

**MWRA ADVISORY BOARD MEETING  
SEPTEMBER 18, 2003  
BRADLEY ESTATE  
2468B WASHINGTON STREET, CANTON, MA – 11:30 A.M.**

**MINUTES APPROVED AT THE OCTOBER 16, 2003 MEETING**

Twenty-eight members were present: John Sanchez, ARLINGTON; E. A. Maguire, ASHLAND; Peter Castanino, BELMONT; John Sullivan, BOSTON; Paul Wohler, BRAINTREE; Ed Sullivan, CANTON; Andrew DeSantis, CHELSEA; Peter Sellers, FRAMINGHAM; J. R. Greene and Barbara Wyatt, GUBERNATORIAL APPOINTEES; William Hadley, LEXINGTON; Bruce Kenerson, LYNNFIELD; Doran Crouse, MARLBOROUGH; Ed Bates, MAPC; Katherine Haynes Dunphy, MILTON; Gerry Rovner, NEEDHAM; Lou Taverna, NEWTON; Bernard Cooper, NORWOOD; Jay Fink, QUINCY; Ted McIntire, READING; Silvio J. Baruzzi, SWAMPSCOTT; Richard Stinson, WAKEFIELD; Patrick Fasanello, WALPOLE; Ralph Pecora, WALTHAM; Walter Woods, WELLESLEY; Earl Forman, WESTON; Michael Woods, WILMINGTON; Stan Suymer, WINCHESTER.

Also present: John Carroll and Joseph Foti, MWRA BOARD OF DIRECTORS; Ellen Roy Herzfelder, Jonathan Kaledin and Karl Honkonen, EOE; Eileen Simonson, WSCAC; Avril Elkort, CANTON; Gino Cresta, Jr., SWAMPSCOTT; Don McCabe, Jr., WALTHAM; Carl Balduf, WESTWOOD; Rob Antico, WILMINGTON; Jonathan Goldberg, TRUSTEES OF RESERVATIONS; Fred Laskey, Pam Heidell and Jim Powers, MWRA STAFF; Joe Favaloro, Cornelia Potter, Ryan Ferrara and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF.

**A. WELCOME**

Chairman Katherine Haynes Dunphy called the meeting to order at 11:40 a.m. and introduced Avril Elkort, Canton Selectman, who welcomed everyone to Canton and thanked Advisory Board members for their work on behalf of all MWRA communities. Ms. Elkort introduced Jonathan Goldberg, Southeast Regional Director of the Trustees of Reservations, who gave a presentation on the works of the Trustees of Reservations and its land conservation efforts since 1891.

**B. APPROVAL OF THE MINUTES FROM JUNE 19, 2003**

A Motion was made **TO APPROVE THE MINUTES FROM THE JUNE 19, 2003 ADVISORY BOARD MEETING.** It was seconded and passed by unanimous vote.

**C. REPORT OF THE EXECUTIVE DIRECTOR**

Joe Favaloro, Advisory Board Executive Director, stated that preparation of the 2003 Water and Sewer Retail Rate Survey is well under way. Staff has begun making phone calls to

communities that have yet to respond seeking cooperation in gathering the necessary information to complete this project.

The next Advisory Board meeting was scheduled for October 16<sup>th</sup> in Wilmington. In anticipation of the Natural Resources Committee hearing on the bill that would transfer the (former) Division of Watershed Management (DWM) to MWRA, staff suggests that the October and November meeting locations be flipped so that members can be present at the State House on October 16. It is important to have a mass of individuals present at the hearing to send a strong message of how important the transfer is to the communities. The November meeting will be in Wilmington.

**D. PRESENTATION: STATE ENVIRONMENTAL INITIATIVES** – Ellen Roy Herzfelder, Secretary of the Executive Office of Environmental Affairs  
Ellen Roy Herzfelder, Secretary of the Executive Office of Environmental Affairs, stated that she has been on the job as Secretary for 260 days at present.

Secretary Roy Herzfelder stated that as a child, she fell into the Charles River and was rushed to the hospital. It is amazing that you can swim in the Charles now, thanks to the ratepayers. It came with a huge price tag, but provides a huge benefit. Under the leadership of Joe Favaloro and the Board of Directors, I know how much work it takes to balance the goal of water quality with cost effective solutions for stakeholders.

