

**MWRA ADVISORY BOARD MEETING
JUNE 15, 2000
MASSACHUSETTS STATE HOUSE
ROOM 350, BOSTON, MA**

MINUTES APPROVED AT THE SEPTEMBER 21, 2000 MEETING

Thirty-four members were present: Guy Carbone, BELMONT; John Sullivan, BOSTON; Darrin McAuliffe, BRAINTREE; Timothy MacDonald, CAMBRIDGE; Ed Sullivan, CANTON; Glenn Garbati, EVERETT; Al Renzi, FRAMINGHAM; J. R. Greene and Barbara Wyatt, GUBERNATORIAL APPOINTEES; Bill Hadley, LEXINGTON; Bruce Kenerson, LYNNFIELD; Joseph Peluso, MALDEN; Doran Crouse, MARLBOROUGH; Lenny Riley, MEDFORD; Katherine Haynes Dunphy, MILTON; Stanley Stanzin, NEEDHAM; Jay Fink, NEWTON; Bernard Cooper, NORWOOD; Paul Connors, RANDOLPH; Ted McIntyre, READING; Donald Goodwin, REVERE; Joe Foti, SOMERVILLE; Jeffrey Oxman, STONEHAM; Phil Farrington, STOUGHTON; Stephen Casazza, WAKEFIELD; David Savoy, WALTHAM; Gerald Mee, WATERTOWN; Walter Woods, WELLESLEY; Jean Thurston, WESTON; Tim Walsh, WESTWOOD; Brad Hayes, WEYMOUTH; Michael Woods, WILMINGTON; George Zambouras, WINCHESTER; Fred Russell, WOBURN.

Also present: Andrew Pappastergion, MWRA BOARD OF DIRECTORS; Ernest Williams, CANTON; Rob Antico, WILMINGTON; Steve Hines, DIVISION OF CAPITAL ASSET MANAGEMENT; Thomas P. Gray, MDC; Representative Paul Casey; Eric Skadberg, COLER & COLANTONIO; Representatives Carol Donovan, Ronald Mariano, Mary Jeanette Murray; Brendan Dearborn, Rep. Harkins Staff; Beth Vitiello, Rep. Keprielian's Staff; Christina Bradway, Rep. Khan's Staff; Delores Richardson, Rep. Owens-Hicks' Staff; Staff members of Representatives Edward G. Connolly, Jay R. Kaufman, Maryanne Lewis and Ronny Sydney; Michael Hornbrook, Bill Brutsch, John Gregoire, Stephen Estes-Smargiassi, Pam Heidell and Lorraine Downey, MWRA STAFF; Joe Favaloro, Cornelia Potter, Ryan Ferrara, Nathalie Grady and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF.

A. WELCOME

The meeting was called to order at 11:54 a.m. by Chairman Joe Foti, who welcomed everyone. Secretary Ed Sullivan offered a moment of silence in honor of Chairman Foti's Father who passed away the week before. Mr. Foti extended his thanks.

B. APPROVAL OF THE MINUTES FROM APRIL 27, 2000

A Motion was made **TO APPROVE THE MINUTES FROM THE APRIL 27, 2000 ADVISORY BOARD MEETING**. It was seconded and passed by unanimous vote.

C. REPORT OF THE EXECUTIVE DIRECTOR

Joe Favaloro reported that the Authority will move to a new community payment schedule as of July 1, 2000. There will be ten allocations, with the first payment scheduled for August 1. MWRA has notified community treasurers via letter.

MWRA Advisory Board Minutes – June 15, 2000

Mr. Favaloro stated that the emphasis of the Advisory Board's annual field trip scheduled for Thursday, August 17, 2000, would be a tour of the waterworks system.

John Gregoire of the MWRA staff reported that the Authority, working with the communities, has completed the newest version of the Consumer Confidence Report. The report will be in the mail by the end of the week. The *Globe* and *Herald* newspapers will contain an advertisement alerting people to watch for the Consumer Confidence Report.

