



# Advisory Board Meeting

Thursday, November 21, 2013  
11:30 AM

MWRA Operations Center  
Two Griffin Way  
Chelsea, MA

### Attendees (Voting Members)

Michael Rademacher	Arlington	Bill Hadley	Lexington	Mike Coffey	Quincy
David Manugian	Ashland	Amy McHugh	Marblehead	Jeff Zager	Reading
Roy Sorenson	Bedford	Katherine Dunphy	Milton	Nick Rystrom	Revere
Peter Castanino	Belmont	Thom Donahue	Nahant	John DeAmicis	Stoneham
John Sullivan	Boston	Craig Leiner	Natick	Patrick Fasanello	Walpole
Jay Hersey	Brookline	John Cosgrove	Needham	Walter Woods	Wellesley
John Sanchez	Burlington	Lou Taverna	Newton	Zig Peret	Wilbraham
Tim MacDonald	Cambridge	Bernie Cooper	Norwood	Joe Lobao	Wilmington
J.R. Greene	Gub. Appointee				

### Other Attendees

John Carroll	MWRA Board	Rob May	Collins Center	Sue Costa	WSCAC
Andrew Pappastergion	MWRA Board	Nancy Bryant	SuAsCo	Michael Hornbrook	MWRA
Wayne Chouinard	Arlington	Phil Jasset	UCANE	Rachel Madden	MWRA
Michael Bishop	Belmont	Andreae Downs	WAC	Kathy Soni	MWRA
Sam Corda	Cambridge	Stephen Greene	WAC	Dave Whelan	MWRA
Fabiola DeCarvalho	Framingham	Mary Adelstein	WAC	Tom Durkin	MWRA
George Burnell	Lexington	Craig Allen	WAC	Kevin McCluskey	MWRA
Tabor Keally	Milton	Karen Lachmayer	WAC	Wendy Leo	MWRA
Joe Welch	Norwood	Lexi Dewey	WSCAC	Joe Favaloro	AB Staff
Scott Gustafson	Walpole	Jerry Eves	WSCAC	Matthew Romero	AB Staff
Bill Shaughnessy	Wellesley	Dona Motts	WSCAC	Cornelia Potter	AB Staff
Monica Lamboy	Collins Center	Paul Lauenstein	WSCAC	Mary Ann McClellan	AB Staff
Shelley Ayervais	Collins Center				

### MINUTES APPROVED AT THE JANUARY 16, 2014 MEETING

Thirty-five people were in attendance, including twenty-five voting members:

#### I. APPROVAL OF THE SEPTEMBER 19, 2013 MINUTES OF THE ADVISORY BOARD

Chairman Katherine Haynes Dunphy called the MWRA Advisory Board meeting to order at 11:40 a.m. A motion was made **TO APPROVE THE SEPTEMBER 19, 2013 MINUTES OF THE ADVISORY BOARD**. It was seconded and passed by unanimous vote.

#### II. REPORT OF THE EXECUTIVE DIRECTOR

MWRA Advisory Board Executive Director Joseph Favaloro stated that the Advisory Board has recently gone through a process to bring on a new Finance and Policy Analyst to join the existing staff of the Advisory Board. A candidate has been selected and he will be in attendance at the January Advisory Board meeting.

Additionally, the Advisory Board has just signed a contract with the firm of King and Bishop to do a compensation analysis on the three full-time Advisory Board positions, outside of the Executive Director's position to determine where those positions are salary wise in relationship to like entities. This will likely be before the Executive Committee in January and the full Advisory Board in January or February.

#### III. PRESENTATION: MARCIS KEMPE IN RECOGNITION OF HIS DEDICATED SERVICE

Chairman Dunphy stated that Marcis Kemp has devoted his life to public service. For the past 36 years, has played an integral role in protecting and enhancing our drinking water. From the early days as an Assistant Engineer at the MDC to

today as the Director of Operations Support and Emergency Preparedness at the Authority, Marcis has always made working with our communities a priority.

Just recently, the American Water Works Association honored Marcis with its Donald R. Boyd Award for extraordinary service in the drinking water field. Today, the Advisory Board would like to recognize his efforts as well.

Chairman Dunphy said if you have MWRA water, you know that Marcis has played an important role over the years for the cities and towns and everyone who has worked with Marcis over the years has a story about how he “bailed them out” one way or another. We will all remember him for how important he was for our communities.

Chairman Dunphy presented a plaque to Mr. Kemp that was inscribed as follows: In Recognition of 36 Years of Service. From Protecting Our Drinking Water to Supporting Our Communities, “Thank You.”

