

# Policy Chapter

## Stormwater

“Dark Clouds Ahead”

### History and Background

“Stormwater,” as defined by the Clean Water Act regulations, includes “stormwater runoff, snow melt runoff, and surface runoff and drainage.”<sup>52</sup> This stormwater, in particular, the runoff from impervious surfaces - parking lots, roads, buildings, and compacted soil - was found to carry many pollutants either directly or indirectly through storm drains into surface waters.

The history of stormwater regulation began in 1972 with the passage of the Clean Water Act (CWA), which provided the United States Environmental Protection Agency (EPA) with the authority to regulate stormwater. The initial regulations largely exempted all but the most significant stormwater contributors; however, following a successful challenge in court, the initial regulations were found too limited in scope. Further legal battles ensued throughout the 1980s until the passage of the federal Water Quality Act of 1987 (WQA).

Also referred to as the 1987 Stormwater Amendments, the WQA expanded the definition of "point source" to include municipal separate storm sewer systems (MS4s), which were required to obtain NPDES permits.<sup>53</sup> The WQA was implemented in two phases beginning with municipalities with populations of more than 100 thousand, which were issued permits between 1991 and 1992 (Phase I). The Phase II Rule was finalized in December 1999 and required NPDES permits by 2003 for small municipalities, defined to include those in urbanized areas with populations less than 100 thousand.

The 2003 MS4 General Permit expired in 2008, and had been administratively extended. The new Draft General Permit was issued September 20, 2014 with six minimum control measures implemented. The comment period on the Draft General Permit was extended through February 21, 2015, with responses and the final permit still pending.

The Authority is not a stormwater utility, nor, in the opinion of the Advisory Board, should it become a stormwater utility. Stormwater is firmly in the province of the municipalities, but the Advisory Board believes there are some elements of the stormwater issue that affect both the Authority and the communities. Moreover, some of these overlapping areas of interest provide opportunities for the Authority and Advisory Board to provide support to assist communities in meeting their stormwater obligations moving forward.

### NPDES Permit Co-Permittees

“Do Your Own Dirty Work”

The greatest area of concern that the Advisory Board has continually raised with regard to the draft National Pollutant Discharge Elimination System (NPDES) permit for the Deer Island Wastewater Treatment Plant (DITP) is that of naming the member communities as co-permittees to the Authority's NPDES permit. The Advisory Board maintains its belief that this would fundamentally change the relationship between the MWRA and its communities, by making the Authority the enforcer of EPA's agenda on MWRA communities.

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<sup>52</sup> 40 C.F.R. §122.26(b)(13)

<sup>53</sup> Though the WQA includes different permits related to different sources of stormwater, the narrative herein focuses exclusively on community-specific provisions of federal laws and regulations.

If any individual community is found to be in noncompliance with the terms of the NPDES permit, EPA has only to turn its focus to the larger co-permittee - namely the Authority - to ensure the desired results are achieved one way or another.

The Advisory Board believes this change in dynamic would be exceptionally detrimental to the relationship between the Authority and the Advisory Board.

In fact, the Advisory Board felt so strongly on this matter that it committed a portion of its legal fund (combined with many other stakeholders and interested parties) to support the appeal of the Charles River Pollution Control District's (CRPCD's) NPDES permit. Similar to the Authority, the CRPCD is a regional wastewater treatment facility serving the towns of Medway, Franklin, Bellingham and Millis. Also similar to the Authority, EPA had included language in the draft NPDES Permit naming the member communities as co-permittees with the CRPCD. The belief is that EPA is attempting to establish a precedent for co-permittee language with NPDES permits for smaller systems before attempting to include the language in the Authority's Deer Island permit. The CRPCD permit was brought before the Environmental Appeals Board (EAB) – an appellate body within EPA appointed by the EPA Administrator. Unsurprisingly, the EAB ultimately denied the appeal, siding with EPA on all points including co-permittee language. The CRPCD communities did not have the financial capability to pursue further appeal.