This Administration has created the Department of Conservation and Recreation (DCR) to have a unified park system representing 10% of the landmass of Massachusetts. Katherine Abbott has been named the first Commissioner of DCR and comes with a tremendous background having served as Deputy Commissioner for Resource Conservation for the Department of Environmental Management and as President of the Boston Harbor Island Alliance.

The Memorandum of Understanding (MOU) between MWRA and EOEA is being updated and improved. Secretary Roy Herzfelder stated that she plans to work closely with the MWRA to achieve its goals and needs and is interested in a good working relationship. The Secretary intends to be active on how EOEA follows through on its MOU so as not to upset the balance in the avoidance of filtration. The goal of water quality is high on the list of goals as Secretary. In support of this objective, the Secretary has established the Oceans Management Task Force.

A lot of the agencies are looking at ways to streamline some of the regulations. It is a goal of the Administration to try to produce a lean and clean permitting process. The goal would be to eliminate or reduce the duplication within the regulatory process.

Connecting environmental protection with economic development is also paramount. As a former founder of an energy management company, Secretary Roy Herzfelder found the DEP review was an arduous process that made her realize how many things can be done better. The EOEA plans to make that a reality.

Secretary Roy Herzfelder stated that she looks forward to a strong relationship with the Advisory Board and the MWRA in the years to come. Noting that she has two small children that she takes to the beaches of this state, the Secretary stated that she cares a lot about the Commonwealth's environment, the economy and the way of life.

Eileen Simonson of the Water Supply Citizens Advisory Committee (WSCAC) stated that she was comforted to hear that there would be an MOU between EOEA and MWRA. WSCAC worked on legislation that it had hoped to achieve to transfer the DWM to MWRA since the MWRA pays to operate the DWM. The MOU does not help the MWRA's need for a protected water supply. The transfer to DCR makes DWM subject to personnel and bonding issues. WSCAC believes that the MOU must segregate the operation of DWM from state government. WSCAC would love to be a party in the discussions. The Department of Environmental Management and the Metropolitan District Commission had different missions. Recreation and land protection were part of both agencies, watershed protection was part of only one.

Secretary Roy Herzfelder stated that the MOU was being created using the existing framework of the previous MOU, taking into consideration MWRA's needs with respect to water quality. The results will be shared with WSCAC as the process goes forward.

Barbara Wyatt of the Wachusett watershed requested that Secretary Roy Herzfelder visit the watersheds periodically to stay informed. Currently, there is a 40B project in West Boylston creating significant concerns regarding density. The Secretary responded that she looks forward to visiting central Massachusetts and that the 40B Task Force that the Governor convened has suggested changes to 40B.

Mr. Favaloro stated that looking out over the horizon there are probably two areas of debate: 1) how we ensure the protection of the watershed areas to avoid a filtration plant; 2) CSOs.

Staffing levels at the DWM and all the other problems don't have the luxury of waiting to be solved. With early retirement, staffing levels will be under 125. There are issues happening now that we need to work together to solve now. Secretary Roy Herzfelder stated that the MOU process should take about 30 days. From an operations perspective, Fred Laskey is in regular conversations with the staff of DCR. We are all struggling with fiscal constraints, however, MWRA is on top of it.

Fred Laskey, MWRA Executive Director, stated that MWRA is putting its concepts together on what the MOU should look like. Early retirements are causing concern, however, it is out of MWRA's control. The Authority wants to pull together with EOEA to ensure that watersheds are part of the MOU package.

Mr. Favaloro stated that MWRA has developed a CSO plan that could result in a 97% reduction of CSOs for a reasonable amount of money. Requiring the MWRA to reduce the remaining 1 to 3% would double the cost to build a facility that would be utilized once every two years. The Commonwealth has to show real leadership and support the communities who have already joined into and supported the resolution on CSOs.

Secretary Roy Herzfelder stated that EOEA will work with MWRA and the Advisory Board. The details need to be debated. EOEA and MWRA may not always agree, but will work toward the goal of balancing water quality with fiscal constraints.

