assessment identified this area as having high potential for failed septic systems
- Massachusetts Estuaries Project shows that 100% of the controllable nitrogen from the lower watershed must be removed to restore water quality from 0.84 mg/L to 0.45 mg/L

Profile of Little Pond Sewer Service Area

- Approximately 1450 parcels
- Approximately 1274 single family homes (88% residential)
- 66% (841) second homes/rental
- 34% (433) owner-occupied principal residences
- Water use of year-round and seasonal properties is very similar

For more information, see Water Quality Management Committee website:

<http://www.falmouthmass.us/depart.php?depkey=waterq>

Financial Help for Homeowners

1. **One-time hook-up costs:** Barnstable County Department of Health & Environment's **Community Septic Management Loan Program**. Spread hook-up costs over 20 years at 5% interest. Contact: Kendall Ayers at kayers@barnstablecounty.org www.barnstablecountysepticloan.org
2. **Full deferral of betterment payments:** Under Massachusetts law, homeowners 65 years or older residing in their domicile with less than \$40,000 in annual income (gross receipts) can defer betterment payments until the sale of the house or settlement of their estate. 8% interest and other criteria also apply. Contact: Falmouth Town Hall, Assessors Department
3. **Property tax + betterments + 50% of water and sewer charges:** Senior Circuit Breaker Property Tax Credit for persons over 65 whose expenses exceed 10% of their yearly income up to certain limits. Contact: massresources.org/circuit-breaker-tax-credit.html or your tax advisor.
4. **Special Legislation:** will allow for betterments to be paid over **30 years** instead of 20 years, at 0% interest instead of 2% or higher, in equal amounts [like a mortgage] instead of descending amounts, and in quarterly payments with the regular tax bill instead of once a year.

**The Little Pond project is funded by new debt replacing old debt.
There is NO increase in the tax levy.**

**Estimated 100% Betterment for the Little Pond Sewer Service Area
= \$25,625 per residential property**

April 2014 Town Meeting:

Article 27 will decide what percentage will be paid by the property owner

50% option = \$12,812 70% option = \$17,938

Betterment Hearing in 2015: property owners will be notified by Certified Mail

**Actual betterment is determined AFTER construction is completed in 2017-18,
but the amount cannot exceed the cost presented at the Betterment Hearing**

ESTIMATED ANNUALIZED COSTS FOR LITTLE POND PROJECT PER HOUSEHOLD

Summary of Estimated Costs	Annualized Avoided Costs	Annualized Sewer Costs
Pump out: every three years @ \$300	\$100	na
New leach field: every 20 years @ 5% (\$10,000)	\$800	na
One-time hook up: 20 years @ 5% (\$2500 - \$4000)	na	\$200 - \$325
Electricity for grinder pumps:	na	\$25
Sewer usage charge:	na	\$300
Subtotal without Betterment:	\$900	\$525 - \$650
Total with \$427: 50% betterment @ 0% for 30 years		\$952 - \$1077
Total with \$598: 70% betterment @ 0% for 30 years		\$1123 - \$1248

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- Betterments Memo

WATER QUALITY MANAGEMENT COMMITTEE

Little Pond Sewer Service Area Betterment Study February 20, 2014

Charge of the Board of Selectmen, voted January 16, 2014:

“To refer the betterment cost share for the Little Pond Sewer Service Area to the Water Quality Management Committee for recommendations to the Board of Selectmen”

- 1. What is a “betterment”?**
- 2. Why are the Selectmen and Town Meeting talking about betterments now?**
- 3. Why sewer the Lower Little Pond watershed?**
- 4. What is the profile of properties and owners in the proposed sewer service area?**
- 5. What are the benefits to the Town and to the property owner?**
- 6. What expenses are avoided by property owners when the area is sewered?**
- 7. What expenses are incurred by property owners when the area is sewered?**
- 8. What help is available to low income property owners and seniors?**
- 9. What is the history of sewer betterments in Falmouth?**
- 10. Assumptions involved in determining betterments in the Little Pond Sewer Service Area:
0%, 25%, 50%, 70%, 100%**
- 11. Betterment options for the Board of Selectmen and Town Meeting**