The Advisory Board believes that EPA, emboldened by this self-awarded victory, will continue to introduce co-permittee language into future NPDES permits including, at some point, the Deer Island permit. As stated before, the Advisory Board believes this issue is one worth fighting for. **As such, the Advisory Board recommends that Authority staff draft an informational staff summary and provide a detailed presentation to the full MWRA Board of Directors in July 2015 on the history and the significance of the issues at stake with regard to co-permittee language in the Deer Island NPDES permit.**

### Wastewater Primacy

#### “The Devil You Know”

In its *Proposed FY13 Integrated Comments*, the Advisory Board recommended that the Authority actively engage and participate in a process with the necessary stakeholders to allow the Commonwealth of Massachusetts to obtain delegated authority over National Pollutant Discharge Eliminations Systems programs ("primacy"). The Authority not only agreed with the Advisory Board's recommendation, but it was also an active participant in the process to explore the Commonwealth's assumption of wastewater primacy concurrent with the Advisory Board's budget review process. Directed by the Legislature, MassDEP convened a 21-member NPDES Delegation Advisory Committee (NDAC) with members from the regulated community, environmental advocates, budget and fiscal experts, municipalities and the legal field.<sup>54</sup> On July 2, 2013, they issued a report to the Legislature outlining both the benefits and the challenges of MassDEP assuming NPDES primacy. Unfortunately, despite the detailed and thorough work of MassDEP and the NDAC, further movement toward primacy stalled. However, the Advisory Board believes current circumstances may provide a renewed interest in primacy.

First, the prior review was undertaken during the previous gubernatorial administration, and one nearing its completion. With the advent of a new administration and new leadership, there is an opportunity to revisit the case for primacy with the potential for a different outcome.

Second, as noted before, the final MS4 General Permits are almost issued. Because stormwater, and thereby MS4 permits, are regulated through NPDES programs, there may be some additional support from communities with regard to primacy. Indeed, one of the main concerns from the communities' perspectives is not only the immensely increased scope of the

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<sup>54</sup> Chapter 139 of the Acts of 2012, §209

new MS4 permits, but also the dramatically increased costs and the aggressive schedule attached to them as well. While EPA has claimed that the costs to municipalities would not be as great as they fear, even MassDEP in its comment letter has raised concerns that the costs and schedule could be far greater than communities can reasonably bear.<sup>55</sup> This seems to be consistent with the question that the Advisory Board had raised in its earlier recommendation: would agencies and communities prefer to interact with MassDEP, which has a better understanding of and sensitivity to local needs, challenges, and issues when balancing against environmental benefits - or EPA, which tends to employ a "one size fits all" approach to environmental regulation nationwide?

To be sure, one of the major concerns raised by the NDAC had been the added costs and resources, and the need to determine a consistent funding source.<sup>56</sup> The NDAC identified a wastewater assessment fee based on wastewater flow as the "most significant and reliable source of funding." The Advisory Board would suggest that stormwater costs per permittee should be factored more heavily into the assessment fee methodology. While these are details to be worked out, the Advisory Board's aim with flagging this issue is to ensure that the Authority pays its fair share (but not more than its fair share) since municipalities would also be benefiting from MassDEP oversight of the MS4 General Permit implementation.

**Therefore, the Advisory Board recommends that the Authority join with the Advisory Board by actively pursuing NPDES delegation authority with the current administration.**

### Community Support

#### "Not Impervious to Communities' Needs"

While the Advisory Board believes that addressing stormwater is the responsibility of the communities, it also believes there are ways in which both it and the Authority can provide some centralized support to communities.

#### *Educational Resources*

In October 2014, the Advisory Board conducted its first municipal workshop – #MuniWorks – with a focus on stormwater and its impacts upon communities. The aim of this workshop was to provide member communities with access to resources and information that could benefit them as they approach their local stormwater obligations. Conducted in two sessions, the first session brought in experts on retail rates setting, as well as stormwater funding mechanisms. The second session was a three-community panel moderated by the Advisory Board's Boston Water and Sewer Commission representative that provided a community perspective on addressing local stormwater needs and costs. #MuniWorks was a resounding success, attracting 115 attendees ranging from Advisory Board members to CFOs, business managers, and active citizens. To view videos of the first #MuniWorks sessions visit:

