



Executive Committee Meeting

Friday, March 9, 2018
8:30 AM

Advisory Board Conference Room
100 1st Avenue, Building 39-4
Boston, MA 02129

Attendees

| | | | |
|---------------------|------------|----------------------|-------------------------|
| Lou Taverna | Newton | Nick Rystrom | Revere |
| Bernie Cooper | Norwood | David Manugian | Bedford |
| Michael Rademacher | Arlington | Andrew Pappastergion | MWRA Board of Directors |
| John Sullivan | Boston | | MWRA Advisory Board |
| John Sanchez | Burlington | Joseph Favaloro | MWRA Advisory Board |
| Tim MacDonald | Cambridge | Matt Romero | MWRA Advisory Board |
| Ralph Pecora | Lexington | James Guiod | MWRA Advisory Board |
| Elena Proakis Ellis | Melrose | Lenna Ostrodka | MWRA Advisory Board |
| John DeAmicis | Stoneham | Cornelia Potter | MWRA Advisory Board |

DRAFT MINUTES

Welcome

The Chairman called the meeting to order at 8:33 am and welcomed members and other attendees.

Approval of the Executive Committee Minutes for February 9, 2018

A motion was made and seconded to approve the minutes of February 9, 2018. There was no discussion. A motion to approved was made and seconded, and passed by unanimous voted.

Timeline and Process to Elect an Advisory Board Representative to the MWRA Board of Directors

Mr. Favaloro opened the presentation acknowledging that this time of year is busy for everyone and it is sometimes challenging to ensure a quorum for the election of a Board member. He said that the Advisory Board is going to take advantage of the plans for the Climate Change Workshop in June at which good attendance is expected. The Workshop will be posted as an Advisory Board meeting, with the only agenda items being the election of a Board member to the MWRA Board. Notices will be sent out in the next month describing the election process.

Andrew Pappastergion's position is up for election for a three-year term; he has confirmed his candidacy for re-election.

Climate Change Preparedness Workshop

Plans for the workshop are beginning to take shape. The date is June 15 (a Friday) at Boston College. There is a commitment from former EPA Administrator, Gina McCarthy. Secretary Beaton has signed on as has Austin Blackmon and MWRA Executive Director Fred Laskey. Bill Golden, a former State Senator and a climate change advocate has signed on for the morning sessions. The process continues for inviting other speakers including the Governor and the Lieutenant Governor, Mayor Walsh of Boston and Mayor Curtatone of Somerville as well as representatives from MAPC and CLF. The workshop is scheduled for 9 am to 2 pm.

Draft Advisory Board Budget

Mr. Favaloro introduced the draft budget request, proposed at \$521,000. The proposal does involve some shifting of expenses; the lease costs would, according to the proposal, be shifted to the MWRA budget. That discussion needs first a buy-in on the concept by the Executive Committee. This approach will allow for a review of two of the staff salaries at the Advisory Board to bring salary levels more in line with market rates. With that approval, discussion can begin with Fulton Properties to move the lease costs out of the Advisory Board budget to the MWRA budget. Another item in the budget will be replacement of the copier machine (now thirteen-plus years old; the service agreement has expired). In answer to a question from a Committee member, the Chairman assured members that he works with the Executive Director, consulting and discussing budget issues on behalf of the committee members. The current lease runs through 2020. The Chairman called for a “straw vote” to move forward with the Advisory Board budget, as discussed. The vote passed with the understanding that the cost of rent will remain within the Advisory Board’s budget.

Status of the Advisory Board’s Review of the MWRA FY19 Budgets

Mr. Favaloro noted that March 15 will be the Advisory Board’s hearing on the MWRA’s proposed Current Expense budget for FY 2019. The Authority finance staff will make a presentation. Advisory Board discussions with Authority staff have begun, reviewing each division’s proposed budget by line item. From a document production standpoint, staff have been including charts and tables for both the capital budget and the current expense budget, as the draft language is prepared, into the Executive Committee folder on the share drive. Mr. Romero highlighted some of the topics under review including the wastewater metering program, the potential for funding through an infrastructure bill under discussion in Washington, the possibility for using taxable bonds for certain potential purchases, and how payments are made for the HEEC cable.

