

**MWRA ADVISORY BOARD MEETING
SEPTEMBER 15, 2011
CARY HALL
1605 MASSACHUSETTS AVENUE, LEXINGTON, MA – 11:30 A.M.
MINUTES APPROVED AT THE OCTOBER 20, 2011 MEETING**

Fifty-eight people were in attendance, including twenty-seven voting members: Michael Rademacher, ARLINGTON; E. A. Maguire, ASHLAND; Richard Warrington, BEDFORD; Peter Castanino, BELMONT; John Sullivan, BOSTON; Jay Hersey, BROOKLINE; John Sanchez, BURLINGTON; Andrew DeSantis, CHELSEA; David Field, DEDHAM; J. R. Greene and Barbara Wyatt, GUBERNATORIAL APPOINTEES; Bill Hadley, LEXINGTON; Jay Fink, LYNN; Charles McCollum, MARBLEHEAD; Cassandra Koutalidis, MEDFORD; Katherine Haynes Dunphy, MILTON; Wiff Peterson, NATICK; John Cosgrove, NEEDHAM; Lou Taverna, NEWTON; Bernie Cooper, NORWOOD; Michael Coffey, QUINCY; Jeff Zager, READING; Ana Singleton, STOUGHTON; Carol Antonelli, WAKEFIELD; Walter Woods, WELLESLEY; Earl Forman, WESTON; Joe Lobao, WILMINGTON.

Also present: Andrew Pappastergion and Joseph Foti, MWRA BOARD OF DIRECTORS; Richard Sullivan and Kathleen Baskin, EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS; Michael Bishop, BELMONT; George Burnell, LEXINGTON; Joe Welch, NORWOOD; Silvio Baruzzi, WEST BOYLSTON; Martin Pillsbury, MAPC; Tabor Keally, NepRWA; Mary Adelstein, Ed Bretschneider, Stephen Greene, WAC; Paul Brinkman, Nancy Bryant, Sue Costa, Lexi Dewey, Jerry Eves, Paul Lauenstein and Dona Motts, WSCAC; Phil Jasset, UCANE; Fred Laskey, Kathy Soni, Stephen Estes-Smargiassi, Ria Convery, Pam Heidell, MWRA STAFF; Joe Favaloro, Matthew Romero, Magda Atanasov and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF; Cornelia Potter, MWRA ADVISORY BOARD CONSULTANT.

A. APPROVAL OF THE MAY 19, 2011 AND JUNE 16, 2011 MINUTES OF THE ADVISORY BOARD

Chairman Katherine Haynes Dunphy called the meeting to order at 11:35 a.m. and introduced George Burnell from the Lexington Board of Selectmen who welcomed everyone to Lexington. Chairman Dunphy also welcomed members of WAC and WSCAC who were also in attendance. A Motion was made **TO APPROVE THE MINUTES FROM THE MAY 19, 2011 AND JUNE 16, 2011 ADVISORY BOARD MEETINGS.** It was seconded and passed by unanimous vote.

B. PRESENTATION: WHERE WE ARE HEADED AT EOEEA AND THE MWRA – Rick Sullivan, Secretary, Executive Office of Energy and Environmental Affairs

Richard Sullivan, Secretary of the Executive Office of Energy and Environmental Affairs and Chairman of the MWRA Board of Directors, said he spent 13 years as a mayor. During the first administration of Governor Patrick and Lt. Governor Murray there were a lot of ideas,

reforms and legislation that were done regarding clean and renewable energies. Secretary Sullivan said that he is a mayor at heart and he firmly believes that the best decisions get made at the local level.

The Governor, in his second term, chose to turn his energy reforms into action, setting goals in terms of clean energy, 2000 megawatts of wind by 2020; 250 megawatts of solar by 2017; reducing greenhouse gas emissions by 25% by 2020. Now it's time to have that energy revolution happen on the ground – in the communities, businesses and homes. We are taking that conversation across the Commonwealth to have people think, particularly in regard to their energy use, where their energy comes from, how it is used, how they can be more efficient and save money.

