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MEMORANDUM

TO: Ray Cody, EPA Region 1

FROM: Richard A. Claytor, Jr., P.E.

DATE: August 25, 2011

RE: Sustainable Stormwater Funding Evaluation for the Upper Charles River
Draft Report Transmittal Topics

Ray, during the course of this project we have received a number of comments directly from each of the three communities, and indirectly through letters copied to us by local/regional elected officials. In addition, at the project outset, we received a detailed letter jointly from the 495/MetroWest Partnership, AIM and NAIOP (included in Appendix A of the Draft Report). The following summarizes the major comments we have received and indicates how they were addressed in the draft Report.

Detailed Comments on Cost Estimates for Operational Program

The Draft Report contains detailed cost estimates for the stormwater operational program for each town, including assumptions used to derive the costs (a detailed spreadsheet for each town is included in Appendix D). Each town had very specific comments on the initial draft cost estimates, which have been addressed in the Draft Report. In Franklin, AMEC responded with a point-by-point response to the comments on our initial cost of service spreadsheet estimates. In Milford, our staff spoke with Scott Crisafulli, the Highway Surveyor, and Mike Santora, the Town Engineer, to review our assumptions and methods for developing costs. Bellingham had comments on our existing program costs, but no specific comments for the proposed costs of the future program. Our responses to comments from Franklin and Milford have been included in Appendix A of the Draft Report.

Comments on the Cost Estimates to Implement Structural Control Measures

The Draft Report contains revised numbers for the implementation of capital projects that differ somewhat from those of our June 29, 2011 Stakeholder Meeting. These numbers were revised based on a detailed peer review of the methods and review of original assumptions. Most notably, the numbers presented at the June 29 meeting did not include a 35% contingency for design, permitting and construction administration services, or the savings potential associated with the retrofitting of existing BMPs. In addition, the revised numbers now reflect land acquisition costs (which were originally assumed to be zero). The revised numbers still assume that 15% of the total phosphorus (TP) load will be achieved by non-structural controls and that the cost for these non-structural controls are either already accounted for in the operational costs or are cost-neutral. The assumed 15% TP reduction has been retained because our team believes the current guidance from EPA for TP reduction from non-structural controls is conservative (meaning more TP reduction is possible upon further assessment of actual loading numbers and review of more recent research). The implementation of a phosphorus ban either at the state or local level is a reasonable assumption given the long long-term period of compliance. While a ban may not happen in a one or two year timeframe, it is reasonable to assume that such a inexpensive control measure will be implemented within a 10+ year planning horizon.

Comments on the Affects of Including Properties from Outside the Charles River Watershed in the Analyses

As you know, each of the three communities contain areas within their municipal boundaries that do not drain to the Charles River Watershed. In particular, Bellingham has significant land area outside of the Charles River Watershed. In the Draft Report, the assumption is that the entire town would be used to calculate potential revenue through a fee structure. This is a reasonable assumption given that the entire town will be subject to the provisions of the draft MS4 permit and that, presumably, residents use the entire road network within the town whether it is within the watershed or not. But, it is also true that the TP reduction requirements for properties within the Charles have a significant additional price tag that currently does not exist beyond the watershed.

Since each town may want to make the decision on what properties to include based on their own set of interests, our team did evaluate the affects of not including the properties outside of the watershed in the fee analysis. To do this, the number of ERUs outside the watershed were subtracted from the town total, and the town-wide operational costs were reduced by the percentage of ERUs subtracted from the total. The results indicate modest increases on the fee structures in Franklin and Milford, but there was a fairly significant impact on Bellingham. For example, Bellingham's average ERU rate for the 5-year period (2017-2021) to cover future program costs during the 25 year implementation/Uniform Fee scenario goes from

approximately \$7.30/month to approximately \$9.20/month. Less properties contributing to the total means each remaining property has to pay more. Upon request, we can make the full results of this separate analysis available to each community.

Comment on the Cost to Implement and Administer a Stormwater Utility in One or More of the Upper Charles Communities

This comment has been addressed indirectly by detailing the cost of services for future programs in each of the three Upper Charles communities and by providing a general overview of the required next steps in implementing a stormwater utility. The revenue assessments include the costs for the billing and administration of a Utility. Some details, such as hiring a “stormwater coordinator” position funded by a Utility would be decided during a Utility Implementation Project, thus the details on the cost to implement and administer a Utility cannot be completely estimated at this time.

Comment on Documentation of Stormwater Utility Implementation Hurdles

This comment was a major consideration in the development of the Draft Report. Specifically, our team addressed these issues in Sections 5 through 8 where steps are taken to outline the process for implementation and the areas that will need to be addressed in the execution of a Utility Implementation Project. The issue of the need to secure Town Meeting approval for adoption of a Utility is addressed in Section 2, as well as in Sections 5 and 8 of the Draft Report.

Comments Related to the Process and Procedures for Developing a CMPP and PCP

These items were also a major consideration in the development of the Draft Report. The Project Team researched and developed a potential approach for implementation of a CMPP modeled after the 2008 Federal Wetlands Mitigation Rule; this approach was adapted for Massachusetts municipalities for phosphorus reduction (See Appendix C). Specific recommendations are provided for the development of watershed management plans to address the PCP requirements. The estimated operational costs include monies for planning and development of both of these programs.

Comments Related to RDA Compliance in the Context of a Stormwater Utility and Credits for Property Owners

This comment has been addressed in several components of the Draft Report. Specifically, Section 3 outlines implementation options for each community, including the assumption that a Stormwater Utility could be developed that would comply with the requirements for a CMPP as presented in the Draft RDA general permit. The implementation cost estimates and fee structure

assumes RDA Designated Discharge (DD) properties can meet TP reduction targets in the context of a Stormwater Utility, and that the ultimate fee structure would have credits available for DD properties who implement controls on-site. The exact amount of the credits would have to be defined in a Utility Implementation Project, in the context of how much revenue would be lost to the Utility, but the initial data for conducting such an assessment is included in the Draft Report.

Comments on Timetable for Implementation

The Draft Report presents four alternative timeframes for implementation. The assumption in each timeframe is that the first five years would be used for program planning, development and mobilization; beginning in 2017, implementation of control measures would then occur over 5, 10, 15, or 20 year timeframes. The proposed fee structures provide data on each one of the implementation time periods.