The MWRA budget includes funding for initial staffing for the metropolitan tunnel redundancy projects. The budget for FY 2019 includes funding for 5 FTEs, keeping it separate from the 1,150 level developed in the staffing study (several years back). The Advisory Board’s review will also address Authority plans for ramping up the staffing levels for the tunnel program. Other topics that will be part of the Advisory Board’s comments include pension, health insurance, utilities (electricity) costs, changes in the pricing of steel and aluminum, assumptions regarding funds available through the SRF program, inclusion of debt service assistance funds, and funding for the HEEC cable project.

Weymouth Compressor Station

Mr. Favaloro described a draft letter to the Fore River Residents Against the Compressor Station thanking them for their concerns, but that, statutorily, the Advisory Board is not empowered to weigh in on the subject. At the same time, the letter does support the enforcement of the regulatory requirements and the regulatory process. Copies of the letter will be sent to the Governor and to Secretary Beaton. Members provided an edit to the draft letter, eliminating the redundant use of the word “so.”

Operations Committee Update

The Chairman of the Operations Committee, Mr. Sanchez, reported on the meeting of the Operations Committee held February 22. He commented that the meeting was very well done, and well attended with a lot of discussion on a number of items. Discussion included an update of the Wastewater Metering Program, and a next phase for the Inflow/Infiltration funding program. The Authority’s proposed capital budget has included \$120 million for the next two phases of the I/I program – the Committee has proposed to increase that amount to \$180 million.

Members noted that this is an ongoing program and that reports from the Authority show that over time flows to the treatment plant have declined. Authority staff will be making a presentation on the program at an upcoming meeting of the Board of Directors. As a result, data will be updated soon.

Members also highlighted another related subject: the use of police details (and the use of flagmen) during winter work on projects. Mr. Favaloro noted that once the MWRA starts work on the first community, meter reads will not reflect new data until the last meter is in place. At the same time, staff noted the importance of completing the work within a year's time. Changes to meter reads, as provided in the sewer rate methodology, are implemented gradually. Members were reminded about the Advisory Board video on the sewer rate methodology posted to the Advisory Board's website. Essentially, the Advisory Board's efforts involved brokering a deal for the communities and by the communities. The Legislature directed the Advisory Board to develop a methodology, recognizing that neither the Authority itself nor the Legislature could have gotten it done.

Regarding the I/I Grant/Loan program, the Operations Committee recommended \$180 million for future phases of the program. Also under discussion was the idea to "round off" that amount to \$200 million and another \$200 million in a separate program that would allow for interest-free loans for I/I work for those communities that have already used their grant/loan allotment. A motion was made and seconded. The expanded program could include \$100 million for each of two new phases. Mr. Favaloro recommended discussion continue over the coming weeks, with a vote on an agreed-upon amount in another month or so. Following further discussion, the committee agreed to withdraw this motion and address the proposals, as recommended by the Operations Committee as part of the *Comments and Recommendations* on the Authority's proposed capital and current expense budgets for FY 2019. It was proposed that a revised number would be put forward for discussion in April.

On a separate subject, Mr. Manugian raised the question to the committee members of community residents requesting an abatement to their bills. Committee members offered several approaches to the questions, and cautioned that this issue is a "slippery slope." Also offered was the idea of a one-time "leak rate."

Approval of the Advisory Board Meeting Agenda for March 15, 2018

A motion was made and seconded to approve the proposed agenda for the Advisory Board Meeting for March 15, 2018. The motion passed.

Adjournment

A motion was made **TO ADJOURN THE MEETING AT 10:03 A.M.**

Respectfully submitted,

Michael W. Rademacher, Secretary