

**EXECUTIVE COMMITTEE MEETING
JANUARY 14, 2000
MINUTES APPROVED AT THE FEBRUARY 18, 2000 MEETING**

Present: Guy Carbone, BELMONT; John Sullivan, BOSTON; Peter Hersey, MELROSE; Stanley Stanzin, NEEDHAM; Jay Fink, NEWTON; Joe Foti, SOMERVILLE.

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 8:41 a.m. A Motion was made **TO APPROVE THE NOVEMBER 12, 1999 MINUTES OF THE EXECUTIVE COMMITTEE**. It was seconded and passed by unanimous vote.

II. DISCUSSION: MWRA PAYMENT DATE ALTERNATIVES

Joe Favaloro stated that the MWRA plans to change the payment cycle for communities beginning in FY01. The Authority suggested three alternatives: 1) All the communities keep the same schedule and change the City of Boston's. In return, to keep the City of Boston whole, BWSC would receive a reduction of \$770,000 for FY01; 2) Changes everyone's schedule by fifteen days; 3) Shorter, quicker payments. (Series of ten payments over the course of the year.) The Advisory Board can recommend an approach to the Board of Directors in February and can include it as part of the CIP and CEB comments.

John Carroll suggested that a process be developed to meet with the communities' treasurers and CEOs. Mr. Favaloro stated that Ken Wissman (MWRA Treasurer) is writing a letter to the community treasurers (with a copy sent to the Advisory Board designee) to schedule a meeting for early February to gain additional feedback for a February Advisory Board vote.

John Sullivan asked if all three alternatives would raise the same amount of cash. Mr. Favaloro stated that Doug MacDonald, Barbara Gottschalk or Ken Wissman would be at the Advisory Board meeting in January to make a presentation on cash flow on all three alternatives.

Jay Fink stated that in discussions with the comptroller for the City of Newton indicated that alternative three would be advantageous. Mr. Favaloro stated that previous MWRA polls of treasurers and comptrollers have opted for shorter, faster payments.

III. DISCUSSION: FY2001-03 CAPITAL IMPROVEMENT PROGRAM PROCESS

Mr. Favaloro stated that budget review is only successful if there is participation from communities and individuals during the process. From a staff perspective, writing the best set of comments in both the CIP and the CEB is about developing consensus around specific ideas and getting six members of the Board

Executive Committee Minutes – January 14, 2000

to agree.

Staff is trying to push heavily on themes and issues, which can be tied together with specific recommendations. Staff plan to focus on approaches which can be tied through all waterworks and wastewater projects and all support projects – i.e. different design tools, different construction approaches or projects that can be pushed back. To be successful, the Advisory Board needs more participation from the Chief Executive Officers of our communities.

IV. DISCUSSION: COMMUNITY OUTREACH REGARDING RATES

One way to focus attention on rates is to do one on one meetings with the Mayors and CEOs to put a dollar value on MWRA increases. Advisory Board staff used MWRA documents to evaluate what the water assessment increases are going to be between now and FY06. Additionally, wastewater assessments, community borrowings for grant/loan programs, water programs and an assumption that the water infrastructure loan program could be in place with the first payment in FY02 were laid out as clearly as possible to determine what communities' costs to the MWRA will be.

The Advisory Board has begun to schedule meetings with the Chief Executive Officers to offer more detail on future projections. Staff made no assumptions on how the methodology will impact on the wastewater side, or reduced flow on the water side, other charges from regulators regarding I/I, storm water regulations, or other improvements communities need to make to their own water or sewer systems. This is the rose colored version of the potential impacts.

John Carroll stated that debt service assistance is too complicated for people to understand. If there is a sense that the rates are going to be too high, then the simplest way to attack it is to convince the Legislature to provide more debt service assistance.

Mr. Favaloro reported that he planned to meet with Representatives DeLeo and Mariano, the Co-Chairmen of the Caucus, to inform them that the Advisory Board plans to put a fire under cities and towns to urge the legislature to provide additional levels of funding.

Norman Jacques suggested that an independent consultant be hired to determine how much money is being generated by the activity in the Seaport District because of the Boston Harbor clean up. That would be justification to increase the Authority's state aid.

Guy Carbone stated that the solution is the legislature. He suggested having the Boards of Selectmen call their representative and senator for more aid. This is the best projection and it can only get worse. John Carroll stated, "I would rather have Joe make a presentation to the CEOs that says the Advisory Board and Executive Committee have voted that they want to see debt service assistance increased to \$65 million over the next two years. We would like your support." He stated that you have to tell them what you want and put them in a yes or no position. If you go to communities and say if debt service assistance were increased \$3.2 million per year, we would have a 1% reduction. That's simple, people understand that.