<http://mwraadvisoryboard.com/resources/muniworks/>

Additionally, in its *2014 Annual Water and Sewer Retail Rate Survey*, the Advisory Board for the first time began incorporating a dedicated section on stormwater rates and fees. The appendix provides an in-depth overview of the challenges communities face related to increasing stormwater regulations, with an explanation of the various cost-recovery mechanisms. The appendix also compares the various stormwater fees being charged by communities both inside of Massachusetts and nationwide. While only three MWRA communities are listed as having stormwater fees in the 2014 document, the expectation is that this appendix will continue to grow as more communities develop stormwater

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<sup>55</sup> <http://www.mass.gov/eea/docs/dep/water/laws/i-thru-z/ms4-comments14.pdf>

<sup>56</sup> The NDAC estimated a cost of \$9-10 million/year.

cost-recovery structures. Hopefully this new resource will provide assistance to member communities as they compare their costs and structures with the other communities included in the survey.

Advisory Board staff remains committed to providing what support it can to member communities with regard to centralized informational and educational resources as they begin to address their local stormwater needs.

### *Centralized Resources*

The Authority may also prove a centralized resource for meeting some of the more general and less community-specific requirements of the MS4 General Permits. One such area is the educational and public outreach component of the permits. Rather than multiple public outreach campaigns or many different educational brochures, pamphlets, and handouts, perhaps a centralized and standardized set of resources could help the communities in meeting their requirements.

**The Advisory Board recommends that the Authority put together a joint MWRA/Advisory Board working committee to review and identify areas where the Authority may be of assistance to the member communities in meeting the requirements of the MS4 General Permits including, but not necessarily limited to, the public education and outreach requirements.**

### Co-Digestion

#### “Food for Thought”

Co-digestion, or the addition of food waste to the digesters at the Deer Island Treatment Plant (DITP) first became a topic of discussion two years ago. The potential self-generation and resulting revenue for co-digestion made and continue to make it a compelling possibility for the Authority, and for the Advisory Board. The Advisory Board remains solidly by its original position that any full-scale co-digestion program at the Authority should be not simply revenue neutral, but rather a significant revenue generator.

However, since co-digestion was first discussed, there have been some developments that caused the Authority to put the pilot program on hold. The Advisory Board took this opportunity to raise additional questions relative to scope, scale, and costs associated with the pilot program, even prior to any full-scale co-digestion program (see [Integrated Comments Policy Chapter, page 80](#)). In short, the Advisory Board questioned the level of investment the Authority might have to make for the pilot program, especially once barging material to Deer Island was the only method of transportation that would be considered. Additionally, the Advisory Board recognized that while there was potentially a benefit to the Authority, the benefit was just that – potential. Meanwhile, the Commonwealth – who promulgated the initiative to divert organic food waste – was not participating in what could have been one of the larger opportunities for a beneficial reuse of the organic material. The Advisory Board continues to believe the Commonwealth should “put its money where its mouth is” and provide substantial financial support toward any pilot program expenses.

The Authority’s proposed FY16 CEB assumes that the co-digestion pilot will begin in October 2015, and notes that some CEB funds were included toward this end. Essentially, three-quarters of a year’s worth of funding was incorporated into the proposed budget. Authority staff provided an update this spring that indicated the final FY16 CEB would push back the start date of co-digestion; along with all related expenses, until January 2016. Net expenses for the co-digestion pilot for this reduced six months would be \$58 thousand total.<sup>57</sup> These expenses include additional tonnage for pelletization at the Fore River plant, and additional ferric chloride required for the process. The Advisory Board recognizes that the

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<sup>57</sup> Note: six month delay is from the proposed FY16 CEB start date, not the spring revisit date. This \$58 thousand expenditure includes a reduction in avoided electricity purchase due to the pilot program’s self-generation.

Authority needs to include funds in the FY16 budget to meet contract obligations, therefore, including funds toward co-digestion for FY16 is understandable; however, the Advisory Board remains less optimistic of the timeframe for beginning any co-digestion pilot program. **As such, the Advisory Board recommends that the Authority reduce the FY16 CEB by \$58,000 – equivalent to a six-month delay from the original October 2015 start date assumed in the proposed FY16 CEB.**<sup>58</sup>

Last year, the Advisory Board's concerns about the costs of the pilot program were due, in large part, to the unknown additional costs caused by a change in scope for the program. The Town of Winthrop expressed concern and vociferous opposition to the co-digestion slurry being trucked to Deer Island, and the Authority committed to finding an alternative. Barging the material seemed to be the only other option, but this could potentially lead to a series of additional costs both capital and operationally that had not existed before for the pilot program. Since then, these potential additional costs have been quantified as not terribly significant. The pier, for example, was found to be in fairly good condition not requiring a significant amount of capital investment to prepare it for barge deliveries. Additionally, the Advisory Board understands that in order to determine the viability of a full-scale co-digestion program, some small upfront costs will be necessary in the short term. This understanding has led to the recommendation to delay the pilot program costs and to not recommend an outright removal of the costs. However, the Advisory Board remains concerned about the viability of a full-scale co-digestion program.

