

Rodney C. Collins
Town Manager
508-539-1401
rccollins@mashpeema.gov



Office of the Town Manager
Mashpee Town Hall
16 Great Neck Road North
Mashpee, MA 02649

MEMORANDUM

To: Select Board
From: Town Manager Rodney C. Collins
Re: Phase II – Wastewater Project
Date: April 1, 2024

In just over one month, residents of Mashpee will have the opportunity to decide whether to authorize funding for Phase II of the Wastewater Management and Clean Water Plan initiated in 2015. Many people have had questions relative to the scope of this project and its cost. At times the technical elements of the project overwhelm people and this has led to confusion and at times compounding questions. I prefer to provide a simple perspective and brief summary of pertinent information. I recently met with folks from Envision Mashpee and the Clean Water coalition. It was suggested that this critical timing was necessary to provide voters with an informed path towards Town Meeting, May 6, 2024.

First and foremost, Article 6 of the Special Town Meeting will rescind the previously authorized borrowing at the October 16, 2023 Town Meeting in the amount of \$4.5 million. Article 4 of the Annual Town Meeting will authorize the Town to fund \$96.1 million to complete Phase II. The scope of the plan and specific roads involved can be found at the Town of Mashpee website. Click on the Clean Water tab. At the top of the page, you can review the roads covered by Phase II. What most people ask is what will this cost them? After consultation with the Finance Team, the Wastewater Management Superintendent, engineers and others, it is important to provide a good faith estimate based upon reasonable and realistic projections. I have consistently strived to minimize the impact on the property tax rate paid by Mashpee citizens. Therefore, all available funding sources have been utilized to lower the amount to be assessed to the levy through a debt exclusion in May.

My debt service plan relies on the following:

1. Obtaining a 0% State Revolving Fund or SRF loan. Mashpee's eligibility for this loan was confirmed by a DEP letter last week and is contingent on our continued compliance with the flow neutral bylaw and voter approval of the project in May.
2. 25% principal debt relief from the Cape and Islands Water Protection Fund, written confirmation of which was received last week.

3. 3.3% principal forgiveness provided by the Mass Clean Water Trust, per their regulations and formula.
4. Using all future projected revenue not already committed to prior debt service from the WIIF and Wastewater Stabilization Fund consistent with conservative estimates for revenue growth and developed internally.
5. Tapping the levy for a property tax increase based only on the debt service not covered by the revenue streams above.

The bottom line is that I expect the Phase II property tax increase, averaged over the 30-year life of the SRF loan, to be about \$75 per year for the average residential valued home, which is roughly \$772,000 in Mashpee. To put it in simple terms, this is likely to cost less than an expensive cup of coffee per week. I would further point out that the debt payments on Phase II will not commence until Fiscal 2029, at the earliest. This project will not have a fiscal impact on the tax rate for almost five years during which time we will have the opportunity to adjust our payment approach to further reduce tax impacts if revenues exceed the conservative projections. This estimate does not include any operational adjustments or increases.

Unless the Select Board has any objections, this will be the information delivered to the Sewer Commission at tomorrow's Special Meeting and this guidance shall be distributed to provide voters with information in preparation for Town Meeting.