

**MWRA ADVISORY BOARD MEETING
OCTOBER 15, 1998
MASSACHUSETTS STATE HOUSE
ROOM 350, BEACON STREET, BOSTON, MA**

MINUTES APPROVED AT THE NOVEMBER 19, 1998 MEETING

Twenty-one members were present: Peter Ditto, BROOKLINE; Tim MacDonald, CAMBRIDGE; Edward Sullivan, CANTON; Al Renzi, FRAMINGHAM; J.R. Greene, GUBERNATORIAL APPOINTEE; Bill Hadley, LEXINGTON; Bruce Kenerson, LYNNFIELD; Dana Snow, MARBLEHEAD; Peter Hersey, MELROSE; Katherine Haynes Dunphy, MILTON; Stanley Stanzin, NEEDHAM; Bernard Cooper, NORWOOD; Ted McIntyre, READING; Rod Granese, REVERE; Joe Foti, SOMERVILLE; Phil Farrington, STOUGHTON; Steve Casazza, WAKEFIELD; Walter Woods, WELLESLEY; Jean Thurston, WESTON; Michael Woods, WILMINGTON; Bob Simonds, WOBURN.

Also present: John Carroll, Andrew Pappastergion and Vincent Mannering, MWRA BOARD OF DIRECTORS; Ernie Williams, CANTON; Rob Antico, WILMINGTON; Fred Russell, WOBURN; Doug MacDonald, Walter Armstrong, John Fitzgerald and Steve Estes-Smargiassi, MWRA; Senator Lois Pines; Rep. Robert DeLeo; Rep. Christopher Fallon; Rep. Carol Donovan; Rep. Eugene O'Flaherty; Rep. Peter Koutoujian; Rep. Vincent Ciampa; Robert Ritchie, Sen. Pine's Staff; George Pelletier, Rep. Candaras' staff; Leah Myers, Rep. Casey's staff; Mary Ellen Gambon, Sen. Marian Walsh's staff; Leonard Piazza, Rep. Connolly's staff; Aaron Spira, Sen. Jacques' staff; Pat Donovan, Speaker Finneran's staff; Matt Selig, Rep. Kay Khan's staff; Susan Redlich, WASTEWATER ADVISORY COMMITTEE; Bill Elliott, WSCAC; Joe Favaloro, Cornelia Potter, Ryan Ferrara, Ann Chamberlin LaBelle, Kim Smith and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF.

A. WELCOME

The meeting was called to order at 11:55 a.m. by Chairman Joe Foti who introduced Representative Robert DeLeo, Chairman of the MWRA Legislative Caucus. Representative DeLeo welcomed everyone to the State House and stated that he was pleased that other elected officials attended the meeting and praised them for their support of MWRA Advisory Board legislation. The Caucus is working with the Advisory Board to put together a package of pro-ratpayer legislation for the next session. The filing deadline is early December.

B. APPROVAL OF THE MINUTES FROM SEPTEMBER 17, 1998

Postponed until November Advisory Board Meeting.

C. REPORT OF THE EXECUTIVE DIRECTOR

Joe Favaloro reported that staff will work to come up with priorities for the coming legislative year in early November to present to the Advisory Board for consideration.

MWRA Advisory Board Minutes - October 15, 1998

D. PRESENTATION - UPDATE: DEER ISLAND CONSTRUCTION/WASTEWATER SYSTEM - JOHN FITZGERALD, DIRECTOR - SEWERAGE, AND WALTER ARMSTRONG, DIRECTOR - PROGRAM MANAGEMENT

Joe Foti recommended that the presentation of John Fitzgerald and Walter Armstrong be postponed until the November meeting due to the pending discussion on the water treatment decision. Mr. Fitzgerald and Mr. Armstrong agreed.

E. COMMITTEE REPORTS

Executive Committee - Joe Foti

No report.

Operations Committee - Andy De Santis

UPDATE: Water Treatment Decision

Doug MacDonald, Executive Director of the MWRA, commented on the rate relief picture and praised the success of the Advisory Board and Legislature for their work on the debt service assistance program, which is delivering significant benefits to ratepayers. Between the help the MWRA has received from the State and Federal governments, the rate relief program continues to make a huge difference.

Mr. MacDonald reported that the MWRA will recommend the ozonation option to the Board of Directors. He stated the Authority would make a very sizeable investment in the new ozonation facility. An important feature of the water treatment decision is a proposal the Cellucci Administration made to provide a revolving loan fund for distribution pipeline improvements. The MWRA will have a legislative initiative within the next year to deliver that proposal; with Administrative, Caucus and Advisory Board support, it will be an important opportunity for MWRA communities. The distribution pipes are the principal cause of water quality issues. The proposal from the Cellucci Administration is a significant policy initiative from the State Administration and will provide a real financial incentive for the communities who are having the hardest time moving forward on their pipe issues.