Moreover, the Advisory Board reiterates that its original recommendation still applies: any full-scale co-digestion program cannot be merely cost-neutral, but rather be a significant revenue generator for the Authority. Significant capital investment will need to be made to make a full-scale program possible, so the question becomes, what is the payback period? At what point do the offset electricity costs combined with tipping fee revenues begin to outpace the capital costs? Similar to alternative energy projects, the Advisory Board argues that the payback period should be relatively short in order to consider a full-scale program viable. Accepting additional waste materials not through the wastewater system begins to stray from the Authority's core mission, so doing so must come with a significant benefit.

**Toward that end, the Advisory Board recommends that the Authority arrange a presentation to the MWRA Board of Directors from MassDEP on the status of the Organics Diversion Program. Additionally, the Advisory Board recommends that Authority staff then extrapolate from this information the viability of a market/supply for Deer Island should co-digestion be deemed viable.** Authority staff has anecdotally stated that should co-digestion be deemed viable on Deer Island, that there would be no trouble securing a supply of organic material. The Advisory Board would like to have this assertion explored and confirmed as part of evaluating the future of the co-digestion program.

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<sup>58</sup> \$58,000 includes funds across multiple line items, as well as offsets in electricity generation. This recommendation assumes an appropriate reduction/addition in each of the affected line items to reflect a six-month delay in the start of the co-digestion pilot program.

## Water Revenue Generation

“There’s Water in Them Thar Hills”

### System Expansion

“Good for the Environment, Good for the MWRA, Great for the Economy”

The Advisory Board has been an ardent advocate for waterworks system expansion and continues to work toward the goal of finding new member communities. As our oft-repeated argument goes, it could very well be a "win-win-win" situation. The Commonwealth realizes an environmental benefit to a potentially stressed basin, an otherwise constrained community now has the freedom to realize its desired economic development, and increasing the MWRA's customer base helps to ease the financial burdens on each of the existing member communities.

Moreover, the Advisory Board has also worked diligently to make joining the MWRA system easier for new member communities. Though unsuccessful to date, the Advisory Board advocated strongly for a streamlined regulatory review process to reduce the time and costs associated with joining the system. Additionally, the Advisory Board, working with MWRA and other stakeholders, secured passage of the landmark Water Infrastructure Bill, which included provisions allowing for state funding toward entrance fees and connection costs. Lastly, the Advisory Board has recommended changes to the structure of the entrance fee payment to make it less onerous for municipalities to pay their fair share of prior water infrastructure investment. In November 2014, the MWRA Board of Directors voted to adopt the entrance fee language as proposed by the Advisory Board.

While system expansion remains a priority for the Advisory Board, it is not, in and of itself, the end goal. Ultimately, the goal is to provide additional revenues for the water system that will help to ease the costs of the member communities. System expansion is one pathway to doing so, but this year, Advisory Board is looking at other opportunities for developing water revenue.

### Direct Source Water Rate

“Straight from the Source”

Recently, the Advisory Board and MWRA staff have received a couple of inquiries about the potential for receiving water via a direct connection to the reservoir. In these particular instances, the communities have the existing infrastructure and capability to treat water to meet the Safe Drinking Water Act (SDWA) requirements; however, they lack local sources capable of providing the volume they require. In short, MWRA would provide “raw water” to the communities, who would then be responsible for treating it appropriately to meet the requirements of the SDWA.

This "Direct Source Water" would serve a new category of potential customer for the MWRA. Because it is untreated, clearly the debt service costs associated with waterworks infrastructure (e.g. treatment plant, tunnels, etc.) would not be factored into charges to these customers. However, some costs (i.e. watershed-related expenses) should be recovered. As such, this new class of customer would require its own rate methodology. This is similar to how the Chicopee Valley Aqueduct (CVA) communities have a separate rate structure that layers in only the capital costs associated with treating and delivering the water to their communities, as separate from the majority of the MWRA's waterworks system.

