



**MWRA Advisory Board Summary
of the
MWRA Board of Director's Meeting
Wednesday, June 25, 2008**

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on June 25, 2008 at the Charlestown Navy Yard. **Present:** Chair Ian Bowles, Joel Barrera and Michael Gove, Gubernatorial Appointees; John Carroll, Andrew Pappastergion and Joseph Foti, Advisory Board Representatives; Vincent Mannering, Kevin Cotter and James Hunt III, City of Boston Representatives; Joseph MacRitchie, City of Quincy Representative; Marie Turner, Town of Winthrop Representative.

REPORT OF THE CHAIR

Ian Bowles, Chairman of the MWRA Board of Directors, recognized Eileen Simonson, retiring Co-Executive Director of Water Supply Citizens Advisory Committee (WSCAC), for her successful career and her protection of the Connecticut River.

REPORT OF THE EXECUTIVE DIRECTOR

MWRA Executive Director Fred Laskey recognized Ms. Simonson and presented a reproduction of an old MDC water map which shows a tunnel that would have diverted the Connecticut River. Mr. Laskey stated that Ms. Simonson's work has created significant public policy and initiatives and has changed the way people think about water. He said that her work was no small legacy and that she should take great satisfaction in her leadership and the quality of her organization.

Ms. Simonson thanked Mr. Laskey and said that the MWRA is an extraordinary agency with quality leadership and professionalism and has accomplished so many successes. She said that the Board of Directors has been unquenchable in its desire to do the right thing and that WSCAC is committed to this agency and she encouraged the Board to keep listening to them.

Mr. Laskey also reported that water demand continues to decrease in the MWRA service area; there have been four record low months within fully supplied communities. He updated the Board on the continued progress of the CSO Tunnel in South Boston, noting that 7,800 feet had been completed. He reported that UCANE published an article on the D'Alessandro/Morrissey Boulevard job.

Mr. Laskey reported that two employees, Dan Barrasso and Lou Duli, staff of the FOD Equipment Maintenance crew in Chelsea, are reserve Navy Seabees and were deployed to active duty in Iraq on June 15, 2008. They both serve with the NMCB 27, Naval Mobile Construction Battalion, out of Quincy and are anticipated to return this time next year.

Mr. Laskey noted that there would be a fundraiser for an MWRA employee. He also noted that the Board should plan on meeting for the July 16th meeting, but the August meeting would be canceled.

APPROVALS

FINAL FY09 CURRENT EXPENSE BUDGET

The Board voted to: (1) adopt the FY09 Current Expense Budget set forth in Attachment A and Attachment B with current revenue and expenses of \$579.3 million, with the first proviso that of the \$9.5 million proposed in that budget for MWRA's FY09 OPEB liability, \$1.8 million be authorized as the "pay-as-you-go" component of that liability, and that, until a further vote of the Board to be taken not later than at its September 2008

meeting, the \$7.7 million balance of that \$9.5 million budget item be placed in a separate MWRA reserve account, pending a decision by the Board as to what purposes will be made of those funds, and with the second proviso that in the absence of a vote the Board by its September 2008 meeting concerning what purpose(s) will be assigned to that \$7.7 million, \$2.9 million will be allocated for use toward the Authority's FY09 OPEB Normal Cost liability and \$4.8 million will be allocated to the MWRA pension trust as an additional payment in FY09 against the existing 17-year amortization schedule toward fully-funded status, with the appropriate portion of that amount first being deducted and dedicated to the Operating Reserve Account; (2) adopt the FY09 Operating Budget (Trustee's Budget) (Attachment C); and (3) approve the Responses to the Advisory Board's Comments and Recommendations on MWRA's Proposed Fiscal Year 2009 Current Expense Budget (Attachment D).

Based on the recommendations from the Board of Directors and MWRA Advisory Board at the June 4th Budget Hearing, staff have reduced expenses in the Final FY09 budget which lowered the proposed rate increase from 4.91% in MWRA's draft final budget (as presented at the June 4th meeting) to 4.45%. The lower rate increase is achieved without changing assumptions for Debt Service Assistance of \$11.25 million or the \$7.7 million contribution to the Other Post Employment Benefits (OPEB) Reserve. The original budget for FY09 presented in February has proposed a rate increase of 5.94%.