Mr. MacDonald displayed a map, which was printed in the Boston Globe highlighting where the highest proportion of unlined, cast-iron pipes are. Until progress can be made in the communities who have the least financial resources, this problem cannot be solved. Mr. MacDonald stated "If you want a system that has less chlorine in it, less yellow water in it, if you want a system that has a higher level of customer acceptability, this program produces what the communities have been asking for years, a real ability to get after their rusty pipes. If we can add less chlorine to the system, we are able to treat the system with less residuals and overall the system will perform better five or ten years from now."

Joe Foti commented: Based on the map, Somerville is one of the worst communities. Somerville is doing what they can with what they have; It is not one of the richest communities, and if you look at the map, the communities that have done the most are the ones with the money. "We're in a situation where we are trying to keep our rates as low as we can for our ratepayers." Releasing the map to the press does not help the communities. "Somerville knows that we have 70 percent or more unlined pipes. We know what we have to do to fix it; Unfortunately, the money is not there."

Mr. MacDonald responded "Every community is doing what they can, the really critical problem that is illustrated by this is that communities are in very different positions in what they have now been able to afford for all of the reasons you suggest. If, out of this entire discussion comes

a \$500 million program over the next 20 years, at zero interest loans, to help the communities, then MWRA will bring to the communities a financing mechanism that's better than what is now available."

Katherine Haynes Dunphy asked "What color brown would the Authority's pipes be if they were represented on the map?" Mr. MacDonald answered that MWRA pipes would have a bad showing, and that everything MWRA has done on this issue has indicated that the Authority affects the program. The smaller, dead-end mains are where the worst of the problems are created and should be repaired first.

Ms. Dunphy asked "How does the program fit into the overall financing plans of the Authority? Clearly \$20 million in contributions over the next several years are scheduled and how will this raise rates?" This year the Board of Directors voted to fund a \$30 million infrastructure grant/loan program to rehabilitate community pipes. The question is, will they extend that the way they have with the sewer I/I program, or is the \$30 million a one shot deal. Mr. MacDonald answered that the new State proposal says two years, four years and seven years from now \$20 million more will come in from the MWRA. How much do you get when the MWRA puts \$30 million into the grant program? The communities get \$30 million split amongst themselves and each community can do \$400,000 or \$800,000 of work. This program substitutes for that. Three contributions of \$20 million, plus a stream of investments from the Commonwealth, to make available \$50 million for the communities next fall and then a continuing stream of money through the revolving fund mechanism of the communities paying back zero interest loans that will allow the communities themselves to fund the work with ongoing support from the State.

Ms. Dunphy asked "What would be the interest rate communities would have to pay on borrowed funds, particularly the debt service on the Authority's \$60 million? Would the interest earned on the Authority's \$60 million that is being paid by the communities back into this revolving fund remain within that special fund and be available for future borrowing by the communities?" Mr. MacDonald responded that the interest rate on the \$20 million would be paid by the communities the same way the MWRA budget is paid through the Authority's rates. Everything that the communities take out of the revolving loan fund, they put back at zero interest, to be available for the next community.

Ms. Dunphy expressed her concern that the communities and the MWRA should be the ones to decide project guidelines and priorities. In previous projects, the communities that put money in knew they would get the money back. Some of the older or poorer communities have great needs, but suburban communities have great needs as well. Milton voted to increase the rates to do this work and would find great difficulty subsidizing other communities at a time when Milton's rates are already among the highest.

The MWRA staff recommendation will indicate that the decision about the allocation formula for the Pipeline Assistance Program should be approved by the MWRA Board of Directors and developed in partnership with the Advisory Board.

Senator Lois Pines, the Senate Chair of the Committee on Natural Resources and Agriculture and a member of the MWRA caucus, urged the Advisory Board, and the MWRA Board of Directors, to support a filtration system. She stated Mr. MacDonald, who opposes filtration, was a proponent back in 1992 of a filtration system and she quoted from a staff report at that time "filtration is needed to enable us to provide the level of disinfection we should be providing throughout the distribution system and to comply with other public health related requirements

