



Advisory Board Meeting

BOSTON WATER AND SEWER COMMISSION
980 HARRISON AVENUE
BOSTON, MA 02119

Thursday, April 20, 2017
11:30 AM

Attendees (Voting Members)

| | | | |
|----------------------|--------------------------|---------------------|-------------------------------|
| Michael Rademacher | Arlington | John Cosgrove | Needham |
| David Manugian | Bedford | Lou Taverna | Newton |
| Michael Bishop | Belmont | Bernie Cooper | Norwood |
| Jay Hersey | Brookline | Jeff Zager | Reading |
| John Sullivan | BWSC | Brendan O'Regan | Saugus |
| John Sanchez | Burlington | John DeAmicis | Stoneham |
| James Finegan | Lynnfield Water District | William Shaughnessy | Wellesley |
| Amy McHugh | Marblehead | Joe Lobao | Wilmington |
| Cassandra Koutalidis | Medford | J.R. Greene | Quabbin-Ware River Watersheds |
| Elena Proakis Ellis | Melrose | | |

Other Attendees

| | | | |
|----------------------|-------------------------|-----------------|----------------------|
| Joseph Szafarowicz | Arlington | Jerry Eves | WSCAC |
| Ernie Lariviere | Everett | Mark Morgan | WSCAC |
| Chris Seliac | Needham | Craig Allen | WAC |
| John Carroll | MWRA Board of Directors | Adriana Cillo | WAC |
| Andrew Pappastergion | MWRA Board of Directors | Andreae Downs | WAC |
| Tom Durkin | MWRA | Karen Lachmayr | WAC |
| Matt Horan | MWRA | Joe Favaloro | Advisory Board Staff |
| Mike Hornbrook | MWRA | Matt Romero | Advisory Board Staff |
| Wendy Leo | MWRA | James Guidi | Advisory Board Staff |
| Louise Miller | MWRA | Lenna Ostrodka | Advisory Board Staff |
| Kathy Soni | MWRA | Cornelia Potter | Advisory Board Staff |
| Lexi Dewey | WSCAC | | |

42 people were in attendance, including 19 voting members.

**THURSDAY SEPTEMBER 21, 2017
SAMUEL HADLEY PUBLIC SERVICES BUILDING
201 BEDFORD STREET
LEXINGTON, MA ZIP – 11:30 AM**

Draft Minutes

The Chairman called the meeting to order at 11:36 am.

A. APPROVAL OF ADVISORY BOARD MEETING MINUTES FOR MAY 18, 2017, AND JUNE 15, 2017

A motion was made and seconded to approve the minutes of the meeting of the Advisory Board for May 18, 2017, and June 15, 2017. The motion carried.

B. NOMINATION/ELECTION OF THE FY 2018 EXECUTIVE COMMITTEE

Mr. Favaloro opened the discussion by noting that there is a full 17-member slate being nominated for FY 2018. (See the slate in the packet for the Advisory Board meeting.) A notice had been sent out in mid-August inviting expressions of interest in serving on the Executive Committee, followed later by a formal request. The Executive Committee serves as the Nominating Committee; the slate for FY 2018 includes current members who have expressed their interest in continuing to serve, plus several new nominees. Prior to the vote, new candidates were invited to introduce themselves.

A motion was made and seconded to approve the proposed slate of Executive Committee members. The motion carried.

C. WELCOME

The Chairman formally welcomed all those in attendance: the members, MWRA staff, and members from the Wastewater Advisory Committee and the Water Supply Citizens Advisory Committee. Mr. Favaloro added that once a year is a joint meeting of the Advisory Board and the WAC and WSCAC committees in September. The Executive Directors of the Committees are invited to join the presentations on the challenges and issues for the year ahead.

