

MINUTES
BOARD OF SELECTMEN
Saturday, March 30, 2013 10:00AM

REVISED

Location: Earle Mountain Room

Present: Selectman Aimee J. Eckman, Chair; Selectman John F. Knight, Vice-Chair; Selectman Wallace F. Adams, Clerk; Selectman Linda S. Burt; Selectman Martin F. McDonald; Sheila Vanderhoef, Town Administrator, Assistant Town Administrator Nan Balmer

Also Present: Jeffery H. Davis, DBA Organization Renewal Associates

The meeting was called to order at 10:00am.

Municipal Water Discussion

Mr. Jeffery H. Davis, DBA Organization Renewal Associates, was present and acted as Moderator Facilitator of the meeting, as contracted by the Town to do so.

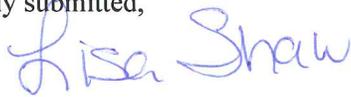
The Board of Selectmen were present to discuss and answer questions of the public as to Why a Municipal Water System Financing and Operation.

The powerpoint presentation and the list of questions asked by the public at this meeting are attached to these minutes.

ADJOURNMENT

The meeting was adjourned at 11:10am.

Respectfully submitted,



Lisa Shaw

QUESTIONS FROM THE WATER MEETING TOWN HALL MARCH 30, 2013

1. Is a town wide system more efficient and economical to install than a partial, piece-meal, system?
2. As of this date, today, now what is the projected overall cost of this Eastham's municipal water project? Does it exceed the original cost projection of \$111,000,000?
3. As an example, it would be interesting to know the approximate cost of water for a house worth \$500,000. Ed Sabin 130 Aquinnah Road
4. What are the specific formal education credentials of each of the panel members that permit them to present themselves as experts in the fields of public health, water safety, and engineering?
5. Would residents on private roads have an opportunity to hook up to town water?
6. If municipal water is approved by Town Meeting, what is the projected date that construction will begin? Considering the above, what would be the approximate date that municipal water would flow into the first constructed area of town?

FINANCING & OPERATING THE WATER SYSTEM

HOW MUCH WILL IT COST ME AND WHO WILL DO IT

AGENDA

- TOWN MEETING ARTICLE
- PROJECTED COST
- BONDING/PHASING SCHEDULE
- MEDIAN HOUSE AND TAX IMPACT
- OPERATIONS
- COSTS/SAVINGS
- IS PROJECT ASSISTANCE AVAILABLE?

ARTICLE 7

- To ord if the Town will seek to establish a town-wide water supply and water distribution system pursuant to Section 23A of Chapter 40A of the General Laws; and
- to appropriate the sum of \$114,800,000 for expenditures such as grants for the Town, including, without limitation, the taking or purchase of water sources or water or sewage rights, the taking of purchase of land or easements for the water system or for any portion of the water system, the construction and development of works, the construction of water towers, the construction of buildings for water treatment and pumping stations, the laying and relaying of water mains, the purchase and installation of water meters, fire hydrants and other water department equipment and design and engineering and other such technical, financial, legal, auditing, without limitation all costs thereof as defined in Section 1 of Chapter 27C of the General Laws; and
- that to meet this appropriation the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$114,800,000 and issue bonds or notes therefor under Chapter 44 of the General Laws under Chapter 27C of the General Laws and provided Treasurer, that of \$56,400,000 shall be distributed upon the passage of said ordinance under Massachusetts General Laws Chapter 59, Section 27C (proposition 2) to 20-20-2020; and
- that the Treasurer with the approval of the Board of Selectmen is authorized to borrow \$114,800,000 in the form of such amounts from the Massachusetts Water Pollution Abatement Trust established pursuant to Chapter 27C and in accordance therewith to enter into a loan agreement and/or security agreement with the Town and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loan and for any interest or other all available for the project or for the financing thereof; and

ARTICLE 7 (CON'T)

- that the Board of Selectmen is authorized to enter into a project regulatory agreement with the Department of Environmental Protection, to proceed all funds available for the project and to take any other action necessary to carry out the project;
- provided further that, pursuant to General Laws Chapter 40, Section 23A, the Board of Selectmen is hereby authorized to act as water commissioners and to exercise all of the powers of water commissioners pursuant to General Laws Chapter 40, Section 23B; and
- provided further that the Town hereby adopts the provisions of General Laws Chapter 40, Sections 23A through 23E and Chapter 40, Section 23F to authorize the collection of water rates and to permit the deferral of payment of water rates charges by certain homeownere/occupiers; and
- provided further, to authorize the Selectmen to petition the General Court to enact legislation as may be needed to permit the Town to exercise privilege fees, exercise a water easement, fund and take other actions as may be necessary, assigned to Water Commissioners, and further provided that any General Court may make any statute or statute changes of form only to the bill submitted by the Selectmen, and such other amendments to the bill submitted, as the Selectmen may approve before enactment by the General Court, and to authorize the Selectmen to approve amendments which shall be within the scope of the general public objectives of this petition on one any action relative thereto.

