

January 12, 2010

To: Board of Selectmen
From: Elaine B. Gibbs
150, 152, 154 Cross Street
Re: Comprehensive Wastewater Management Plan

I consider myself well informed about town issues and I must take exception to the claims made by both Mr. Hinchey and members of the Board regarding informing taxpayers of the true financial, environmental and quality of life impact to Chatham. It is the responsibility and duty of town officials to inform, not residents' responsibility to spend countless hours reviewing reports to determine what is missing or inaccurate.

I am disturbed that even after the collapse of the economy in September of 2008 and the subsequent continuing economic decline not once have town officials considered revisiting this plan seeking alternative, less costly, less invasive and faster implementation of a wastewater system. It is going to be years if ever before we return to the 2004 boom days. Taxpayers are taking hits at the state and federal levels in addition to local increases.

INFORMATION AVAILABILITY

There are only 2 hard copies of the Wastewater Comprehensive Management Plan in town- the Library and Health Department.. While it is on the Website it is located in 120 different PDF files, which take forever to download. Many taxpayers who are elderly do not use computers and the remainder are working to keep their heads above water.

Having read the report I find many unanswered questions and data that has not been disclosed on the true impact. I had to become educated regarding "pump stations", "sewersheds" and "grinder pumps" and their impact on Chatham. I also researched the positives and negatives of centralized wastewater systems for low density, rural coastal, environmentally fragile areas.

In searching through 120 PDF files, I was unable to locate any long term capital project financial models completed by an independent accountant showing the TOTAL PROJECTED COSTS, with annual construction cost index increases and financing. Surely a capital investment of this magnitude justifies such a report. It is standard practice in the private sector. The cost estimates residents were given were based on 2006 and 2007 costs, not 2009 with projected future adjusted costs of construction and financing. The total cost of Phase I & II was \$340,000,000 in 2007 dollars. With inflation and financing factored in, there is no way the cost to the town will be less than \$600,000,000 over 30 to 40 years. While bonds are probably 30 year, the town's own bar graphs for just the \$60,000,000 are through 2054 (44 years).

It was only in May of 2009 that the public was even informed that there was a possibility the start date might be moved up from 2011 to February of 2010 in order to get stimulus money. As a result there are many issues that have not been finalized and won't be when the first shovel hits. Contrary to the "overwhelming support for this plan" indicated by Mr. Hinchey, it appears that only around 500 voted at the May 2009 meeting. Since it was a voice vote we can never know for sure how many were in favor. Having reviewed the Warrant and the Minutes of the

May 11, 2009 meeting, it is abundantly clear that residents, not in the inner circle, were under the illusion that approval of \$59,000,000 was for the entire 20 year Phase I (not Part I of Phase I) and that the tax rate impact illustrated was the maximum they would ever see. They were not told that the full 2007 cost for phase I is \$240,000,000 and \$340,000,000 in 2007 dollars (Phase I and Phase II) to complete the project. Nowhere was there ANY reference for the need for \$20,000,000 (plus inflation and financing) every 2 years for the next 20 years to complete Phase I or the financial impact of those numbers.

Taxpayers did not realize that by voting for the \$60,000,000 bond in May, they actually approved a project of \$340,000,000 in 2007 costs, not including indexing for real costs over time or any financing.

The start-up date has been moved to next month to “take advantage “of what will be less than \$18 million in grant money. But there is no deadline associated with that USDA grant. On a \$5-600,000,000 + project through at least 2040 that is a drop in the proverbial bucket. I would suggest it is not only irresponsible but negligent that the town has not produced independent accounting numbers for the full scope of the project for the taxpaying public.

REQUEST TO THE BOARD OF SELECTMEN

Chatham residents have not been given all the facts about this system. Since we are not only paying for it, but have to live with the construction and consequences for the next 50 years, we are owed answers. Many of those questions, concerns and information are attached.

1) I am requesting that the Town Manager send out to each taxpayer to their personal addresses, in a Town of Chatham envelope (just as a Zoning and Conservation do), a fact sheet with the impact specifics, many which are attached and have not been disclosed in any of the town literature to date.

2) In that letter an announcement of a public meeting needs to be made, with time and location, so that taxpayers can make comments and ask additional questions.

3) In that same announcement a notification needs to be made that there will be a public referendum for final approval.