**The Advisory Board recommends that the Authority convene a working group to develop an appropriate rate structure for Direct Source Water. Further that the recommendation of the working group be brought to the Operations Committee and full Advisory Board for a vote as a new admission policy for the MWRA.**

## Water Capacity Insurance

Moreover, the Advisory Board would like to pursue another area where potential water revenue could be generated, namely the concept of allowing non-member communities to reserve a portion of MWRA water for their occasional use. Some wholesalers refer to this as a "standby fee," but the Advisory Board believes it is more about security for member communities. Much as automobile insurance offers peace of mind for motorists who may encounter unforeseen circumstances and disrupt use of their vehicle, Water Capacity Insurance from the MWRA would similarly guard against unpredictable weather conditions, which might otherwise lead to water bans or other extreme conservation methods. Moreover, Water Capacity Insurance could even allow communities to shut down portions or all of their systems for repairs when necessary for a period of time.

Currently, the only options available to non-member communities are to request water under the Emergency Water Supply policy. Such authorizations are for only six months at a time, and can sometimes prove difficult to coordinate logistically between a town's meeting schedule for local authorization, scheduled Advisory Board meetings, and finally MWRA Board of Directors meetings prior to the needs of the town. Water Capacity Insurance could provide a more expedient alternative to this, avoid the high emergency water rates (especially for repeated requests), and generate revenue for the Authority on a continuous basis. Perhaps a provision could be included, similar to the emergency use policy to count funds for Water Capacity Insurance to be credited toward the entrance fee should a community later decide to become a full or partial member community.

**The Advisory Board therefore recommends that a working group be convened to discuss a methodology for structuring Water Capacity Insurance to be offered to non-member communities, including members of the Advisory Board, as well as staff from both MWRA and the Advisory Board. Further, that the recommendation of this working group be brought to the Operations Committee and full Advisory Board for a vote as a new admission policy for the MWRA.**

## Molybdenum

“A Green Solution for Greener Pastures”

The concentration of molybdenum in the MWRA's biosolids (pellets) being produced at the Fore River Pelletization Plant was an issue raised by the Advisory Board last year. For a detailed explanation of molybdenum and the science behind why limits on molybdenum concentrations in biosolids exist, please see last year's [Integrated Comments \(Policy Chapter, page 88\)](#).

The Advisory Board does not contend that molybdenum limits should not exist, simply that the limit put in place by the Massachusetts Department of Environmental Protection (MassDEP) is excessive in nature. MassDEP has the most stringent molybdenum limits in the country for biosolids, which are 25 mg/kg for general land application and 10 mg/kg for application to pastureland (land used for grazing cattle). Per a recent survey, Massachusetts is the only state in the country to implement two limits, each of which are prohibitive to the distribution of the pellets in-state and well below the Environmental Protection Agency's (EPA's) interim limit of 75 mg/kg, which was adopted by the vast majority of states in the country.

The concern for the Advisory Board is that MassDEP's overly stringent limits on molybdenum concentrations in biosolids are forcing NEFCo (the MWRA's independent operator of the Pelletizing Plant) to ship 96% of the product out of state each year at a great cost to the environment through additional carbon emissions related to trucking the product.

Figure 49 shows the MassDEP limit in relation to the EPA interim limit and the New York Department of Environmental Conservation (NYDEC) limit of 40 mg/kg.

The New York DEC limit is based on a study by O'Connor et al. which calls 40 mg/kg a conservative limit that protects ruminants (such as cows, goats and sheep) from any ill effects of molybdenum concentrations in biosolids applied to land. Other than Massachusetts, New York, New Hampshire (35 mg/kg) and Hawaii (25 mg/kg) are the only other two states in the country that the Advisory Board has found to have adopted limits below the EPA's interim limit of 75 mg/kg.

