

**MINUTES OF THE  
CAPE COD WATER PROTECTION COLLABORATIVE  
Governing Board Committee  
October 4, 2017**

A meeting of the Cape Cod Water Protection Collaborative was held on October 4, 2017 at 9:00 a.m. in the Cape Cod Commission's main conference room, 3225 Main Street, Barnstable, MA.

**Members:**

Barnstable	Paul Hebert	Present
Bourne	Stephen Mealy	Absent
Brewster	Ryan Bennett	Absent
Chatham	Florence Seldin	Absent
Dennis	Wayne Bergeron	Present
Eastham	Jane Crowley	Present
Falmouth	Ray Jack	Present
Harwich	Larry Ballantine	Present
Mashpee	Tom Fudala	Present
Orleans	Sims McGrath	Present
Provincetown	Vacant	Vacant
Sandwich	Dave Sampson	Absent
Truro	Patricia Pajaron	Absent
Wellfleet	Curt Felix	Present
Yarmouth	Jeffrey Colby	Absent
County Appointee	Zenas Crocker	Present
County Appointee	Ron Beaty, Alternate	Present
Ex-officio member	George Heufelder	Absent
Ex-officio member	Paul Niedzwiecki	Present

**Staff Present:**

<i>Monica Mejia</i>	<i>Cape Cod Commission</i>
<i>Stephanie Houghton</i>	<i>Cape Cod Commission</i>
<i>Scott Michaud</i>	<i>Cape Cod Commission</i>
<i>Erin Perry</i>	<i>Cape Cod Commission</i>
<i>Tom Cambareri</i>	<i>Cape Cod Commission</i>
<i>Kristy Senatori</i>	<i>Cape Cod Commission</i>
<i>Andrew Gottlieb</i>	<i>Association to Preserve Cape Cod</i>
<i>Don Keeran</i>	<i>Association to Preserve Cape Cod</i>

**1. Minutes of September 13, 2017**

Tom Fudala moved to approve the minutes of September 13, 2017. Paul Hebert seconded the motion. The motion passed with 9 votes in favor and one abstention (Ray Jack).

## **2. Presentation and discussion on the current legislation regarding potential rental tax revenue**

Stephanie Houghton provided a summary of the status of the rental tax legislation. Bill H. 3454 An Act Regulating and Insuring Short-term rentals by Aaron Michewitz is still in draft form. The legislation will put short term residential rentals under the same umbrella as hotels and bed and breakfasts, taxes would be charged the same way. There is a direct nexus between seasonal home rentals and the amount of wastewater generated, requiring larger and more expensive solutions. Short term residential rentals is not new, but has become easier with online companies. The legislation defines a short-term rental as any property rented for more than 60 days per year, with a length of stay less than 30 days. The tax would be collected and given to the state by the online rental services such as Airbnb. Massachusetts is the last state in New England not charging this tax. Tax rates vary from 4% on hotels, 5.7% on bed and breakfasts and 8% on residential. The local option allows for towns to charge an additional percentage, up to 10% on residential rentals. There are 58,509 seasonal properties on the Cape, 20,478 are rentable and 10,240 are rented annually. This analysis assumes 50% annual occupancy rate, Airbnb clients have a 47% rate. 10,240 properties rented for a 12-week average at \$2,500 per week equals \$307,200,000 annual rental revenue. At a 6% local option excise this equals \$18,432,000 new revenue or \$21,504,000 at a 7% local option excise. The numbers in the presentation were taken from Bob Ciolek's, a consultant to the Collaborative, memo on the legislation.

Ron Beaty said potential for revenue is lopsided as some towns on the Cape have far less vacation rental properties than others. Mr. Niedzwiecki said yes, the towns would produce different levels of revenue. Some outer Cape towns, which don't have the same wastewater issues as mid and upper cape towns, may generate much more revenue. The disbursement of potential revenue is an issue that needs to be discussed. Mr. Beaty asked how tax would be collected on rentals that are not going through online rental services. Mr. Niedzwiecki said that would require municipalities to set up rental registrations which has been burdensome and come at a cost. One of the potential versions of the bill is that only people who use online services would be taxed. Tom Fudala asked if Airbnb has numbers on Cape Cod rentals. Ms. Houghton said she can check to see what data Airbnb can provide. There was a discussion on the timeframe for rentals. Mr. Niedzwiecki said the Commission will monitor the status of the bill. There has been some discussion in the legislature that an extra 2.5% be dedicated for Communities on the Cape to deal with wastewater.

Mr. Niedzwiecki said the Commission drafted a letter in support of allocating potential revenue to Cape communities for wastewater management. Mr. Jack said an effort needs to be made to educate the public on the connection between the tax and the impact it is addressing. Mr. Niedzwiecki said the Collaborative could develop potential options that are more closely aligned to specific impacts.

Mr. Beaty said he attended a hearing about the legislation at the Barnstable Town Hall in June and the public pushback was strong. He said there seems to be a disconnect between property owners and government groups. He agreed that if the legislation passes there should be an earmark for wastewater. He said the letter was well crafted. Mr. Fudala said, more often than not, those who are opposed are the ones who show up to the hearing, so the opposition at the hearing may not be indicative of overall public sentiment. Mr. Niedzwiecki said more education needs to be done on the issue. Year-round residents are looking at huge costs associated with wastewater, raising revenue from a \$300 million industry that is not taxed lessens the burden on year round residents.