**Attachments: Map of Little Pond Sewer Service Area
1984 Sewer Equivalent Unit Policy**

1. What is a “betterment”?

- Massachusetts law allows communities to charge property owners a “betterment” fee if a road, water main or sewer is built in front of their property thereby improving or “bettering” the property.
- Up front, the Town pays for all the design and construction costs of the project by bonding or borrowing, and then, after the final costs of the project are known, recovers some percentage of that cost by charging the “betterment” fee.
- In legal terms, a “betterment” is a lien on the property. It can be paid all at once or over the time of the betterment. If the property is sold, any remaining balance is paid at the closing.

2. Why are the Selectmen and Town Meeting discussing “betterments” now?

- The Massachusetts Secretary of Environmental Affairs has approved Falmouth’s Comprehensive Wastewater Management Plan [CWMP] that includes extending the sewer collection system to the lower Little Pond watershed.
- Town Meeting Members in April and the voters in May will vote on the construction funding for the Little Pond project along with other important town projects.
- Construction of the wastewater projects will NOT raise the tax levy. New debt is replacing old debt.
- Property owners within the Sewer Service Area [SSA] will want to know *approximately* how much the sewer project will cost them if a betterment is assessed. This study assembles relevant information to answer that question.

3. Why sewer the Lower Little Pond watershed?

- This is the most densely populated part of Town, and is near build-out.
- Little Pond is the most degraded of all Falmouth’s estuaries. (Current nitrogen concentration in Little Pond is 0.84 mg/L; target concentration to restore the estuary is 0.45 mg/L). Massachusetts Estuaries Project (MEP) report concluded that 100% of the controllable nitrogen from the lower Little Pond watershed must be removed to restore Little Pond to health.
- The lots are very small, so that septic repairs are difficult to site.
- Many lots still have cesspools and can’t meet current Title V requirements
- This part of town was supposed to be sewered as “Phase 2” of the Town’s 1983 plan.

4. What is the profile of properties and property owners in the Little Pond area?

- Number and size of lots: approximately 1,450 lots, most 5,000 sq. ft. or less
- Single family homes: 1,274
- Owner occupied primary residences: 433 (34%)
- Second homes and rentals: 841 (66%)
- Owner occupied primary resident over age 65: 173 (40% based on 2010 census)

5. What are the benefits to the Town and to the property owner?

Benefits to Town of sewerage lower Little Pond watershed:

cleaner estuary, no fish kills, odor reduction, improved shellfishing, improved recreation and tourism, potential for property value improvements, expansion projects provide up to 4 bedrooms by right, jobs for local building trades.

Benefits to property owners of sewerage lower Little Pond watershed:

No more septic pumpouts, no repair or replacement of cesspools or leaching fields, can add bedrooms (expansion up to 4 bedrooms allowed by right) and garages to homes—higher property values.

6. What costs are avoided by property owners when the area is sewerage?

- Pump out every 2-3 years @ \$300 **\$100/yr**
 - New leaching field every 20 years @ \$10,000* **\$800/yr**
- *Assumes borrowing full amount from Barnstable County loan program for 20 years @ 5% interest*

7. What costs are incurred by property owners when the area is sewerage?

- One-time hook-up costs*: \$2,500 (minimum) - \$4000 **\$200-\$325/yr**
Unusual site conditions, reversing plumbing, electrical panel, etc. could increase costs up to \$4,000
**Assumes borrowing full amount from Barnstable County loan program for 20 years @ 5% interest*
- Electricity (only homes connected to low pressure grinder pumps): **\$25/yr**
- Total average annual sewer charge to homeowner: **\$300/yr**

NOTE: Total average annual sewer charge is based on water usage; MEP documented average residential flow is 102 gal/household/day Sewer Charge is \$6.10/750 gallons.

Table 7.