Massachusetts spends \$22 billion a year in energy and over 80% of that investment (\$18 billion) not only leaves the Commonwealth, it leaves the country. The Governor's vision is to recapture that \$18 billion worth of lost economic opportunity and invest it locally in clean, renewable efficiencies here in the Commonwealth, creating jobs and a new economic opportunity for the citizens of Massachusetts. Chairman Sullivan said he is comfortable that he has the skill set to bring people to the table for conversations in your communities to start that energy revolution.

MWRA has been a leader and a role model in energy efficiencies and renewable energies, whether speaking about wind energy, or harnessing the power of water, or energy efficiencies.

Over the last four years, the Patrick/Murray administration has made an impressive commitment to land preservation and conservation across the Commonwealth of Massachusetts. For the first time ever, they have invested over \$50 million per year in energy and conservation/preservation of lands and keeping it for good use, whether it is working lands for farms, open space, parkland space or habitat purposes.

A new program for big block conservation programs will be rolled out that would go toward working closely with partners in land trust areas or other non-profits; to work with municipalities and water departments; certainly MWRA would be an appropriate partner to be able to put together bigger block open space areas for land preservation and habitat, as well as working lands. It is going to be a re-focusing of that and sharing in the responsibility of the investment properties. The administration firmly believes we can all do more if we pool our resources, as opposed to having water departments, or cities, towns or non-profits working in one direction and the state working in another direction.

Secretary Sullivan said he had been asked about the expansion of the MWRA customer base and said he wanted to assure the members that the MWRA Board of Directors has made it a priority to work with staff to look at MWRA system expansion. There is real recognition that EOEEA is looking for big picture solutions, particularly in stressed basins, in terms of solutions that allow communities to continue to grow and, at the same time, protecting the basins and de-stressing other water supplies. The Secretary said that he understands that there is a balance between equity for the communities that have already paid into the system and how much water communities in stressed basins are actually going to use; also

understanding that there is some responsibility on the state's part to come to the table with solutions, not just policies.

The Secretary said he was asked a question by a DPW director in regard to storm water and whether DEP will be issuing additional regulations. He said DEP will not be issuing additional regulations in regard to storm water and DEP has commented to EPA that they should hold off on implementation of its recommendations because DEP thinks it would be too big of a burden for communities to be able to handle, both from a technical and a financial point of view. DEP has not had too much success on that front; DEP is putting together technical assistance teams to be able to help all of the water suppliers, particularly in municipalities, in dealing with a significant mandate.

Cassandra Koutalidis asked if the Secretary could speak about the Department of Conservation and Recreation (DCR), in terms of where it is going with funding and staffing. Secretary Sullivan said DCR's FY12 budget is relatively stable and is 33% lower than FY09. There have been some significant losses of staff and, with the attrition that takes place when people retire; you are not able to replace the institutional knowledge that leaves with those people. Two years ago when DCR did an early retirement, it lost 52 employees with 1,400 years of service compounded; it is hard to replace that. DCR has to be smart and strategic in the way it deploys its resources. Some satellite park facilities have been closed and staff has tried to be careful and conscientious about where those closures have occurred so that the public can get the same kind of experience within a reasonable distance. He commented that he disliked the phrase "do more with less" because at this point, DCR is doing the best it can with less.

On the capital side, DCR is in decent shape; it has maintained its commitment to the beaches and to about 25 parks that are main attractions in the areas they are located in. This not only serves the public but it serves a role in the local economy and tourism as well.

MWRA Advisory Board Executive Director Joseph Favaloro said one of the great frustrations that many in the room have is that water and sewer investment has been lost in the shuffle. How do we get back onto at least the same page? The reality is that it seems people ignore water and sewer needs until there is a problem. Secretary Sullivan said one of the problems that sewer and water has is that people just assume when they turn on the faucet, it is just going to be there. The other problem is they don't see the infrastructure.

