



City of Gardner - *Executive Department*

Mayor Michael J. Nicholson

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CITY CLERK'S OFFICE
GARDNER, MA

May 25, 2023

Hon. Elizabeth J. Kazinskas, Council President
And City Councilors
Gardner City Hall, Rm 121
95 Pleasant St
Gardner, MA 01440

RE: Sewer Retained Earnings Appropriation Request – MEPA Response

Dear Madam President and Councilors,

Attached, please find correspondence from Director Arnold of the Department of Public Works associated with the attached Sewer Retained Earnings (Surplus) appropriation request.

Respectfully Submitted,

Michael J. Nicholson
Mayor, City of Gardner

AN ORDER REQUESTING A TRANSFER FROM SEWER SURPLUS/RETAINED EARNINGS TO SEWER DEPT OPERATING EXPENDITURES.

ORDERED:

That there be and is hereby transfer the sum of Three hundred Seven Thousand Dollars and 00/100 (\$307,000.00) from Sewer Surplus/Retained Earnings to Sewer Operating Expenditures as follow:

SLUDGE LANDFILL EXPENDITURE	\$307,000.00
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CITY OF GARDNER
Department of Public Works



Highway
Water
Sewer
Forestry
Parks/Playgrounds
Cemeteries

Dane E. Arnold, Director
50 Manca Drive
Gardner, MA 01440-2687
Telephone (978) 630-8195
darnold@gardner-ma.gov

Mayor Michael J. Nicholson
City Hall
95 Pleasant Street
Gardner, MA 01440

RE: SLF MEPA Response

May 23, 2023

Dear Mayor Nicholson:

I am requesting the **\$307,000** from available **Sewer Surplus** to **Sludge Landfill (61440-58616)** for the City's consultant (Woodard and Curran) to respond to the Massachusetts Environmental Policy Act Office (MEPA) decision to require an Environmental Impact Report (EIR) and address comments in order to proceed with the permitting of the expansion of the Sludge Landfill.

As part of the Permitting process, we are required to not only permit the expansion through Mass DEP, we are also required to go through an environmental review through MEPA. We have submitted our plans and permit application to MEPA and received comments back. In order to proceed with the expansion, we must look at some alternatives, changes to the proposed design and construction methods, and we are required to uniquely respond to every comment received from the public during the process; we cannot just refer to a section in the report we have already submitted.

We have already looked at 2 alternatives since we started the process of permitting. One is a company called SoMAX that doesn't have any permitted facilities in Massachusetts, only one in Pennsylvania. The other alternative is a planned privately owned and operated anaerobic digester in Fitchburg that has not started the permitting process with DEP and MEPA yet.

We sent our sludge out to SoMAX to have it analyzed to see if their process is suited to effectively process our sludge biochar and produce electricity. With our sludge alone, we could not produce enough energy. In order to accomplish this, we would need to truck in about 60% more sludge and food waste from other communities. This would lead to the City relying on other communities to contract with us in order for them to truck their sludge to Gardner. The Capital Costs associated with this alternative was estimated at around \$10 Million and that was even if it could be permitted in Mass. This is a huge risk at the hands of the Sewer Rate Payers.

The second alternative of hauling our liquid sludge to a future anaerobic digester in Fitchburg was also discussed with a representative from EQ Renewables who is working with Synagro on the project. Some concerns we had with anaerobic digestion is it still produces a waste that needs to be hauled and disposed. Gardner would be at the mercy of the tipping fee charged in Fitchburg and the tipping fees charged in New York or other states where it is disposed.

We were given a very rough estimate of what our fee might be at the Fitchburg facility in today's dollars of \$170/wet ton. That calculated to about \$1,062,500 per year the City would be charged to dispose of our sludge. Every year we can assume it will increase and if a facility in New York decides it will no longer take the waste from the digester, the costs will exponentially increase.

Woodard and Curran estimate the cost to expand our Sludge Landfill to be around \$6.5 million with a minimum life of 17 years, but most likely around 30 years since we produce a much dryer sludge with the new upgrades completed at the Wastewater Facility. This calculates out to about \$600,000 a year if we expand the landfill. Once it's paid for after the term of the loan, the remaining years after the loan payoff would cost minimal. The landfill will be under the City's control with a lot less risk and impact to inflation, fuel prices, tipping, and disposal fees.

