

**MWRA ADVISORY BOARD MEETING
SEPTEMBER 16, 1999
MASSACHUSETTS STATE HOUSE
ROOM 350, BOSTON, MA**

MINUTES APPROVED AT THE NOVEMBER 18, 1999 MEETING

Sixteen members were present: Guy Carbone, BELMONT; John Sullivan, BOSTON; Peter Ditto, BROOKLINE; J. R. Greene, GUBERNATORIAL APPOINTEE; Bruce Kenerson, LYNNFIELD; Gabriel Federico, MEDFORD; Peter Hersey, MELROSE; Katherine Haynes Dunphy, MILTON; Jay Fink, NEWTON; Ted McIntire, READING; Rod Granese, REVERE; Joe Foti, SOMERVILLE; Steve Casazza, WAKEFIELD; Walter Woods, WELLESLEY; Jean Thurston, WESTON; Robert Antico, WILMINGTON.

Also present: Representative Robert DeLeo; Representative Carol Donovan; Representative J. James Marzilli; Representative Anne Paulsen; Representative Walter Timilty; Lenny Riley, MEDFORD; Mike Marlello, WAKEFIELD; Tony Zuena, SEA Consultants; Steve Estes Smargiassi, Jonathan Yeo, Ted Cosgrove, Charlene Rideout and John Gregoire, MWRA STAFF; Joe Favaloro, Cornelia Potter, Ryan Ferrara and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF.

A. WELCOME

The meeting was called to order at 11:56 a.m. by Chairman Joe Foti, who acknowledged the presence of Representatives Donovan, Marzilli, Paulsen and Timilty. Chairman Foti introduced Representative Robert DeLeo, Chairman of the MWRA Legislative Caucus.

APPROVAL Representative DeLeo welcomed everyone to the State House. He stated that progress has been made on the state budget, but is not yet complete. Representative DeLeo will report immediately to the Advisory Board when the budget is ready.

B. APPROVAL OF THE MINUTES FROM MAY 20, 1999 AND JUNE 17, 1999

A Motion was made **TO APPROVE THE MINUTES FROM THE MAY 20, 1999 AND JUNE 17, 1999 ADVISORY BOARD MEETINGS**. It was seconded and passed by unanimous vote.

C. REPORT OF THE EXECUTIVE DIRECTOR

Joe Favaloro thanked members for their attendance and acknowledged that in light of the imposing threat of Hurricane Floyd, many members called stating that their job responsibilities kept them within their communities.

Mr. Favaloro reported that Craig Sanderson has left the Advisory Board and that an advertisement to fill the Budget Analyst position would be posted the following Sunday. In addition, Ann Chamberlin LaBelle has decided not to return from maternity leave, requiring the advertisement of the Public Affairs/Media position in the next month as well.

- D. **PRESENTATION - Southern High Service Extension Study**, Jonathan Yeo, Program Manager - Waterworks Planning and Ted Cosgrove, Community Relations Liaison, Public Affairs; Tony Zuena, SEA Consultants.

Ted Cosgrove of Public Affairs noted that Chapter 289 of the Acts of 1988 instructed the MWRA to conduct a study to determine the feasibility of connecting the supplemental water supplies of eight south shore communities to the MWRA's Southern High Service Extension. During the summer of 1998, the Authority contacted the DPW Directors of each community requesting at least one representative and interested citizen activists to join the Southern System Extension Citizens Advisory Committee (CAC). The CAC met monthly to determine the best alignment for the extension of the pipeline.

Tony Zuena, Project Design Engineer for SEA Consultants, reported that the Southern High Extension Feasibility Study was undertaken by his firm to determine the feasibility, cost and impact issues associated with extending the MWRA water system to eight communities south of Boston. Those eight communities are: Avon, Brockton, Braintree, Canton, Holbrook, Randolph, Stoughton and Weymouth. Canton's water is currently supplied by MWRA, but would be included as part of the project due to geographic considerations. The final report was presented to the Legislature in May of 1999.

Mr. Zuena gave detailed descriptions of both the proposed westerly and easterly alignments. The westerly branch is slightly longer and more expensive, but has the advantage of providing direct connections to all eight of the communities under consideration. A conservative assumption is that the project will require two treatment booster sites, pumping stations and possibly a water storage tank. When the costs are distributed to a greater number of communities, on a per community basis, the westerly alignment would be less expensive.

The easterly corridor was considered because it is not likely that all eight communities would elect to participate in this program. The easterly alignment is less expensive, but would not have direct connections to the communities.

The CAC expressed concern regarding the blending of MWRA surface water supplies with community supplies. For example, the MWRA fluoridates their water, while some of these communities do not. SEA's report states that there is no economical way to remove fluoride. If a community wants to participate in this program, they would receive fluoridated water. Additionally, the MWRA practices a corrosion control approach that requires fairly high pH levels and many of the communities in the study area use polyphosphates or polyphosphate blends for disinfection. With the high pH of MWRA water, it could render the local corrosion control practices less effective.

In addition, the MWRA disinfects using chloramine while most of the communities currently use a pre-chlorine residual. The two are not necessarily compatible. There is a possibility that parts of the distribution systems would have no residual as a result of the blending. The report concluded that these are legitimate concerns, but there are ways to address these problems.