It is tough to make those investments that are hundreds of millions of dollars for pipes that no one is going to see at the ribbon cutting. People can't see what they are getting for their investment. The Secretary said he is committed because this is the type of thing we need to do to allow us to have economic opportunities in our communities. In many ways it adds to the quality of life in the communities – it is why we choose to live here or have businesses here or work here – it is all part of the picture. We are going to put together a small program, probably around \$20 million, in order to address that.

Chairman Dunphy said we are fortunate to have someone that worked at the local level because the Secretary is taking a practical approach.

C. PRESENTATION: THE YEAR AHEAD – CHALLENGES FACING THE MWRA – Fred Laskey, MWRA Executive Director

MWRA Executive Director Fred Laskey said the single biggest risk and/or challenge that the MWRA faces this year is the ongoing repairs to the Hultman Aqueduct. The Hultman has serviced the metropolitan area for over 50 years as the only main trunk of water from the west to the east.

Yesterday, the contractor broke into the Hultman to begin an interconnection between the Hultman and the MetroWest Tunnel. If there is a failure in any given spot, MWRA can re-route around it and maintain it and shut down sections for maintenance.

In order to do this interconnection, MWRA has to shut down the Hultman, leaving the MWRA in a weakened condition, substantially weaker than during the water main break last May. The lowest section is now shut off and MWRA does not have a lot of redundancy. If there were a leak here now, MWRA does not have the ability to bypass it because it is out of service. MWRA essentially has a window of time, a year perhaps, in which it won't have this redundancy. If this went down, there would be a substantial period of time that the MWRA would be on a full backup system for parts of the service area. There would be substantial problems in getting water down into the south. When the project is complete, MWRA will have full redundancy from Marlborough into Route 128. This by far is the biggest risk the MWRA has.

MWRA has noticed a trend on the Water Pipeline Assistance Program. On the sewer side, staff had targeted \$7.5 million being drawn down by the member communities for sewer work in their local systems and \$12.3 million was drawn down for the year. That is a positive thing because it shows that the communities are doing work on their sewer systems. The issue that is of concern to the MWRA is that staff projected \$33 million being drawn from the Water Pipeline Assistance Program but only \$17 million was taken out. This appears to be a trend. It is more surprising because this was the first year that the Tier 2-eligible communities could use that money for other things beyond the original program, such as meter purchases, yet there was less than anticipated usage. It is not a critical problem at this point, but perhaps it is a reflection of the economic times.

The future of the residuals program and the pellet plant is a major challenge for the MWRA. The contract that was awarded expires in 2015. A private company is running the plant. The program has run well and has been a successful initiative; however, the contract is ending and there is a very important, strategic decision that needs to be made for the future of this program and the future of that facility.

There have been advancements in the use of bio-chemicals in the treatment of sludge. Staff has been inundated with proposals from people that say they have a better idea. Some have claimed that they can reduce sludge and increase methane with the use of their products. If MWRA runs the digesters at a higher temperature, it can break down the sludge and produce more methane gas. How do you do the cost-benefit analysis? To run it at a higher temperature uses more energy. Staff is looking at the new technologies and bringing in a consultant to help analyze it. In 2015, the contract is up; if we are going to do something different, we need to know about it soon.

Another challenge is the new water quality testing program. MWRA has embarked on a program to dramatically increase real-time monitoring of the water quality of its system, particularly for security reasons. The Authority has launched a new program that is going to dramatically increase the number of locations that will trigger to let staff know that something has changed in the water system. This is not an easy technology to implement and requires a lot of wiring. The idea is you may not know what is in the water, but you will know that something has changed.

