

Towns weigh options for facility upgrade

By **Stacey Hart / Daily News Staff**

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SUDBURY -- Required to make improvements for pollution control by the Department of Environmental Protection, the Wayland-Sudbury Septage Committee is considering options for how to pay up for the project.

"We are looking at the options. First of all, we don't need any money. We could take money out of our surplus account, retained earnings," said committee chairman Bob Gottberg. "The retained earnings are over half a million."

One option is to use that money, but the second option would call for borrowing the funds, which worries some Sudbury officials. Under the current inter-town agreement, Wayland handles all the financing and issuing of bonds, meaning only one town votes on such issues.

"The (committee) may be going forward with borrowing and under the current agreement, it doesn't require the approval of the town of Sudbury," Town Manager Maureen Valente said at a recent selectmen's meeting. "The town could be obligated to pay a debt without a chance (to vote). It would only go to Wayland's town meeting."

It is possible to change the agreement, but Gottberg doubted it could be done before the money was borrowed, if the committee decided to go with that option.

The septage facility is operated as an enterprise fund, but both towns remain liable for the debt in the event of a revenue shortfall. Each town is responsible for 50 percent of the debt.

If money is borrowed for the facility improvements and something happens, such as the facility being closed, Sudbury officials are concerned about incurring the leftover debt.

"Quite frankly, it concerns me as a precedent, that another town could approve debt that would be incurred as a top tier obligation to the town of Sudbury," Valente said. "When you issue debt, that's the first thing you have to pay. Everything else is after that."

Gottberg said he does not foresee any financial problems at the facility, unless Wayland decides it wants to close it. If that were to happen, both towns would need to worry about paying the debt.

"If DEP shut them down tomorrow and they issued bonds for the next 10 years and there's no more receipts, the secondary guarantee becomes the taxes," Valente said.

Having not heard the details from the septage committee about the options, Wayland selectmen Chairman Michael Tichnor said it was difficult to comment.

"We have not discussed it as a board at this point in time," he said. "I believe they are on our agenda sometime over the next few weeks."

For now, the septage committee, consisting of four residents from each town, has not made a decision on what funds it wants to use for the new DEP requirement. The upgrade is needed because high levels of nitrates are being found in the nearby groundwater.

"We don't need to (borrow), but is that a better option than taking money out of our retained earnings? I'm not sure of the financial pluses and minuses yet," Gottberg said. "I'm not really convinced which way to go."

The cost of the project is also a bit unclear. Using an old approach for de-nitrification would cost about \$750,000, but a new approach could cost \$250,000, Gottberg said.

With about \$500,000 in retained earnings, it would likely be easier to fund the new approach without borrowing. In addition to retained earnings, Gottberg said profits are looking good.

"This year, it looks very well that we'll be in a profit position, not a lot of profit, but in the \$10,000 to \$20,000 range," he said.

Fiscal 2007, beginning July 1, is also the last year of a bond started about 15 years ago, and that will increase the amount of money deposited into retained earnings, Gottberg said.

"That will be added to our income, which will be in the tune of \$70,000 to \$80,000. When you add the two of them together, you don't have to be a super mathematician to figure that's almost \$100,000," he said.

Discussions on the options are expected to continue with Sudbury and Wayland committees over the next few months.

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