Excluding water quality issues, the report outlines capital costs for the easterly alignment at \$33.2 million, with a substantial contingency built into that budget. The westerly alignment has a capital cost estimate of \$38.1 million, a difference of \$5 million. For hydraulic considerations, the westerly alignment includes an additional water storage tank at a cost of \$2.3 million, roughly half the difference. With good management practices, the water storage tank may not be required.

The timing of this project is contingent upon the determination of communities to participate. Under the assumption that this project would proceed in January 2000, completion would be expected late in 2005. For this project to be technically viable, MWRA has to complete their Covered Storage projects at Norumbega and Blue Hills. Those projects are expected to be complete in late 2005.

Jonathan Yeo stated that this project was undertaken at the request of the House Ways and Means Committee, who provided \$300,000. MWRA commissioned SEA to complete the study.

As requested by the CAC, SEA hired an independent rate consultant to evaluate the water rate impacts of this extension project on each community. The main financial components for a town joining the Waterworks system are the entrance fee, based on the town's projected water needs, and connection costs for joining the system. A new town would pay the same wholesale charge that all the other town's pay, which is \$1,047 per million gallons (mg). That will go up to the \$2,000 per mg range over the next ten years.

The analysis looked at what the impact was on water rates, and the annual household water bill. Each analysis was run in two ways. The first analysis assumed that both the entrance and connection fees are paid off over twenty years to the MWRA at 5.5% interest. The second analysis assumed the entrance fee is paid off, but connection costs were partially funded by a state-revolving loan with no interest. (This loan does not exist at this point, but there has been some discussion of creating such a fund.) Entrance fees for each town were based on projected needs and will ramp up over 20 years. Overall the water rates are not expected to change dramatically and in some towns rates will decline slightly over time.

Annual household water bills would increase, ranging from \$50 to \$65 per year, due to two factors. The first is an assumption that each household's water use would go up 10 to 15% as water bans and water restrictions are lifted. The second factor was the payments to pay off the fixed costs with the entrance fee and connection costs. Impacts vary from town to town.

To join the system, the towns would need the approval of: The Legislature and the Governor, the Advisory Board, the MWRA Board of Directors, the state Water Resources Commission (through the Inter-basin Transfer Act), and an Environmental Impact Review approval by MEPA. The MWRA has a System Expansion Policy that details many of the issues involved in a new community joining the MWRA water system. The Enabling Act made it tough for new towns to join stating that there could be no feasible local source options left, that the safety of the water system has to be adequate to supply them, and that there has to be effective demand management and conservation programs in the town. Approval is a lengthy process that involves detailed MWRA and Advisory Board review.

At this point none of the towns have requested membership. The Authority is meeting with selectmen and other groups from each community to present the study.

John Sullivan asked, "If the Town of Weymouth wants to join and no one else wants to, what do you do with cost?" Mr. Yeo replied, "That gets more difficult because if only one community wants to join now, and the MWRA builds a pipeline, it may not be big enough to then supply another community ten years down the road. That has not been resolved. Would you build a larger pipe to Weymouth with anticipation is an open question."

Rep. Paulsen asked, "Are other communities looking to join the system, and is there a planning process on exactly how many communities can eventually join?" Mr. Yeo responded, "There are towns that have a possibility of requesting our water over the next ten to twenty years. At this point, it is first come, first serve. We have analyzed which towns might come to us over the next ten to twenty years, and what our demand currently is and might be in the next 20 to 30 years."

Representative Marzilli asked, "Will the decision be made, should that concentration rise, by the MWRA or will there be an attempt by the MWRA to engage in a broader state-wide planning?" Mr. Estes-Smargiassi stated, "It is a state-wide process because regulatory agencies have put the MWRA into a full disclosure process."

Mr. Favaloro asked, "Realistically, what is the reception of this by the communities?" Mr. Yeo replied, "It is varied from town to town. Stoughton is swinging more toward solving the problem now, and that might involve the MWRA."

Mr. Favaloro stated, "The System Expansion Policy or regulatory process requires an exhaustive effort to find additional sources within your community, and protect those existing sources as well. No one would ever allow the abandonment of a local source or non-development of a local source to come to the MWRA."

E. COMMITTEE REPORTS

Executive Committee - Joe Foti

- **ACTION ITEM - Nomination and Election of FY00 Executive Committee**

Joe Favaloro noted that Frank Lagrotteria and Bob Simonds retired during FY99, and that Mike Nicoloro returned to the private sector. One vacancy remains on the Executive Committee.

On Friday, September 10, 1999, the current Executive Committee, acting as the Nomination Committee, compiled a slate of nominees for the FY00 Executive Committee. They voted to submit the following list to the full Advisory Board for approval:

<u>Chairman:</u>	Joe Foti, Somerville
<u>Co-Vice Chair of Finance:</u>	Katherine Haynes Dunphy, Milton Phil Farrington, Stoughton
<u>Vice Chair of Operations:</u>	Andrew DeSantis, Chelsea
<u>Secretary:</u>	Edward Sullivan, Canton
<u>Treasurer:</u>	Guy Carbone, Belmont
<u>At-Large:</u>	John Sullivan, Jr., Boston *Timothy MacDonald, Cambridge David Ravanese, Everett William Hadley, Lexington Peter Hersey, Melrose Stanley Stanzin, Needham *Jay Fink, Newton Bernard Cooper, Norwood Walter Woods, Wellesley Steve Powers, Winchester

* Denotes new member for FY00.