If you have any questions regarding this matter, please do not hesitate to call.

Sincerely,



Dane E. Arnold, Director
Department of Public Works

PC: Public Service Committee
 John Richard, City Auditor



CITY of GARDNER
Office of the City Auditor

John Richard, City Auditor
 95 Pleasant Street, Room 126
 Gardner, MA 01440

Phone: 978-632-1900 ext. 8020 • Fax: 978-630-3778
 Email: jrichard@gardner-ma.gov

To: City Council

Re: Money Orders for consideration on May 31, 2023

Listed below are balances in various ledger accounts that pertain to Money Order transfers for your consideration.

These balances are as of May 25, 2023:

			<u>Money Order</u>		<u>Balance</u>
Sewer Enterprise Fund					
61000-31500					\$ 5,964,562
	To Sewer Dept for Sludge Landfill Expense	61440-58616	\$ 307,000	\$	5,657,562
				\$	5,657,562

The Snow & Ice account currently has available (\$474.64)
 14421-52210

Sincerely

John Richard

John Richard
 City Auditor

copies: Mayor
 City Clerk



City of Gardner - *Executive Department*

Mayor Michael J. Nicholson

May 25, 2023

Hon. Elizabeth J. Kazinskas, Council President
And City Councilors
Gardner City Hall, Rm 121
95 Pleasant St
Gardner, MA 01440

RE: Sewer Retained Earning Appropriation Request – Sand Purchase

Dear Madam President and Councilors,

Attached, please find a sewer enterprise fund retained earnings request.

As you are aware, Massachusetts General Laws as well as the Emerson case of the Massachusetts Supreme Judicial Court require the City to retain a full and completely separate accounting for all enterprise accounts and funds are not allowed to be mixed with taxpayer funded accounts. This is because not all taxpayers receive the services provided by enterprise departments. For example, someone whose property has a well and septic system still pays property taxes but does not pay into the water or sewer enterprise accounts.

This attached appropriation is related to the Sewer Department purchasing sand from the DPW gravel bank. This must be treated as a sale, due to the aforementioned statutes and regulations.

The money from this sale will be used to offset the cost of purchasing equipment for the DPW.

Respectfully Submitted,

Michael J. Nicholson
Mayor, City of Gardner

AN ORDER REQUESTING A TRANSFER FROM SEWER SURPLUS/RETAINED EARNINGS TO DPW DEPT NEW EQUIPMENT.

ORDERED:

That there be and is hereby transfer the sum of Thirty-Nine Thousand Three Hundred Forty-Eight Dollars and 00/100 (\$39,348.00) from Sewer Surplus/Retained Earnings to DPW New Equipment as follows:

DPW NEW EQUIPMENT	\$39,348.00
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CITY OF GARDNER
Department of Public Works

11015

Highway
Water
Sewer
Forestry
Parks/Playgrounds
Cemeteries



Dane E. Arnold, Director
50 Manca Drive
Gardner, MA 01440-2687
Telephone (978) 630-8195
darnold@gardner-ma.gov

Mayor Michael J. Nicholson
City Hall
95 Pleasant Street
Gardner, MA 01440

RE: Cover Material Transfer

May 23, 2023

Dear Mayor Nicholson:

I am requesting the **\$39,348** from available **Sewer Surplus** to be transferred into the Department of Public Works **New Equipment** line item **14421 - 55123**.

The Sewer Department requires sand to be used for mixing and cover material at the Sludge Landfill. With the City owning a gravel bank and we now use a limited amount of sand for road treatment during the winter, the City has an abundance that can supply the Sewer Department with sand.

The retail cost to purchase cover material is approximately \$9.00 per yard. We determined that a fair cost of half the retail cost as we've used in the past. The \$4.50 per yard is a slight increase from last year. Approximately 8,750 yards were used from the City's gravel bank. The funds will be used to offset the City costs of purchasing new equipment.

If you have any questions regarding this matter, please do not hesitate to call.

Sincerely,

Dane E. Arnold, Director
Department of Public Works

PC: Public Service Committee
John Richard, City Auditor