D. PRESENTATION: DEVELOPING AND IMPLEMENTING STRATEGIES TO IMPROVE THE EFFICIENCY AND EFFECTIVENESS OF MWRA OPERATIONS THROUGH THE MWRA OPERATIONS COMMITTEE (OPCOM) – Michael Hornbrook, Chief Operating Officer, and William Brutsch, Deputy Chief Operating Officer

Michael Hornbrook gave a presentation on management and organizational changes at the MWRA and other initiatives being pursued to control costs. He stated that the Board of Directors and senior staff acknowledged a number of factors: 1) The mission of the MWRA is changing from delivery of large capital projects to operations and maintenance. 2) The wastewater and water industries are changing. 3) The projected rates are significant. The initiatives are designed to provide more cost effective and reliable service to member communities.

Mr. Hornbrook was appointed Chief Operating Officer (COO), and Bill Brutsch as Deputy COO, effective June 1st, 2000. Five separate positions have been brought under a centralized management team to combine functions of the sewerage and waterworks groups to the maximum extent possible.

Approximately 75% of the Current Expense Budget direct expenses are under the purview of the new group, which includes approximately 1,300 of the 1,600 employees. The advantages of this consolidation relate to operating and administrative functions. In the FY01 budget, there will be one operational division budget.

Within the Authority, an Operations Committee (OPCOM) has been established under the direction of Doug MacDonald. Bill Brutsch stated that OPCOM, which includes the senior operating managers from the Water and Sewerage Divisions, as well as representation from Finance, Support and Labor Relations, discuss common issues. The first item developed by OPCOM was a "Mission Statement", which emphasized that the Authority wants more effective procedures for how it does business. There are three primary areas.

1) Organizational Consolidation: With the move to the new Chelsea facility, there is opportunity to begin consolidating. Approximately 540 people will be moving to this location where field units will be combined, as well as administrative positions.

2) Effective Use of Technology: Improvement of water and wastewater facilities delivery with the use of technology is potentially one of the greatest means for cost effectiveness.

On the water side, implementation of the SCADA system is well on its way to both the metropolitan and western operations. Technology allows stations to become automated and remotely monitored by fewer personnel. On the wastewater side, SCADA is close to fully implemented. Technology needs to be developed Authority wide to work more efficiently. Maintenance management packages such as MAXIMO will be utilized in other areas such as water and transport.

3) Work Practice Improvement: The Authority will review functions of both the water and wastewater sides to determine if jobs are being duplicated, or if work can be done better by consolidating crews.

Mr. Brutsch stated that one improvement made by OPCOM, working with the Advisory Board, was a \$1.5 million savings in wages and salaries, accomplished by monitoring vacancies to determine if a position can be shared or done another way.

Support and skilled trades will be consolidated under one central group, scheduling and prioritizing work through a work order system for both the water and wastewater divisions. Additionally, OPCOM will continue to look at pipeline repair and valve and meter maintenance to determine if this work can be consolidated.

Mr. Hornbrook stated that the MWRA has an overall goal to reduce the workforce by 200 positions. A competitiveness study is necessary to review the Authority's existing and projected workloads to compare the staffing levels to a private utility or a very high performing public utility providing these services. Information sought from the consultant is in three functional areas: 1) general and administrative; 2) planning, engineering and construction management; 3) operations and maintenance. The results will be compared to the Authority's current goal of 200 reductions. The Advisory Board will be part of the study, the selection committee, and overall project review team.

A second component of the competitiveness study is to help reduce redundancy and overlap of work to be more efficient, with ultimately less people. The Authority knows a smaller workforce is required, while still providing reliable, enhanced service, both short and long term.

The study will take approximately one year, but the implementation may take several years because of collective bargaining and other issues. Updates will be provided to the Advisory Board on a periodic basis.

David Savoy asked if less people would mean less community assistance. Mr. Hornbrook assured that community assistance would remain at current levels.

Don Goodwin stated that Revere is receiving community assistance from the MWRA, along with the use of a private company. The private operation is more efficient and moving at a 50% better pace with the same work. He stated that the MWRA may make reductions in their work force based on a private entity and may shortchange the communities. Mr. Hornbrook responded that the competitiveness study would review current productivity levels and adopt private company practices to the maximum extent possible. If that efficiency level can be reached, more services can be provided. Maintaining water and wastewater customer service remains the number one goal.