**E. COMMITTEE REPORTS**

**Executive Committee** – Katherine Haynes Dunphy

**❖ ACTION ITEM: ELECTION OF FY04 EXECUTIVE COMMITTEE**

Hearing no nominations from the floor, the following slate was submitted by the Nomination Committee for consideration by the full Advisory Board:

<b><u>Chair:</u></b>	Katherine Haynes Dunphy, Milton
<b><u>Vice Chair of Finance:</u></b>	Bernie Cooper, Norwood
<b><u>Vice Chair of Operations:</u></b>	Jay Fink, Quincy
<b><u>Secretary:</u></b>	Edward Sullivan, Canton
<b><u>Treasurer:</u></b>	John P. Sullivan, Boston
<b><u>At-Large:</u></b>	Andrew DeSantis, Chelsea
	William P. Hadley, Lexington
	Timothy MacDonald, Cambridge
	Edward D. McIntire, Jr., Reading
	* Ralph Pecora, Waltham
	* John Sanchez, Arlington
	Dana Snow, Marblehead
	Lou Taverna, Newton
	Walter Woods, Wellesley

\*New member for FY04.

A Motion was made **TO ADOPT THE PROPOSED FY04 MEMBER SLATE AS THE FY04 EXECUTIVE COMMITTEE**. It was seconded and passed by unanimous vote.

**❖ PREVIEW: FY04 ISSUES**

Mr. Favaloro gave a preview of the issues that the Advisory Board will be working on over the next few months and the course of the fiscal year.

The transfer of the MDC Division of Watershed Management (DWM), and watershed protection in general, has long been a crusade of the Advisory Board in order to avoid the filtration plant. On October 16<sup>th</sup> Senate Bill 1259, sponsored by Senator Shannon and many Representatives and Senators, will be brought before the Natural Resources Commission to discuss the merits of why the DWM should be transferred to the MWRA. DWM staffing is significantly down and contracts have not been awarded due to a lack of funding.

Ms. Simonson suggested that Advisory Board members speak to their town manager or selectmen to have a letter of support be sent prior to the hearing. The MWRA has a great responsibility for water supply protection and watershed management. The Senators and Representatives have concerns for their constituents' ability to fish and hike at the Reservoirs. It would be helpful if the legislature heard from water users to reinforce what Fred Laskey has already said in public, that responsible recreation and access is supported.

Mr. Favaloro stated that the field trip to the reservoir was highly successful. Everyday more individuals and groups have given their support, including the Friends of Quabbin, the Environmental League of Massachusetts, the Sierra Club and WSCAC. Mass Audubon has

come closer to giving its support. The initiative is still a long way from success and will require a lot of work.

Many of the critical decisions on CSOs will be made between now and the spring. These projects will have a significant impact on the environment, but also on ratepayers' pocketbooks and wallets. The Advisory Board needs to be active in the evolving solution that must meet the criteria of environmentally sound and rate payer equitable. Currently, these projects are nowhere near ratepayer equitable. The Authority has done good work at keeping CSOs on the table and has been working cooperatively with EPA to find the solutions. MWRA would like to develop a phased approach to CSOs.

Recent articles in the Boston Globe, driven by one organization, call for the MWRA to be responsible for stormwater. MWRA will not go down that road.

For FY04, debt service assistance totaled \$5 million, with MWRA's share at approximately \$4 million. With the possibility of "9C" cuts down the road, the Advisory Board, Authority and Legislative Caucus have been active with the Department of Revenue (DOR) to hasten the process. Today is the last day for communities that are funded to apply for debt service assistance. Staff will remain active in seeking a check from DOR.

For FY05, the Authority and the Advisory Board have already begun discussions with the Legislative Caucus and the Administration to protect the \$5 million for debt service assistance and to find ways to get that number to increase.

Massport has a desire to have larger cruise ships come into Boston. In order to accommodate the larger ships, Massport may have to dredge the harbor. Unfortunately, MWRA's electrical cable that supplies power to Deer Island may be under the area that Massport wants to dredge. The potential is there for MWRA to have to spend \$10 to \$20 million to relocate the cable or dig deeper. Massport, which is empowered to make the MWRA move the cable, must be made to understand that kind of exposure will have serious impacts on the MWRA.

### Finance Committee – Bernie Cooper

#### ❖ CIP/CEB UPDATE

Cornelia Potter stated that the FY03 Current Expense Budget closed the year with a surplus of \$2 million, a variance of less than half of 1%. It is the second smallest variance in the Authority's 18-year history in terms of dollars and as a percentage of the overall size of the budget, it is the smallest ever.

Revenue and income were nearly \$490 million, \$2 million more than budgeted. Expenses were \$487 million, about \$0.25 million more than budgeted. Direct and indirect expenses were \$7 million more than budgeted but because debt service was \$7 million less than budgeted, actual spending came very close to the total budget amount.