D. PRESENTATION: CHALLENGES FOR THE YEAR AHEAD

The MWRA Perspective: Fred Laskey, MWRA Executive Director

Mr. Laskey opened his remarks with a power point presentation highlighting a number of issues. He noted that this is a critical year for the CSO Control Program which has involved 35 projects and \$900 million in spending over twenty years. It involved a partnership with some of the member communities. The CSO program has been responsible for some of the accolades that the MWRA has received for some of the cleanest beaches in the country, a now swimmable Charles River, great progress in the Mystic River, and a number of other measurable improvements. One of the conditions negotiated with the regulators was that when the CSO Program was finished, there would be a “cooling off” period to see how things worked and provide for a five-year period to “settle the rates down.” During this period will be a three-year performance assessment including post-construction monitoring. There will be an RFP issued and a vote by the Board of Directors to approve a contractor to assist the Authority with the assessment. The results can determine whether the work is done and the Authority will continue to maintain what has been completed, or if there are still water quality issues that need to be addressed. Some 40 to 70 new meters will be added to test hydraulics and water quality to determine whether goals and water quality standards have been met. (See the power point presentation for timelines and goals.)

Now that most of the court-ordered projects are in the rear view mirror, the Authority is turning more to such topics and water system redundancy and more emphasis on the sewer system. One of the projects is the Wachusett Aqueduct and the construction of a pump station to provide redundancy by pushing water from the Wachusett Reservoir to the Carroll Water Treatment Plant. The project also includes a new gatehouse and added security.

Another project is the Northern Intermediate High redundancy project in Stoneham. The project involves multiple contracts. Another redundancy project is the Southern Extra High project. The first of the contracts in support of this project is under way, and the second has been awarded; work is located in the Dedham area. The Metropolitan System

Redundancy project will be huge. It is now in the planning process and a program management model is being planned for the multi-faceted project. This will be a major challenge over the next fifteen years.

Another issue involves Corrosion Control. The Authority has done some studies that show that maintenance of the corrosion control systems, including cathodic protection, have been weak and ineffective. There will be a long-term program going forward. The proposed FY 2019 capital project budget is expected to include projects to address these issues. This will work at Deer Island as well.

Cybersecurity is a growing threat. The Authority has been very aggressive and has committed considerable funding on intrusion protection and alarms. No one is immune from cyber attacks.

With regard to financial issues, the Authority has been addressing issues involving the pension contributions as well as obligations for funding OPEB (Other Post Employment Benefits). One of the issues under discussion is the assumed earnings rate for monies invested by the pension fund and how different assumptions impact the Authority's annual contribution to the pension fund. Another topic under discussion is the funding schedule. Another financial issue is the capital spending cap. Now is the time to discuss the next five-year cap, for FY 2019 through FY 2023, in conjunction with the preparation of the proposed FY 2019 Capital Improvement Program. The CIP includes the Metropolitan Redundancy Project.

In other news, the New England Waterworks annual meeting Boston and the MWRA came in first and second respectively in a taste test of their drinking water, with Framingham coming in third.

In answer to a question from the Chairman, Mr. Laskey summarized the agency's staffing levels and succession planning. He reported that staffing level is currently at 1150 people as compared to 1700 several years ago. The number is consistent with the recommendations of several assessments of 1150 as a long term level. There have been a large number of retirements. There has been a lot of effort made on training for staff including licenses.

The Advisory Board Perspective

Mr. Favaloro opened his remarks with the observation that this is his 30th year with the Advisory Board. For the last 15 years, working with Mr. Laskey and his team has elevated the role of the Advisory Board and allowed the Advisory Board to be a voice for ratepayers and cities and towns. He noted the many members of the Authority staff in attendance, including the Executive Director, the Chief Financial Officer, the Chief Operating Officer and all of the senior officers who are here for the communities and to participate in the Advisory Board meetings. He offered his sincere "thank you" to the MWRA and the MWRA staff.

The Advisory Board's approach to today is to look ahead to the issues that are out there. He noted that many of these issues are also those that have already been enumerated by Mr. Laskey in his presentation.

In August the Advisory Board held its annual field trip. It was a huge success with 130 stakeholders, community representatives, and others in attendance. Topics discussed included economic development, climate change, and water quality standards. It is an important opportunity for everyone to be able to see how their dollars are being spent.