All of the above needs to take place before any contracts are signed or a shovel is picked up. If the BOS and Town Manager believe in and can financially support this project with hard data they should be willing to comply.

(see attached)

INFORMATION THAT NEEDS TO BE COMMUNICATED TO EVERY TAXPAYER

Following are questions and concerns that should have been voluntarily addressed by town officials before residents were even approached for a vote last May. Since Board members and the town manager are residents and taxpayers, it would not have been difficult for them to brainstorm about the very real questions taxpayers might have. I can only question why we have only heard the upside of this project and why that next step was not taken.

1) The cost presented to the town is in fact based on 2006 ENR and ENR 2007 (7942). In order to determine the true current cost an ENR index must be applied (Construction Cost index applied at time of work). Consequently, the numbers the town has presented are 3 years old. From 2006 to 2007 the costs went up 10,000,000. I can only assume that the actual number for 2010 is potentially \$30,000,000 more than presented at the town meeting, as the 2009 index started at 5.7%. An index has to be applied EACH year to get the real current costs.

2) Inform taxpayers that what they voted on last May (\$59,000,000) was not the 20 year- Phase I Project , but was only Part I of Phase I. The Warrant and Minutes make no mention, nor were any spread sheets presented showing the impact of the required \$20,000,000 every 2 years for the next 20 years, and when they kick in. Many rightly assumed that \$60,000,000 was going to resolve the nitrogen problem and was the entire 20-year Phase I cost.

3) Provide the financial model and numbers used to generate the tax base impact for a \$600,000 home presented at the May 11, 2009 town meeting. It would appear this table reflects only the impact of the initial \$59,000,000.

4) Provide residents with a fiscal year time- line when the next \$20,000,000 is due. By my estimates it is far sooner than the 6-8 year “jumpstart” referred to. It is likely due in 2012/13 and does not appear to have been reflected in the tax base impact numbers, nor approved by the town meeting in May. Taxpayers are in an impossible situation since once the project starts it can not be stopped. The voters have unknowingly effectively authorized the entire \$340,000,000 project excluding the additional inflation and financing costs.

The Stearns & Wheler report makes it quite clear that proposed costs are only estimates with many variables that can adversely affect these numbers -- global issues, annual inflation not factored in, fuel costs, labor costs, legislation, all will drive the real costs up. How has the town factored that into the projected costs?

5) Nowhere has the public been told that the cost to operate and maintain the WWTF main facility is \$1,000,000 ANNUALLY, and the collection system O&M will be \$900,000 ANNUALLY. Again these were based on 2007 costs. Why will taxpayers be required to pay \$400/ year for sewage when the proposal included 15 years of maintenance and operation for a total of \$28,000,000? What will the real O&M charges be in 5,10,15 years?

6) How many homes are currently on sewer and how many will be connected in the next 3, 5, 10, 20 years? A per household cost cannot be determined without those numbers to see if it makes economic sense, so I assume someone has it. Nowhere could I find the number of homes

currently on septic. If many homes will not be hooked up for 20 years and the costs are necessarily front loaded, how is it in the best interest of the taxpayer and the environment not to see results for so long with this system?

7) How have officials justified the very real possibility that in the next several years -- with the national push for environmentally sensitive new technology which will certainly give significant tax credits or significant federal money -- moving forward with such a massive 30-40 year project that cannot be stopped or reversed once started will likely be obsolete within 5 years?

8) What safeguards are in place should the economy be so adversely affected that Chatham will be unable to finance the remainder of the project? Will the facility sit and decay? Over 300 homes are on the market with few selling. 16 have been foreclosed in the last 6 months. There is no indicating this trend is reversing and likely will get worse.

9) Ultimately, 110 miles of road will be piped in a town with a population density of approximately 400 people per square mile. If the BOS stands by Article 2 of the sewer regulations which does not permit any changes in zoning regulations in order to increase the density, in my humble opinion this system is massive overkill for a town of our size. A centralized system has historically been more conducive to several thousand people per mile of piping. Please make public the studies by sector, with the ratio of people to 1 mile of piping, which was used to determine if this was a cost effective approach. With a density of 400 per square mile, the average is 20 people per pipe mile. What is the cost per mile to lay pipe?