Since the June 4th meeting, the Final FY09 budget has been reduced by:

- \$2.3 million from Capital Financing
 - \$1.4 million by lowering the variable rate interest assumptions from 4.25% to 4.0%
 - \$900,000 by lowering interest assumptions for Commercial Paper used for the refunding
- \$103,583 from the Operating Reserve, mainly as a result of the exemption of OPEB funding from Operating Reserve requirement

Prior to voting to delay making a final decision on the OPEB / compliance with GASB 45 course of action, the Authority made a detailed presentation on several potential courses of action. The presentation was followed by a lively discussion on how best to manage the Authority's OPEB liability. Board members debated a range of options from opening and depositing funds in a separate MWRA reserve account to not funding OPEB and depositing additional funds to further reduce outstanding pension liabilities to combinations of both suggestions.

Board Member John Carroll asked why the Authority should fund GASB 45. He said "I am wary of this move and I don't think we need to do it." MWRA Treasurer Tom Durkin responded that while no one is making the Authority fund this, the Authority will have to report the liability. Board Member Michael Gove added that if the Authority does not follow the standards, there may be penalties.

Board Member Joel Barrera stated regardless of the standards, this is a real liability; we know people will retire. He stated there is nothing wrong with doing things in the right way and being a leader; his concern is with the integrity and rating of the Authority.

Board Member Vincent Mannering responded, "The question is what is right? The cities and towns are paying for everything we do." Mr. Mannering stated that MWRA will be virtually the only agency that will put this kind of money away and it is the 60 cities and towns that are paying for it; wouldn't it make more sense to reduce the pension liability?

Board Member Jay MacRitchie stated that he was concerned with the idea that the Authority would prefund the pension now and deal with health insurance liability later; I think the Authority should fund the lowest OPEB number. Mr. Mannering responded, "That is the maximum funding I would ever consider."

Board Member Andrew Pappastergion asked if the Authority was able to get a sense from the rating agencies to see how they feel about it. Mr. Durkin responded that the rating agencies have been evasive.

Mr. Gove suggested that the Authority should fund it now and could exercise more flexible options later.

Joseph Favaloro, Executive Director of the MWRA Advisory Board, commented that listening to the Board clearly shows why it has been a two-year issue for the Advisory Board – it is complicated! Should the

Authority use \$4.8 million for rate stabilization or for GASB 45? The Board must adopt a solution which provides the maximum flexibility as GASB 45 rules change in the future.

Board Member Jim Hunt said he was comfortable in the amount of money the Board opted to put aside, but would like more information on which accounts it should go in. Chairman Bowles responded that he would be supportive of Mr. Hunt's proposal to get further information.

Mr. MacRitchie added that as long as there is a clear understanding of what the Board is doing and where the funds are going, he leaned towards putting it into the retirement fund. Mr. Barrera noted that his preference would be to go with staff recommendations; the Board needs to think about long-term decision making.

Chairman Bowles asked if this topic should go to the July meeting. Mr. MacRitchie suggested it be held until the September meeting. Mr. Mannering stated that this is what happened last year; the money was appropriated but it was not decided on where it should go. He said if the Board puts off this decision, the problem will be compounded. Mr. Barrera noted that as a new Board member, he would feel more comfortable gathering more information to make the correct decision.

In sum, the FY09 CEB represents a combined increase in rates and charges of 4.45%. Total expenses are \$590.5 million before offsets of \$11.25 million in anticipated Debt Service Assistance receipts, for a net expense total of \$579.3 million. Non-rate revenue totals \$38.5 million. The rate revenue requirements if \$540.8 million, an increase of \$23 million (or 4.45%) over the FY08 rate revenue requirement. Once the state budget has been adopted, staff will revisit assessments based on final amounts of DSA.

FINAL FY09 WATER AND SEWER ASSESSMENTS

The Board voted to adopt the following effective July 1, 2008: (1) Water system assessments of \$180,249,266 and sewer assessments of \$360,569,734 for Fiscal Year 2009 allocated to communities in accordance with Attachment 1 (Final FY09 Water and Sewer Assessments); (2) FY09 sewer assessments of \$500,000 for the Town of Clinton and \$204,678 for the Lancaster Sewer District; (3) FY09 charge to the City of Worcester of \$124,618 which represents approximately 7.9% of the direct operating expenses for the Clinton Wastewater Treatment Plant; (4) FY09 water assessments of \$2,690,523 for the City of Chicopee, \$598,774 for South Hadley Fire District #1, and \$527,541 for the Town of Wilbraham; (5) A wholesale water rate of \$2,514.49 per million gallons; and (6) A retail sewer rate of \$5,800.63 per million gallons.