TOWN WIDE SYSTEM COST

• \$114,800,000 M

BOND TERM 20 YEARS

BONDS ISSUED PER PHASE

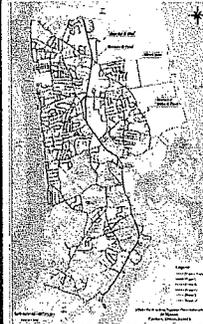
- PHASE 1 \$40.8m
• INCLUDES ONE TANK, WELL DEVELOPMENT, PIPES AND 2056 PROPERTIES, (80% OF COMMERCIAL)
- PHASE 2 \$15.5m
• INCLUDES 1,036 PROPERTIES
- PHASE 3 \$19.9m
• INCLUDES \$1,049 PROPERTIES AND ONE TANK

BONDS ISSUED PER PHASE

- PHASE 4 \$16.3m
• INCLUDES 915 PROPERTIES
- PHASE 5 \$18.2m
• INCLUDES 1,316 PROPERTIES
- PHASE 6 \$4.1m
• INCLUDES 274 PROPERTIES, PLUS NATIONAL SEASHORE BEACHES

Town-Wide Water System

Six phases of construction



TAX IMPACT

- ANNUAL TAX IMPACT PER THOUSAND \$ ASSESSED VALUE PER YEAR VARIES
- AVERAGE ANNUAL \$1.54
- PER THOUSAND \$ ASSESSED VALUE

TAX IMPACT MEDIAN HOUSE 400K

- TOTAL TAX IMPACT (29 YEARS) **\$17,875**
- AVERAGE ANNUAL TAX IMPACT **\$616**
- AVERAGE MONTHLY TAX IMPACT **\$52**

ESTIMATED 400K MEDIAN HOUSE TAX IMPACT

| | BUDGET | TRG | BILETAN |
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| | 2008 | \$ 1,100,000 | 9507 |
| | 2009 | \$ 1,100,000 | 9507 |
| | 2010 | \$ 1,100,000 | 9507 |
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TOTAL AVERAGE
\$17,875

ANNUAL AVERAGE
\$616

MONTHLY AVERAGE
\$52

TAX IMPACT HOUSE 300K

- TOTAL TAX IMPACT (29 YEARS) **\$13,406**
- AVERAGE ANNUAL TAX IMPACT **\$462**
- AVERAGE MONTHLY TAX IMPACT **\$39**

TAX IMPACT HOUSE 500K

- TOTAL TAX IMPACT (29 YEARS) **\$22,343**
- AVERAGE ANNUAL TAX IMPACT **\$770**
- AVERAGE MONTHLY TAX IMPACT **\$64**

TAX IMPACT CALCULATOR

- ONLINE CALCULATOR AVAILABLE APRIL 1

SYSTEM OPERATIONS

- WHO/HOW/COST
 - PRIVATE SYSTEM OPERATOR
 - ON CONTRACT WHO WILL REPAIR, MAINTAIN, BILL, AND COLLECT FEES
 - HOW CHOSEN
 - COMPETITIVE BID PROCESS AS REQUIRED BY STATE LAW
 - COST TO TOWN
 - ESTIMATED BASED ON PROJECTED NUMBER OF USERS AT BUILD OUT 2026 - 1 MILLION ANNUALLY

POTENTIAL SAVINGS & BENEFITS

- WATER AVAILABLE DURING POWER OUTAGES
- ELIMINATION OF IN HOUSE TREATMENT SYSTEMS
 - BALANCED PH FOR LONGER PIPE LIFE
 - NO IRON BACTERIA/STAINS
- ELIMINATION OF PRIVATE WELL MAINTENANCE/OPERATION EXPENSE

POTENTIAL SAVINGS & BENEFITS

AVERAGE POTENTIAL INSURANCE SAVINGS BASED ON SPECIFICS OF CARRIER AND COVERAGE

- "tax deductible for itemizers--precise savings depends on your marginal tax bracket. Under current law it ranges from 10% to 39.6%"

POTENTIAL SAVINGS & BENEFITS

- HIGHEST WATER QUALITY STANDARD THRU MANDATED PUBLIC WATER SUPPLY TESTING
- PRESERVATION AND STABILIZATION OF PROPERTY VALUES

OTHERS COSTS

- AVERAGE WATER BILL (RES) \$250
- HOME HOOK FROM STREET TO RES \$12-\$16/PER FOOT FOR TRENCHED INSTALLATION
- IN HOUSE CONNECTION COSTS WILL VARY BASED ON COMPLEXITY (EST SIMPLE \$250)

IS PROJECT ASSISTANCE AVAILABLE?

- GRANTS/LOW OR REDUCED INTEREST LOANS
 - UNITED STATES DEPARTMENT OF AGRICULTURE CLEAN WATER REVOLVING LOAN/GRANT (USDA)
 - STATE REVOLVING LOAN FUND (SRF)
 - ENVIRONMENTAL PROTECTION AGENCY (EPA) TECHNICAL ASSISTANCE

TAXPAYER ASSISTANCE

- EXEMPTIONS
- DEFERRALS
- PAYMENT ASSISTANCE

EXEMPTIONS

- STATE STATUTE SETS MAXIMUM AMOUNTS FOR CERTAIN ELIGIBLE TAXPAYERS
- ELIGIBLE TAXPAYERS:
 - SERVICE CONNECTED DISABILITY
 - BLIND
 - AGE 65 WITH INCOME FROM ALL SOURCES LESS THAN \$40,000

DEFERRALS

- STATE STATUTE ALLOWS FOR DEFERRAL OF TAX
- (CLAUSE 41A)
- ELIGIBILITY REQ:
 - AGE 65
 - INCOME (LESS THAN \$40,000 FOR TWO) UNDER CIRCUMSTANCES (CLAUSE 41A)

TAXPAYER ASSISTANCE

- NO KNOWN PROGRAMS FOR ALL AGE RANGES FOR TAX PAYMENT ASSISTANCE.