



*Progressive
solutions for
municipal
infrastructure*

David Prickett Consulting, LLC
107 King Philip Drive
Longmeadow, MA 01106

Phone: 413-567-6310
Cell: 860-418-9676
Fax: 413-451-1030

Memorandum

To: Kurt Zemba, Chairman, Old Lyme Water Pollution Control Authority
From: Dave Prickett, P.E.
Date: January 15, 2015
Re: Summary of Project History, Costs and Regulatory Input
Coastal Wastewater Management Plan

As requested, following is a summary of the background, phases, scope/costs, and timeline of key regulatory input relative to the Coastal Wastewater Management Plan Project.

In 2012, the Town conducted a preliminary evaluation of local alternatives. The conclusion of the preliminary evaluation was that there were cost effective wastewater management solutions that should be explored before the Town considered any regional alternatives for the non-chartered beach communities.

The Town subsequently commenced the planning phase for the Coastal Wastewater Management Plan Project (Project) in Spring 2013. The primary Project goal was to evaluate the validity and costs for local and regional alternatives to serve the Project Area. Based on the Town's available budget of \$185,000, a key premise of the original scope of work was the assumption, based on past Connecticut Department of Energy and Environmental Protection (DEEP) approved planning reports, that pollution did exist in the Project Area, and that the pollution conditions between the chartered beaches and the Town-managed sub-areas could be extrapolated based on similar density and development criteria. Instead, the focus was on the alternatives analysis and costs. These assumptions were incorporated in the project scope and budget of \$185,000 (\$100,000 for the alternatives analysis and \$85,000 related to on-site testing at the Cherrystone and Black Hall sites), which were reviewed and approved by DEEP. However, \$20,000 in funding program and administrative costs were deemed ineligible for grant funding through the CWF program. The result was an approved scope of work for approximately \$165,000, which included a 55% grant from the State with the 45% balance locally funded.

The initial Draft Report (Fall 2013) concluded that the costs for the local and regional alternatives were similar. However, the Cherrystone site was eliminated from further consideration in Spring 2014 due to its proximity to existing drinking water wells. In their April 2014 review comments, DEEP expressed concern for the local alternative, and subsequently encouraged the Town to pursue the regional alternative through a series of meetings and discussions. Although there were other local sites available for testing, based on: the timing of the independent regional projects being implemented by the three chartered beaches; the status of two current Consent Orders from DEEP; and the anticipated exorbitant costs and time associated with an extended planning phase to test additional local sites; the WPCA elected to switch gears to further evaluate the regional alternative. The April 2014 review comments from DEEP did not include significant concerns relative to wastewater management needs analysis or a lot-by-lot analysis.

In Summer 2014, the Town submitted Amendment #1 to DEEP in the amount of approximately \$110,000, for a more detailed evaluation of the regional alternative and updates to the Report. DEEP approved only \$78,000 of the proposed Amendment as eligible for CWF funds, contending that some of these costs should have been in the original Contract, even though they were not part of the original scope of work. The updated Report was submitted to DEEP for review in October 2014.

In Fall 2014, residents from the White Sand Beach and Hawk's Nest Project Sub-Areas began questioning the need for the Project as well as the Project costs. In response to these comments from the public, DEEP provided 33 additional review comments, including their request for a more robust evaluation of the needs analysis, on a lot-by-lot basis, which was not part of the scope of work. When asked if the Town could submit a second Amendment request for the additional scope and costs, DEEP discouraged it, and thus a second Amendment request was not submitted to DEEP at the time. Despite DEEP's initial response to the second Amendment, the Town elected to move forward with the required Report updates. Although significant need exists, DEEP recommended the Town remove White Sand Beach from the proposed Project Area because of its higher cost to residents, as well as the improved depth to groundwater conditions in this Sub-Area versus the other Project Sub-Areas with shallower depths to groundwater. The lot-by-lot needs analysis results concluded that Hawk' Nest remain in the Project Area, due to higher need and similar unit costs to the other Sub-Areas.

The updated Report was submitted to DEEP on December 19, 2014. Although the Town provided significant assistance (estimated equivalent effort of \$20,000 to \$30,000) by way of the Sanitarian's office and WPCA Clerk for much of the lot-by-lot needs analysis, significant effort was expended in preparing the second round of updates to the Report. To date, the Town has been invoiced approximately \$303,000, which includes the original Agreement (\$185,000), Amendment #1 (\$78,000) and a portion of pending/future Amendment #2 (\$40,000). In addition, there is approximately \$45,000 in unbilled time and expenses, as well approximately \$15,000 in future work related to the Environmental Impact Report (EIE) for the CEPA process. This cannot be completed until the Report is reviewed by DEEP and any necessary updates to the Report are addressed. These known costs do not reflect any future costs associated with additional updates to the Report or administrative support related to assisting the Town through a future public informational process and vote/referendum. We estimate that these costs could be approximately 25,000, but the scope is not yet defined. Therefore, the anticipated additional costs to the Town, beyond Amendment #1 are approximately \$125,000. If the Town does submit these costs to DEEP for consideration, and if DEEP provides a 55% grant for these costs, the Town's additional local share beyond Amendment #1 would be approximately \$56,000.

At their January 13, 2015 meeting, the WPCA, in a unanimous decision, elected to press "pause" on the Project, so that that Town can have some time to consider costs, allow coordination between Boards and Commissions, and fully vet all project considerations, before making any future decisions on the Project and implementation plan elements.

RMB

From: David Prickett <Dave.Prickett@dpcengineering.com>
Sent: 01/20/2015 5:30 PM
To: RMB
Subject: Project Financial Summary as of 01/05/15

Hi Kurt,

As requested, following is a brief financial summary for the Coastal Wastewater Management Plan Project, as of January 5, 2015. The original Project (\$185,000), and Draft Report of Fall 2013, were based on the premise that: (1) based on three past DEEP-approved planning reports for the chartered beaches, pollution does exist in the Project Area, and that there is need for solutions other than on-site septic systems; and (2) these pollution conditions as documented for the chartered beaches could be extrapolated to the Town-managed sub-areas based on similar density and development criteria. However, following the Draft Report, DEEP subsequently required the Report first be updated in October 2014 (per Amendment #1 for \$78,000), and again on December 19, 2014 (Amendment #2 pending). Through January 5, 2015, the Town has been invoiced approximately \$303,000. In addition, there is approximately \$85,000 in unbilled time and expenses, including anticipated future costs to support the Town through a public informational process and vote/referendum. Therefore, the additional/anticipated costs of compliance, beyond Amendment #1, total \$125,000. The Town is in the process of summarizing these costs for submission to DEEP, with the expectation that DEEP may provide a 55% grant for all costs beyond Amendment #2. It should be noted that the costs would have been higher, had the WPCA not allocated staffing resources from the Sanitarian's office to assist with the detailed lot-by-lot analysis that was required by DEEP (estimated at \$20,000 to \$30,000). Please let me know if you have any questions.

Regards,
Dave

David R. Prickett, PE
David Prickett Consulting, LLC
Office: 413-567-6310
Cell: 860-418-9676
Fax: 413-451-1030