At the June 4th hearing, a Draft Final FY09 Current Expense Budget was presented with a potential rate increase of 4.9%. MWRA staff are now submitting for approval a Final FY09 CEB that represents a 4.45% rate increase. Since the June 4th Board meeting, the CEB was changed to reflect: a reduction in capital financing of \$2.3 million due to the reduction of variable rate interest assumptions from 4.25% to 4.0% (\$1.4 million); revision of assumptions for Commercial Paper use for refunding (\$900,000); and a reduction to the Operating Reserve of \$103,583 due to exempting OPEB funding from the Operating Reserve requirements.

The Final FY09 Current Expense Budget includes a Rate Revenue Requirement of \$540,819,000, an increase of 4.45% over the FY08 requirement. The Final FY09 Rate Revenue Requirement assumes that statewide Debt Service Assistance (DSA) will be \$15 million and that MWRA will receive 75% (\$11.25 million). Once the state budget has been adopted, staff will revisit assessments based on final amounts of DSA.

FINAL FY09 CAPITAL IMPROVEMENT PROGRAM

The Board voted to: (1) approve the FY09 Capital Improvement Program, with a budget of \$245.6 million, including contingency as presented and filed as Attachment A; (2) approve a capital budget spending cap for the five year period FY09 through FY13 such that total spending for the period shall not exceed \$1.14 billion; provided that annual spending for each fiscal year in that period shall be as set forth below; provided further that spending for any year in the period may vary within plus or minus 20% of the initial amount as long as total spending for the five years FY09-13 does not increase; and provided further that before the end of the five-year period the Board will adopt a new five-year cap for FY14 through FY18.

The cap for each year in the five year period is:

FY09	\$244.4 million
FY10	\$264.1 million
FY11	\$230.0 million
FY12	\$207.0 million
FY13	\$198.4 million

(In the event of unanticipated expenditures in excess of the spending cap, the Executive Director may recommend to the Board of Directors that annual expenditures exceed an annual cap by more than 20% or that five-year expenditures exceed the five-year CIP spending cap. In such an event, a proposed plan to adjust the five-year cap or any of the annual caps will be presented to the Board for approval. Any such proposed plan will be submitted to the MWRA Advisory Board for review and comment for a period of thirty days. At the end of the thirty-day period, the Board of Directors may take action on the proposed plan); and (3) to approve the Responses to the Advisory Board's Comments and Recommendations on MWRA's Proposed Fiscal Year 2009 Capital Improvement Program (Attachment C).

The Final FY09 CIP represents updated spending and schedules for projects contained in the Final FY08 CIP and spending for 18 new Water, Wastewater, and Business & Operations Support projects of which the majority are drawn from the Master Plan. On June 4th, the Board of Directors held hearings on the Capital Improvement Program. Discussions and materials provided at the hearings outlined changes to the budget, responses to the Advisory Board's recommendations, and updates by staff since the Board approved transmittal of the FY09 Proposed CIP in December 2007.

The Final FY09 CIP totals \$4.9 billion (including \$113.3 million for contingency) which represents an increase of \$110 million over the FY09 Proposed CIP mainly due to revised costs for CSO projects and cost increases associated with the Deer Island Asset Protection projects. Of the \$4.9 billion, \$2.9 billion is projected to be spent over the multi-year period through FY08. Of the \$2 billion remaining, \$1.1 billion is projected to be spent in the FY09-13 timeframe and the balance, or \$913 million, to be spent thereafter.

SURPLUS OF SUDBURY RIVER, SOUTH BASIN WATERSHED LANDS, PHASE II

The Board voted to authorize the Executive Director, on behalf of the Authority, to declare and treat as surplus to any watershed system uses or needs of MWRA all remaining portions of former watershed system real estate in Framingham in the South Basin of the Sudbury Reservoir which were not previously declared as surplus by action of the Board of Directors on April 11, 2007, but retaining only for water transmission purposes those access and maintenance easements and/or licenses over existing emergency water transmission lines and facilities; and to further authorize the Executive Director, on behalf of the Authority, to take all actions necessary to preserve such access and maintenance easement and/or license rights and to discontinue all further payments in lieu of taxes and any other financial responsibility beyond FY08 for all such lands.

