

WATER POLLUTION CONTROL AUTHORITY
Town of Trumbull
CONNECTICUT

TOWN HALL
(203) 452-5048



5866 MAIN STREET
TRUMBULL, CT 06611

CONTRACT IV NORTH NICHOLS SEWER ASSESEMENT SUMMARY

As part of all Sanitary Sewer projects and Connecticut State Statutes for Municipal Sewerage Systems, the Town of Trumbull's Water Pollution Control Authority is currently in the process of levying benefit assessments to property owners involved with sewer project. The Public hearing pursuant to C.G.S. § 7-250 was held on Tuesday November 20, 2012 and questions were received by the people in attendance. Whatever questions could have been answered at that time was answered by the Commission. This summary is being provided to provide a detailed outline and summary of (a) the costs associated with the sanitary sewer project, (b) considerations in setting the assessment and (c) answers to the questions raised at the recent Public Hearing. The intent of the assessments is to share the cost of the sanitary sewer project with the residents being served by the project.

Project Costs:

As part of summarizing the costs for the Contract IV project, costs were separated into two categories, WPCA Obligations costs and Town Obligations costs.

The WPCA Obligations are items relating to the installation of the sanitary sewer system, (including but not limited to design, sanitary sewer installation, initial asphalt/trench repairs, property restoration at sanitary easements, bonding costs, etc).

The Town Obligations are improvements to the Town's infrastructure that are within the Contract IV work zone and any other items un-related to the installation of the sanitary sewer system. These items include, but are not limited to, storm drainage improvements, various sidewalk improvements, roadway paving upgrades, construction/contract management and remediation, etc).

Therefore, below are the WPCA Obligations:

Total WPCA Obligations: \$26,311,992.36

Sewer Construction	\$24,112,717.29
Huntington Road Sewers	\$ 1,483,097.00
Easement Restoration	\$ 200,000.00
Easement Appraisal Costs	\$ 17,450.00
Easement Acquisition	\$ 169,336.50
Design	\$ 124,213.65
Bonding Costs	\$ 123,818.08
Miscellaneous Soft Costs	\$ 81,359.84

Total Town Obligations

Replacement of various sewer components	\$ 1,439,421.25
Shelton Road final pavement restoration	\$ 900,000 - \$975,000
Tighe and Bond Construction Management	\$ 2,300,000 – \$2,500,000
Final Pavement & Infrastructure	
Improvements on all roads	\$ 3,500,000 - \$5,000,000

Assessment Amounts levied on Properties:

In determining the amount to levy on individual properties for this project, The Town of Trumbull assumes 25% of the “Sanitary Sewer Related” costs and 100% of the “Non-Sanitary Sewer Related” Costs. Therefore, \$19,733,994.27 (75% of \$26,311,992.36) is the amount shared among all residents within the Contract IV project.

Pursuant to Connecticut Statute, the WPCA has the authority to set the assessments and when setting these assessments may consider any relevant factors which include but are not limited to area, frontage, grand list valuation and to present or permitted use or classification of benefited properties. As part of determining cost sharing methodology for the assessments, the following has been the general policy of the WPCA:

- 1) It is more expensive to install sanitary sewers for neighborhoods with properties averaging an acre in size with longer lot frontage when compared to neighborhoods with properties averaging of ½ acre in size with smaller lot frontage. (As a hypothetical example: if it costs \$1,200,000 to install sewers for 30 properties having average size of an acre with average 200 foot frontage, it may only cost \$600,000 to install sewers for 30 properties having an average size of a ½ acre with 100 foot frontage.) Therefore, when project limits include properties with varying size lots, it is not fair just and equitable for the owners of smaller properties to be assessed the same amount as owners with substantially

larger residential properties as the larger properties increase the cost of the project.

