

EXECUTIVE COMMITTEE MEETING
SEPTEMBER 10, 1999

MINUTES APPROVED AT THE OCTOBER 15, 1999 MEETING

Present: 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, Norman Jacques and Andrew Pappastergion, MWRA BOARD OF DIRECTORS; Joseph Favaloro, Ryan Ferrara, Cornelia Potter 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 MAY 14, 1999 AND JUNE 11, 1999 MINUTES OF THE EXECUTIVE COMMITTEE.** It was seconded and passed by unanimous vote.

II. ACTION ITEM: NOMINATION OF FY00 EXECUTIVE COMMITTEE

Mr. Foti reported that the previous Treasurer, Michael Nicoloro, has left the City of Cambridge to work for SEA Consultants, and noted that Guy Carbone has expressed an interest to serve as Treasurer of the Executive Committee. In addition, Jay Fink of Newton and Timothy MacDonald would like to join the Executive Committee in At-Large positions. Mr. Foti noted that Frank Lagrotteria of Weymouth and Bob Simonds of Woburn retired during FY99.

A Motion was made **TO ELECT THE DRAFT NOMINEES TO THE EXECUTIVE COMMITTEE FOR FY00.** It was seconded and passed by unanimous vote.

III. OFFICE UPDATE

Joe Favaloro, Executive Director of the MWRA Advisory Board, reported that Ann Chamberlin LaBelle would not be returning from maternity leave. The process to fill her position will begin in late September or early October.

Additionally, Craig Sanderson has left the Advisory Board staff to be the Assistant Town Manager of Sandwich. The recruiting process to fill this position will begin in mid-September.

Mr. Favaloro stated that important improvements are being made within the office with the transition to new computers.

Water and Sewer Rate Surveys are slightly behind schedule due to Craig's departure, but every effort will be made to complete the survey as close to the usual deadline as possible. The Water and Sewer Retail Rate Survey is the number one requested document that the Advisory Board publishes.

IV. STATUS OF NPDES PERMIT APPEAL

Mr. Favaloro stated that the official appeal of the NPDES permit has been filed, with all of the wastewater communities included. No community asked to be removed from the appeal; however, calls and letters in support of the appeal were received.

EPA missed the deadline to schedule an official hearing at the first level; however, they have begun to try to settle some of the issues with complainants. Mr. Favaloro stated that he will be meeting with Ken Moraff, along with Steve Goldberg (representing the Advisory Board), Virginia Renick and Mary Jeka (from the MWRA), and Mr. Foti, on September 13. Additionally, EPA will be meeting with all of the other individuals and organizations that have appealed the permit.

Mr. Favaloro stated that he believed EPA would be willing to eliminate the 1.4 mgd expansion cap, allowing the system expansion process to be incorporated into the permit; and that EPA would likely lessen I/I requirements and utilize the I/I Task Force. However, EPA is still adamant about water conservation and their desire for a new national water conservation policy. The MWRA continues to do a good job with water conservation.

Mr. Jacques offered, "Limiting MWRA's appeal to three items, with EPA willing to negotiate two of the three, puts the Authority in a non-cooperative position." Mr. Favaloro replied, "The bargaining chip is EPA's non-desire to have an appeal process. There was rationale on why the first two items should not be part of a permit. In a court proceeding, the weakest supportable requirement is water conservation."

Katherine Haynes Dunphy asked, "There was some mention that the tunnel wouldn't be open for another year because of an investigation into the two deaths. When will the tunnel open?" Cornelia Potter replied that the impact on the construction schedule is still unclear. OSHA released the tunnel shaft to the contractor for the continuing lining and finishing work. The Authority is putting together a removal plan for the last Humvee vehicle, which was left in the shaft. That plan has to be approved by OSHA. There is some question about who should do the removal: since the contractor is under investigation, should the contractor be the one to remove it. The delay on the tunnel will have an impact on the Current Expense Budget.

Mr. Favaloro stated that even if the OSHA investigation, the retrieval of the Humvee, and the oxygen issues are rectified, the window for doing the work on the diffusers is closing. In winter, MWRA will not send divers down to the ocean floor to remove the diffuser caps.

V. STATUS OF I/I TASK FORCE

Mr. Favaloro reported that the I/I Task Force has had nine meetings. The goal of this task force was to work with communities, environmental groups, watershed associations, and regulators to establish I/I programs that the Authority and the communities could each

utilize. Once the NPDES permit conditions came out, it forced a greater evaluation of what the role of the committee was. At this week's meeting, of the 26 people there, 24 represented communities. All affected communities should be in attendance at these meetings. The regulator's objective is to get the MWRA to be the center of a massive sewerage retail/wholesale operation that all communities would look to for direction.

Ms. Dunphy noted that several years ago when the NPDES permit was being discussed, Doug MacDonald commented that he was afraid the EPA would ask the Authority to do things, which are unprecedented and would be expensive. He stated that the MWRA couldn't do that because the communities haven't had any say, haven't been involved, and don't know what is going on. Ms. Dunphy expressed concern that community attendance at this meeting will allow regulators to say the communities were involved and had their opportunity to speak up.

Mr. Pappastergion noted, "The I/I Task Force was started because of John's notion that we ought to be finding ways to discharge sewerage before it floods people's cellars. That really hasn't been brought to the forefront of the discussion at all."