On April 11, 2007, the Board declared certain watershed and/or waterworks system real property in the South Basin of the Sudbury Reservoir as surplus to MWRA watershed or water system needs. Certain parcels in Framingham were identified as being temporarily retained pending completion of surveying work to define easements on the parcels that should be retained. The Board further voted to authorize the Executive Director and staff to take all necessary action to discontinue any further payments in lieu of taxes (PILOT) and any other financial responsibility beyond Fiscal Year 2008 for such lands.

MWRA and DCR have met with officials in all four towns to notify them of the April 11, 2007 Board vote and the discontinuation of PILOT payments for surplus water supply system and watershed lands beginning in Fiscal Year 2009. The discontinuation of PILOT to Ashland, Framingham, Hopkinton and Westborough will result in annual savings of approximately \$390,000.

JUNE PCR AMENDMENTS – FY09

The Board voted to approve amendments to the Position Control Register. The PCR amendments reflect organizational changes aimed at improving cost-effectiveness, structural soundness and staffing patterns of the various work units.

The recommend organizational changes include:

1. Title, location and grade changes for a vacant position in the Finance Division to fill a need for financial management support in the Treasury;
2. Title and grade change for a vacant position in the Finance Division to fill a need for financial management support in the Budget Department;
3. Title and grade change for a vacant position in Human Resources to meet the need for administrative support activities;
4. Title and grade change for a filled position in Human Resources to meet the needs for benefits and human resources information system activities;
5. Title and grade change for a filled position in Human Resources to meet the need for human resources administrative support;
6. Title and grade change for a filled position in Human Resources to reflect responsibility for providing administrative support to the department director and managers;
7. Title and location change for a filled position in Law to meet the need for labor relations activities in Human Resources;
8. Title and location change for a filled position in Operations to meet the need for management support and coordination of labor relations and worker's compensation activities in Human Resources;
9. Title and grade change for a filled position in the Finance Division to meet the need for management level oversight of investment and debt activities in the Treasury Department.

Seven amendments are title, grade and/or location changes and will require Personnel Committee and Board approval. Two amendments result in upgrades of positions by more than one grade and require Board Approval after review by the Personnel Committee. The annualized budget impact of these PCR amendments will theoretically range from a cost of -\$60,268 to -\$15,664 and will likely be at the higher end of that range.

APPOINTMENT OF DEPUTY TREASURER, FINANCE DIVISION

The Board voted to approve the Executive Director's recommendation to appoint Matthew Horan to the position of Deputy Treasurer in the Finance Division (Non-Union, Grade 13), at an annual salary of \$81,000 to be effective on the date designated by the Executive Director.

The position of Deputy Treasurer will provide additional management level oversight necessary for the MWRA debt and investment portfolio. The functions of this role were previously assigned to a position entitled Manager, Debt and Investments. While this position has remained vacant for a number of years, the onset of the additional complexities and volatility of the current municipal bond market and the new investment responsibilities associated with OPEB Reserve warrant the establishment of the Deputy Treasurer role. The position will report directly to the Treasurer and will also supervise assigned debt and financial analytical staff.

Mr. Horan joined the MWRA in 1997 and has had several key positions; he has been instrumental to the Authority's efforts to effectively manage the complexities of the debt market and refunding initiatives.

Mr. Carroll asked if this is a new position. Bob Donnelly, Director of Human Resources, confirmed that it is a new position.

CONTRACT AWARDS

AMBULANCE RESPONSE SERVICES: ACTION AMBULANCE SERVICE, INC., CONTRACT S465

The Board voted to approve the award of Contract S465, Ambulance Response Services, to the lowest eligible and responsible bidder, Action Ambulance Service, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$489,600 for a term of 730 calendar days from the Notice to Proceed.

MWRA and the Town of Winthrop have had a coordinated ambulance response service, which has served both Deer Island and Winthrop since July 1992. The current contract for ambulance response services, with

Cataldo Ambulance Service, Inc., expires June 30, 2008. Because of the size, complexity and location of the Deer Island Treatment Plant, MWRA has contracted with a dedicated ambulance service to ensure the timeliest emergency response possible.

Contract S465 was advertised and bid as a non-professional services contract. Bids were opened and read on June 3, 2008; four bids were received. Action Ambulance Service, Inc.'s proposed annual service fee is \$240,000 for the first year and \$249,600 for the second year, for a total bid price of \$489,600. This is 33.6% lower than MWRA's original estimate and 22.3% lower than the second bidder.

