

EXECUTIVE COMMITTEE MEETING
APRIL 16, 1999

MINUTES APPROVED AT THE JUNE 11, 1999 MEETING

Present: Guy Carbone, BELMONT; John Sullivan, BOSTON; Ed Sullivan, CANTON; Peter Hersey, MELROSE; Katherine Haynes Dunphy, MILTON; Stanley Stanzin, NEEDHAM; Bernie Cooper, NORWOOD; Joe Foti, SOMERVILLE; Walter Woods, WELLESLEY.

Also in attendance: John Carroll and Andrew Pappastergion, MWRA BOARD OF DIRECTORS; Michael Hornbrook, MWRA; Peter Silbermann, EARTHTECH; Joseph Favaloro, Ryan Ferrara, Cornelia Potter, Craig Sanderson and Mary Ann McClellan, MWRA ADVISORY BOARD.

I. APPROVAL OF THE MINUTES

The meeting, held at the Advisory Board office, was called to order by Chairman Joe Foti at 8:38 a.m. **A MOTION WAS MADE TO APPROVE THE MINUTES OF THE FEBRUARY 19, 1999 MEETING OF THE EXECUTIVE COMMITTEE.** It was seconded and passed by unanimous vote.

II. ACTION ITEM: Advisory Board FY00 Budget

Joe Favaloro commented that the role of the Advisory Board has continued to change, grow and expand over the years. In addition to review of the CEB and CIP, and work on legislative and policy issues, the Advisory Board has taken a lead role on the Local Pipeline Task Force, participation with the Authority on the Y2K Forum, sharing the responsibility for reports on the Safe Drinking Water Act for communities, and has worked hard to keep communities involved, while maintaining a staff of six.

This year, the budget request is slightly higher than the normal request for an overall increase of approximately \$18,000. The principle reason for the increase is due to staffing changes that replaced part-time employees with full-time employees.

Telephone expenditures were reduced by 25% due to a change in carriers. There was a slight increase in the lease for office space, and audit expenses will increase 13%. Another reduction is for equipment lease due to the final payment for postage machinery. Interest income has also increased, generating \$11,000 to \$12,000 per year.

Stanley Stanzin asked, "Will Ann be paid for maternity leave?" Mr. Favaloro answered, "Ann will be able to use her accumulated vacation and sick time, which will run through the end of May. At that point in time, she will be on uncompensated leave."

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Mr. Favaloro also noted that the budget makes an assumption of a step increase for employees and a structural increase of 1.5%.

A Motion was made **TO APPROVE THE ADVISORY BOARD FY00 BUDGET.** It was seconded and approved by unanimous vote.

III. ACTION ITEM: Advisory Board Comments and Recommendations on the MWRA's Proposed FY00 CEB

Cornelia Potter reported that the Advisory Board has found between \$10 and \$11 million that can be reduced from the Authority's proposed budget, for a revised rate increase of just under 4.2%.

Staff has made a series of recommendations for reducing direct expenses by approximately \$5 million; indirect expenses of approximately \$5.5 million; and suggested areas where non-rate revenue and income can be expanded for slightly more than \$400,000; totalling \$10.8 million in reduced rate revenue that needs to be requested from the communities.

In addition, a narrative recommendation was made for the Authority to pursue additional debt service assistance from the Commonwealth.

John Carroll suggested that discussion be expanded in the Advisory Board's CEB comments and recommendations regarding debt escrow and the rate stabilization fund to give readers a better understanding of these rate management tools.

Katherine Haynes Dunphy also requested that a one-page summary of MWRA Reserve funds be incorporated into the comments, including a discussion on reserve totals, sources of funding, spending limits and associated risks.

Ms. Potter noted that the Operating, Insurance and Renewal and Replacement Reserves are funded at \$107 million. The CORE Fund has \$20 million, Debt Service Reserve Fund has \$232 million, Operating and Revenue funds together are about \$26 million. The Authority states that the average annual balance of all of the funds is \$657 million.