10) Once started which is apparently now less than a month away, Rte 28 from the town rotary to Sam Ryder Road will be dug up. This work will take more than a year, perhaps 2 years depending on unforeseen easement/environmental problems. This is the main artery out of town. Trenches will be 6-12 feet wide and 12-20 feet deep. This is in addition to construction vehicles and workmen that will require space. Residents need to know if even one lane will be open. Traffic back up and the potentially devastating impact to businesses in-town and along Rte 28 for possibly 2 years has not been communicated. What is the liability of the town if someone ends up in the ditch? One of the major drawbacks of centralized systems in rural communities is the many narrow roads that require excavation.

11) I would guess 90% of the residents are unaware digging starts in less than one month. Have detailed traffic plans been devised showing exactly what will be impacted at any given time so people can get to work without finding roadwork at every exit from town, as has happened with much smaller projects ? Are emergency evacuation plans in place?

12) Based on the site map, all those who live south of Rte 28 will have to exit by Bridge Street and Shore Road or Cross Street and Main St to Shore Road. Will details and schedules be published in the newspaper? Having been stuck this year 3 times in one day with 5 ½ miles of traffic backed up to West Chatham for tree trimming at Agway, I can tell you that each time I passed the state policeman was texting on his cell phone and chatting with workmen, ignoring the cars.

13) Utility relocation is not included in this estimate nor is any hazardous waste removal. I assume any taking of land for this project will be an added expense. I assume mandated police presence at all roadwork will be an additional cost. With 12' wide and 20' deep trenches, sections will necessarily be closed 24 hrs a day for safety whether or not construction is going on. Does this cost include nighttime road work to reduce the tremendous long term impact on residents? How many additional town personnel will be hired to oversee this project? We need to see a detailed list of all the potential costs to the town not included in this estimate. What is the projected loss in business revenue figures? Has this been communicated to the Chamber of Commerce?

15) We are being pushed to accelerate the project by more than a year in order not to lose federal funding. But the USDA grant the town got from USDA has no timeline, no deadline as did the other program stimulus the town failed to get. It is reminiscent of the stimulus, cash for clunkers and healthcare push. It is a scare tactic. To move forward on a \$500,000,000 + project even to get \$18,000,000 in grant money if there were a deadline, when many final decisions have not been made and there has not been full disclosure, is absolutely wrong.

16) Clearly, many exceptions have had to be made under conservation laws and regulations for this system. Some of the pump houses appear to be in vegetative wetlands. Can the public be advised of all waivers to normal town bylaws that are anticipated?

PUMP STATIONS

There will ultimately be 80 pump stations around town. A pump station is an above ground building that retrieves all sewage from its sector (sewershed). Most will be located within residential areas. I have found the locations of the first 5 and they are extremely close to homes. (Intersection of Barn Hill Rd/Hardings Beach Lane) and the corner of (Vineyard Ave and Meadow View). They are already staked out. This taking of land was done at a special October meeting when the town gave themselves the authority to take the land through easement or eminent domain if necessary. The town needs to notify residents in each sector (sewershed) sooner rather than later of the location of these pump stations. There is no question the presence of these pumps near homes will devalue private property. Will the taking of or payment for specific lands decisions be made in executive session or open to the public?

What is the size of the "pump stations" (2 sizes), what will they look like, and what is the potential for odors and hazards if they break down? The cost estimates are 2007 numbers and are for a "basic structure." Should we wish to make them architecturally acceptable there will be an "additional cost" to the town. Has anyone seen a picture of what they will look like?

INDIVIDUAL COSTS TO RESIDENTS TO "HOOK UP"

1) The cost for residents to hook up has not been adequately explained. The \$3-\$10,000 estimate is more than optimistic. The first homes won't be hooked up for at least 3 years, making this estimate 3 years old. Once homeowners have been given notice, it must be done in a year. This estimate is based on a moderate size home, with moderate setback on flat land. If a home is 75 feet off the road it will cost substantially more. If the home is not on a flat grade from the sewer hook-up either a grinder pump or gravity pump will be required at the owner's expense. 1200 homes have been projected as needing a grinder pump.