- 2) In consideration that many properties of similar area size can contain a wide range of frontage lengths and all properties share the benefit of the sanitary sewers, individual assessment amounts for similar size properties must be within a reasonable range of each other.
- 3) Various properties may not have a sanitary sewer main extend across the entire lot frontage. However, in order to serve these particular properties, there are accrued construction costs beyond the limits of these particular properties required to be completed. (ie. Easements, sewer main depth considerations, etc). Therefore, costs must be shared among all the property owners within a reasonable range of each other.
- 4) There must be a charge for each property served by the sanitary sewer to account for the maintenance of the sewer system.
- 5) If a property receives an ejector (grinder) pump, additional charges for the pump installation must be added to the assessment.

Therefore, in consideration of all the concerns listed above, the following are the items used on past projects that have been adopted by the Water Pollution Control Authority to determine the individual property assessments:

- 1) In consideration of varying property sizes and frontages, a price per assessed lineal foot multiplied by the assessed property frontage has been established to determine one of the components of the assessment. The assessed frontage is equal to the actual frontage of each property subject to the minimum and maximum footage referred to below.

LOT SIZE CHART

LOT SIZE	LIMITS		FEET
Up to .499 acre	Min.	80'	Max. 125'
From .500 to .999 acre		125'	150'
From 1.00 acre and greater		150'	175'

Corner lots will be assessed for only one side of frontage, which shall be the side bordered by the sewer line – or the shorter side if both sides are bordered by the sewer line.

The addition of each assessed frontage is considered **Total Assessed Frontage.** As of this time, the **“Total Assessed Frontage”** calculated for this project is 121,622 lineal feet. The total assessed frontage can change pending review, comments and corrections from individual property owners. Below is a summary of the calculation used to determine the **“Price per Assessed Lineal foot”**

75% of the Sanitary Sewer Costs: \$19,733,994.27

Price per assessed lineal footage: \$19,733,994.27 divide by 121,622
LF = \$162.26/LF of assessed
property frontage

Individual assessment amounts: \$162.26 times assessed property
frontage

- 2) In consideration of maintenance costs, a flat fee of \$500.00 per lot is included, plus
- 3) In consideration of the installation of a grinder pump, if your property receives a grinder pump, a minimum charge of \$3,500.00 plus other potential expenses as described in the Grinder Pump Letter and License Agreement shall be added.

Residents will have the option of paying for the final assessment amount in one of three (3) following ways.

- 1) Payment in full within 30 days of first billing **OR**
- 2) Make an initial payment of \$500.00 plus 20 Annual Payments of the remaining principal balance at a bonded interest rate of 2.75% **OR**
- 3) Make an initial payment of \$500.00 plus 20 Annual Payments at a bonded interest rate of 2.75% paid in equal quarterly installments.

As part of the Public Hearing on November 20th, 2012 and other inquires from resident calls to the Sewer Department, below are typically asked questions about the assessments:

1) What are the project costs?

The WPCA Obligation related costs for the project used in the assessments are \$26,311,992.36.

2) Are existing wetlands on the property considered in the assessment determination?

The property area category used in the calculation is based on the overall area including the wetlands. However, if the overall size of the property is 3.2 acres and contains wetlands, the category for area used in the calculation uses 1.0 acre as the maximum area considered. (refer to "Lot Size Chart" above).

3) Why are the current assessments higher than the assessments proposed in 2002?

The letter distributed in 2002 indicates *"The cost in today's dollars, about \$15,000 – \$18,000, is a fairly typical assessment. All assessments are based on the actual construction, engineering and administrative costs for your project"*.

Listed on the first page are the costs used to determine the assessments. Actual inflation, material costs, design costs and nature of the terrain in your

neighborhood all play a role in the final assessments. Project costs for neighborhoods with properties having an average acre in size are more expensive than project costs for neighborhoods with properties having an average of ½ acre in size.

4) Are the grinder pump charges included in the assessment amount?

