

# TOWN OF HARVARD

## TOWN CENTER SEWER ACTION GROUP

A Sub-Committee of The Harvard Board of Selectmen



### **Recommended Policy Principles and Financial Circuit Breakers**

#### **Betterment Assessments for Capital Cost Recovery**

The capital costs of construction of the waste water treatment collection infrastructure will be recovered by a betterment assessment charged to all properties that are adjacent to the sewer collection pipes. The betterment assessments will be determined by dividing the total costs by the number of "sewer units" served in the district. Individual assessments will be the cost per sewer unit times the number of sewer units attributable to that property.

Municipal properties to be served by the system will share a cost that is directly comparable to private betterment fees and represents their share of the capital cost. Existing municipal connections to the schools and library will not be charged any new capital costs.

Betterment fees will be consistently calculated within property classes: single family dwelling, municipal, commercial, church, multi-family dwelling.

Single Family Dwelling = 1 sewer unit

Multi-Family Dwelling = the total for all dwelling units based on the following: each 1 or 2 bedroom dwelling unit = 0.67 sewer units, each dwelling unit with 3 or more bedrooms = 1 sewer unit

Church = 0.7125 sewer units per 100 seats

Commercial = square footage/4000 or 1 sewer unit, which ever is greater

Municipal buildings are as follows:

Town Hall = 1.56 sewer units

Fire House = 1.08 sewer units

Hildreth House = 0.78 sewer units

Old Library = 0.81 sewer units

All betterment assessments not paid in full within 30 days will be apportioned over time (20 to 30 year period) and a lien placed on the subject property to secure repayment.

### **Capital Cost Allocation**

No costs of existing infrastructure (existing plant and infrastructure) will be incorporated into any betterment assessments.

One third of the projected capital costs for waste water treatment plant upgrades (\$188,463) are associated with and will be required when adding additional users to the system and will be added to collection infrastructure costs.

Two thirds of the projected capital costs for waste water treatment plant upgrades (\$382,637) are associated with and will be required to address operational issues with the existing waste water treatment plant. These are costs the town would bear, whether or not a sewer district is created and will be the responsibility of the town.

### **Betterment Deferral**

For qualifying property owners facing hardship, there will be a process similar to real estate tax deferrals to defer betterment charges until the property changes hands.

Interest will accrue on any deferred assessments.

### **Connection to the Sewer**

High connection rates contribute to the financial and operational success of the district and achieve the original objectives of the sewer proposal. The Sewer Commission and the Board of Selectmen should work in concert to identify connection policies that promote high connection rates. Incentive based inducements are preferred over mandated connection.

Failed systems and systems with conditional Board of Health septic permits shall connect to the system within six months of the system becoming available. Regulatory or public health concerns may mandate additional connections.

Municipal buildings will connect in the first year.

Properties charged a betterment should have a protected right to connect within the 30 year betterment apportionment period.

The Special Act authorizing creation of the sewer district has a growth neutral provision that prohibits connection to the sewer system unless a property can demonstrate the ability to install a Title 5 compliant septic system. This prevents growth that could only occur with a sewer system connection. If a property owner can not install a Title 5 compliant system, any new connections or design flow increases may only be permitted if they contribute to the public health, welfare or safety and/or provide a demonstrable benefit to the community.

### **Costs of Connection**

One-time connection fees will be assessed. Connection fees may vary by property type and may be adjusted over time by the Sewer Commission.

The installation and maintenance of individual grinder pumps will be owned by and the responsibility of individual property owners.

The Sewer Commission and the Board of Selectmen should consider a policy allowing property owners who connect to the sewer system within some initial period to apportion connection costs over time as an inducement to connect in order to maximize the Town's savings on waste water treatment facility Operating and Maintenance expenses.

### **Sewer Usage Rates**

Sewer rates for private users are capped at a rate equal to the proportionate share of the operating and maintenance costs divided by projected system capacity. The town benefits by sharing operating and Maintenance costs but continues to be responsible for the cost of unused capacity.

### **Financial Circuit Breakers**

The project should come back to the public for review and reauthorization if any of the following occur during implementation:

The total project cost estimate (principal capital) exceeds \$2M

Financing rates become unfavorable as determined by the selectmen (impacting taxpayer and private cost projections)

The average private betterment projection increases by more than 15%

The cost/taxpayer projection increases by more than \$10/household.

Projected or actual connection rates and the resulting private contribution to plant O&M expenses falls significantly below survey rates.