Ms. Dunphy stated, "I don't think the EPA is going to allow that. They are now placing a lot of emphasis on SSOs. Another concern is the increased cost of the CSOs to \$620 million, which is a \$70 million increase. How can we afford to do everything, and which ones do they want us to do first?"

Mr. Favaloro reminded members that the I/I Task Force meets the first Thursday of every month at the Newton Utility Building. Meetings will continue over the next several months.

VI. STATUS CIP REVIEW COMMITTEE

Mr. Favaloro stated that during the CIP comments, discussion turned to limits on CIP spending and managing the CIP budget more aggressively. This year the Advisory Board set a number on the CIP budget, based on MWRA's needs, and came up with the \$375 million range. That triggered discussion at the Board and an offshoot was the creation of a CIP Task Force, consisting of Advisory Board staff (Joe Favaloro, Cornelia Potter and Ryan Ferrara); two members of the Board of Directors (Lucile Hicks and Joseph MacRitchie); Mark Smith of EOEA; and MWRA staff, to exchange ideas on how to improve the process for CIP review and smooth spending. The CIP Task Force has met four times.

The Committee's intent is to inform the members of the Board of Directors regarding projects that are coming forward that are changing dramatically and new projects that have yet to be awarded. Over the next 18 months, the last major push of MWRA projects will be awarded. CSO projects originally called for a \$1.3 billion plan with a deep rock tunnel. Because of staff's efforts, the number was reduced to \$378 million. Over the last two CIP budget cycles, that number has grown to over \$600 million, including the Cambridge CSO Project which was between \$8 and \$14 million and is now at \$80 million. Additionally, projects in Boston have gone from \$80 to \$100 million to \$200 million. Mr. Favaloro stated, "Before a project moves forward, we should ask: Is this the right project? the right solution? the right price? the right time?" Another component was setting a cap. It is

Executive Committee Minutes - September 10, 1999

important to note that if the Authority has to build a water filtration plant, rate increases would ensue because the filtration plant is not currently part of the capital budget.

Ms. Potter stated if the MWRA is approaching the cap, they would need to limit new projects by rescheduling, repricing or rescoping to accommodate the changes in prior initiatives.

Mr. Jacques stated, "The Authority has a limited amount of money they can borrow, and that keeps increasing every time they go back to the legislature. If that was capped, then they would have to stay within that amount. We have to curtail our projects."

Ms. Potter stated, "That is the whole danger of the Authority's stubbornness, it puts the decision in someone else's hands."

Ms. Dunphy noted that MWRA staff will say that all of these projects are mandated, which will put the Board in a position of not funding projects that are mandated by court order.

Mr. Favaloro agreed that aggressive schedules are in place related to the court orders. He stated that a new policy needs to include an open dialogue with the court parties that speak to what the right schedule is for these projects.

Mr. Carroll stated, "Norm had a good idea. At the next Board meeting, we should bring up refusing to let staff increase the spending cap with the legislature. The Board authorizes the legislative package. We need six votes."

Ms. Potter also reported that the Authority's Capital Budget Manager has left over the summer. There is no acting CIP Budget Manager. Ron Joseph who is the overall budget manager is currently serving both roles. The Authority has initiated the preparation of the 2001-2003 CIP. The Current Expense Budget Manager is on maternity leave until December, so the Authority is down two major players in the Budget Office. The Advisory Board will not see a budget document for either the CIP or CEB for some time. They are already behind in their monthly reporting.

VII. LEGISLATIVE UPDATE

Mr. Favaloro reported that formal legislative meetings have been scheduled over the next two weeks, but currently, there is no state budget. In addition, language for the Local Pipeline Program is not yet in place.

Staff has met with the MDC to establish baseline rules for sharing Division of Watershed Management information. At the last meeting, MDC acknowledged that overtime worked by Watershed employees outside of the Division was charged back to the MDC Watershed Division. That practice has changed.

For the FY98 budget, MDC was running a \$1 million surplus in April. By July, it was down to \$200,000. A freeze was placed on MDC's spending to ask the questions on how that occurred. One year later, the question has still not been answered. At the end of FY99, the MDC Watershed Division had nearly a \$1.2 million surplus.

VIII. ANNUAL EVALUATION OF THE ADVISORY BOARD EXECUTIVE DIRECTOR

Mr. Foti stated that in addition to an evaluation, Joe Favaloro's contract expires in June 2000. The Executive Committee needs to offer a new contract and review compensation for the next three-year period.

Bernie Cooper made a Motion **TO EXTEND THE CONTRACT OF THE EXECUTIVE DIRECTOR FOR AN ADDITIONAL THREE YEARS AND FORM A THREE-MEMBER SUBCOMMITTEE OF THE EXECUTIVE COMMITTEE, CHAIRED BY JOHN CARROLL, TO NEGOTIATE A COMPENSATION PACKAGE.** It was seconded and passed by unanimous vote.

IX. APPROVAL OF THE ADVISORY BOARD AGENDA FOR SEPTEMBER 16, 1999

A Motion was made **TO APPROVE THE ADVISORY BOARD AGENDA FOR THE SEPTEMBER 16, 1999 MEETING.** It was seconded and passed by unanimous vote.

X. QUESTIONS AND COMMENTS

No questions or comments.

XI. ADJOURNMENT

A MOTION WAS MADE TO ADJOURN THE MEETING AT 10:09 A.M. It was seconded and passed by unanimous vote.

Respectfully submitted,

Edward Sullivan, Secretary