Mr. Favaloro stated that the biggest problem is the MWRA. If the Advisory Board could get \$10 million more in debt service assistance, the Authority would spread it out to 2016 because they believe that 5 and 6% rate increases are acceptable.

Mr. Pappastergion suggested that the Advisory Board should not underestimate to the communities the point that wastewater flow adjustments may shift costs in all communities. Even though we have two-year averaging, it could be one of the largest drivers of changes in communities. Mr. Favaloro stated the water side has major shifts as well. Mr. Pappastergion suggested an emphasis on both.

Mr. Favaloro requested the support of the three board members on one other issue. The Authority is in the process of doing the five-year report to the Legislature and plans to insert into the report a message that relates to where Boston stands in relationship with other cities regarding water and sewer rates. Doug is saying that rates are not an issue and are affordable. The Advisory Board has suggested that should not be in the five-year report. How can you tell the Legislature the rates are affordable and then lobby for more money? Additionally, the MWRA wants to have the discussion over 70,000 vs. 90,000 gallons average use per household.

V. DISCUSSION: CURRENT EXPENSE BUDGET (CEB)

Mr. Favaloro stated that the message coming from the Current Expense Budget (CEB) is going to be a lot more direct – cap spending, more legislative aid. In the past, staff avoided putting a number in, but this report will say spend no more than “X” on the capital side.

At the culmination of the meetings with the CEOs, the Advisory Board plans a joint meeting hosted by one of the Mayors or Select persons where we can begin to formulate the Action Plan. That will be the engine that drives the Advisory Board’s CEB discussion into April.

VI. POTENTIAL SYSTEM EXPANSION:

**A) ACTION ITEM: 60 CRESTWOOD DRIVE, WELLESLEY
(SINGLE FAMILY HOME – WESTON)**

The Operations Committee voted to approve a connection for a single family home with a failing septic system for 330 gallons per day. The Operations Committee voted to take a four to one reduction of flow, equivalent to 1,320 gallons that must be removed from the Wellesley System and a Permit fee of \$7400.

A Motion was made TO APPROVE UNDER THE MWRA’S POLICY, SEWER CONNECTIONS SERVING PROPERTY OUTSIDE THE MWRA SEWER SERVICE AREA, THE APPLICATION FOR A SINGLE FAMILY HOME AT 60 CRESTWOOD DRIVE, WELLESLEY HILLS, MA (ENTIRELY LOCATED IN WESTON), SUBJECT TO THE FOLLOWING PROVISIONS: THAT THE APPLICANT, WORKING COOPERATIVELY WITH THE WELLESLEY DEPARTMENT OF PUBLIC WORKS, REALIZE A FOUR TO ONE GALLON REDUCTION OF FLOW IN THE WELLESLEY WASTEWATER SYSTEM, PROVIDING APPROXIMATELY A DAILY REDUCTION OF 1,320 GALLONS OF FLOW IN THE WELLESLEY SYSTEM; THAT THE APPLICANT PAY A CONNECTION FEE CONSISTENT WITH THE SYSTEM EXPANSION POLICY (FEE SET AT \$7,400). It was seconded and passed by unanimous vote.

B) TOWN OF READING

MWRA staff believes that Reading is interested in changing its relationship with the MWRA on the water side. The Advisory Board may hear in the coming months discussion relating to an application for Reading becoming a permanent MWRA water user.

VII. APPROVAL OF THE ADVISORY BOARD AGENDA FOR JANUARY 20, 2000

A Motion was made **TO APPROVE THE ADVISORY BOARD AGENDA FOR THE JANUARY 20, 2000 MEETING**. It was seconded and passed by unanimous vote.

VIII. QUESTIONS AND COMMENTS

Guy Carbone expressed concern regarding the engineering costs at the Walnut Hill Water Treatment Plant. He stated that a review of the November minutes displays something drastically wrong. He requested that the engineering firms be invited to a meeting for an explanation of what has gone wrong. Engineering fees are over \$37 million.

Mr. Favaloro reminded members that in order to placate the Justice Department and EPA, the MWRA is not only designing ozonation, but filtration as well. Mr. Pappastergion requested a break down on engineering costs for the treatment and filtration portions of the plant and the overlap in the design. Mr. Favaloro will include this information next month as part of the CIP discussion.

Ryan Ferrara stated that 7% design costs are standard. Considering that this design is for two plants (ozonation and filtration), then 14% of the overall project cost is not that far fetched.

IX. ADJOURNMENT

A MOTION WAS MADE TO ADJOURN THE MEETING AT 9:48 A.M. It was seconded and passed by unanimous vote.

Respectfully submitted,

Edward Sullivan, Secretary