E. COMMITTEE REPORTS

Executive Committee - Joe Foti

◆ ACTION ITEM: NOMINATION AND ELECTION TO THE MWRA BOARD OF DIRECTORS

Mr. Favaloro reported that on June 9th, after the submittal of letters of intent by interested candidates, the Executive Committee, serving as the Nominations Committee, interviewed Andrew Pappastergion who had expressed a desire to continue to work as a representative of the Advisory Board on the Board of Directors. It was the unanimous decision of the Nominating Committee to nominate Mr. Pappastergion for another three-year term.

Mr. Pappastergion stated, "Over the past three years, I have tried my best to represent the sixty communities of the MWRA. I am particularly proud of the fact that over the past year the three Advisory

MWRA Advisory Board Minutes – June 15, 2000

Board representatives have been successful in building consensus among other Board members. There is a lot to do in the next three years as the Authority shifts from the construction phase to predominantly operation and maintenance. I am happy that there is a quorum here today. I hope that is a reflection on what I am doing to represent you and that you will vote for me. Thank you.”

Ed Sullivan made a **MOTION TO SUBMIT THE NAME OF ANDREW PAPPASTERGION AS THE NOMINEE FOR A THREE-YEAR TERM ON THE MWRA BOARD OF DIRECTORS.** Mr. Foti asked if there were any other nominations. A **MOTION WAS MADE TO CLOSE NOMINATIONS.** It was seconded and passed by unanimous vote. The Motion to nominate Andrew Pappastergion for a three-year term was seconded and passed by unanimous vote.

◆ **ACTION ITEM: UNDER MWRA POLICY #OP.09 – WATER CONNECTIONS SERVING PROPERTY PARTIALLY LOCATED IN A NON-MWRA COMMUNITY – BY STOUGHTON ASSISTED LIVING, LLC TO CONNECT TO THE MWRA SYSTEM IN CANTON FOR A PROJECT PARTIALLY LOCATED IN STOUGHTON**

Mr. Favaloro noted that both the Operations and Executive Committees have approved the application of Stoughton Assisted Living, LLC, partially located in Canton/Stoughton, to connect to the MWRA system in Canton.

Eric Skadberg of Coler & Colantonio stated that the Operations Committee requested to limit the amount of water to the facility to 9,000 gallons per day. The proponent would feel more comfortable with 11,000 gallons per day.

An Advisory Board member asked if the Operations Committee was aware of the change to 11,000 gallons. Mr. Favaloro stated that there were subsequent conversations with the committee members who were amenable to the adjustment.

Ed Sullivan asked if consideration was given to staff and visitors in determining the gallonage. Mr. Skadberg replied that the usage figures have been derived from other assisted living facilities, which include staff. Those facilities were 25 to 35 units. One facility averaged 77 gallons per day, the other averaged 94 gallons per day. We took the conservative side and estimated 90 gallons per day per unit.

A Motion was made **TO APPROVE A NEW WATER CONNECTION FROM THE TOWN OF CANTON UNDER MWRA POLICY #OP.09 TO SERVICE A 100-UNIT ASSISTED LIVING COMMUNITY LOCATED PRIMARILY WITHIN THE TOWN OF STOUGHTON. STOUGHTON ASSISTED LIVING FACILITY LLC MAY USE NO GREATER THAN 11,000 GALLONS PER DAY AND ANY IRRIGATION NEEDS MUST BE MET VIA NON-MWRA SOURCES.** It was seconded and passed by unanimous vote.

Mr. Favaloro requested that Advisory Board members reaffirm two votes that were taken at the May 18, 2000 Advisory Board meeting to ensure that there was a proper quorum.

A Motion was made **TO APPROVE AN EMERGENCY WATER SUPPLY AGREEMENT WITH THE TOWN OF STOUGHTON AND TO APPROVE A WASTEWATER SYSTEM EXPANSION REQUEST FOR THE NEW ENGLAND CENTER FOR CHILDREN, SUBJECT TO CONDITIONS SET FORTH BY THE OPERATIONS AND EXECUTIVE COMMITTEES.** It was seconded and passed by unanimous vote.