### Molybdenum Concentrations in Biosolids (mg/kg)

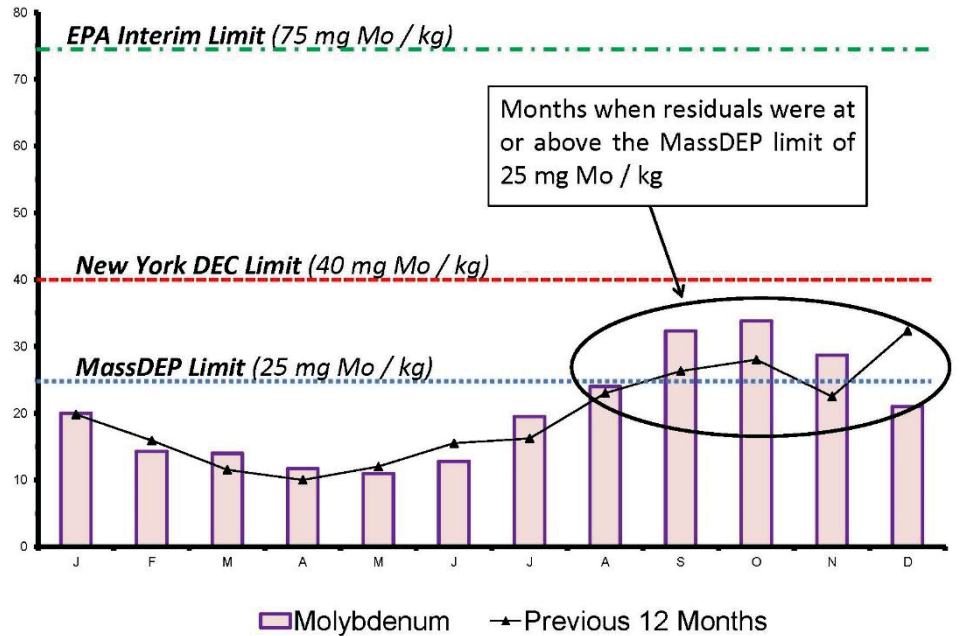


Figure 49

### Environmental Impacts of Changing the Limit

It is estimated that almost immediately after changing the MassDEP molybdenum limit from 25 mg/kg to 40 mg/kg, NEFCo will be able to increase their in-state distribution from 4% of total pellet production to 30%. This change would reduce the average distance of each truckload by a conservatively estimated 40 miles, saving 80,000 miles per year and 13,000 gallons of diesel fuel. It's important to note that this reduction in trucking provides not only a financial savings, but also a positive environmental benefit due to reduced fossil fuels used for transporting the product out of state.

### Largest NEFCo Customers - 2014

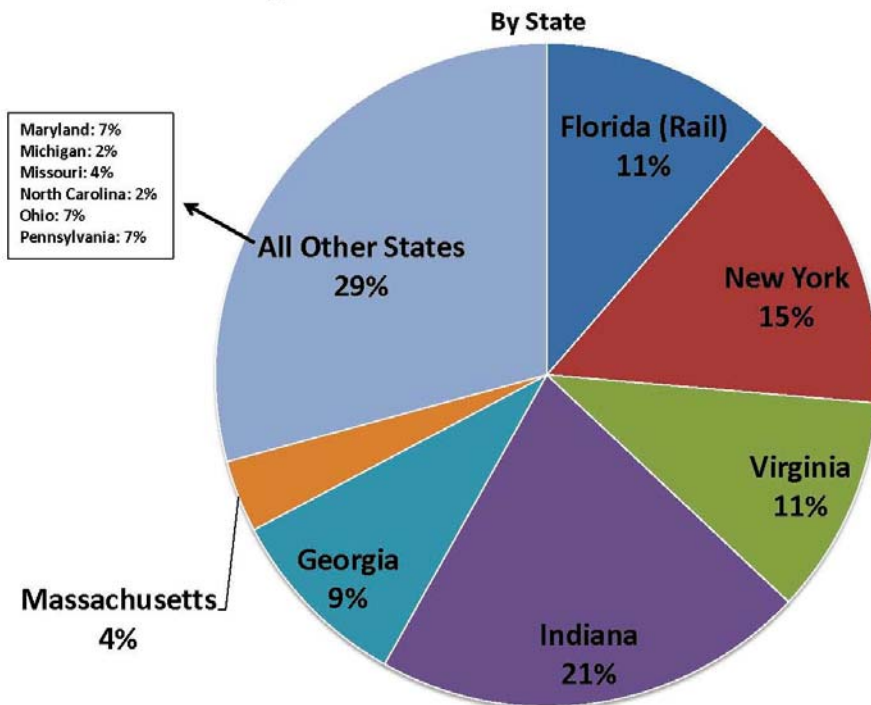


Figure 50

Moreover, the O'Connor et al. study proves that 40 mg of molybdenum per kg of biosolids applied to the land will not negatively impact cattle; therefore, there appears to be no downside to increasing the limit from 25 mg/kg to 40 mg/kg. In fact, it reduces costs, benefits the environment, and generates a local market within the Massachusetts economy.

