

**MWRA ADVISORY BOARD MEETING
NOVEMBER 20, 2003
WILMINGTON TOWN HALL**

MINUTES APPROVED AT THE JANUARY 15, 2004 MEETING

Twenty-three members were present: John Sanchez, ARLINGTON; Peter Castanino, BELMONT; Charles Barry, BROOKLINE; Ed Sullivan, CANTON; Andrew DeSantis, CHELSEA; Jon E. Norton, EVERETT; J. R. Greene, GUBERNATORIAL APPOINTEE; William Hadley, LEXINGTON; Bruce Kenerson, LYNNFIELD; Ed Bates, MAPC; Dana Snow, MARBLEHEAD; Doran Crouse, MARLBOROUGH; Katherine Haynes Dunphy, MILTON; Lou Taverna, NEWTON; Peter Smyrnios, PEABODY; Jay Fink, QUINCY; Ted McIntire, READING; Richard Stinson, WAKEFIELD; Ralph Pecora, WALTHAM; Earl Forman, WESTON; Dan Annaccone, WEYMOUTH; Bob Angelo, WESTWOOD; Michael Woods, WILMINGTON.

Also present: Andrew Pappastergion and Joseph Foti, MWRA BOARD OF DIRECTORS; Gassan Moussa, EVERETT; Don McCabe, WALTHAM; Rob Antico, WILMINGTON; Carl Leone and Pam Heidell, MWRA STAFF; Joe Favalaro, Cornelia Potter, Ryan Ferrara and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF.

A. WELCOME

Chairman Katherine Haynes Dunphy called the meeting to order at 11:42 a.m.

B. APPROVAL OF THE MINUTES FROM OCTOBER 16, 2003

A Motion was made **TO APPROVE THE MINUTES FROM THE OCTOBER 16, 2003 ADVISORY BOARD MEETING.** It was seconded and passed by unanimous vote.

C. REPORT OF THE EXECUTIVE DIRECTOR

No Report.

D. PRESENTATION: UPDATE ON THE I/I LOCAL FINANCIAL ASSISTANCE PROGRAM/LOCAL PIPELINE ASSISTANCE PROGRAM – Carl Leone, Senior Program Manager – Planning Department

Carl Leone, MWRA Senior Program Manager, Planning, stated that the I/I Local Financial Assistance Program is a 45% Grant/55% Interest-Free Loan Program, budgeted at \$140 million. Loans are repaid over a five-year period. These funds have been distributed quarterly since May 1993, with the current program approved by the MWRA Board of Directors through FY10.

The funds are allocated to the 43 sewer communities. Fifteen communities have used all of their funds and currently have no funds remaining through FY10. The Operations Committee suggested that the Advisory Board prepare a community questionnaire about the potential for adding a Phase V to the program.

There has been a general downward trend in infiltration in the north and south systems and total system flow, which is the result that MWRA is seeking with the use of the funds that the communities are putting into I/I reduction.

Over a twelve-year period, major items that have impacted those numbers are: 1) The MWRA has undertaken many improvements over the past 10 to 15 years in the wastewater collection system. Interceptor projects, pump station improvements and improvements at the treatment plant tend to move more flow to the treatment plant and reduce the SSOs in the region. If that were the only impact to the system, staff would expect to see these flows going up over time. 2) In the CSO communities, MWRA has done system optimization projects that are intended to keep more flow in the system, reduce CSOs and get more flow to the plant. I/I projects push the numbers down. 3) Work done in the late 1980s and early 1990s on water systems to repair water system leaks and getting rid of blow offs that run all the time keep more water in the water system, reducing infiltration.

Guidelines and applications for the I/I Program are available electronically on the MWRA's website (www.mwra.com). If help is needed with the application process, MWRA staff will assist communities as it is MWRA's intent to get the funds for these projects out to the communities.

Mr. Favaloro stated that it would be helpful to look at how much communities have spent for Phases I through IV to determine what is available. A survey will be going out to communities to seek information on how the program can be enhanced or what the constraints are. Fifteen communities are waiting to see what is next. Should there be a Phase V? For those communities that have not utilized the funds, should we create a sunset provision, use it or lose it? Should those funds be utilized for communities that have projects ready to go? Should Phase V be more grant or less grant? On the water side, there is a loan only program. Should the wastewater program be loan only? Currently, there is a ten-year payback term for water and five-year term for wastewater. Would it be easier to pay back in a longer term?

