Summary of Section 20 of the Master Plan

Cost to move Plant No. 1 to Plant No.2 was $13,816,000 in Table 20-1.

The cost of minimum repairs to Plant No. 1 without counting the Denitrification project is $3,283,000

The cost of future repair items for Plant No. 1 without Denitrification is $571,000.

The total for all costs at Plant No. 1 not counting Denitrification is then $3,783,000.

Denitrification must be built somewhere in front of an oxidation ditch. If we keep Plant No. 1, it will add $2,619,000 to the investment in Plant No. 1. If Plant No. 1 is moved to Plant No. 2 this $2,619,000 will be spent at Plant No. 2

Differential costs are as follows.

Keep Plant No. 1. and doing the minimum required

$3,283,000 Plus $2,619,000 = $5,902,000.

Keep Plant No. 1 and do future items also,

$3,783,000 + $2,619,000 = $6,402,000

Move Plant No. 1 to Plant No. 2

$13,816,000 + $2,619,000 = $16,435,000

So it is about a $10 million increase in cost to move Plant No. 1 to Plant No. 2.

This is offset by an O&M cost savings estimated at $863,000 in present worth costs. So net cost to Town over 20 years is $10,000,000 - $863,000 = $9,137,000.

That is the net cost to the Town for moving Plant No. 1 to Plant No 2.

If you make the improvements to Plant No. 1 you will be repairing a plant that is 40 years old, but we would expect a life of at least 20 years of all facilities are used and maintained going forward. If you move it all to Plant No. 2 it is an all new facility and should last longer than that if properly maintained.

HERWIT agrees with Veolia on the operational improvements from having everything at Plant No. 2. The District will have to decide if the additional cost is worth it. Once they invest another $6 million at Plant No. 2 it is unlikely they will be in a position to consider moving it to Plant No. 2 in the future.