Without a change in the MassDEP limit, the Advisory Board will continue to pursue MWRA policy solutions to the problem of having to ship 96% of pellets out of state. One such policy solution would be for the MWRA, through its Toxic Reduction And Control (TRAC)



program, to prohibit the use of molybdenum-based products within the MWRA system, forcing the largest users (office buildings with cooling towers) to find an alternative product. There are two significant problems with this solution. First, the top alternative product on the market is phosphate-based and phosphorous levels are of great concern to environmental groups in the MWRA service area. Second, the TRAC program would require a significant increase in funding to be able to implement this type of regulation, turning the argument to the economic impacts of MassDEP's overly stringent molybdenum regulation.

### Economic Impacts of Changing the Limit

**The Advisory Board has recommended adding \$100,000 to the FY2016 CEB for TRAC staffing, allowing the MWRA to prepare an implementation strategy of new TRAC-enforced molybdenum regulations for buildings within the MWRA system (see [Personnel Chapter, page 58](#)).** Such regulations would cost MWRA ratepayers money annually while also impacting commercial office buildings that use molybdenum-based products in their cooling towers. Why should private businesses have to deal with more regulations simply to fix a mistake by MassDEP in how they set their molybdenum limit?

But the economic impacts extend beyond just MWRA ratepayers and those effected by potentially new regulations. Massachusetts farmers, who currently cannot use MWRA biosolids for at least six months out of the year, could save between \$20 and \$50 per acre by using MWRA biosolids. These significant savings are part of the reason that a change in MassDEP limits would allow NEFCo to increase in-state distribution so quickly.

Environmental and economic interests are both served by changing the MassDEP limit on molybdenum concentrations in biosolids to 40 mg/kg. With Governor Baker's office issuing Executive Order 562 in April of 2015, aimed at reducing unnecessary regulatory burden, this is the right time for MassDEP to revisit and correct a mistake which has limited the beneficial reuse of MWRA biosolids within the Commonwealth.

**Therefore, the Advisory Board recommends that the Authority partner with the Advisory Board to take any and all actions necessary to ensure that 100% of the pellets from the Fore River Pelletization Plant are able to be placed within the Commonwealth year-round by FY 2017.**

## Business Plan

“Pathway for the Future”

### Background of the MWRA Business Plan

In December 1995, the first draft of the MWRA's Business Plan was issued. It included a mission statement, five organizational goals, ten objectives, and 49 strategies. The Business Plan was to serve as strategic road map, with an aim to improve customer service, upgrade operations and maintenance, and pursue aggressive rates management. The concept was to focus on long-term priorities through a continually evolving Business Plan document.

Since that first draft, there have been multiple iterations, with the most recent Strategic Business Plan issued for the FY09-13 period.

### Draft MWRA Business Plan

The Advisory Board has long supported the continuing production and evolution of this important strategic document. In last year's *Comments*, the Advisory Board recommended that the Authority review and update the Strategic Business Plan for the five-year period from FY 2015 - FY 2019.

Toward that end, Authority staff presented the first draft of its revised Business Plan to the MWRA Board of Directors in March of 2015. At this meeting, Authority staff acknowledged that the Business Plan was still a work in progress, but the intention was to have it finalized by June 30, 2015 and have it cover the period from FY16-20.

In reviewing the prior Business Plan, staff identified some changes in the way the MWRA operates that suggested making structural changes to the Business Plan. Years ago, it had been a tremendously useful document to initiate a discussion about what the MWRA's priorities were, and to begin introducing some accountability in pursuing these priorities and achieving specific goals.