Ryan Ferrara added that the survey would be sent out the next day and will seek information on both water and wastewater communities to determine how to improve utilization of these programs. Results will be due back prior to the January 6th Operations Committee meeting.

Dana Snow asked what the funding mechanism is for the grant side of the program. Mr. Leone stated that MWRA bonds on the construction fund are utilized. Mr. Snow asked if communities that don't participate in the program are still participating on the bond side. Mr. Leone responded that allocations on the sewer program are equal to how much each community pays in for their sewer charge. Boston, which pays 30% of the sewer rate, receives 30% of the allocation. Mr. Favaloro stated that the bottom line is that communities that are not utilizing the program are helping to pay the 45% grant for the other communities. Mr. Snow stated, then for the water program, those that do not participate in the interest-free loan program do pay for a tiny piece of the program. Mr. Leone replied in the affirmative.

Ms. Dunphy noted that the Executive Committee voted to ask the MWRA to put a 45% Grant/55% Loan Phase V (\$40 million) in as a placeholder in the capital budget so that an entire year would not be lost if the majority of communities want a Phase V.

Mr. Leone stated that the ten-year interest-free Local Pipeline Assistance Program on the water side is budgeted at \$250 million. Funds are allocated annually at \$25 million and community allocations build up over the ten years. Rules were changed so that communities with smaller allocations could use up to \$500,000 per year as a minimum, instead of going for smaller amounts over ten years.

Although \$25 million per year is available for communities, MWRA has only distributed \$61 million over three and one-half years, approximately \$17 million per year. A number of communities have yet to participate.

In total, 58% of the total miles of pipe in the regional system are lined, with 42% remaining unlined. If communities have done cleaning and lining with their own funds, MWRA would like to know so that it can update its figures.

Guidelines and applications for the Local Water Pipeline Program are available electronically as well. MWRA's goal is to get rid of unlined pipe that is susceptible to corrosion so that the best quality of water can be delivered from the Quabbin to the ratepayer. There are criteria that have to be met to participate in this program; however, as long as communities are working on a master plan and working on the requirements, the loan program is flexible.

Cornelia Potter stated that the Authority is completing its preparation of the proposed FY05 capital budget in the next couple of weeks and would not normally add a new project or new phase for a project to the budget when it is finalized in June. That is why it was important to insert the placeholder into the budget at the beginning of the review period.

Mr. Snow noted that a key component that drove this program was a promise of substantial funding from the state to get communities on board to help avoid building a filtration plant. Mr. Fink stated that the water quality issue needs to be part of the component of staff's review. DEP wanted to target specific communities and it appears that some of those specific communities haven't done anything with this program.

E. COMMITTEE REPORTS

Executive Committee – Katherine Haynes Dunphy

❖ ACTION ITEM: JOINT SAGER ELECTRONICS – J. M. PERRONE CO., INC. OF HINGHAM WASTEWATER SYSTEM EXPANSION REQUEST FOR A SEWER SERVICE CONNECTION TO THE TOWN OF WEYMOUTH

Mr. Favaloro stated that Sager/Perrone received approval from the Operations Committee last December to connect to the sewer system through the Town of Weymouth. The Executive Committee gave its approval with the stipulation that it receive Legislative approval before going to the full Advisory Board. Legislative approval was given last evening.

Since the application process began approximately two years ago, the names of the entities have been changed from Sager Electronics to Campanelli Company and J. M. Perrone Co., Inc. to Research Road LLC.

