



**TOWN OF CHARLTON
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**Press Release
April 12, 2016**

**Town of Charlton
Water Agreement with ExxonMobil**

The Board of Selectmen and Water Sewer Commission are happy to report that they reached an agreement estimated to be worth \$30,000,000 with ExxonMobil regarding releases at various sites including the LaMountain Gas Station. The agreement's new water infrastructure will bring public water to sites contaminated by MtBE including the Charlton Middle School, Charlton Heritage Elementary School and Bay Path Regional High School. Masonic Home will also be hooked up to the new water line.

Charlton has seen various spills of chemicals into the ground including salt and petroleum products. Several releases have caused Charlton to evaluate either developing its own drinking water supply system or entering into a partnership with another town or entity to supply water to areas of the Town where the aquifer has been contaminated. The releases causing groundwater contamination in Charlton include releases of gasoline at the Massachusetts Turnpike Rest Areas 5E and 6W, a release of gasoline at the Honey Farms on Worcester Road, a release of gasoline at LaMountain's Exxon on Worcester Road, and releases of petroleum products from the Charlton Highway Department on North Main Street.

SUMMARY OF SETTLEMENT

After more than 20 years of contamination reports and testing, limited treatment approaches, plans and designs, enforcement proceedings, and on again, off again negotiations, the Town of Charlton has secured agreement in principle that provides the following:

1. ExxonMobil (EM) will install, at its own expense, the Waterline as described in Scott Wybro's letter to DEP dated March 18th plus Hammerrock Road and Dodge Lane (and anything regarding waterlines required by DEP as agreed to per ACO), per Town of Southbridge water rules and regulations. EM will activate Rt. 20 section from N.Main to where Old Worcester Rd/Prenier Lane intersects with Rt. 20 (Rt 20 New Wetted Section). Hookups will be addressed as described in #5 below. See attached map for new Waterline route, 3 named schools and Rt 20 New Wetted Section.

Note: Other elements/areas of waterline design and construction includes:

- a. *L. Stevens Rd.*
- b. *Old Worcester Rd. from North Main St. to Route 20*
- c. *Morton Station Rd.*
- d. *Muggett Hill Rd. water main installation from North Main St. to Morton Station Rd.*
- e. *Oxford Rd. water main installation from Morton Station Rd. to Heritage School driveway*
- f. *Heritage/Middle School service connections*
- g. *Bay Path School service connection with pump station*

- h. *Old Muggett Hill*
 - i. *North Main St. service line connections and well decommission*
 - j. *North Main St. service line connection permit fees*
 - k. *Service connections (As outlined in Administrative Consent Order)*
 - l. *Service connection permit fee (As outlined in Administrative Consent Order)*
 - m. *Rt. 169 water main upgrade to 16-inch diameter from approx. Carpenter Hill Rd. to Snake Hill Rd.*
 - n. *Rt. 169 Pump Station*
 - o. *H. Putnam water main installation from Stafford St. to Route 20*
 - p. *Design, permitting, bid prep, project management, construction oversight by engineer/consultant for water main and service connections*
 - q. *Masonic Home Road water main installation from North Main St. to Masonic Homes*
 - r. *Masonic Homes service connection*
 - s. *Masonic Homes pump station*
 - t. *Dewberry water modeling and updated report for technical justification of waterline design and water quality*
 - u. *Mixers in J. Hammond and Mass Ave. Tanks*
2. \$7,750,000 cash settlement from ExxonMobil to the Town of Charlton. *Note: The Board of Selectmen and Water Sewer Commission voted to use funds to pay off water debt; cancel all assessed water betterments; and credit those who have already paid. The remaining funds shall support the Water Department (i.e. operation, capital, expansion, design) as appropriated by town meeting.*
 3. \$250,000 to fund a Water Superintendent (from Waterline project fund). *Note: This contemplates funding over 2 ½ years to get a viable water department up and running. The Water/Sewer Commission received a State grant to analyze the financial implications of becoming an independent water department.*
 4. The Town of Charlton shall provide EM a Release for 6W, 5E, Honey Farms, LaMountain. *Note: Further contamination migration will still be monitored by DEP and, if necessary, DEP will require ExxonMobil to handle as the responsible party. This release is only from the Town.*
 5. EM will connect properties showing detections (as agreed to per ACO). EM will offer connections to other properties (i.e., properties not showing detections) on new waterline loop and Rt 20 New Wetted Section as described below:
 - a) Charlton will not charge betterments along the waterline route installed by EM. Charlton will not charge betterments regardless of whether the home connects to waterline or not. For clarity, properties where EM offered connection during a Connection Period and they refused to connect, Charlton will not charge betterments. Likewise, Charlton reserves the right to assess a privilege fee for any change resulting in a new, larger or additional water service connection after expiration of the Connection Period (to be paid by property owner). *Note: see note after #2*
 - b) EM will offer a ‘12 month connection period’ (Connection Period) which starts when line is activated/wetted and first letter offering a water hookup. EM agrees to send quarterly notices during this Connection Period to residents along the Waterline to remind them of deadline to respond to the Connection Period notice. As long as property owner responds affirmatively within this Connection Period, they will be connected. *Note: Both Charlton officials and DEP agreed that all residents should be offered connections free of charge if they are in the plume area whether there is presently contamination or not.*
 - c) EM will work with DEP to identify commercial properties requiring sampling as part of EM upcoming 12 month sampling program. *Note: Charlton officials insisted that commercial properties along the waterline be tested and connected if contamination is present. We thank DEP for supporting that requirement.*
 - d) Excludes any hook ups for non-detect commercial properties with DEP approval as well as undeveloped/unoccupied properties. Three schools and Masonic connections will be funded and constructed by EM. EM will provide waterline connection stubs for lots that could potentially be developed/built upon subject to Town of Southbridge requirements. Charlton will provide a list properties with: undeveloped lot that has a