MWRA Advisory Board Minutes - October 15, 1998

under SDWA and the filtration decision is a plus for MWRA water consumers. Rate payers will gain improved water quality and reduction in potentially health threatening bacteria and chemicals at the tap and elimination of most taste and odor problems. In short, tap water will approach the best bottled water in overall quality and appearance at a fraction of the cost.” For those who say it may be cheaper to build a filtration plant in the future, had this been done back in 1992 when the MWRA staff proposed it, it probably would have been cheaper, because everything gets more expensive. Ninety-seven percent of the water supplies in the rest of the country are subject to filtration, or will be, and MWRA is seeking a waiver. We know that chlorine continues to be used in a larger degree in ozonation, and to a lesser degree, if we were to install the filtration plant as well. Not only is the EPA saying that filtration is the most effective water treatment available for removing pathogens from the supplies such as bacteria, viruses, giardia and cryptosporidium, but there are many public health experts across the country who strongly support that proposal. The evidence suggests that the use of ozonation without filtration may actually promote bacterial regrowth in the water distribution system. While the MWRA is right to focus on the poor condition of the pipes in the distribution system, replacing or lining the 2000 miles of unlined water supply pipes in the MWRA service territory could cost up to \$1.5 billion. The Cellucci proposal of \$20 million this year, is inadequate. Constructing a filtration system now, while pursuing the upgrade of the distribution system, would improve our water quality and reduce the potential risks of public health by removing materials that could promote bacterial regrowth. The Authority and the Legislature need to continue watershed protection to reduce the amount of bacteria and pathogens that get into the water supply. The legislative delegation should work to ensure that more money can come from the state to help the communities to address these issues and be realistic in terms of what the actual costs are going to be.

Doug MacDonald responded that the people who have supported filtration, the water operators, have made the real and best argument because they talk about the water. EPA is using rules dated 1987 and facts dated 1991, and the court is where the decisions are made, rather than looking at the water. MWRA agrees with Sen. Pines about the issues of chlorine in the system and the cancer issues that water suppliers have to be concerned about.

Walter Woods asked “After we reline all of the pipes with cement, will it be able to inhibit any organic future growths that will cause an accumulation of chlorine?” Mr. MacDonald stated the fewer cast-iron, unlined, tuberculated pipes in the system, the better the system is going to deliver water to the customers. The cement lining does not inhibit anything. The cement lining means that tuberculation won’t grow in your pipes. Tuberculation is where the cause of bacteria hides, where the chlorine gets drawn down.

Dana Snow stated Marblehead’s opinion that filtration provides a number of advantages as far as water quality is concerned. Less odor, taste, color, disinfection byproducts, and less chance of cryptosporidium and giardia. Filtration eliminates particulates, pathogens and disinfection byproducts. Mr. Snow noted that if there are bad pipes in a community’s system, but there is a good maintenance program, some of the problems can be precluded.

Stanley Stanzin asked “If the Board of Directors votes not to install a filtration plant and MWRA is required to go back before a Judge, how long will that drag out and are lawyers going to get rich?” Mr. MacDonald stated that construction of the new treatment plant starts in October, no matter what option the Board chooses because the bid documents are out this month for construction commencing in March for the common facilities.

MWRA Advisory Board Minutes - October 15, 1998

Ed Sullivan stated that the Executive Committee had a briefing from A & F regarding funding if the Board chooses ozonation. He then asked Senator Pines “Given the fact that it is possible that the Board of Directors could vote for a waiver of filtration, and/or EPA would order filtration, and knowing that cities’ and towns’ infrastructures are a significant problem what are the chances of the state coming through with additional significant funding outside of MWRA funds to assist cities and towns?” Senator Pines responded that an effort would be required to mobilize legislative support in the House and the Senate for a project so critical to the well being of the public; given the current budget climate, this is the time to do it.

Senator Pines expressed concern about cancer causing agents that may be found in the water and stated if filtration allows us to reduce chlorine even more, to remove potential pathogens, and not have to face up to a crisis as Milwaukee did, with people dying because of cryptosporidium, then we will feel a lot better.

Steve Casazza stated “I am respectful of Mr. MacDonald’s position, but I think what the Senator is saying about the public aspect of this issue is very important to us as Advisory Board members. If our community, the Town of Wakefield, wanted to do a treatment on their surface water supply, we would be doing filtration. With all due respect I am sure that the Executive Director knows more about this issue and the technical aspects of it than I’ll ever know, but I know the government will say to us as a community, filter your water, and I think that will be the public’s perception. I don’t want to see us spending a lot of money fighting these battles in court knowing that filtration is a proven method.”

John Carroll requested a straw vote among Advisory Board Representatives on whether to seek a waiver of filtration. Of those responding, six representatives responded yes. Nine representatives opposed. Joe Favaloro recounted that at the public hearing in September, of 17 communities testifying, eight believed a waiver appropriate, nine voted for filtration.

F. QUESTIONS AND COMMENTS

No questions or comments.

G. ADJOURNMENT

A MOTION WAS MADE TO ADJOURN THE MEETING AT 1:30 P.M. It was seconded and passed by unanimous vote.

Respectfully submitted,

Edward Sullivan, Secretary