

**MWRA ADVISORY BOARD MEETING
APRIL 22, 1999
BRADLEY ESTATE
ROUTE 138, CANTON, MA**

MINUTES APPROVED AT THE JUNE 16, 1999 MEETING

Twenty-four members were present: E. A. Maguire, ASHLAND; Peter Churchill, BEDFORD; John Sullivan, BOSTON; Darrin McAuliffe, BRAINTREE; Timothy MacDonald, CAMBRIDGE; Ed Sullivan, CANTON; Bill Hadley, LEXINGTON; Bruce Kenerson, LYNNFIELD; Peter Hersey, MELROSE; Martin Feeney, MILTON; Stanley Stanzin, NEEDHAM; Jay Fink, NEWTON; Bernie Cooper, NORWOOD; Ed Nelson, QUINCY; Rod Granese, REVERE; Joe Foti, SOMERVILLE; Michael B. Hirsch, STOUGHTON; Thomas Hayes, WAKEFIELD; Jack Snedeker, WALTHAM; Walter Woods, WELLESLEY; Jean Thurston, WESTON; Tim Walsh, WESTWOOD; Gary Peters, WEYMOUTH; J. R. Greene, GUBERNATORIAL APPOINTEE.

Also present: John Carroll, Norman Jacques and Andrew Pappastergion, MWRA BOARD OF DIRECTORS; Robert Young, BRAINTREE; Doris Donovan, WALTHAM; Ripley Hastings, WESTON BOARD OF SELECTMEN; Sister Sheila Megley, Art Uhler and Ingeborg Uhler, WESTON; Lynn Landers, EARTHTECH; Stephen Estes-Smargiassi, Nancy Ettele, Elizabeth Gowen and Charles Lombardi, MWRA STAFF; Joe Favaloro, Cornelia Potter, Ryan Ferrara, Craig Sanderson and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF.

A. WELCOME

The meeting was called to order at 7:36 p.m. by Chairman Joe Foti, who introduced Ed Sullivan of Canton. Mr. Sullivan welcomed everyone to the Town of Canton.

B. APPROVAL OF THE MINUTES FROM MARCH 18, 1999

There were no minutes for approval.

C. REPORT OF THE EXECUTIVE DIRECTOR

Mr. Favaloro noted that communities will be receiving an invitation from the MWRA for the groundbreaking of the Walnut Hill Treatment Plant coinciding with the next Board of Directors meeting on May 5.

D. PRESENTATION - BRAINTREE-WEYMOUTH RELIEF FACILITIES - Elizabeth Gowen,

Assistant Director, Engineering - Capital Engineering and Construction Division, MWRA
Elizabeth Gowen, Assistant Director, Engineering and Construction, reported that planning for the Braintree-Weymouth project began in the early 1980s, with construction to begin this year. The existing interceptor runs from North Weymouth through Germantown and onto Rock Island Cove in Quincy. Flows from Randolph, Holbrook, Braintree and Weymouth and parts of Hingham and Quincy are carried by the existing interceptor to the Braintree-Weymouth Pumping Station. The current interceptor system has a capacity of approximately 54 million gallons per day (MGD). The relief project will provide approximately 73 MGD.

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There are seven contracts divided between the existing facilities and the relief facilities. Rehabilitation will be done in North Weymouth; downsizing one of the siphons in the Weymouth Fore River Area to reduce the chances of odor and corrosion problems, as well as velocity problems. The existing Braintree-Weymouth pumping station will be demolished and a new pump station that will have electrically driven pumps, odor control and an emergency generator will be built.

The Authority received four bids on the tunnel project, with a low bid of \$73 million. The engineer's estimate was \$70 million. Staff will go to the Board on May 25th to award that contract. The MWRA expects to start construction this summer, with completion scheduled for December 2002.

In February 1999, the Authority signed a consent order with DEP, who also negotiated and signed consent orders with the Towns of Braintree and Weymouth. The MWRA consent order includes construction milestones as well as a number of other items that document maintenance and hydraulic lines, as well as Inflow and Infiltration (I/I) work through the I/I Task Force.

Nancy Etele, Program Manager, Engineering and Construction, stated that an Inter-Basin Transfer Act Permit is required for this project. The Inter-Basin Act was passed in 1984 with the objective of the prevention of transfer of water in one basin to another basin without environmental review. Braintree, Weymouth, Randolph, Holbrook and Hingham have their own water supplies. When these communities are finished using the water, it goes into the sewer and transfers to the MWRA's treatment plant and is discharged into Boston Harbor or Massachusetts Bay.