building permit and foundation in place during the Connection Period so that EM can offer connection. Home based business locations such as car repair, etc. are not considered Commercial for the sake of this exclusion. *Note: Charlton officials advocated that owners who were waiting for potable water to build be included thus the extension if they have a building permit and foundation.*

- e) EM offer to connect properties is contingent on potable well being abandoned or disconnected from home. EM may use certain wells as a monitoring well -- at EM cost). EM will consult with its LSP and DEP, and EM will determine whether any exceptions to well abandonment will be granted. The objective is to eliminate exposure pathway thus generally requiring well decommissioning (grouting). *Note: it was important to Charlton officials that residents be able to make their case if they wish to keep their wells for outside watering while keeping in mind that we do not wish to further contaminating the environment. Residents may make the request and have it considered depending on location and contamination level.*
 - f) EM recognizes that Bay Path High School, Charlton Middle School and Charlton Heritage School wish to retain their potable well for irrigation purposes. EM will work in good faith with the schools (including consulting with its LSP and DEP) to determine whether using the well for such purpose is possible without exacerbating groundwater contamination issues in the Charlton area. The decision of whether to leave the well open, and the conditions under which it may remain open, will be in EM's sole discretion. *Note: Again, Charlton officials requested DEP and Exxon to work with the schools on any potential well water usage.*
6. Both parties shall endeavor to get endorsements/approvals quickly and begin waterline. Parties also acknowledge that the terms set forth above are contingent on final management approval of the parties, negotiation of mutually acceptable final settlement agreement between ExxonMobil and the Town of Charlton, and on an acceptable ACO from DEP that reclassifies the groundwater aquifer (as described in Scott Wybro's letter to DEP dated March 18th). *Note: ExxonMobil has informed the Town that management approval has been given and the Board of Selectmen & Water Sewer Commission has approved the agreement.*

BACKGROUND OF SETTLEMENT

Since the late 1980s, the Town has been actively searching for a solution to its water needs. In 1996, the Town began to study the feasibility of bringing water along Route 169 and Route 20 from Southbridge. Subsequently, a water line was brought from Southbridge to supply the two rest areas on the Mass Pike and to service an area of Charlton City (Stafford Street, Route 20, Brookfield Road area).

At the Annual Town Meeting of 1999, the Town appointed the sewer commissioners to handle the water issues of the Town. The Town authorized the laying of water pipes and agreed to extend the line along North Main Street and Main Street to service the center of the Town.

The original Charlton Water System was designed and installed to provide water from Oxford to the Town of Charlton. Water lines were installed on Route 20 and the Charlton City area in 1999-2000, including a pump station and a 750,000 gallon water storage tank.

