DHY Clean Waters Community Partnership

Third Party Review
Presentation to Joint Board of Selectmen Meeting
February 27, 2020
Bottom Line of Cost Review

Cost information generated is:

- Comprehensive
- Consistent with industry standards
- For budgeting & planning purposes
- Will change with final design
- Subject to bid climate
- Sufficient for a decision point regarding participation in DHY

Demonstrates that economies of scale will benefit each community
Bottom Line of Agreement Review

- Modeled after existing MFN agreement
- DHY working group has modified to accommodate needs of each community
- DHY working group has addressed issues raised and substantially finalized agreement.
- Remaining issues are largely transitional and can be accommodated by Appendix
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Presentation Agenda

• Introductions
• Scope of Services
• Schedule
• Backup Information Provided
• General Observations
• Specific Comments
• Summary
• Questions & Discussion
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Scope of Services

- Review DHY Draft Operating Agreement
- Review DHY Planning Level Cost Estimates
- Workshop Participation
- Prepare Summary Memorandums
- Presentation to Joint Boards of Selectmen Meeting
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Schedule

• Executed Agreement – 12/24/2019
• Receipt of Backup Information – 1/8/2020
• Kick-off Conference Call – 1/13/2020
• Workshop – 1/30/2020
• Draft Summary Memos
  – DHY Project Costs Review – 2/21/2020
• Joint Boards of Selectmen Meeting – Today
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Backup Information Provided

- Special Legislation – Chapter 88 of the Acts of 2019 (Passed October 11, 2019)
- DHY Draft Operating Agreement – 1/17/2020
- Most Recent DHY Planning Level Cost Estimates, Late 2019, Early 2020
- Various Memos from 2018 & 2019 – Summarized in 1/7/2020 CDM Smith Memo
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Operating Agreement (General Observations)

• Enabling Legislation in Place
• Many Hours of Agreement Review by Each Town
• Based on MFN – Modified to Suit DHY
• Reflects General Agreement to Terms and Mutual Understandings and Commitments
• Effectively Establishes Needed Partnership Framework and Terms
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Operating Agreement (General Observations)

• The Agreement Approvals at Town Meetings Creates the DHY Clean Waters Partnership

• Final Review of the Agreement by Respective Town Counsels (if required) for:
  – Conformance with Mass General Laws (MGLs)
  – Acceptable Terms under Section 7 of the Special Legislative Act

• Agreement Acceptable in Current Form
  – Consider Clarifications Through Appendices
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Operating Agreement (Specific Comments)

• Annual Budget Approval Process to “Maintain and Operate” the Partnership Facilities
  – Suggest that a Similar Process for Transition Steps Leading up to Construction be Attached to the Agreement

• Financing Options to Recover Costs of “Expanding” the DHY system
  – Agreement should Clarify that the same Financing Options are Available for the Initial Systems
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Operating Agreement (Specific Comments)

• Recommend that System Flow Data be Routinely Shared (more often than Quarterly)

• Clarification of Expansion Formulas
  – Separate Tracking/Billing of DHY Annual Capital Costs for Initial System Construction and System Expansion
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Operating Agreement (Next Steps)

• Recommend more Detailed Master Schedule to Provide Details of Pre-Construction “Transition Items”

• Consider DHY System-Focused Preliminary Design Report for use by the Partnership for Permitting and Regulatory Agencies once the Commission is Formed
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Cost Estimates (General Observations)

• A **Planning Level** Cost Review
• Comprehensive and Consistent with Industry Standards for Planning Level Costs
• Costs will be Updated as Design Details are Available
• Economy of Scale for DHY Option Demonstrated to Benefit all Member Towns
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Cost Estimates (Specific Comments)

• Collection System Costs Comprise High Percentage of the Towns’ Project Costs
• Hybrid Systems Proposed for all Three Member Towns
  – Recommend Further Analysis of Collection System Technologies and Cost Refinement
• Towns Need to Decide on Grinder Pump Policies/Construction Responsibilities
• Doesn’t Affect Cost Benefit of DHY
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Cost Estimates (Specific Comments)

• Recommend “Soft Costs” be Shown Separately from Unit Costs
• Budgeted Annual Pump Station O&M Costs should be Based on Pump Station Type
• WWTF Costs from Curve in 2014 Cost Report
  – Data Points Limited at Higher DHY Design Flow
  – Site & Facility-Specific Estimate Recommended Prior to Construction Appropriation
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Cost Estimates (Specific Comments)

• Recommend Further Review of Initial WWTP O&M Costs
• Unit Costs for Effluent Recharge Should Reflect Specific Site and Disposal Option
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Additional Considerations

• Timing of Construction
  – Bidding Climate
  – Coordination Between Member Towns

• Contract Sizing and Packaging

• Scheduling Projects to Maximize Funding
  – 0% SRF Loans
  – Principle Forgiveness

• Coordination with MassDOT (Route 28)
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Summary

• Planning Level Cost Information Generated Adequate to Support Decision to Proceed with DHY from a Cost Perspective

• Operating Agreement is Substantially Finalized and could be Enhanced with a few Appended Provisions