After much discussion among the Executive Committee, it was suggested that the use of rate management funds could result in a revised increase of 2.5% for the Authority's proposed budget.

A Motion was made **TO APPROVE THE ADVISORY BOARD'S COMMENTS AND RECOMMENDATIONS ON THE MWRA'S PROPOSED FY00 CEB, WITH THE ADDITION TO LIMIT THE INCREASE TO 2.5% (WITH THE ADDITIONAL FUNDS TO REACH THE 2.5% LEVEL TO COME FROM STABILIZATION FUNDS).** It was seconded and approved, with John Sullivan opposed.

Additionally, Ms. Potter noted that the Authority has added a Current Expense Budget Amendment which will be transmitted to the Advisory Board within the week. The Authority proposes to transfer \$2.5 million from the unbudgeted SWAP income to cover greater than

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budgeted expenses in FY99, primarily from Residuals greater than budgeted spending, plus \$1 million of Y2K related generated purchases.

IV. ACTION ITEM: Application by Regis College to Connect into the MWRA Sewer System through Waltham

Mr. Favaloro stated that the Operations Committee voted to allow the Regis College connection into the MWRA system subject to provisions, and noted that there were four meetings with presentations and discussions relating to this vote.

Ed Sullivan asked, "Does the petitioner have any difficulty with the provisions that are invoked?" Peter Silbermann, consultant for Regis College, stated that all the provisions were acceptable and noted that many are already in place.

Ms. Dunphy asked, "If additional peak flow is added to the MWRA interceptor or the Waltham system, will that cause overflows during heavy rains?" Mike Hornbrook, MWRA Sewerage Division, replied that the Authority performed a hydraulic model analysis of the MWRA regional system with the flow being proposed, both on an average and peak basis, and did not see any overflows or surcharging in the MWRA system as a result of that discharge under MWRA design conditions and under a two and five-year storm event. The MWRA recommended approval to the Advisory Board based upon that analysis.

Mr. Favaloro noted that the Advisory Board has had communication and acceptance from Waltham, Weston, DEP, MEPA and the MWRA.

John Sullivan asked, "Will Regis pay their sewerage fee to the MWRA?" Mr. Favaloro responded that they will be paying directly to the MWRA at the 90th percentile of all community rates. That has been calculated for their first year of flow coming in at approximately 69,000 gallons, though they have the capacity of 90,000 gallons, and would be approximately \$180,000.

John Sullivan asked, "Are the meters that register the flow maintained by the MWRA or Regis College?" Mr. Silbermann responded, "The college is open to either scenario. Right now we are planning to install and maintain the meters under a maintenance plan that has been required by your agency and the City of Waltham. Our intention is to maintain it and to provide data to Waltham and the MWRA, but if MWRA or Waltham would wish to take over the maintenance and control of that metering station, Regis would be more than agreeable to that."

Mr. Hornbrook reported that the MWRA has no problem with Regis College operating and maintaining the metering station, and noted that the Authority will do spot checks to verify the flow.

A Motion was made **TO APPROVE THE APPLICATION BY REGIS COLLEGE TO CONNECT INTO THE MWRA SEWER SYSTEM THROUGH WALTHAM.** It was seconded and approved by unanimous vote.

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- V. UPDATE:** Process and Schedule for Election to Board of Directors
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Mr. Favalaro noted that the Board of Directors term of John Carroll expires on June 30th. The process for election will include interviews at the June Executive Committee meeting of potential candidates for the seat, and then a vote during the June meeting of the full Advisory Board.

- VI.** Approval of the Advisory Board Agenda for April 22, 1999

A Motion was made **TO APPROVE THE ADVISORY BOARD AGENDA FOR THE APRIL 22, 1999 MEETING WITH THE ADDITION OF AN UPDATE ON THE LOCAL PIPELINE TASK FORCE.** It was seconded and approved by unanimous vote.

VII. ADJOURNMENT

A Motion was made **TO ADJOURN THE MEETING AT 10:15 A.M.** It was seconded and passed by unanimous vote.

Respectfully submitted,

Edward Sullivan, Secretary