Prior to the water system being activated, the Massachusetts Department of Environmental Protection determined that the transfer of water from Oxford to Charlton would be an inter-water basin transfer, that is not allowed by law and therefore the system was never activated.

In 2003, the Annual Town Meeting voted to establish a Water Study Committee to investigate sources of water available within Town limits. The resulting report of 2006 was discouraging as to finding a suitable source and the Town entered into discussions with the Town of Southbridge for supplying water. The Town also had discussions with Exxon as to the spills on the Mass Pike and LaMountain.

The waterline infrastructure remained in place and inactivate until an agreement was reached with the Town of Southbridge to interconnect the existing Southbridge operated water system in the Town of Charlton to the inactive Town of Charlton water system at a point on Stafford Street.

Activation of the Charlton water system is still ongoing. Currently to date, upper Stafford Street area, Northside Road, Route 20 from Northside Road to North Main Street have all been activated. The water infrastructure east of Northside Road on Route 20 and to the Oxford town line will remain inactive and the costs have not been included in the calculations of the ExxonMobil settlement. These costs will be considered with activation of that section of waterline at a later time.

In 2009, the Town of Southbridge agreed to supply the Town of Charlton with 100,000 gallons of water to provide to citizens with known contamination. In 2010, a water line was installed on North Main Street, to provide water to the multiple properties with natural and petroleum contamination. The two towns continued working on a long-term agreement to bring 500,000 gpd to the Town of Charlton.

In 2015, the Towns of Charlton and Southbridge completed an IMA for 500,000 gpd. This amount was a prerequisite for building the “school loop”. Once that agreement was complete, Charlton officials along with the Department of Environmental Protection met with ExxonMobil representatives to develop an agreement that would provide water to a suspected migrating gasoline plume.

CONTRIBUTORS TO SETTLEMENT

The Town of Charlton is grateful to many people, boards and agencies. They include the Board of Selectmen and Water Sewer Commission; and the Town’s negotiating team, consisting of Board of Selectman Chairman Rick Swensen, Selectman John McGrath, Water/Sewer Vice Chairman Rob Lemansky, Water/Sewer Commissioner Joe Spiewak and Town Administrator Robin Craver.

They in turn wish to thank the Secretary of the Executive Office of Energy and Environmental Affairs (EOEEA) Matthew A. Beaton; as well as DEP Commissioner Martin Suuberg and Deputy Director Mark Baldi, for their many years of support as Charlton, Southbridge and ExxonMobil worked together to bring public water to contaminated sites.

We recognize the Town’s past negotiating members including Sandy Dam, Jack Bacon, John Elliott, Kathleen Walker and Joe Haebler. Several of the sitting Selectmen and W/S Commissioners sat in on various meetings including David Singer, Joe Szafarowicz, Cynthia Cooper and Paul Gagner. The State and Federal representatives who championed Charlton included Congressmen Richard Neil and James McGovern; State Senators Stephen Brewer and Anne Gobi; and State Representatives Geraldo Alicia, Peter Durant and Paul Frost. The Finance Committee members were also very supportive.

Charlton staff provided administration and technical support. They include Water Superintendent Steve Wandland, Director of Assessing Deb Ceccarini, Town Accountant Joan Walker, Health Agent James Philbrook, and the Board of Health members Matt Gagner, Nelson Burlingame and Willie Stevens. We appreciate the support we received from the Dudley Charlton Regional School District and Bay Path Regional Tech High School.

We thank our community partners: W/S’s Engineer Chris McClure from McClure Engineering; the Town’s LSP Gary Magnuson from CMG Engineering; Dewberry Engineering; Whitewater; Mark and Matt Abrahams from the Abrahams Group; the Southbridge Town Council and Interim Town Manager Kevin Pacios, Present Town Manager Ron San Angelo, & DPW Director Heather Blakeley; and CEO Tameryn Campbell and the Board of Directors for the Masonic Home; and resident organizer Karen Spiewak.

The Town of Charlton received excellent legal assistance from Special Environmental Counsel Greg McGregor and his staff at the law firm of McGregor and Legere, P.C. in Boston, and of course our own Town Counsel Jim Cosgrove from Worcester. We give a special thanks to Erin Brockovich and the attorney she had contact us for suggestions, William Walsh from the firm of Weitz and Luxenberg of New York, NY.