The application process was quite comprehensive. MWRA performed a thorough analysis of the basin according to requirements in the regulations to look at alternatives during facilities planning. The application, submitted in December 1998, was deemed complete in March 1999 by the Water Resources Commission (WRC) and they issued a recommendation on April 8, 1999.

MWRA has the capacity to transfer 54 MGD peak. When it rains heavily and the ground water has risen, there is infiltration of the sewers. Sewers fill up with clean rain water and cannot carry all the flows.

In the MWRA staff's opinion, the basin is as saturated as it can get. The WRC agreed with that, concluding that the application met all the criteria for the permit. This relief facility will have the ability to carry all the sanitary flows, plus as much I/I as would be expected during a one-year six-hour storm, which DEP has determined to be a standard guideline for sewers.

After the draft permit was issued, the WRC wanted the MWRA to determine the impact of the MWRA water and sewer systems on all the basins that the systems touch. This includes stream flow, ground water recharge, storm water, things that the MWRA has no jurisdiction or control over and is not part of MWRA responsibility. Even though the MWRA project area is in one area of one basin, there are 12 basins that would be impacted by this request. These studies are extremely expensive. WRC believes that the information exists and it can be pulled together. MWRA differs.

The Charles River Watershed Association (CRWA) has been active in water basin research and have 31 studies in progress or completed. They have not done everything that the WRC has requested, but 12 of the 31 studies totaled over \$5.5 million. Staff estimates an additional \$8 million to do the studies that have already been done by the CRWA. Multiply \$8 million times 12 basins for a cost of \$96 million. The Authority doesn't believe this is appropriate, or that the WRC has the jurisdiction to tell the MWRA to do studies on basins that the project doesn't impact. The Authority has prepared a list of alternative conditions that would be more acceptable.

The Authority held two public hearings on March 24 and 25. The draft recommendation was issued on April 8 and a hearing was held on April 20. Comment period closes on April 23. It is unclear whether there will be a recommendation. If not, the Authority's only recourse is Superior Court.

Stanley Stanzin asked, "If the Authority plans to award the tunnel contract before the end of May, could this hold up the award of the contract?" MWRA staff replied, "The Authority believes that the WRC conditions haven't expressed any feelings on this being the wrong facility. MWRA staff is currently scheduling meetings with regulators to resolve this issue."

Joe Favalaro stated, "If there's a more important project than Braintree-Weymouth, I don't know what it is." He requested that the Advisory Board members empower staff to comment in a strongly worded letter the need for the Braintree-Weymouth project and the desire not to add to ratepayer cost.

A Motion was made **TO AUTHORIZE STAFF TO ISSUE A LETTER TO THE WATER RESOURCES COMMISSION EXPRESSING THE ADVISORY BOARD'S CONCERN THAT THE BRAINTREE-WEYMOUTH RELIEF FACILITY NOT BE DELAYED ANY FURTHER, AND THAT THE RATEPAYERS NOT BE BURDENED WITH THE ADDED COSTS FOR ANALYSIS ON WATER BASINS.** It was seconded and passed by unanimous vote.

Gary Peters of Weymouth noted, "When this project was planned, the word 'eliminating' surcharges and overflows was used. Now the word is reducing and we find it unacceptable. Weymouth has given our Board of Health power to work with the DPW, and would like to work with the MWRA to go for elimination."

Ed Nelson asked, "The project is now estimated at \$164 million, is that with inflation?" Staff responded, "That is with inflation, but does not include any potential impact from meeting conditions of the Inter-basin Transfer Act."

Jay Fink asked, "When you say a one-year six-hour storm event, is that under current conditions without looking at communities the system is designed for to reduce their current levels of I/I?" Staff replied that the system was designed looking at sanitary components based on population, commercial and industrial flows and I/I. It is based on 1990 planning through 2020. To be conservative, Braintree-Weymouth is based without I/I reduction.

E. COMMITTEE REPORTS

Finance Committee - Phil Farrington/Katherine Haynes Dunphy

- **ACTION ITEM:** Advisory Board Proposed Budget for FY00

Mr. Favalaro stated that the Advisory Board's budget request, approved by the Executive Committee, asks for an increase of 4.5%, approximately \$18,000, to \$420,592. The role of the Advisory Board over the years has expanded dramatically. The majority of work is in the area of budgets and legislation, but currently we are participating in managing the Local Pipeline Task Force, the Y2K Committee and working in conjunction with the Authority on Consumer Confidence Reports all with our existing staff.

A Motion was made **TO APPROVE THE ADVISORY BOARD PROPOSED BUDGET FOR FY00.** It was seconded and passed by unanimous vote.