Two big studies are underway that were driven by the MWRA Board of Directors. The staffing study was driven by the Advisory Board representatives on the Board. Ten years ago Black and Veatch conducted a staffing study of the Authority and the Authority is well below the staffing numbers projected by Black and Veatch. The Advisory Board proposed that we go out and do a formal staffing study to see if the MWRA is staffed correctly. Is it overstaffed or understaffed? A lot of the staffing reductions were done through attrition. Attrition is an imperfect science because you can't control who is leaving. The study will look at whether the MWRA staff is appropriately deployed. Do we have enough administrative staff versus field staff, etc. The findings are expected by the end of the year.

Board Member Vincent Mannering requested an Information Technology (IT) study to review what MWRA has as a system and determine what it needs for the future. Does the MWRA have the right support? Is it using the right software? That work is underway to create a five-year strategic plan to lay out the future of the MWRA's IT system. This is a very important study for the MWRA because of the revolution in wireless communication. It is important to look at these systems to ensure that the proper systems are in place.

Mr. Laskey said MWRA continues to have excess capacity in its water system and has had active discussion with North Reading about joining the Waterworks System. Ashland has also been in talks with MWRA staff.

Holbrook has hired a consultant to see if the MWRA is competitive with the other options that Holbrook has.

Additionally, there is a sustainable rivers project that is underway. If the regulators tell people that they are overdrawing the Neponset, the Ipswich, the Sudbury or the Charles, and that they must find alternatives, the MWRA could be in play. This is important to the MWRA because it has a failing business model. MWRA has built-in costs with declining sales. As Mr. Favaloro said, we are the forgotten infrastructure and we have to get back on the radar screen.

MWRA has been very good with its long-term rates management strategy and has avoided rate shock. People have gotten used to a 3 to 4% rate increase. The Authority is looking at system expansion very heavily.

Communications issues have hit home in the last several weeks. One issue is the limitations of the MWRA's cell phone service. Both during the water main break and Hurricane Irene, there were issues with cell phone coverage. One would think the MWRA could just go out

and check with a competitor; however, the issue is that the MWRA has miles of pipe underground, Deer Island and numerous facilities that are subterranean in which cell phone coverage is needed underground. Staff needs to keep in constant communication. It would cost six figures or more to rewire Deer Island's underground network. Is it worth \$200,000 to switch vendors? In the heat of the moment during the water main break and a loss of power during Hurricane Irene, trying to stay in touch with staff, it was worth the money. Communication redundancy is needed. At one point, all communications with Deer Island went down because it all comes through one cable. Telephones and computers all went down. Staff is in the process of looking at looping the phone system and what it would cost.

In looking at this issue, staff realized that there are other issues with telecommunications. There are 89 "T1" lines going into Chelsea. If that goes down, it would result in great problems. There is new technology available; MWRA is running on an old fashioned Blackberry system. The new wave of technology that is out there could provide our managers in the field with more advanced means, whether it be an iPad or an iPhone.

Mr. Laskey said the Initiative Petition is a big problem. Even if the petition fails, if the proponents of it have the resources to promote this, they are going to have to promote it by attacking the MWRA and saying it is charging too much. The fear is two-fold; one is that it will pass and the other is that it won't pass and MWRA will be subject to a negative ad campaign. There is a lot of ambiguity with the language of the petition as well.

The first of three wind turbines are being installed in Charlestown. It will be 360 feet tall and will provide 1.5 megawatts of electricity and is three miles from the State House and will change the skyline for the City of Boston. Stimulus funding paid for the project and it will provide \$350,000 of electricity at no cost to the Authority.

Paul Lauenstein said in regard to the Initiative Petition, it is important that the guy on the street understands the benefits they are receiving from the MWRA. Can you comment on the MWRA's public relations program? Mr. Laskey said when you discuss with people what they are getting for their money and it is effective, cost-efficient and it works, people are okay. It is when you don't make the sales pitch that we have problems. We don't do public service ads but we may need to do more of that. MWRA's best defense is what it has accomplished. It has the best drinking water in the country.