For the capital budget, FY03 expenditures came to nearly \$300 million. More than half of all capital spending last year was for just four projects: Walnut Hill, MetroWest, Braintree-Weymouth and Norumbega. Total spending was 12% less than the \$340 million if contingency funding is included; if the contingency budget and the tunnel outfall claims payment of \$26 million are not included, the Authority's spending was about 10% below the budgeted amounts.

For FY04, the Authority's capital budget is \$237 million, fully \$66 million less than budgeted for FY03. Spending on waterworks projects is budgeted at \$128 million, nearly \$30 million more than wastewater projects. The largest projects will be Braintree-Weymouth at \$29 million, Deer Island at \$8 million, CSO spending at nearly \$50 million (half of all wastewater spending this current year). Waterworks spending includes \$48 million for Walnut Hill, \$12 million for Norumbega, \$10 million for MetroWest and \$28 million for distribution and pumping.

The new five-year cap is set at \$1.134 billion for FY04-08, with specific caps ranging each year between \$200-\$250 million. Spending can vary plus or minus 20%, as long as it remains within the total five-year cap.

The FY04 Current Expense Budget totals \$475 million, including \$173 million for direct expenses, \$31 million for indirect expenses and \$271 million for debt service, net of the bond redemption savings and some variable rate savings. More than 90% of the budget comes from ratepayers.

Staff is already watching the pace of spending for this fiscal year. Spending for July came to \$37 million, 4.5% below budget. The Wages and Salaries line item, however, is running 10% below budget and maintenance spending is running 20% below budget in the first month of the fiscal year.

Initial steps for preparing the FY05 CEB and FY05-07 CIP are already under way. The Advisory Board staff is preparing for a series of budget review meetings at the close of the first quarter. Key topics will be staffing, utility and chemical expense and maintenance spending.

Mr. Favaloro noted that MWRA has little control over which employees opt for early retirement and which divisions they come from. One area that is being impacted is maintenance. Advisory Board staff believes it is imperative to ensure that the appropriate level of staffing is available in Operations & Maintenance to maintain the infrastructure.

Mr. Laskey noted that the last fiscal year was difficult because of a 10% reduction in MWRA's revenue with the elimination of debt service assistance. The Board of Directors made a courageous decision not to create a long-term fiscal problem, but rather address the fiscal problem in one year, which included the layoff of staff. Between early retirement and layoffs, MWRA has had a difficult time, but is now getting back to a normal state of operation and will be hiring for selected positions. Twelve former MDC employees will be retiring. The legislature gave MWRA the authority to extend the retirement incentive to MWRA employees with a deadline for filing of October 15 and retirement by the end of June; 60 to 70 MWRA employees have filed. Between now and October 15, the number may rise and going forward, some employees may opt not to retire. This creates a problem for the Authority, which has a 50% limit on backfills.

### **Operations Committee** – Jay Fink

#### **❖ UPDATE: WASTEWATER METERING PROJECT**

Jay Fink stated that there are two major issues that the Operations Committee is working on. The first is the Wastewater Metering Project that Advisory Board members have been receiving updates on at Advisory Board meetings. The MWRA will be replacing all the wastewater meters in the various communities. These are the meters that rates are based on.

MWRA has received bids and met with potential Contractors and plans to go to the MWRA Board of Directors in mid October to proceed.

The next meeting of the Operations Committee, to be held on September 30<sup>th</sup>, will focus on the start up of the Walnut Hill Water Treatment Plant and the MetroWest Water Supply Tunnel. MWRA staff will be in attendance to discuss impacts to communities during the switch over process. Mr. Fink suggested that communities send their water superintendent or a representative to this important meeting.

Pat Fasanello stated that Walpole has more than one connection to an MWRA sewer. How would these be measured? Mr. Fink stated that many communities have more than one connection. Most areas are metered, but some smaller portions are estimated. Walpole should contact MWRA staff directly for an answer.

**F. QUESTIONS AND COMMENTS**

Ted McIntire noted that in June 2002, Reading made a presentation about its desire to connect to the MWRA water system. Reading has completed its final Environmental Impact Review and will be seeking support from the Advisory Board in the near future.

**G. ADJOURNMENT**

**A MOTION WAS MADE TO ADJOURN THE MEETING AT 12:45 P.M.** It was seconded and passed by unanimous vote.

Respectfully submitted,

Edward Sullivan, Secretary