- **ACTION ITEM:** Advisory Board Comments and Recommendations to the MWRA's Proposed FY00 Current Expense Budget

Cornelia Potter stated that staff has made 150 draft recommendations on the Authority's proposed budget for next year, and the overall recommendation to the Authority includes a series of direct and indirect expense

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reductions and non-rate revenue adjustments of \$10.8 million, plus an additional amount from rate stabilization to bring the overall rate increase for next year down to 2.5%.

There are three categories of recommendations: \$5 million from direct expense reductions, \$5+ million from indirect expense reductions, and just under \$0.5 million from additional sources of non-rate revenue. Overall the Authority proposed an increase of 7.3%, a net rate revenue increase of over \$25 million.

Staff has conducted a thorough review of more than four dozen programs that make up the Authority's operations. As part of the discussion in the last week, the Executive Committee thought long and hard about the use of additional rate stabilization funds. The Authority is using \$3.7 million from rate stabilization and \$7.6 million under debt escrow. The Authority has \$100 million in rate management reserves. The MWRA is planning to use \$11 million of it next year. The Advisory Board's proposed budget includes the use of another \$5.8 million in rate stabilization funds. The Authority purposely creates a rates management reserve to help smooth the pace of rate increases in the future.

John Sullivan asked, "Did you note that the Executive Committee was not unanimous in that vote?" Joe Foti noted, "The vote was not unanimous."

A Motion was made **TO APPROVE THE ADVISORY BOARD COMMENTS AND RECOMMENDATIONS ON THE MWRA'S PROPOSED FY00 CURRENT EXPENSE BUDGET**. This Motion was later withdrawn.

John Sullivan stated, "For years we have received the Advisory Board's Comments and Recommendations and relied on them as fact. Last Friday, the staff recommended an increase to the CEB of about 4.2%. We have been looking out several years and see debt coming at us, percent increases in the future up near 7 to 8 percent, and we can look forward to offsetting that with the rate stabilization fund. What happened at the Executive Committee was a plea to keep rates as low as we possibly can. We rely on staff to make a good recommendation. The Executive Committee asked for information on how the rate stabilization reserve worked. I believe we should go with the original recommendation keeping it under 5%."

Rod Granese of Revere stated that he went through the entire report and offered his complements to the staff for their comprehensive efforts. He then **Moved the Motion**.

Mr. Favaloro recapped that the Motion was to approve the recommendation of the Executive Committee that utilizes \$10,875,549 in direct, indirect and non-rate revenue and income and supplements that amount with \$5.8 million from the rate stabilization fund for a recommendation of \$16,675,549, reducing rate revenue from 7.3% to 2.5%.

Mr. Sullivan, Secretary of the Advisory Board, did a roll call for a vote to move the motion (to cut off debate). The recorded vote was No - 13, Yes - 5. Mr. Foti stated that the Motion failed and opened the floor for debate.

Ed Nelson asked, "How much is in the rate Stabilization Fund? How much are we using? How much is put in per year?" Ms. Potter replied, the Authority reports that there is \$115 million in the Rate Stabilization Fund, between this year at \$8 million and next year at \$11.4 million, the Authority will use nearly \$20 million, leaving roughly \$95 million to smooth rates in 2001 and thereafter. Of that \$95 million, the Authority plans to use over \$33 million in 2001 and \$32 million in 2002, to smooth the rates, particularly in 2001 and 2002 when debt service jumps in large part because of the structure of past borrowings. Two-thirds will be used in the next two years. There will be small increments of increase (\$3 to \$5 million) to the rates management reserve if future investment income is greater than presently assumed, or if spending is less.

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Mr. Nelson stated, "Perhaps we shouldn't take any more out of reserves than we have to. We can sustain a 4 or 5% increase, but may end up with 7, 10 or 11 percent increases over the next ten years. Maybe we should take a hit of 4 or 4.2%, rather than the 2.5%, to not have that be the reason that we hit a 10 or 11% increase further down the line."

Gary Peters stated that he had concerns for future projects and felt that these funds should be saved for when they are really needed.

Jay Fink stated, "Staff has raised significant questions about debt service numbers. Advisory Board members support the cuts regarding direct, indirect and non-rate revenue totaling \$10.875 million. The only issue is debt service. Is there time to generate discussion with MWRA staff on why they used \$8 and \$9 million in the rate stabilization fund in the last two years and are lowering it to \$3.7 million now, and what their future holds? Could we take recommendations as one package to the MWRA Board of Directors and look at furthering discussions with MWRA and Advisory Board staff regarding rate stabilization funds to make a more informed decision?"