Earl Forman asked about the timeline for the Hultman project. Mr. Laskey said staff accelerated the turning over of the system to the contractor by about six weeks. The Contract calls for 18 months; however, two weeks in September are worth four weeks in January. You can get a lot more done in good weather than in cold weather. Another thing is the contractor had a different way of building one of the chambers at Norumbega that saved time. The best case scenario is it will be finished in the spring.

D. COMMITTEE REPORTS

Executive Committee – Katherine Haynes Dunphy

❖ ACTION ITEM: NOMINATION AND ELECTION OF THE FY12 EXECUTIVE COMMITTEE

Chairman Dunphy stated that the Executive Committee, acting as the Nomination Committee, has offered the proposed slate for the FY12 Executive Committee. Hearing no nominations from the floor, the following slate was submitted for consideration by the full Advisory Board:

Chair: Katherine Haynes Dunphy, Milton; Vice Chair of Finance: Bernie Cooper, Norwood; Vice Chair of Operations: Jay Fink, Lynn; Secretary: Lou Taverna, Newton; Treasurer: John P. Sullivan, Boston; At-Large: Carol Antonelli, Wakefield; John DeAmicis, Stoneham; Andrew DeSantis, Chelsea; William P. Hadley, Lexington; Timothy MacDonald, Cambridge; Zigmund Peret, Wilbraham; Winfield Peterson, Natick; John Sanchez, Burlington; Walter Woods, Wellesley; (3) Vacant.

A Motion was made **TO ADOPT THE PROPOSED SLATE AS THE FY12 EXECUTIVE COMMITTEE**. It was seconded and passed by unanimous vote.

❖ LEGISLATIVE UPDATE

Staff has met with leadership on the House side and attempted to see if language could be placed into the Casino Bill in order to address funding that could be dedicated to water and sewer infrastructure; unfortunately, this attempt was not successful. The MWRA and the Advisory Board will continue to try to find alternative ways for funding to be put toward water and sewer.

Additionally, staff is working with the Water Infrastructure Finance Commission that has been created in order to find ways to fund water and sewer infrastructure. Their recommendations are expected sometime in the fall. As the Secretary indicated, there is an attempt to determine what the needs are and try to come up with approaches to meet some of those needs.

❖ UPDATE: INITIATIVE PETITION # 11-10

For the past month, the Advisory Board has worked aggressively with the Attorney General's office to see if a legal argument could be developed that would at least raise questions if it met the criteria around the initiative petition. Staff was unsuccessful in mounting those legal arguments.

The petitioners now need to gather 68,911 certified signatures between now and early December. Once the signatures are certified, it goes to the next level, which would be the request for a 2½% limitation on water and sewer increases, which would then be debated by the legislature. The legislature can either agree, disagree or take no action. In the event that no action is taken or the legislature disagrees and votes it down, the petitioner's can go back out to the electorate and gather 11,485 certified signatures to get it onto the November 2012 ballot.

Mr. Favaloro said at this time he feels the best strategy is to take no action to see if it gains steam.

Finance Committee – Bernard Cooper

❖ **STATUS: FY12 CIP/CEB**

Matthew Romero said staff has scheduled October briefings for Authority staff from various departments to provide Advisory Board staff with an overview of how things are going in this fiscal year and a look at the planning assumptions for the next budget cycle for FY13 for the CIP and CEB.

Operations Committee – Jay Fink

❖ **UPDATE**

Mr. Favaloro said an Operations Committee meeting may be called for November regarding an ongoing dialogue for a small wastewater connection, which expands an existing connection for the South Shore Collaborative School.

As Fred mentioned, there has been ongoing and substantial dialogue with communities, most especially North Reading and Ashland, about the potential for them to enter the system on the water side.

E. ADJOURNMENT

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

Respectfully submitted,

Lou Taverna, Secretary