Mr. Bergeron made a motion to endorse the letter, seconded by Zenas Crocker. Mr. Ballantine said he supports the letter but that he has seen opposition to the tax at town meetings. The motion passed with Mr. Beaty abstaining. Mr. Bergeron would like to have the Cape Delegation attend a meeting to discuss the proposed legislation.

### **3. Report from Paul Niedzwiecki, Executive Director of the Cape Cod Commission**

The Southern New England Partnership is being reconstituted, they have between \$2-5 million available. This is a viable source of federal funds, especially for alternative projects. The Commission is working with the County on the dredge program. There was a meeting with Secretary Jay Ashe about dredging and there may be an opportunity for a third dredge. The changes in the DRI process at the Commission, as it relates to wastewater, should be approved soon.

#### **a. Monitoring: Discussion of draft outline for monitoring whitepaper**

A monitoring subcommittee of the Collaborative will be established soon. The subcommittee will look at identifying monitoring sites, funding and protocol. An interactive map of monitoring sites across the Cape was presented. Mr. Niedzwiecki asked members to check in with their towns and community to confirm that sites are accurate. The data on the map is from various organizations. Members were asked to provide information on missing data sets. Mr. Crocker suggested pond data be included. Mr. Niedzwiecki agreed and said the goal of the platform is to provide a comprehensive look at all monitoring. Mr. Bergeron asked if the subcommittee will look at cost of sustaining a monitoring program. Mr. Niedzwiecki said the subcommittee will first look at redundancies in the various programs, the location of monitoring sites and standardized protocols, once this was done funding the program would be addressed.

#### **b. Financing: Discussion on Chapter 6 of the 208 Plan Update**

A capital trust fund, included in the draft revenue options, relates to the Airbnb legislation. Feedback from Collaborative members are welcome. Mr. Niedzwiecki said Commission staff will discuss, with the Collaborative, the trust fund as a receptacle for the proposed revenue

### **7. Reports from Governing Board Member Towns and Organizations on Water Resources Issues**

- **Town of Barnstable** – Paul Hebert: The chair of the Barnstable County Commissioners came to Cape Cod Selectmen and Councilors Association (CCSCA) meeting and asked how the county could be of service to the towns. CCSCA suggested the County lab be fully staffed and able to test samples quickly and efficiently, providing a more cost effective. Mr. Hebert is considering putting a compost toilet in his own home. He will update the board on the process.

- **Town of Dennis** – Wayne Bergeron: The town is currently trying in the process of determining how many oysters are needed to reduce nitrification in Bass River. The amount is dependent on other issues, such as if the river is dredged regularly. Regular dredging would make a significant difference in water quality.

- **Town of Wellfleet** – Curt Felix: The Board of Water Commissioners continues to move ahead on the integration of water and wastewater management.

- **Town of Mashpee** – Thomas Fudala: The Department of Natural Resources is ramping up the shellfish program and is currently considering quahogs in the subembayments of Waquoit Bay. The sewer project is awaiting approval.

- **Town of Falmouth** – Ray Jack: Falmouth recently finalized the betterment on 1,400 homes. The betterment was a 70/30 split, 70% to the residents receiving the benefit, 30% to the town. The Legislation approved a 30 year betterment. The estimated cost was \$17,000 per household but in the end it came in at \$13,000

- **Town of Eastham** – Jane Crowley: Eastham continues to work on Permeable Reactive Barrier (PRB) projects and targeted watershed planning. The town is working with the Cape Cod National Seashore on improvements to the visitor's center septic system. The town is involved in the DCPC process and there is support from the community to look at zoning and traffic issues. In regards to the water system, the immediate response action plan completion statement has been completed and Phase 2 is underway.

- **Town of Harwich** – Larry Ballantine: The Town of Harwich continues to move ahead with its plan to integrate water and wastewater management.

- **Town of Orleans** – Sims McGrath: Orleans has as an item on the fall town meeting warrant article for the installation of sewer pipes in two intersections for a total of around \$2.8 million. The area makes up 12% of the proposed down town sewer system and 19% of the cost because of its complexity. Work in these areas needs to be done now, because once MassDOT begins scheduled projects on the intersections, the roads cannot be dug up for five years. If the article does not pass, the town will have to wait six years to implement the down town sewer project.

- **County** – Zenas Crocker: Mr. Crocker met with Eric Turkington, Sia Karplus and Virginia Valiela to discuss the innovative alternative septic systems project they worked on with the Buzzards Bay Coalition. He recommended that the Collaborative invite someone from this group to discuss their work.

- **County** –Ron Beaty: The Collaborative is being touted as a role model for evolutionary change within the County government.

## **9. Adjourn**

Paul Heber made a motion to adjourn, seconded by Larry Ballantine and unanimously approved. The meeting adjourned at 10:15.

## **MATERIALS USED/PRESENTED AT THE September 13, 2017 CCWPC MEETING:**

### **Handout materials:**

- September 13, 2017 CCWPC Meeting Agenda
- Draft 208 Plan Implementation Report
- Draft room occupancy tax document
- Draft rental tax support letter