A Motion was made **TO APPROVE THE JOINT CAMPANELLI COMPANY – RESEARCH ROAD LLC REQUEST TO TIE INTO THE MWRA SYSTEM FROM THEIR RESPECTIVE**

SITES IN HINGHAM VIA A 1,900 LINEAR FOOT, 2” FORCE MAIN, CONNECTING TO THE SEWER COLLECTION SYSTEM IN THE TOWN OF WEYMOUTH. THIS MOTION IS SUBJECT TO THE PARAMETERS SET FORTH IN MWRA POLICY #: OP.11, “REQUESTS FOR SEWER SERVICE TO LOCATIONS OUTSIDE MWRA SEWER SERVICE AREA.” THIS INCLUDES PROVISIONS THAT 1) THE APPLICANT WILL BE RESPONSIBLE FOR PIPE MAINTENANCE AND FOR ASSURING THAT NO CONNECTIONS WILL BE MADE TO THE PIPE WITHOUT PRIOR APPROVAL BY THE MWRA AND 2) ALL SEWER SYSTEM CONNECTIONS SHALL RECEIVE APPROVAL FROM: THE COMMUNITY OF ORIGIN, TRANSPORTING COMMUNITY, OTHER REGULATORY BODIES (WHERE REQUIRED), MWRA ADVISORY BOARD, MWRA BOARD OF DIRECTORS AND THE GOVERNOR AND GENERAL COURT (AS SPECIFIED IN SECTION 8C). THE APPLICANT(S) WILL SEEK TO LIMIT MAXIMUM DAILY FLOWS TO 2,475 GALLONS PER DAY FROM THE PROPERTY AT 60 RESEARCH ROAD (CAMPANELLI COMPANY) AND 2,025 GALLONS PER DAY FROM 105 RESEARCH ROAD (RESEARCH ROAD LLC) RESPECTIVELY, FOR A COLLECTIVE TOTAL OF 4,500 GALLONS PER DAY. THE APPLICANT(S), WORKING COOPERATIVELY WITH THE MWRA, MUST REALIZE A FOUR TO ONE VERIFIABLE REDUCTION IN FLOW IN THE MWRA WASTEWATER SYSTEM, PROVIDING AN APPROXIMATE DAILY REDUCTION OF 18,000 GALLONS OF FLOW (BASED UPON THE STIPULATED 4,500 GALLONS COLLECTIVE PER DAY AVERAGE) WITHIN THE MWRA SYSTEM. THE FOUR TO ONE REDUCTION IN FLOW IN THE MWRA WASTEWATER SYSTEM SHALL BE ASSESSED AS A SEPARATE CHARGE INDEPENDENT OF THE “//I MITIGATION AND CONNECTION FEE” ASSESSED BY THE TOWN OF WEYMOUTH. THE APPLICANT(S) WILL PAY A CONNECTION FEE, BASED UPON AN AVERAGE DAILY FLOW OF 2,475 GALLONS PER DAY FROM THE PROPERTY AT 60 RESEARCH ROAD (CAMPANELLI COMPANY) AND 2,025 GALLONS PER DAY FROM 105 RESEARCH ROAD (RESEARCH ROAD LLC) RESPECTIVELY, FOR A COLLECTIVE TOTAL OF 4,500 GALLONS PER DAY, CONSISTENT WITH THE GUIDELINES SET FORTH IN MWRA POLICY #: OP.11. It was seconded and passed by unanimous vote.

❖ LEGISLATIVE UPDATE

Mr. Favaloro stated that the Legislature approved the sale of the Authority’s surplus 14-acre property at the Fore River Shipyard to Jay Cashman. The Board of Directors, at its last meeting, voted that the Authority should begin the process of selling the 14 acres to Cashman for \$2.21 million.

Senate 1259, legislation regarding the transfer of the watershed division to the MWRA, remains in the Natural Resources Committee. The Administration, specifically EOEA, has been pushing for the creation of a Memorandum of Understanding to provide “autonomy” to the watershed operations. The idea of a statutory trust to move watershed operations off budget has also been suggested by the Administration. The Advisory Board staff believes it would be difficult to move the operations out of the budget process and keep it independent. Some trusts are subject to raid by the Legislature if money is needed and are vulnerable to the same conditions that being on budget would cause, such as hiring freezes.

The Advisory Board will continue to work with the Administration to find a solution and has engaged consultants to come on board in January to provide support and direction. The consultants have experience with the environmental community, the recreationists and political structures in western and central Massachusetts.

