



Advocacy & Accountability

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Dear Members of the Board of Directors,

The Advisory Board would like to bring to your attention an important matter related to the cross-harbor cable project (i.e. HEEC cable), which replaces the electric cable that powers the Deer Island Treatment Plant.

As you know, the impetus of the cross-harbor cable project, which projects to cost MWRA ratepayers over \$150 million, was a Massachusetts Port Authority (Massport) dredging project designed to deepen Boston Harbor and allow for larger tankers and passenger ships to enter the City of Boston.

While this dredging project is good for the local economy and the Commonwealth of Massachusetts, the Advisory Board has been monitoring the developments closely given that this project is costing ratepayers a significant sum of money and only benefiting Massport coffers through new revenue.

Needless to say, the **Advisory Board was outraged to learn that Eversource (on behalf of the MWRA) negotiated to pay \$8 million to Massport for an easement** to lay the cable across parts of Conley Terminal (Massport-owned) in an effort to complete the cross-harbor cable project. A portion of this \$8 million cost will also be magnified by the charges that Eversource is allowed to collect on top (an additional 9% for their own profit), as Eversource answers to its shareholders, first and foremost.

The Advisory Board would like to point out the absurdity of this situation with three (3) questions:

1. Why would Massport indirectly charge MWRA ratepayers over \$8 million to complete a project (HEEC cable replacement) that is only being done to directly benefit Massport?
2. Why is Eversource in a position to “negotiate” with Massport over an easement that is being paid for by MWRA ratepayers without representation from the MWRA in the “negotiation”?
3. What is the basis of the \$8 million; i.e. was an appraisal done?

In answering questions 1 and 2, please see our recommendations below. To get an answer to question 3, the Advisory Board sent a Public Information Request to Massport to determine how the \$8 million was determined. While Massport technically complied with the request, they only provided the MOU between Massport and



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Eversource without any appraisal information or analysis that would justify \$8 million in ratepayer money being extorted.

The next step of the Advisory Board, as approved at the May 16, 2019 Advisory Board meeting, is to recommend the following possible actions be taken by the MWRA:

1. The Advisory Board recommends: (1) the MWRA officially request that Massport rescind their easement charges; (2) the MWRA request that the Legislature withhold final bond authorized payment for the dredging until resolved, and/or; (3) the MWRA jointly file a bill with the Advisory Board to add a surcharge on all tonnage to be assessed on all cargo and assess a per head charge for cruise ships until such time that the cable costs have been recovered.
2. The Advisory Board recommends: (1) the MWRA assess Massport for the Operations and Maintenance (O&M) of the Wiggins Pump Station dating back to the inception of the MWRA which would be \$280,000 in inflation-adjusted dollars, and to begin charging Massport for O&M costs on a monthly basis moving forward, and (2) the MWRA remove the Wiggins Pump Station capital improvements project from its 5-year CIP until such time that an MOU is in place between the MWRA and Massport in which Massport agrees to pay for the design, construction and project management of the Wiggins Pump Station capital improvements.

Background information on the Wiggins Pump Station (attached) shows that Massport constructed and operated the pump station prior to asking the MDC to take over operation in the 1960s; it subsequently ended up in the MWRA's hands in 1985.

This agreement absolutely does not say that the MDC or the MWRA would provide O&M services free of charge or perform any capital improvements to the pump station in the future. To this end, the cost incurred by the MWRA for the O&M of the facility since 1985 has been approximately \$280,000; this was paid for by ratepayers and should be paid back to the MWRA by Massport immediately. Additionally, the Authority should begin billing Massport for all O&M costs going forward. Finally, because the pump station is in need of replacement, the MWRA's legal staff should sit with Massport to put an MOU in place that details how Massport will cover all capital improvement costs.

We ask that the MWRA Board of Directors support the Advisory Board recommendations above and direct the Authority to take immediate action.

Sincerely,

A handwritten signature in black ink, which appears to read 'Joseph E. Favaloro'.