Joe Favaloro answered, "On May 19, there will be a hearing before the MWRA Board of Directors, at which the Advisory Board staff sits at the table with the Board of Directors and MWRA staff and talks back and forth, recommendation by recommendation, to develop a consensus on a broad range of recommendations. The process continues and culminates on the vote of the Board of Directors on June 30 with their decision on what the rate revenue requirements will be for FY00.

Jay Fink made a Motion **TO APPROVE THE ADVISORY BOARD COMMENTS AND RECOMMENDATIONS ON THE MWRA'S PROPOSED FY00 CURRENT EXPENSE BUDGET THAT THE FY00 RATE INCREASE BE NO HIGHER THAN 4.18%, AND TO AUTHORIZE ADVISORY BOARD STAFF TO WORK WITH THE MWRA AND THE BOARD OF DIRECTORS TO DISCUSS THE MANAGEMENT OF RATE STABILIZATION FUNDS OVER THE NEXT FIVE TO TEN YEAR PERIOD.** It was seconded and passed by unanimous vote.

Mr. Fink clarified, "My intent is there would be a maximum rate increase of 4.18%, and that the discussion of when and how much additional rate stabilization funds are utilized should continue.

Mr. Favaloro reported, "As was discussed as part of this Motion, having the Board members work in conjunction with the two staffs could provide an opportunity to go through the outstanding issues relating to the impacts of rate stabilization in the short and long terms, and incorporate that as part of the deliberations at the May 19 Board meeting on the CEB, as well as the final deliberations on June 30. As it stands now, recommendations total 4.18%. MWRA may not accept all of our recommendations. Other components may make 4.18% go up or down."

John Sullivan stated, "The Board of Directors gets our recommendation of 4.18%. If that is their guide, they have the discretion to use any amount of rate stabilization they want."

John Carroll noted that rate stabilization increases every year, any surplus is put into debt escrow or rate stabilization.

Ms. Potter noted that the Authority does not budget for swap income, but it has included some anticipated swap income in its future projections. Also, within the projections is the assumption that they will get paid for the Fore River Shipyard. That's another \$11 to \$12 million that some would put in the more risky category. The \$100 million of rate management assumes receipt of those monies.

Operations Committee - Andy DeSantis

- **ACTION ITEM:** Application of Regis College to Connect to the MWRA Wastewater Sewer System
Joe Favaloro stated that the Regis College issue has been discussed over the past two months at well attended meetings of the Operations Committee, which made a recommendation to the Executive Committee to support, with provisions, to allow Regis to tie into the MWRA system through Waltham. The Executive Committee voted unanimously to support the connection and made a recommendation for the full Advisory Board's consideration.

Sister Sheila Megley, President of Regis College located in Weston, noted that the college planned to build a Fine Arts Center. The college applied with the Department of Environmental Protection (DEP) to connect the facility to their existing waste treatment plant. DEP agreed, however, they noted that Regis had a primary treatment plant, and required a study to upgrade it to a tertiary level.

After looking into the possibility of upgrading the existing facility, which was Regis' preference, or putting in a new plant, Regis was informed that the land did not have the capability of perking, rendering it impossible to build a new or upgraded facility on that location. The College also had 30 acres on the other side of the MWRA Weston Reservoir where there might be a chance of perking, but the college made the decision that it was not the best environmental alternative.

Sister Sheila asked the MWRA if it was legally possible for an entity in a non-participating community to connect. The MWRA replied that the college needed five things: state legislative approval and agreements with DEP, the existing community, the receiving community and the MWRA.

State legislative approval was obtained in 1996. The college invested a large sum of money on the campus making certain that Inflow and Infiltration was taken care of, with the repair, lining or replacement of pipe. DEP agreed that Regis had sufficiently investigated the alternatives and had reached the best solution for the institution and the community. A MEPA application was submitted, and they also agreed that Regis has complied. The agreement with Weston, Waltham, MWRA and DEP is comprehensive and requires a relationship before, during and after construction. The institution is not seeking additional capacity, it currently has a permit for 90,000 gallons, and they estimate spending \$5 million. Regis has met or will meet every condition of the expansion policy.

Stanley Stanzin asked, "Is your facility now in violation?" Sister Sheila replied, "Yes. We have signed an order of consent to complete this project by December of 2000. We monitor very carefully and submit monthly reports to DEP."

Mike Hornbrook of the Sewerage Division stated that he reviewed and approved the application of Regis College. Staff found that the application was complete and met all requirements. A hydraulic analysis of the system was done and found it did not create any adverse impact to the Authority's regional sewer system. MWRA made a written recommendation to the Advisory Board favoring approval.