Staff continues with its efforts to get the Department of Revenue to release the \$5 million of debt service assistance that was approved for FY04. MWRA would be eligible for approximately \$4 million of these funds. Additionally, staff will continue to pursue debt service assistance for FY05; however, the focus may center on maintaining the \$5 million, rather than an increase.

Nathalie Dailida decided not to return to her Government/Media Coordinator position with the Advisory Board after the birth of her baby. Tracy Wadsworth will be joining the staff on December 1 in a legislative capacity. Ms. Wadsworth served as the Executive Director of the Womens' Caucus and has been active on legislative issues.

J. R. Greene stated his understanding that the MWRA Board of Directors is supportive of the transfer of the Watershed Division to the MWRA. Is there a problem that the Chair of the Board of Directors statutorily is a member of the Administration, which is against this transfer? Mr. Favaloro stated that with an 11 member Board, six votes are needed. The Board has had significant debate over the watershed issue and the best approach to take. Over the past fifteen years, the Advisory Board has expressed its opinion that there is a conflict in having the Secretary of Environmental Affairs as a member of the MWRA Board of Directors.

Operations Committee – Jay Fink

❖ **STATUS: TOWN OF READING APPLICATION TO JOIN THE MWRA WATERWORKS SYSTEM**

Jay Fink stated that Ted McIntire and consultants for the Town of Reading made a presentation at the last Operations Committee meeting on the Town's application to join the MWRA Waterworks System.

Ted McIntire noted that Reading filed its final Environmental Impact Review on September 15 and met all legal requirements. Overwhelming support for the application was given at Reading's Town Meeting with a vote of 111 to 15.

Reading is now in the process of supplying information to the Water Resources Commission (WRC) to seek its approval, with a vote expected as early as May. The Town plans to apply to the MWRA during the WRC process within the next two to three months.

Mike Woods noted that the Town of Wilmington is in the early stages of its application to join the MWRA Waterworks System. Wilmington's draft Water Resources Management Plan has been submitted and the Town is waiting for comments from the public.

❖ **STATUS: OPERATION START-UP**

Weekly status reports on "Operation Start Up" will be issued to water communities by MWRA. There have been no issues to date.

Finance Committee – Bernie Cooper

❖ **CIP UPDATE**

Ms. Potter stated that thus far in FY04, the Authority has spent \$82 million on the capital side, much of it on waterworks spending, particularly for finishing up the Walnut Hill Water Treatment Plant, Norumbega Reservoir and MetroWest Tunnel; with \$35 million for wastewater spending. The CSO Program will be a more dominant feature as waterworks spending begins to decline.

Currently, the largest area of wastewater spending is the Braintree-Weymouth project.

The FY05 capital budget is taking shape this month; the Board of Directors will be asked to authorize transmittal to the Advisory Board for review in four weeks. The review runs from early January to late February.

❖ **CEB UPDATE**

On the current expense side, through October, the Authority has spent \$150 million, or almost twice as much as capital spending. This total is within 3% of the budgeted amount and is one-third of the entire year's budget of \$475 million.

The Advisory Board continues to follow maintenance spending, which has been under budgeted targets and was 25% below budget for October. Staff has been concerned because of a growing maintenance backlog, particularly at Deer Island. The Authority attributes the maintenance problem to poor staffing and is in the process of filling 11 positions and increasing overtime spending at Deer Island. Several trades are still well over the industry standard for backlogs.

Additionally, staff is focusing attention on electricity expense at Deer Island, which has an annual budget of \$9 million. MWRA has been experiencing lower levels of self-generation of electricity. The Advisory Board continues to meet with Authority staff for reports on performance measures, as well as monitoring actual spending.

Overall staffing levels at the Authority continue to drop after first phase of the second Early Retirement Program, which dropped another 20 positions in just the last month. The Authority reports staffing at 1,284 as of the end of October. The second phase of the Early Retirement Program is scheduled for June, with ninety employees signed up to participate.

The Advisory Board review of the CEB runs from early March to the end of April.

F. QUESTIONS AND COMMENTS

G. ADJOURNMENT

A MOTION WAS MADE TO ADJOURN THE MEETING AT 12:33 P.M. It was seconded and passed by unanimous vote.

Respectfully submitted,

Edward Sullivan, Secretary