As part of the November 7th 2012 assessment letter sent to the residents, item #3 describes the costs associated with the grinder pump installation. The summary of charges described in the bottom of the letter indicates if the grinder pump charges are included or not included. If the amount is “\$3,500.00”, your property is proposed to receive a grinder pump and therefore, is included. If the amount is “\$0.00”, your property is not proposed to receive a grinder pump and therefore, is not included and not applicable.

5) What is the objective of the assessments?

In accordance with the Connecticut State Statutes for Municipal Sewerage Systems, the Water Pollution Control Authority may levy benefit assessments to the property owners served by the project. The purpose of the assessment is to collect funds from residents benefiting from the system and those funds are in turn used to pay the bond obligations associated with the project.

6) The project is not complete, when will it be completed and why are we receiving the assessments at this point?

The cost of the project was separated into two categories, WPCA Obligations and Town Obligations . The WPCA items are approximately 99% completed. Any remaining costs to complete the WPCA items have been categorized and are included in the assessments. Work associated with Town items have not been completed. They are not included in the assessments. At this time, we anticipate the completion of the drainage work and roadway paving will occur in the Spring and Summer of 2013.

7) Sewers were installed on Huntington Road. Is there the potential for Stratford residents to connect to the system paying an assessment?

No. Other residents (from Trumbull or residents from another town) are not allowed to tie in without approvals for the WPCA. If any other resident (from Trumbull or Stratford) proposes to connect, they will be required to pay a connection charge.

8) There was a reduction of \$2,000,000 on the Jog Hill sewer project, is this project getting a similar reduction?

The reduction of approximately \$2,000,000 on the Jog Hill project was based on eliminating various items from the overall costs and assessed the residents based on the remaining costs. In the current North Nichols sewer project, the town eliminated the Town Obligations from the assessment amounts. The Town Obligation totals more than \$2,000,000.

9) Can the Town eliminate the interest rate charge if the homeowner chooses the 20 year option?

The interest rate charged to the residents as part of the assessment is based on the average interest rate the town is paying for the separate bond sales. The town will not waive this charge.

10) Various questions pertained to if the actual sewer main installed in front of the property is less than the actual frontage being charged.

Property frontage is only one of the 5 main policy considerations by the WPCA when balancing the cost sharing methodology for the project (Please refer to the items above). The frontage length used in the calculation is based on an assessed frontage length. The reason the frontage length is not the only consideration is that, in order to serve these particular properties, there are accrued construction costs beyond the limits of their properties required to be completed (ie. Easements, sewer main depth considerations, etc). Therefore, costs must be shared among all the property owners. Additionally, since all properties share the benefit of the sanitary sewers, individual assessment amounts for similar size properties must be within a reasonable range of each other.

11) What is the rationale behind using the street frontage rather than taking the total project cost divided by the number of household to determine the amount of the assessment?

It is one of the policy of the WPCA that it is more expensive to install sanitary sewers for neighborhoods with properties averaging an acre in size with longer lot frontage when compared to neighborhoods with properties averaging of ½ acre in size with smaller lot frontage. (As a hypothetical example: if it costs \$1,200,000 to install sewers for 30 properties having average size of an acre with average 200 foot frontage, it may only cost \$600,000 to install sewers for 30 properties having an average size of a ½ acre with 100 foot frontage.) Therefore, when project limits include properties with varying size lots, it is not reasonable for the smaller size properties to subsidize the cost of the project for the larger size properties. However, since all properties share the benefit of the sanitary sewers, individual assessment amounts for similar size properties must be within a reasonable range of each other.

12) If a septic system was recently installed, do we need to connect into the sewer system?

Homeowners with access to the sanitary sewer system wishing to remain connected to their septic system are required to submit an application for an extension of time to Connect to the sewer system. The granting of the extension is contingent on the approval by the Trumbull Monroe Health District after an inspection of the system is conducted. The current fee for that inspection is \$135.00. The fee and the inspection is not required of residents with septic systems less than 15 years old. The granting of an Extension of Time to Connect has no effect upon the obligation of the property owner to make all payments when due on the Sewer Assessment which shall remain in full force.