A grinder pump is located either in the basement or near the foundation outside the home. It will be located where the sewer pipe enters the home, likely at the front of the home or in the basement/family room below. It is a large garbage disposal that grinds sewage and pumps it to the street. The retail estimate cost is approximately \$3600 and an additional \$3000 to install. These costs appear to be in addition to normal installations. The pump runs on electricity, will shut down in power failures, makes noise, and can generate odors. Maintenance will be at the owner's expense. If the owner leaves for more than a few days, the tank should be emptied and flushed with clean water. I could not find information of what needs to be done if homes are closed 10 months a year. While the project estimates include the town purchasing them for homeowners, the 2009 FAQs imply both the grinder and gravity pumps will be a homeowner added expense. These costs will go up for those not scheduled for hook up for 5 or 10 years.

2) There are additional costs not included in the hook-up estimate. If the septic tank is in the way of the connection, the tank will have to be removed. In all cases septic tanks must be drained, holes punched in them and filled with sand. If there has been a leak, who knows? Will we have Environmental Police? Any disrupted landscaping, replanting, and irrigation system replacement is an additional separate cost borne by the homeowner.

3) While Phase I is 20 years, the treatment facility enlargement – which locks us in to the 20-year plan (who knew?) -- and main piping will be done in the next 2 years and hook-ups will begin. Taxpayers will have 1 year to comply. Where is the detailed 3,5,10, 20 year plan for homeowners with projections of when they personally will be hooked up and required to comply? If homeowners are going to be required to expend thousands of dollars, they need to plan for it.

4) Will special pricing be worked out between the town and contractors for this windfall to contractors? Will regulations be put in place to prevent gouging? Katrina comes to mind.

5) Once a home is ready for hook-up, will a home sale be contingent on connection as in the past? What are the remedies available from the town for homeowners that simply cannot afford this potential expense under any circumstances? Should they put their homes on the market now?

6) The May “sales brochure” stating that low financing rates will be available was a little misleading. The rate is currently 5%, not particularly low, tax returns are required, and lower income will be given priority on a first come first serve basis. It is in no way guaranteed.

ENVIRONMENT/QUALITY OF LIFE

1) No nitrogen levels will begin to decline for at least 23 years – 3 years after the completion of Phase I. If we are truly concerned about nitrogen levels we need to look at alternatives that will show results immediately. The Stearns & Wheler report indicates that in 23 years some coastal areas will not be able to recover.

2) I would like someone to go on the record to tell us exactly what the quality of life will be in Chatham over the next 1, 2, 3, 5, 10, 15, 20 years while Phase I is being completed. To me it

sounds horrific and it is made worse by the fact that the older population that has to live through it and pay for it won't ever see its benefits. Today is as good as it is going to be for many years.

3) Contrary to Mr. Hinchey's dismissive description as "poppycock", there are many experts in the field that believe this type of massive centralized system is environmentally invasive, particularly for fragile coastal areas with low population density, and are a disaster waiting to happen. The national Clean Water Action, Massachusetts Conservation Law Foundation and the EPA all prefer decentralized systems, particularly in coastal areas. They are better environmentally and cost far less.

The massive above ground and underground infrastructure that is required, forevermore a part of our landscape, is a tragedy. Centralized systems work well for surface water, but ground water can be significantly impacted if there are failures since the pipes run through the water table. If the treatment facility fails, the consequences are huge. The recurring costs to operate and maintain the system are exorbitant (\$1,900,000 per year in 2007 dollars). Expensive repairs are extra. To commit to a project that will be a financial albatross for the next 2 ½ generations, long after we are all dead and more than likely will be obsolete within 5 years, is a crime. And to know that once that shovel hits the dirt there is no turning back. We are stuck with it. Every environmentalist, conservationist, preservationist, and those concerned with the quality of life and fragility of Chatham resources should be screaming.

4) Rather than being known for having the most "comprehensive wastewater facility in the Commonwealth" as Mr. Hinchey so proudly observed, and saddled with a massive infrastructure in perpetuity, Chatham should be known for finding innovative alternative ways that are less invasive, that can be implemented in specific areas where most needed, where results can be realized far sooner, and will protect our fragile coastal ecosystem now, not in 20 years. The latter is the legacy I want to leave future generations.

5) With the national and global push to go "Green" and the need to protect coastal waters, with federal money for R&D under the Clean Water Act, huge breakthroughs in alternatives are not far away. Why suddenly start next month after 12 years when for the first time this issue is at the forefront and being addressed? Rather than waiting 23 years to see any improvement, as a temporary measure to see immediate results in nitrogen levels significant headway has been made in septic systems that have been designed to reduce nitrogen by 50% and are used along fragile coastal areas such as Chesapeake Bay, and more are coming based on the national trend under the Clean Water Act.

