

# Wayland Wastewater Management District Commission

## FY2015 Annual Report, September 2015

The Wayland Wastewater Management District Commission (WWMDC) operates a sewer system that serves business and residential properties along Route 20 from Route 27 to the Town Center development. Wastewater discharged into the system flows to a treatment plant located on Town-owned property within the Town Center development. The treated wastewater is discharged to the Sudbury River.

**Wastewater Treatment Facility:** Since starting operation in late 2013, the Wayland Wastewater Treatment Facility (WWTF) continued to fully operate as designed in Fiscal Year 2015. Prior noise issues related to the external air intake manifolds were mitigated by temporarily disconnecting the ducts from the manifolds; a permanent solution is under review. During the year the plant experienced an elevated number of operational alarms, many related to tank levels within the plant. While some alarms were to be expected as part of normal operations, the WWMDC was concerned with repeat calls for the same issue. The WWMDC requested plant operator, Whitewater, to engage in more effective preventive monitoring of potential issues, and to ensure that remedial action to address repeat problems is taken more quickly so as to reduce the number and cost of emergency calls.

**Discharge Permits and System Usage:** The WWTF continues to operate under permits issued jointly by the Federal Environmental Protection Agency (EPA) and the State Department of Environmental Protection (DEP). The permits allow discharge of an annualized average limit of 52,000 gallons per day (GPD) into the Sudbury River. An application pending with the EPA for renewal of the permit seeks an increase in discharge capacity to 78,000 GPD.

In FY2015, the average discharge from the plant rose to approximately 22,430 GPD, up about 5% from 21,300 GPD in FY2014. Growth in flow resulted from the continued completion and occupancy of commercial and residential buildings in the Town Center development. Flow is expected to continue to increase to between 25,000 and 26,000 GPD with additional construction at the Town Center development, so the average flow is expected to remain well below the current permitted limits.

**Groundwater Leakage:** Following repairs made at the Wayland Public Safety Building, there has been no additional detected infiltration of groundwater into the WWMDC system.

**Administration and Finances:** The WWMDC developed a budget for FY2015 with income and expenses of \$654,905, including both operating and capital costs. However, income for FY2015 was \$1,108,964, of which \$524,992 represented payment in full of betterment assessments, which were assessed in August 2014 (see next paragraph). Operating income was \$329,571, and operating expenses were \$239,325. The Commission's undesignated fund balance at the end of FY2015 was \$300,201. In spite of excess operating income over expenses, annual Town Meeting approved a current year transfer from retained earnings of \$24,288 to cover unanticipated high legal expenses due to ongoing litigation with Twenty Wayland LLC and threatened litigation by a group of system users (see Legal Issues).

Bills for all four quarters were created and mailed on time. Only two abatement applications were received for operational costs in FY2015. One due to a water leak was approved; one requesting forgiveness of interest charges on unpaid bills for FY2014 was denied.

**WWTF Betterment Assessment and Town Contribution:** In August 2014, the WWMDC issued an Order of Betterment Assessment to recover capital costs related to the recently completed WWTF. The total amount of the betterment order was \$4,499,329, which was apportioned to users on the basis of assigned Title V design flow. Although the WWMDC is barred under state law from levying a betterment charge on the Town of Wayland for its connection to the wastewater management system, the Board of Selectmen agreed to

contribute \$500,671 toward the capital cost of the plant as a “Payment in Lieu of Betterment.” This amount was proportional to the Town’s allocated share of the WWMDC capacity.

As of the end of FY2015, users have made the following options with regard to paying the betterment:

<b>Term for repayment (years)</b>	<b>Number of Users</b>	<b>Betterment Value</b>
0 (paid in full)	30	\$524,992
5	2	\$26,028
10	1	\$26,028
15	1	\$14,316
20	79	\$3,907,964
All	113	\$4,499,329

A large number of residential and small commercial users filed applications for abatement of their betterment assessments based on the assertion that a different methodology should have been used to allocate the betterment amount among users. These applications were reviewed by the WWMDC and denied. As of the end of FY2015, no appeal has been filed with the Appellate Court.

At the end of FY2015, the outstanding balance on the WUTF bonds was \$4,770,000.

**Legal Issues:** In February 2015, the WWMDC and the Town of Wayland jointly settled a 2013 lawsuit in which Town Center developer Twenty Wayland, LLC had been awarded \$1,227,484 in damages, pre-trial interest, and costs. Per the settlement, the judgment amount was reduced to \$895,000, to be paid out of gift money owed by Twenty Wayland as specified in a development agreement last amended in 2009. \$720,000 would come from gift money paid to the Board of Selectmen as residential development is completed, and \$175,000 would be paid from a gift linked to completion of WWTF.

As part of the settlement, the Town also agreed to make a financial contribution of \$500,671 toward the capital costs of the new WWTF (see above under betterment) and to reimburse the WWMDC approximately \$24,000 for half of prior legal costs. The WWMDC estimates that compared with the likely outcome were the lawsuit to continue through the appeals process, the settlement had a net benefit to an “average” user (220 GPD) of at least \$3,800.

An organized group of system users (“User Group”) continued to voice concerns to the WWMDC regarding the impact of the Twenty Wayland judgment on the User Group, as well as on how capital costs for the WWTF would be allocated among various users. Together with the Board of Selectmen, the WWMDC explored joint mediation involving the WWMDC, the Town, Twenty Wayland and the User Group. When that option was not agreed to by all parties, the User Group threatened a lawsuit. Following the settlement with Twenty Wayland, the WWMDC held a meeting dedicated to explaining to members of the User Group the details of the negotiation, the eventual settlement and the impact on the average user.

**Commission Membership and Staffing:** The Wastewater Management District Commission operated with three members for all of FY2015: Fred Knight, Chair; Sam Potter; and Rick Greene. Cynthia Cincotta remained as Administrative Executive for the majority of FY2015 and was able to bring financial accounting, billing, and other administrative processes under control. Cindy submitted her resignation in late FY2015 to take another position in Town; she committed to help with the transition and training of her replacement in order to preserve the progress she had achieved. The new Account Specialist, Jane Capasso, was hired in June, 2015.