In the intervening years, however, the Authority has become much more adept at reporting in general. Take, for example the Orange Notebook, used by the MWRA to report key performance indicators quarterly to the MWRA Board of Directors and the Yellow Notebook, which similarly provides a report of management indicators on a monthly basis as an internal reference for Authority and Advisory Board staff. The previous Business Plan included several big projects or new initiatives to implement, many of which have since become routine to the MWRA's workflow. Moreover, the reporting under the prior format was not only more cumbersome to produce than the newer reporting methods developed, but also made it difficult for someone to see how well the MWRA was achieving objectives without a great deal of searching and reading. In the end, it was decided to explore how to make the Business Plan more user-friendly for the two categories of people most frequently referencing it: first, for Authority staff as a guidance document and management tool; and second, for those looking to learn about or monitor the Authority by serving as a communications tool clearly identifying the Authority's current priorities and goals.

### Development Process

MWRA staff began the process of reimagining the Business Plan by first reviewing about 10 different business/strategic plans from other like entities across the nation. Conducting this research, determining what was to be kept from the original business plan, and drafting a mock-up of the proposed new format for review by senior management took about seven months. After that, extensive in-house efforts to update the new business plan took an additional eight months and included talking with the different department managers and their staff about both their core goals and initiatives over the next five years. Additionally, department staff expressed interest in the inclusion of "special" initiatives, or initiatives that were acknowledged to be unusual or perhaps more difficult or aspirational. The prior Business Plan format did not allow for this distinction. There were also several iterations and review periods throughout this eight month period.

Where the former Business Plan had been a more voluminous document including vast amounts of detail on each priority and project, the reinvented Business Plan aimed to be a streamlined statement of the Authority's values and goals with a list of specific initiatives associated with each of those goals. The hope was to have the Business Plan complement, rather than supplant, the other MWRA planning tools including the Water and Wastewater Master Plans, the Capital Improvement Program (CIP), and the annual Current Expense Budget (CEB).<sup>59</sup>

This streamlined Business Plan was not, however, intended to disregard the importance of measuring and reporting progress toward goals. Rather than create an additional and redundant set of reporting, moving forward the Business Plan will include links to the Orange Notebook and other relevant documents that clarify or add depth to the understanding of individual initiatives or that function as performance tracking tools.

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<sup>59</sup> March 2015 MWRA Board of Directors staff summary (<http://mwraadvisoryboard.com/wp-content/uploads/2015/05/BOD-Pack-2015-04-151.pdf>)

## Advisory Board Review

Authority staff presented their approach to reinventing the Strategic Business Plan as part of Advisory Board staff's annual budget review. Advisory Board staff also reviewed the draft presented to the MWRA Board of Directors.

The Advisory Board commends the Authority on updating its Business Plan, but more importantly for using the opportunity to improve upon the document's structure by focusing upon the document's ultimate purpose.

By focusing on the Business Plan as a communications and management tool, the changes better meet the needs of the end-users. Authority staff and managers will have a clear set of priorities, goals, and values to use as a consistent framework when evaluating the direction of existing initiatives, as well as new initiatives. These same principles will also provide context to individuals and entities such as the Advisory Board when reviewing the Authority's activities and performance.

Yet, while it has provided a clean, concise statement of the Authority's mission, values, and goals, it hasn't sacrificed the importance of measuring and reporting on progress. By referencing resources like the Orange Notebook and other documents within the Business Plan, the Authority has provided a direct link to the more detailed analysis and reporting of the agency. By "factoring out" this detail, it allows the Business Plan to remain focused on communicating about the agency's goals at a high level, while still providing easy access to detailed information for those who wish to delve further. While the current draft includes some of the referenced links, **the Advisory Board recommends making more specific references throughout the list of initiatives to better help readers "crosswalk" between the Business Plan and more detailed backup such as the Orange Notebook.** For example, under the Core Initiatives for Goal 9, references or links to the specific section to find reporting on the listed items (e.g. preventative maintenance or valve exercising) in the Orange Notebook would be helpful (e.g. "See most recent [Orange Notebook - Water Distribution System – Valves Section](#).") Particularly for anyone new to the Authority's operations, making the references more specific will make it easier to find any specific information desired, which was one of the concerns of the former Business Plan.

The Advisory Board looks forward to the Final Five-Year Strategic Business Plan.