He pointed that the staff has put a considerable amount of time in the website. With the changes over the last two years, the new website is a "game changer." Staff, working with the website consultant, is developing a retail rate calculator for communities to use to determine and compare with other communities their retail rates. Information will be available on other service area communities, other communities in the Commonwealth, and communities in other parts of the country. In addition, over the summer, almost every document of the Advisory Board has been put into the website.

Regarding the legislative update, with regard to Debt Service Assistance funding, \$1.1 million has been restored in the state budget for now. The bigger legislative challenge is the potential of an infrastructure bill in the federal budget and how to maximize as much funding as we can. In state, the challenge is how to get the Commonwealth back into the water/sewer infrastructure game. That is our greatest challenge moving forward.

With regard to rates management, the challenge in the “real world” is to prioritize important funding decisions. For instance, what is the right level for pension contributions, given other challenging issues such as the HEEC cable costs and the use of Pay-Go funds? The Authority has worked hard to keep rates in the 3% range each and every year. The challenge is how to continue this outcome given the projections for budget growth in the coming years. What is the “new normal”? It isn’t 4%, but is somewhere in the 3% range and where in this range is it going to be? We have to find ways of managing rates but also to be giving the Authority what it needs.

The next major challenge is setting the next capital spending cap, for FY 2019 – FY 2023. Current projections for the capital improvement program (CIP) for 2019 to 2023 would make it the largest CIP ever. The redundancy project begins to find its way into the capital program and budget during this period, but at the tail end of the period. The real impact is coming from the redundancy projects.

There are also the environmental issues. Regarding primacy, we are a strong believer in dealing with DEP at the state level, rather than with EPA. Now, it is not clear what the role of EPA is going to be. At this point, there is still no appointment to the position of Regional Administrator for EPA. For DEP to take on the role of primacy, a viable approach to funding the program must be in place. The Advisory Board has recommended an approach in its budget *Comments* last spring.

For the CSO Assessment, “apples and oranges” will be the key. It is critical to keep separate MWRA areas of responsibility as compared to what is the responsibility of communities, particularly regarding stormwater.

The NPDES permit and the issue of co-permittees, has had a renewed focus as a result of the HEEC and the determination that the Authority is responsible for funding the dredging and reinstallation of the cable because the original dredging permit had MWRA as a co-permittee with the Army Corps of Engineers. It has been 18 years since the original NPDES permit was issued. To prepare for future challenges, the Advisory Board continues to deposit surplus funds from the annual budget, with the approval of the Executive Committee, into the Advisory Board’s legal fund that could be used to challenge potential provisions of a newly-redrafted NPDES permit.

Challenging the limit on molybdenum content of the Authority’s fertilizer pellets was a huge achievement for the Advisory Board. The Commonwealth agreed to a reduction in the allowable level in molybdenum for fertilizer pellet use in the state. However, the Department of Agriculture determined that there is phosphorus in the pellets, making the pellets not acceptable for agricultural use in the Commonwealth. Mr. Favaloro indicated that he has requested the Authority to look into whether the MWRA pellets actually leach phosphorus and have an independent third party to look at the issue.

Regarding the Water Management Act, there was an opportunity to testify last week on doing whatever we can to benefit the water basins. Clearly drawing the water out is a significant piece of that. The concern that we raised is making mandates that don’t work – dictating 10% for unaccountable water, 65 gallons per person, making them conditions of any permits will have far more impacts than real benefits.

The issue of watershed protection has become a time-consuming issue. Now, Commissioner Roy wants to move forward quickly on the Ware River Watershed access plan. We are recommending that independent third parties look into it: there are political impacts, environmental impacts, and public health impacts, as well as community impacts and social impacts. Before a decision is made, it is important to know what the impacts may be. However, there has been no response to this suggestion. We should be putting all the stakeholders in a room to have a discussion; it may lead to a better understanding of the views of the interested parties and then we can fill in what we don’t know with the study that had been proposed

last May. This issue is not going to go away, and there is a reason that Boston Water and Sewer Commission is getting the trophy for the best tasting drinking water in New England and MWRA coming in second and Framingham coming in third: we insulate and protect our drinking water.