Charles Lombardi, Director of Transport with the MWRA Sewerage Division, noted that the pipe will be of a non-corrosive material, and chemicals (to be determined) will be added at a pump station. A provision for metering capabilities to determine if chemicals are needed is included. Waltham has the capacity. EarthTech, a registered engineering firm, will increase some of the receiving sewer lines and will accept additional discharges from the City of Waltham at the College's expense. Mr. Lombardi stated, "I am satisfied that this is moving forward in a technically sound manner."

Darrin McAuliffe asked, "Is the MWRA involved in keeping it running?" Mr. Lombardi responded, "Regis is planning to maintain the pipe up to Waltham. Mr. Snedeker plans to take over maintenance from that point." Sister Sheila stated that the college will hire an engineer to maintain it.

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Jay Fink asked, "I assume that some of the provisions of the MWRA will be tested before they are put on line and will be written into their consent agreement? And, will Regis take total cost responsibility for these measures?" Mr. Lombardi replied, "Yes, I requested to be part of that process and they agreed, and it will be written in their consent agreement." Sister Sheila stated that Regis will maintain it and take the responsibility for zoning.

Doris Donovan asked, "Does that mean that college personnel will be trained? And, if there is an expulsion of the odor, who is going to be responsible?" Sister Sheila stated that the college intends to contract an engineering firm for the operation. Mr. Lombardi replied that Regis will be responsible for odor problems.

Mr. Snedeker stated that the City of Waltham has monitored the process. The Mayor of Waltham has approved the application, and we hope the Advisory Board will vote favorably this evening.

Ripley Hastings, Chairman of the Board of Selectman in Weston, indicated that the Selectmen support the Regis proposal. The Selectmen had concerns regarding a number of impacts the proposal might have on Weston and have attempted in a relatively comprehensive agreement to address those potential impacts.

Mr. Hastings requested that the Advisory Board add the condition that the approval be subject to the additional terms and provisions of any agreement between the applicant and the City of Waltham or the Town of Weston, including the easement agreement with the Town of Weston of February 1998.

The Board of Selectmen also made a point of clarification that Regis be limited to the traditional higher educational uses, and a minor clarification that additional land acquired by Regis that abutted its existing facilities be included in the property served by this facility. Sister Sheila stated that is the intent.

Ingeborg Uhlir of Weston stated that people are concerned about the impacts on wetlands, waterways and drinking water, and submitted a signed petition from Weston and Waltham residents and others opposed to the Regis application. She stated her view that a 30-acre parcel used for equestrian activities would be a suitable place for a treatment plant, expressing her belief that revisiting an in ground option is perfectly viable.

Arthur Uhlir of Weston asked, "Has the MWRA had a registered professional engineer examine the tanks?" Mr. Hornbrook replied, "The application was reviewed on the operations side and on the engineering side by a number of people that are registered professional engineers in the Commonwealth of Massachusetts."

A Motion was made **TO APPROVE THE APPLICATION OF REGIS COLLEGE TO CONNECT TO THE MWRA WASTEWATER SEWER SYSTEM, WITH THE ADDED CONDITION THAT THE APPROVAL BE SUBJECT TO THE ADDITIONAL TERMS AND PROVISIONS OF ANY AGREEMENT BETWEEN THE APPLICANT AND THE CITY OF WALTHAM OR THE TOWN OF WESTON, INCLUDING THE EASEMENT AGREEMENT WITH THE TOWN OF WESTON OF FEBRUARY 1998.** It was seconded and approved by unanimous vote.

Executive Committee - Joe Foti

- Update Local Pipeline Task Force

The Local Pipeline Task Force (LPTF) has met six times since it was initiated. The LPTF has devised a Mission Statement, Criteria and a Draft Form for individual water projects. At a later date, a full presentation will be made for an Advisory Board vote on a process for the loan program.

- Upcoming Election to the Board of Directors

The three-year term for one of the Advisory Board's appointments to the MWRA Board of Directors expires on June 30, 1999, the seat currently held by John Carroll. Information packages will go out in May soliciting

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individuals who wish to run for this seat. The Executive Committee will serve as the nominating committee, and will utilize the June 11th Executive Committee meeting for interviews of candidates, and will make a nomination for an election to be held at the June 17, 1999 Advisory Board meeting in Wellesley.

F. QUESTIONS AND COMMENTS

No questions or comments.

G. ADJOURNMENT

A MOTION WAS MADE TO ADJOURN THE MEETING AT 9:45 P.M. It was seconded and passed by unanimous vote.

Respectfully submitted,

Edward Sullivan, Secretary