◆ **STATUS: LEGISLATION**

Mr. Favaloro acknowledged the efforts of the MWRA Caucus in providing ratepayers with an active voice that has provided significant dollars in debt service assistance (\$48 to \$50 million). Language inserted in

MWRA Advisory Board Minutes – June 15, 2000

the House and Senate will provide the Authority with a reimbursement for \$200,000. A third area, which both the House and the Senate worked diligently, was providing language for surplus properties of the MWRA back to their rightful landlord, the Commonwealth of Massachusetts.

Mr. Favaloro specifically acknowledged the efforts of MWRA Caucus Co-Chairman, Bob DeLeo and Ron Mariano, who have been successful in getting surplus property, debt service assistance, and a myriad of initiatives incorporated into the budget.

Additionally, the Advisory Board has had a phenomenal relationship and opportunities with the Senate President and leadership on the Senate side as well. Mr. Favaloro acknowledged the efforts of Senator Shannon in supporting Advisory Board water initiatives.

Over the years the Advisory Board has had the pleasure to work with Representative Mary Jeanette Murray on issues related to expansion. Rep. Murray has decided not to run for another term after 24 years of service. Mr. Favaloro stated that her family's gain is our loss.

◆ **DISCUSSION: SURPLUSING PROPERTY**

In the Enabling Act there is language about the role of the MWRA and the Commonwealth of Massachusetts when the Authority no longer utilizes facilities. The Chestnut Hill facility is the first of many buildings to be surplus. With the opening next June of the North Maintenance Facility in Chelsea, many facilities will be surplus.

The Advisory Board has developed a mechanism that eliminates the ambiguity that exists regarding the responsibility for surplus property. The Advisory Board invited Steve Hines of the Division of Capital Asset Management (DCAM) and Thomas P. Gray of the MDC to hear their perspective what can be done collectively to develop a solution for all the sites. It is not the responsibility of the MWRA ratepayers to assume the preservation of structures no longer utilized by the Authority.

Mr. Hines stated that DCAM was created in 1980 to manage and oversee real estate and building construction for the state agencies. If there is property in a particular community, DCAM notifies the community that it is surplus and the state may have an opportunity to identify a public use. If there are no public uses, then, with the Authority given by the Legislature for specific pieces of property, DCAM can market the properties to the private sector. DCAM has no standing authority to sell Commonwealth property and must obtain a bill from the Legislature specifically authorizing the sale or lease of state property.

DCAM has been working with the MWRA on legislation, which would allow the disposition process of the waterworks properties. The legislation authorizes DCAM, working in consultation with the MWRA and the affected communities, to develop a reuse plan and then market the property to the private sector.

MWRA and DCAM disagree on what happens to the property until a new use is found for it. DCAM does not have the resources to effectively control and manage the properties. Buildings may have significant issues, such as environmental contamination or asbestos. Waterworks buildings are architecturally significant and worth preserving, however, there is a high cost associated with preserving them. Mr. Hines stated that if the Legislature directs properties come directly to DCAM, they must also provide the resources.

Mr. Gray stated that MDC would like to work with everyone involved to reclaim some of the property that MDC formerly owned.

Mr. Favaloro stated that absent initiatives, the responsibility for maintaining buildings that are no longer part of the MWRA's mission for water and sewer would remain with ratepayers. Mr. Hines stated that it is an issue that needs to be decided in the Legislature. People in communities need to be aware that the decision ultimately affects their community, as ratepayers or as taxpayers. Many of the properties turned over to DCAM are not that marketable to the private sector.

Stanley Stanzin asked if the property is not marketable, is the Authority "stuck" with it? Mr. Hines responded that it is up to the Legislature.

Finance Committee - Phil Farrington/Katherine Dunphy

◆ **UPDATE: CIP/CEB BUDGET REVIEWS**

Because of the efforts of the Advisory Board, the Board of Directors adopted a rate increase of 3.5%. A capital budget spending cap will be implemented as of July 1, 2000 for the long-term benefit of the communities. The reason for the success stems back to the support of the communities. The Advisory Board has put together a press release that has been faxed to communities to send to local press with the sincere thanks of the Advisory Board members for their support.

F. **ADJOURNMENT**

A MOTION WAS MADE TO ADJOURN THE MEETING AT 1:20 P.M. It was seconded and passed by unanimous vote.

Respectfully submitted,

Edward Sullivan, Secretary