Action has been in business since the 1970s and has numerous ambulance service contracts with local cities and towns. The FY09 CEB includes \$320,000 for ambulance services. Appropriate funding will be included in subsequent Proposed CEB requests for the remaining term of the contract.

NORTHERN HIGH SERVICE, SECTION 53 – REVERE: ALBANESE D&S, INC., CONTRACT 5177

The Board voted to approve the award of Contract No. 5177, Northern High Service, Section 53 – Revere, to the lowest eligible and responsible bidder, Albanese D&S, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$2,659,476 for a term of 540 calendar days from the Notice to Proceed; with the proviso that the contract shall not be executed until the bid protest dispute has been resolved by the Attorney General's office.

The work under Contract 5177 includes rehabilitation of the pipe by slip-lining 4,785 feet of new steel pipe within the existing pipe and cut-and-cover replacement of 1,550 feet of pipe. It also includes replacement of all valves, manholes and chambers, and the abandonment of Meter 184 (inactive but connected since 1975).

Contract 5177 was advertised and bid and six bids were received. Albanese D&S, Inc.'s bid is 26.3% lower than the Engineer's Estimate, which was prepared by MWRA staff, and 11.3% lower than the next lowest bidder. Albanese D&S, Inc. recently completed MWRA Contract 6186, Cummingsville Branch Replacement Sewer in Winchester (\$4.9 million) and staff reported that the Contractor performed well on this project and received favorable evaluations.

It should be noted that the second lowest bidder, Revoli Construction, has filed a formal bid protest with the Attorney General's Office; while MWRA does not expect that the protest will be successful, it is unlikely that a decision will be rendered before this Board meeting. Staff noted that they do not expect to execute the contract until the bid protest dispute is resolved.

The FY09 CIP includes a budget of \$3,045,000 for Contract 5177. The Contract award amount is \$2,659,476 or \$385,524 under budget.

CONTRACT AMENDMENTS/CHANGE ORDERS

NORTHERN INTERMEDIATE HIGH ASSESSMENT AND CONCEPT PLAN: FAY, SPOFFORD & THORNDIKE, LLC, CONTRACT 6954, AMENDMENT 3

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 3 to extend the term of Contract No. 6954 with Fay, Spofford & Thorndike, LLC, Northern Intermediate High Assessment and Concept Plan by 184 calendar days to February 4, 2009, and to transfer available funds within the contract, with no increase in contract amount.

On December 14, 2005, the Board approved the award of Contract 6954 to Fay, Spofford & Thorndike LLC (FS&T) to provide concept-level planning and engineering services to develop an overall plan that best remedies identified deficiencies in the Northern Intermediate High service area. There have been two amendments to the contract extending the length of the contract. Amendment 3 would provide an additional six-month contract extension to allow time to address remaining questions.

The FY08 Capital Improvement Program budget includes \$969,000 for Contract 6954. As of the end of April 2008, approximately \$581,040 had been expended. Amendment 3 will not increase the overall contract amount and will have no budgetary impact.

INFORMATION

DELEGATED AUTHORITY REPORT- MAY

Staff presented a listing of delegated authority actions over \$25,000 for the period May 1 through May 31, 2008.

Mr. Mannering questioned whether the action regarding Authority-wide plumbing supplies was a state contract. Kevin Feeley, Managing Director, replied that the contracts are bid and the Authority gets a better price than the state bids.

Mr. MacRitchie asked if the removal of a 60-inch butterfly valve replacement on Deer Island was part of a contract that had presented problems previously. Mr. Hornbrook said that it was not the same contract, but is on its own, a difficult contract.

FY08 THIRD QUARTER ORANGE NOTEBOOK

The Orange Notebook presents performance indicators for operational, financial, workforce and customer service parameters tracked by MWRA management each month for Deer Island and Clinton Wastewater Treatment Plant Operations; Field Operations; Construction; Drinking Water Quality and Supply; Community Flows; Management/Finance.

Mr. Mannering asked what type of process is used for leak detection. Mr. Hornbrook responded that sound units were placed in hydrants, gate valves and valves. Mr. Mannering noted that there was a new firm called EcoLogistics that measures leaks based on measuring water. He said he would like to make sure that the Authority is not chasing leaks that are too costly to fix. Because this is in an area of maintenance where there are new technologies, the cost-benefit of leak detection should be examined.

Mr. Mannering asked if it was normal to have no violations of the total coliform rule. Mr. Hornbrook responded that staff has had one positive test in the system and that this is the time of year that tests begin to come back positive.