13) Are the guidelines subject to change or can they be amended?

All guidelines and processes are subject to change. However, the policies and procedures used to determine the cost sharing methodology have been adopted by the WPCA.

14) If the installment method of payment is chosen, can the assessment be prepaid at a later date?

If the installment method is chosen, you will always have the option of pre-paying the remaining principal balance at any point.

15) A property was bought in an earlier year and the owner was not told about the sewers at that time, who should have told the owner about the project?

Generally, the buyer or seller must research this information. The due diligence to determine if there is any outstanding or pending assessments is customarily handled at closing through the buyer, seller their attorneys and/or realtors.

16) Various sewer laterals were not installed in the desired location?

This must be reviewed on an individual basis. Property owner must contact the Sewer Department.

17) When will the assessments bill be sent to the residents?

It is anticipated that the assessments invoices will be sent in July, 2013.

18) Based on the review of the individual house assessed frontage lengths and potential modifications thereof, can other individual assessments increase?

Yes. Currently, the "Total Assessed Frontage" for the project is 121,622 lineal footage and the corresponding price per assessed lineal footage is \$162.26. If the Total Assessed Frontage is slightly reduced, the final price per assessed lineal footage will increase.

19) If a resident chooses to pay the assessment over 20 years, will it be a requirement to pay off the assessment upon sale of the property?

No. The assessment will be a lien on the property. The Town will not require the lien to be paid off upon the sale of the property. However, any negotiation of the payment of the lien will be between the buyer, seller and potentially the lender.

20) What are the sewer usage fees?

Sewer usage fees are based on actual water usage. The residential Sewage Treatment per 100 CF of water used is \$4.43. The Industrial Sewage Treatment per 100 CF of water used is \$4.82. If you are on a well, the flat rate for the quarter is \$130.26. If you are not connected to the sewer lateral, there is a flat rate of \$27.00 per quarter.

21) Is there a reduction for Armed Service Veterans?

As of this time, there is no reduction for Armed Service Veterans.

22) If the lateral serves an empty lot, will the assessment have to be paid?

Assessments are applied to the empty lot. However, the payment due date is deferred until the property is developed.

23) How do the assessments for the North Nichols Project compare to the Jog Hill Project, Contract 3?

Below is a list of varying frontages and their respective costs for both projects

Jog Hill Contract 3 Project (Interest Rate @ 3.804% fixed for 20 years)

Frontage	Total Assessment	Yearly Installment	Quarterly Installment
175' frontage	\$24,654.15	\$1,782.75	\$445.69
150' frontage	\$21,203.56	\$1,533.24	\$383.31
100' frontage	\$14,302.37	\$1,034.21	\$258.55

Above assessments are based on price per assessed frontage of \$138.02.

North Nichols – Contract 4 Project (Interest Rate = 2.75% fixed for 20 years)

Frontage	Total Assessment	Yearly Installment	Quarterly Installment
175' frontage	\$28,895.50	\$1,897.62	\$474.41
150' frontage	\$24,839.00	\$1,631.22	\$407.81
100' frontage	\$16,726.00	\$1,098.43	\$274.60

Above assessments are based on price per assessed frontage of \$162.62. This price is subject to change based on final "Total Assessed Frontage".

24) For corner lots, is the frontage based on both sides?

Corner lots will be assessed for only one side of frontage, which shall be the side bordered by the sewer line – or the shorter side if both sides are bordered by the sewer line

25) Which contractors can potentially install the sanitary laterals for the properties?

The homeowner can choose their own sanitary contractor provided that the contractor is able to obtain a sewer permit from Trumbull's sanitary department

If there are any questions not listed above, or if residents have any other questions, please do not hesitate to call the Sewer Department (203-452-5048).