System expansion is another ongoing issue. At this time, North Reading will not be joining the system. A community does not necessarily come into the MWRA because it is the cheapest solution to water supply. It is because the MWRA provides the most reliable option. Other areas still under discussion include Tri-Town/Union Point and Ashland. Maybe we need to reconvene the System Expansion Committee and have a fuller discussion of water supply options/providers, and what conditions might be put into place that might make the MWRA water more accessible to other communities.

HEEC is also going to remain on the list of subjects for discussion. There are still some outstanding issues to be worked out before that project can move forward.

Water Supply Citizens Advisory Committee Perspective

Lexi Dewey, the Executive Director of WSCAC, presented the report for the Committee. She provided a copy of the Committee's FY17 Annual Report, noting that some of the projects and issues discussed in the report will continue into the current year. Also provided was a schedule of the meetings upcoming for the year.

The first issue described was review of the land management plan including the forestry program, an important element of the plan which the Committee follows closely. The Committee reviews many proposals and takes tours to see what management strategies DCR is looking at with a view of ensuring that a sustainable forest is maintained. The Committee also makes comments on their findings and will continue to advocate for third party oversight of the forestry program.

For the public access plan, the Committee reviews activity to see if there any new activities or passive recreation or if anything is being expanded. One of the biggest issues for the Committee is the illegal biking. The Committee stands firmly opposed to this in all watersheds. There is plenty of state parkland for off-trail mountain biking; it really has no place in the watershed.

Upcoming meetings include a tour of the Wachusett Pump Station and, in November, there will be a joint meeting with the Wastewater Advisory Committee for a discussion on primacy. There will be a couple of meetings on water use trends, water conservation strategies, and irrigation technology. There will continue to be updates on the MWRA's lead service program, reservoir management, water quality, and dam management. There will also be discussions with DCR staff on upcoming revisions to the state's drought management plan. She also expressed a note of appreciation to the Authority and to the Advisory Board for the lead service program and for the transition to clean energy as well as noting interest in hearing more about the carbon footprint at a future meeting.

Wastewater Advisory Committee Perspective

Andreae Downs, the committee's Executive Director, reported on the challenges for the committee and referred to the annual report (available at the meeting and on the committee's website). One of the challenges is the upcoming NPDES permit. There will be a meeting on strategies and process for permit review. She also noted that chairmanship of the committee is moving toward a rotating role; this year's chairman is Craig Allen. The committee meets monthly. This year's priorities include, besides the NPDES permit, energy use, renewables, co-digestion, climate adaptation, marketability of fertilizer pellets, outreach and education, and regulatory delegation. Upcoming meetings will include new guidance for the Inflow/Infiltration program, a review of CSO program monitoring, and, in the spring, a tour of the Greater Lawrence Sewer District co-digestion project.

E. RETAIL RATE CALCULATOR DEMONSTRATION

Mr. Guidod, on the Advisory Board staff, opened the presentation by noting that a lot of work has been put into the website over the past year. This effort has included a lot of data and a lot of documents. A big piece of the website work was the retail rate survey and the retail rate calculator. The investment in the website is already paying off. He noted that the website has a number of FAQ sections; staff is available to answer questions as well. The rate survey uses 120 hcf per year per household as an assumption for the model. Seasonal and other charges will be information that will be provided in the future. There will also be a rate comparison feature so that users will be able to compare multiple communities. Also, the thirty years of rate surveys that had been prepared will be available on the website. Mr. Romero also noted that the expanded capabilities of the website will provide a tool for communities across the nation.

The website is live and functioning now. Information for 2017 is being collected at this time. Staff encouraged member communities who have not yet done so to complete the current survey.

F. OTHER ITEMS

The Advisory Board Chairman reported that there will be a forum on lead pipe that will be coming up soon. Newton will be a case study.

Members were reminded that the Advisory Board does not meet in October. There will be a meeting in November.

G. ADJOURNMENT

A motion was made to adjourn at 1:12 pm. It was seconded and passed by unanimous vote.

Respectfully submitted,

Michael W. Rademacher, Secretary