FY08 FINANCIAL UPDATE AND SUMMARY AS OF MAY 2008

As stated at last month's meeting, the Authority projects an FY08 surplus of \$9.0 - \$9.5 million, primarily due to the timing of the Reading entrance fee payment. These funds will be used to complete the \$17.9 million FY08 defeasance authorized by the Board on February 13th and June 4th. On June 4th, the Board approved the use of up to \$8 million of Bond Redemption funds to supplement the FY08 surplus and other sources of funds identified to the Board at the meeting.

Since that time, staff have received an opinion from Bond Counsel that the Other Post Employment Benefits (OPEB) Reserve funds are exempt from the Operating Reserve requirement, which results in the release of the \$1.2 million deposit associated with the FY08 OPEB funding. This \$1.2 million will also be applied to offset the amount of Bond Redemption necessary to fund the \$17.9 million defeasance, preserving these reserve funds for future years.

Therefore, staff now estimate the source of the funds for the FY08 defeasance to be as follows:

- \$9.2 million from the FY08 Surplus
- \$1.2 million from the Release of the OPEB Operating Reserve Deposit
- \$3.1 million from the 2002C Optional Redemption Payment
- \$4.4 million from Bond Redemption

Staff provided a financial update and summary through May 2008, comparing actual spending to the budget. Through May 2008, total revenue was \$530.8 million, \$10.7 million or 2.0% more than budgeted. Total expenses were \$516.7 million, \$1.2 million or 0.2% more than budgeted.

Mr. Foti asked why there was over spending on maintenance in warehouse inventory. Ms. Soni responded that it is an issue of timing between departments. The Operations Department initially pays for it and then

charges other departments when they need it. In the end the costs will balance out. Mr. Feeley added that there is no budget for the warehouse, basically it acts as escrow. Mr. Foti said this sounds like a strange system, there is potential to have things sitting around the warehouse for four or five years. Mr. Hornbrook stated that the warehouse retains some critical long-term back up spare pieces (i.e. complicated pieces for pump stations, etc), although the inventory usually turns over quickly. Mr. Barrera asked if this process creates incentives to overbuy and stock supplies. Mr. Hornbrook replied that it did not create this incentive, because the Board of Directors is consistently supportive of maintenance needs. Mr. Laskey said that the question is how the Authority's inventory / warehouse policy working? Does the Board want a report on Authority procedures? Mr. Mannering said "I do not understand it either. Who pays for the pieces while they sit there for two years?" Mr. Hornbrook responded that staff could put together detailed information for the Board of Directors, noting that there was no double budgeting. Mr. Laskey added that the responsibility of the warehouse is to centralize the inventory control system; some things are kept in storage.

Mr. Mannering asked why the Authority underspent on diesel fuel at Deer Island. Mr. Hornbrook responded that there are 900,000 gallons on site and a delivery was not needed in December 2007. Mr. Mannering asked if gas expenses were paid out of "other materials." Ms. Soni responded in the affirmative, noting that while gas expenses come out of "other materials," vehicles expenses are up, but the overall category is down.

RATE BASIS DATA ADJUSTMENTS AFFECTING FY09 ASSESSMENTS

Staff provided information on changes to CY2006 and CY2005 wastewater meter data used to calculate FY2008 community wastewater assessments. The adjusted wastewater flows and FY2008 community wastewater assessments will be applied to FY2009 assessments.

At the February 13, 2008 Board meeting, staff informed the Board of changes to CY2006 wastewater flows meter data used to calculate FY2008 community wastewater assessments. At the time, staff had reduced the Town of Canton's CY2006 wastewater flows by 57.2 million gallons due to inaccurate meter data caused by a partially collapsed Canton owned pipe downstream of meter CT-2C.

The adjustment to Canton's CY2006 and CY2005 wastewater flows will result in a decrease of \$39,996 to Canton's FY2008 wastewater assessments. This decrease will be offset by increases to the other 42 communities served by the MWRA wastewater system. The majority of the increases are less than \$1,000. The larger offsetting increases are for Boston, Cambridge and Newton. The adjustments will be applied to each community's FY09 wastewater assessment.

Mr. Barrera stated that there were many reference to outdoor water metering; he asked if that affected the sewer rates? Leo Norton, Assistant Manager, Rates, Revenue & Finance, responded that outdoor water metering pertains to retail rates. Communities handle it differently and some account for irrigation waters, but it does not affect the MWRA.