The Maryland Chesapeake Bay Septic Upgrade program is an excellent example. At approximately \$10-13,000 including 5 years of maintenance (far less than the personal cost for many to hook up to the sewer) the cost for 2000 households currently on septic to be replaced with advanced technology multi-chambered aerobic nitrogen reducing septic systems would cost \$26,000,000. There would be no \$500,000,000 + infrastructure, would be far less invasive, and nitrogen reduction would be immediate rather than after 23 years. The \$60,000,000 already allocated would cover those costs with money left to upgrade the existing sewer, and have a septic maintenance program run by the town. (Far less expensive than \$2,000,000 annually for O&M). It would buy time to take advantage of new technology that is right around the corner.

6) For remote neighborhoods, incredibly costly to connect, small cluster sewer systems have proven to be far more manageable, can be put in place far more quickly in the most critical areas, far less costly, environmentally safer, with far less impact on the community if problems occur. The major short and long term disruption to the community and business would be nonexistent.

7) In negotiations with Harwich, what exactly is Chatham looking for in compensation that could possibly justify making our facility larger to accommodate them? That would require digging up Rte137 and either Rte 28 or Old Queen Anne to make the connection. I am not in favor of such a plan. I have no interest in having Chatham becoming the “sewer” town. Another town cannot pay us enough in my view for that privilege. I do not think we have given town officials authority to negotiate any such deal without final taxpayer approval. We did not buy on to being a sewage hub for other towns.

8) To place such a monster in such an ecologically delicate place as Chatham is wrong and unnecessary. Mr. Hinchey proudly says we are the town with the “most comprehensive wastewater facility in the Commonwealth”- a dubious distinction. Mr. Bergstrom with great pride stated that his counterparts in other towns are jealous of us. It may be impressive on their resumes and at cocktail parties and give them their 15 minutes, but we and future generations are the ones to live with the consequences for 50 years.

9) I predict that most Board members and town officials pushing this project, accusing taxpayers who question this decision of not paying attention, will not be around in 5 years when all these chickens come home to roost. 500 or so people at a town meeting who were given old numbers and only partial information on the scope and impact is not “overwhelming town support,” claimed by Mr. Hinchey. They did not know what they were voting for because they were not told.

10) While I have spent countless hours trying to find all available information that was supposedly out there for public consumption, it has been a monumental task and I am sure I have only scratched the surface of the implications. So I beg to differ with Mr. Hinchey that we have been fully informed “not once, not twice, but 3 times,” as he said. I also take exception to his references to “irksome free speech” and that all alternatives are “poppycock,” as he did at the selectmen’s meeting of January 5th. Who exactly does he think he is talking to? Town officials are elected and paid not only to provide services to the town but to be fiscally accurate and forthright with all the facts.

11) I am equally displeased about the BOS and town manager’s refusal to date, to send this information to taxpayers with a subsequent open well-publicized meeting where questions will be answered on the record, with a town wide referendum to follow -- before one dig of a shovel is made. Had we not been rushed into a one year escalation in start date to meet a grant deadline-- that has now disappeared -- on a \$500,000,000 project and been given the significant downside along with the upside and the real scope and impact of the project, officials would not be in this position.

14) I firmly believe if taxpayers had been presented with the real short and long term impact on our town, their homes, and their life savings, or even knew what questions to ask, the “project” never would have passed at the town meeting last May. It would have been voted down overwhelmingly.

I will acknowledge that I trusted the elected and paid officials to make a fiscally responsible decision based on current and foreseeable economic estimates, bearing in mind the uniqueness and fragility of this town. I also expected full disclosure. That is their job. Sometimes officials’ not saying anything is just as bad as not telling the truth. I don’t know which was the case, but the outcome is the same. When officials have been around too long and start believing they are the only intelligent people in the room, and only they have a right to all the facts, it’s time for them to leave. When they are “tired” of the discussion they should be told to leave.

Once we start this there is NO going back. The fact that it will be years before this system begins to do its job is more reason to find a far less costly, more efficient, less invasive, faster way to solve the problem.

Elaine Gibbs