Mr. Kemp thanked the members for their support, noting that he started in 1977 before there was an Advisory Board. He stated that he felt that he worked for the 2 million people that are the consumers of MWRA’s water and he established good relationships with the municipal personnel in all of the communities to work together to get the job done. From a mission standpoint, we are partners. It has been an honor to work with the dedicated and talented people in this room.

#### **IV. PRESENTATION: 2013 WATER AND SEWER RETAIL RATE SURVEY – Matthew Romero, Director of Communications**

Director of Communications Matthew Romero stated that MWRA final wholesale assessments increased by 3% in FY13. In 2012, the average MWRA community household ranged from \$898 to \$1,347, with the lower rate coming from the MWRA’s proxy of 60,000 gallons per household and the larger amount coming from the American Water Works Association’s (AWWA) 90,000 gallon per household estimate. Historically, the Advisory Board has used the 90,000 gallon total for its survey. The average MWRA community retail rate increase was 3.9%.

Over a ten-year history, last year from 2002 to 2012, community retail rates had increased by 70%.

Looking at the statistics for this year, the final wholesale assessments increased 3.49% for FY14. The average MWRA community household charges range from \$925 to \$1,388 and the average MWRA community retail rate increase is 3.1%. There were three communities with decreases in their rates and 18 communities with no increase.

From 2003 to 2013, MWRA community retail rates increased by 65%. Using the 90,000 gallon standard, the average retail rate cost for combined water and sewer from 2003 to 2013 increased by about \$546 per year.

The average cost for MWRA communities receiving only water services from the MWRA was \$514 across the service area and the average cost for communities receiving only sewer costs was \$879. The annual residential cost for MWRA communities for both water and sewer is \$1,388 at 90,000 gallons per year.

The average cost for combined water and sewer services across the United States is \$1,092, based on 90,000 gallons.

Proofs have been sent out to communities and staff will incorporate any adjustments that come in from the communities. This year, rather than print numerous hard copies, staff looked into the cost of distributing thumb drives that will not only include the thumb drive, but also the Economic Development Report as well. This will result in a savings for the Advisory Board, not only in printing costs but mailing costs as well. Additional documents will be included on the thumb drives as well. The document will also be posted on the Advisory Board’s website.

## V. COMMITTEE REPORTS

### Operations Committee – Lou Taverna

#### ❖ UPCOMING OPERATIONS COMMITTEE TOPICS

Mr. Favaloro noted that there will be a busy upcoming meeting schedule for the Operations Committee. Critical topic items for upcoming meetings are as follows:

- EXPANSION OF THE I/I GRANT/LOAN PROGRAM
- STATUS: WATER RATE METHODOLOGY
- RAGS/WIPES IN WASTE STREAM
- CLINTON NPDES PERMIT

The December 4<sup>th</sup> Operations Committee meeting will focus on the expansion of the Inflow/Infiltration (I/I) Grant/Loan Program. Discussion will focus on the expansion of dollars, as well as scope, for the program to meet community needs.

MWRA Board of Directors Member John Carroll stated that he is concerned about the amount of I/I that is getting into everyone's sewers; it is though we are fighting a losing battle. The monies this program provides are not enough to go as far as Norwood would like to go in correcting these issues. Mr. Carroll said he plans to attend the next Operations Committee meeting to try to convince people that the program should, at the least, be doubled.

Mr. Favaloro noted that the draft Clinton NPDES permit has been extended through the end of this month. The language for the Deer Island NPDES permit will likely mirror the Clinton permit.

### Executive Committee – Katherine Haynes Dunphy

#### ❖ ACTION ITEM: EMERGENCY WATER SUPPLY CONNECTION FOR THE TOWN OF HUDSON

Mr. Favaloro noted that the recommendation above was approved by the Executive Committee this past Friday. Anthony Marques, Director of Public Works for the Town of Hudson, stated that the Town has five wells that supply the Town with water. Two of the wells have been taken out of service due to high levels of both iron and manganese. Hudson is under a consent order from the Department of Environmental Protection (DEP) to bring upgrades to the water supply system and for treatment for those two wells. The consent agreement has certain timeframes in place.

The two wells that were taken out of service provide approximately 1.5 million gallons per day (MGD) in a full capacity role. With these wells out of service, staff found that it was necessary to ask its good neighbor, the City of Marlborough, in conjunction with the MWRA, to invoke an emergency inter-connection between the two communities. With the support of the MWRA staff the Town of Hudson got through the summertime very well. The highest amount withdrawn was just over 750,000 gallons per day (GPD) and currently withdrawals are at 340,000 GPD. The original emergency permit gave an average daily withdrawal of 500,000 GPD, which the Town will be in full compliance with by the end of December.