There being no nominations from the floor or discussion, a vote was called. A Motion was made **TO ADOPT THE PROPOSED FY00 SLATE TO SERVE AS THE FY00 EXECUTIVE COMMITTEE**. It was seconded and passed by unanimous vote.

- **LEGISLATIVE UPDATE**

Mr. Favaloro stated that Representative DeLeo's summary covered this topic. Many of the items are still in the budget, but the status won't be known until the budget is complete. Rep. DeLeo indicated that he was hopeful that it would be before the end of September.

- **STATUS:** NPDES Permit Appeal

Mr. Favaloro stated that the appeal has been filed. EPA has not scheduled a hearing, but has begun the process of settlement through discussions that would satisfy all of the appealing parties. At the invitation of EPA, Mr. Favaloro, along with Chairman Foti and Advisory Board Legal Counsel, Steve Goldberg, attended a session with EPA to try to resolve issues and concerns, which have not been satisfied at this point in time.

Subsequent to that meeting, EPA has asked to for a second discussion session, without the lawyers, so that this discussion can center less on legalese and more on practicality. EPA would like to make a decision on the hearing process within the next month.

Finance Committee - Phil Farrington/Katherine Dunphy

- **STATUS:** CIP Review Committee

Mr. Favaloro stated that during capital budget discussions in June, the Advisory Board recommended that the MWRA and its capital budget needed to be managed more directly and aggressively. One tool that staff offered was to actively pursue a cap on expenditures, including what the levels of those costs should be over the next three fiscal years. The numbers were not as important as the concept. MWRA staff's response was concern and rejection.

The Board of Directors established a CIP Review Committee that met on four occasions through the summer and early fall. A report was submitted to the Board of Directors that flagged the areas of discussion, including putting a cap in place, more aggressive management of the CIP and a presentation to the Board of Directors in November.

There was concern about setting a cap directed by both members of the Board of Directors that serve on the task force, Mr. MacRitchie and Ms. Hicks, and by MWRA staff. To the credit and support of the Advisory Board's three Board members, they are actively pursuing discussion of the cap at the Board level. In addition, the three Advisory Board members have stated that if the MWRA won't come to the table and discuss a cap in a constructive, pro-active manner, they will seek to get the cap through the Legislature.

Operations Committee - Andy DeSantis

- **UPDATE:** I/I Task Force

Jay Fink, Chairman of the I/I Task Force, stated that the task force began with representatives of municipalities, watersheds, and environmental groups, in response to the publication of the NPDES permit. When it became obvious that implications of this task force were going to hit all the communities, there was a second solicitation for communities to send a representative to be involved with the task force.

The I/I Task Force hopes to create a set of recommendations and items to be undertaken to try to come to grips with the I/I problems that all the communities face. The first meeting after the second solicitation occurred last week and there were a few new members present.

The task force established a half-dozen goals. The next step will be to define the steps required to reach those goals. The third phase will be to determine the break down of responsibilities to equally allocate the requirements so that it doesn't rest solely on the municipalities, the MWRA, or the regulators. The recommendations from the group are expected during June 2000.

- **PRESENTATION:** Annual Water Quality Report, Stephen Estes-Smargiassi, Director - Waterworks Planning

Steve Estes-Smargiassi stated that the Annual Water Quality Reports have been completed at a cost of \$0.28 per copy, including printing and postage, and will be mailed to consumers in every household beginning next week. Advance copies have been mailed to chief elected officials, community health boards and water departments so that they will have time to ask questions of the MWRA before the mailing reaches the consumer. In addition, it will be mailed to a variety of interest groups and sensitive water users for the same purpose.

The Annual Water Quality Report was part of the last revisions to the Safe Drinking Water Act. The Authority has spent an enormous amount of energy ensuring that the water is safe. The MWRA has made monthly reports available for the last three years to each water superintendent, local health boards, and local officials. This report carries it to the next step, directly providing water quality data to 900,000 consumers. The purpose of the report is to communicate effectively information on where the consumer's water comes from, how well it is protected, and what enhancements the Authority is pursuing so that people will be reassured. Most communities included an insert regarding their local systems as well.

Focus groups surveyed proved that people trust their doctors, local health boards and local water departments to provide them information on water quality. Survey information stated that 86% of people said they would trust their doctor with information about their water quality. Focus groups of doctors, however, showed they know less about water than ordinary citizens do. The Authority's effort over the next month is to provide adequate information to health care professionals.

E. QUESTIONS AND COMMENTS

No questions or comments.

F. ADJOURNMENT

A MOTION WAS MADE TO ADJOURN THE MEETING AT 1:18 P.M. It was seconded and passed by unanimous vote.

Respectfully submitted,

Edward Sullivan, Secretary