Summary of Estimated Costs	Annualized Avoided Costs	Annualized Sewer Costs
Pump out: every 3 years @ \$300	\$100	0
New leach field: every 20 years @ 5% (\$10,000)	\$800	0
One-time hook up: 20yrs @ 5% (\$2500 to \$4000)	0	\$200 - \$325
Electricity for grinder pumps	0	\$25
Sewer usage charge/year	0	\$300
TOTAL COST: (WITHOUT BETTERMENT)	\$900	\$525 - \$650

8. What help is available for low income elderly homeowners in sewer service area?

- Homeowners over 65 can claim a Circuit Breaker Tax Credit for property tax payments – including betterments, and 50% of water and sewer charges – that exceed 10% of their yearly income up to certain limits. For tax information go to mass.gov/dor/seniors or massresources.org/circuit-breaker-tax-credit.html.
- Deferral of Betterment Payments: Under Massachusetts law, homeowners 65 years or older residing in their domicile with less than \$40,000 in annual income (gross receipts) can defer betterment payments until the sale of the house or settlement of their estate. 8% interest and other criteria also apply.

9. What is the history of sewer betterments in Falmouth?

1981	Falmouth Village Sewer:	45% property owner/55% Town
1997	New Silver Beach Sewer:	100% property owner/0% Town
2006	New Silver Beach changed to:	70% property owner/30% Town

In 33 years, three different decisions for assessing betterments.

10. Assumptions involved in determining betterments for the Little Pond SSA.

- That the town will receive a 0% State Revolving Fund loan for the project
- That the legislature will pass the Special Act (S. 1939) voted by 2013 Town Meeting that allows for the town to charge the same interest on betterments that the town pays for borrowing; allows betterment payments to be made in equal amounts for the life of the loan (like a mortgage); allows payments to be spread out over 30 years, and to be paid quarterly with the real estate tax bill
- That the Board of Selectmen will exercise options such as 0% interest allowed by the Special Act (S. 1939)
- A policy regarding commercial betterments was voted by the Town’s Sewer Commissioners in 1984. Under this policy, the Town apportions betterments by Sewer Equivalent Units (SEU’s). This policy was used as a tool to determine a number of Sewer Equivalent Units in the Little Pond Sewer Service Area for planning purposes. The Board of Selectmen, as the Sewer Commissioners, may want to review this policy.

11. Betterment options for the Board of Selectmen and Town Meeting

Estimates: the following calculations are based on the best available information on costs. **The actual betterment will be assessed after costs are known and a Betterment Hearing has been held by the Board of Selectmen with all property owners within the Sewer Service Area notified by Certified Mail.** Timeframe: about 1 year from now.

There are three key components to calculating a betterment:

- What is the capital cost of the construction project, including design costs?
- How many Sewer Equivalent Units are there within the Sewer Service Area?
- What percent of that capital cost should be paid back to the Town, over time, by the 'bettered' properties?

A. Capital cost component:

Total Capital Cost with Contingency [in July 2016 dollars, Table 4-6 of CWMP] for Little Pond Sewer Service Area Collection System: **\$41,000,000**

B. Sewer Equivalent Units – DPW Policy voted in 1984:

Based on a detailed analysis of residential & commercial properties, there are **1600** Sewer Equivalent Units in the Little Pond Sewer Service Area

$$\$41,000,000 / 1600 \text{ SEU} = \text{\$25,625 per SEU}$$

C. Percent Component:

Assume a 0% interest rate (due to 0% SRF loan) with level payments, as allowed by the Special Act voted by Town Meeting (S. 1939)

Percent of Total Project Cost	Total Owed per SEU	Annual Cost if Paid over 30 years*	Annual Cost if Paid over 20 years*	Total Dollars Reimbursed to Town
0%	0	0	0	0
25%	\$ 6,406	\$214	\$320	\$10.2M
50%	\$12,812	\$427	\$640	\$20.5M
70%	\$17,938	\$598	\$897	\$28.7M
100%	\$25,625	\$854	\$1281	\$41.0M

**Does not include costs listed in Table 7 (page 3)*