Because of the timeframe for construction, the Town has submittals to DEP coming in December and bid documents for award in March and completion of construction by December 2014. With that, it is still necessary for the Town of Hudson to ask both the MWRA and the City of Marlborough to continue to use that emergency connection on a continued basis for the next six months, as permitted under your standard operations and procedures; Hudson will be asking the City of Marlborough to extend the Municipal Agreement it has with them for the next period of time also.

Hudson is working within its timeframe and under the consent order. Financing is in place. The Town would appreciate the Advisory Board's support.

Chairman Dunphy noted that because this is a second emergency connection, there will be a surcharge of 10% on the water and also costs related to capital costs. There is a benefit to the MWRA and the communities, as well as to the Town of Hudson. The Advisory Board is happy to be of assistance.

A motion was made **TO ALLOW THE TOWN OF HUDSON TO ACTIVATE A SECOND EMERGENCY WATER SUPPLY CONNECTION TO THE MWRA WATERWORKS SYSTEM, VIA THE CITY OF MARLBOROUGH, FOR A SIX-MONTH PERIOD, WITH A START DATE IN JANUARY 2014 THROUGH JULY 3, 2014. HUDSON WILL ABIDE BY THE RULES STIPULATED UNDER MWRA EMERGENCY WATER SUPPLY WITHDRAWALS (POLICY #OP.05), INCLUDING PAYMENT OF A 10% PREMIUM CHARGE OF THE MWRA'S PREVAILING RATE PLUS 110% OF THE ANNUAL PAYMENT ASSOCIATED WITH THE ASSET VALUE CONTRIBUTION PAYMENT (ENTRANCE FEE EQUIVALENT) AMORTIZED WITH INTEREST OVER 15 YEARS.** It was seconded and passed by unanimous vote.

Mr. Marques expressed his thanks.

#### ❖ LEGISLATIVE UPDATE

Mr. Favaloro stated that it has been a busy time, legislatively. He noted that he provided members with information on Senate Bill (SB) 1880, which made it before the Nature Resources Committee. Both Messrs. Favaloro and Laskey testified before the Committee in support of this bill. Components of the bill included regulatory suggestions, I/I grant money reimbursements for the MWRA, portions of connection fees and entrance fees being picked up by the Commonwealth, and significantly more State Revolving Funds (SRF).

Changes have been made to the original version of SB1880, including the suggested changes regarding the Water Resources Commission and inter-basin transfer. The Advisory Board has been trying to get the regulatory process streamlined. All of the other components are still included in SB1880. They have also included an additional expansion of \$250 million and identified a new source of revenue (capital gains tax).

Both versions of the bills speak about Enterprise funds in communities. Many communities have what they would call an Enterprise Fund; however, language within the bill speaks to the Enterprise Fund, but as it is defined by the Commonwealth of Massachusetts, DEP and the SRF. With that in mind, staff would like to bring in staff of the state, DEP and the SRF and designate a good part of the March meeting to talk about what the components need to be in "their definition of an Enterprise Fund." From that, the Advisory Board would like to provide resources and expertise from the Authority and/or the Advisory Board to help communities get to what that definition is.

#### ❖ ECONOMIC DEVELOPMENT REPORT

Mr. Favaloro stated that the Economic Development Report has been transmitted to him and is now about 99% complete. Over the last few years MassWorks has been providing communities with funds to tie economic development gains into infrastructure projects, which include roads and bridges, parking lots, and building demolition, but it also includes water and wastewater projects.

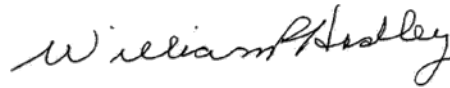
Staff is working with MassWorks to get the list of grants over the last three rounds that were strictly water or wastewater, with all of the economic development benefits that have come from them. The information will be provided on Friday and will be included as an addendum in the Advisory Board's report.

Staff is now beginning to roll out a press strategy. Members will be receiving not only the Economic Development Report, but also the Annual Water and Sewer Retail Rate Survey, via a thumb drive. Additionally, staff will be sharing this information with other non-MWRA entities, such as the Massachusetts Taxpayer Association and the Pioneer Institute, to provide another voice in support of the relationship between water and wastewater infrastructure and economic development.

**VI. ADJOURNMENT**

**A MOTION WAS MADE TO ADJOURN THE MEETING AT 12:21 P.M.** It was seconded and passed by unanimous vote.

Respectfully submitted,

A handwritten signature in cursive script that reads "William P. Hadley". The signature is written in black ink and is positioned above the printed name.

William P. Hadley, Secretary