

**MWRA ADVISORY BOARD MEETING  
NOVEMBER 16, 2000  
MASSACHUSETTS STATE HOUSE  
ROOM 350, BOSTON, MA**

**MINUTES APPROVED AT THE JANUARY 18, 2001 MEETING**

Twenty-six members were present: E. A. Maguire, ASHLAND; Guy Carbone, BELMONT; John Sullivan, BOSTON; Darrin McAuliffe, BRAINTREE; Ed Sullivan, CANTON; Peter Messina, EVERETT; Al Renzi, FRAMINGHAM; J. R. Greene, GUBERNATORIAL APPOINTEE; Ralph Pecora, LEXINGTON; Bruce Kenerson, LYNNFIELD; Ed Bates, MAPC; Dana Snow, MARBLEHEAD; Lenny Riley, MEDFORD; Peter Hersey, MELROSE; Stanley Stanzin, NEEDHAM; Jay Fink, NEWTON; Bernard Cooper, NORWOOD; Ted McIntire, READING; Donald Goodwin, REVERE; Joseph Attubato, SAUGUS; Joseph Foti, SOMERVILLE; Stephen Casazza, WAKEFIELD; David Savoy, WALTHAM; Jean Thurston, WESTON; Rob Antico, WILMINGTON; Fred Russell, WOBURN.

Also present: John Carroll and Norman Jacques, MWRA BOARD OF DIRECTORS; Stephen P. Crosby, Secretary of the Executive Office of Administration and Finance; The Honorable A. David Mazzone; Representative Robert DeLeo; Paul Epstein, BOSTON and BROOKLINE; Bill Guenther and Thacher Kezer, MASSACHUSETTS CLEAN WATER COUNCIL; The Honorable Robert Dever, WOBURN; Mark Smith, EOEA; Michael Smith, Aide to Senator Shannon; Rosalie Vincent, Aide to Representative Reinstein; Victoria Grafflin, Aide to Senator Jacques; Douglas B. MacDonald and Michael Hornbrook, MWRA STAFF; Joe Favaloro, Cornelia Potter, Ryan Ferrara, Nathalie Grady and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF.

**AGENDA**

**A. WELCOME**

The meeting was called to order at 12:13 p.m. by Chairman Joe Foti. Representative Robert DeLeo, Chairman of the MWRA Legislative Caucus, noted the celebration of the Advisory Board's 150<sup>th</sup> meeting.

To memorialize the occasion, Rep. DeLeo presented a citation to the Advisory Board, on behalf of the Massachusetts House of Representatives, offering its sincere congratulations in recognition of the Advisory Board's 150<sup>th</sup> meeting.

Steve Crosby, Secretary of Administration and Finance, stated that Lt. Governor Jane Swift, who was scheduled to attend, extended her regrets. He stated that the

Administration's perspective is that the MWRA is an absolute first-rate agency that has done a first-rate job. The advice and management that the Advisory Board has given as an oversight is first rate.

The Administration is committed to the notion of having a Request for Proposals on privatization, assess the data that comes back, and then make an informed decision. The Administration is not committed on privatizing the MWRA; we are committed to improving water and sewer services.

**B. APPROVAL OF THE MINUTES FROM SEPTEMBER 21, 2000 AND OCTOBER 19, 2000**

A Motion was made **TO APPROVE THE MINUTES FROM THE SEPTEMBER 21, 2000 AND OCTOBER 19, 2000 ADVISORY BOARD MEETINGS.** It was seconded and passed by unanimous vote.

**C. REPORT OF THE EXECUTIVE DIRECTOR**

Joe Favaloro stated that through the years the Advisory Board has achieved success because of the efforts of the Executive Committee and full Advisory Board. A special report is being prepared which will review accomplishments and future challenges. Hundreds of millions of dollars have been removed from MWRA budgets, a capital-spending cap put in place and over 100 pieces of legislation have been submitted by the Advisory Board.

**D. PRESENTATION: THE BOSTON HARBOR PROJECT –  
The Honorable A. David Mazzone, United States District Court Judge**

Mr. Foti, Mr. Carroll, Mr. Jacques and Mr. Favaloro presented an award to the Honorable A. David Mazzone, United States District Court Judge, in recognition of his commitment to the Boston Harbor Project.

Judge Mazzone expressed his appreciation and offered praise for the Advisory Board's efforts. He stated that this has been a long process and it is not over yet, and expressed his concern that the CSO projects aren't progressing as they should, the Reserve Channel particularly. There is still a lot of work to be done, but if there's credit to be given to having gotten this far and going forward, it belongs to the Advisory Board members. Additionally, Judge Mazzone expressed his admiration for Doug MacDonald, MWRA Executive Director. [Judge Mazzone then left the meeting to avoid hearing discussion of items that may be before him in the future.]

**E. PRESENTATION: FUTURE CHALLENGES – Douglas B. MacDonald, MWRA Executive Director**

Doug MacDonald, MWRA Executive Director, elaborated on the reorganization of the MWRA Operating Division over the last year, uniting 1,350 personnel from two separate divisions into a new unified Operating Division. Michael Hornbrook has been appointed the Chief Operating Officer (COO). Further consolidation will be done with the completion of the new Chelsea facility, which will house 650 employees.

In 1997, the Board of Directors approved a \$441 million program to do CSO controls for the whole region. Of the 15 major program components, 11 of those projects are in construction or design and two are still in design (on schedule). The project cited by

Judge Mazzone, North Dorchester Bay Reserved Channel Project, is the one that has become so problematic.

The process of improving the program has added an additional \$86 million to the original \$441 million estimate. Additionally, there are various proposals in play that may increase costs another \$180 million. Each proposal will be reviewed to see if the cost is justified. The capital-spending cap requires careful spending from this point on.

Mr. MacDonald stated that the Framingham Extension Sewer discussion about hydrogen sulfide and local limits continues, noting that the Board of Directors has asked for a monthly report.

Mike Hornbrook, COO, stated that the Inflow and Infiltration (I/I) Task Force came together in response to DEP and EPA pressures that the MWRA adopt and enforce flow limits or mandate certain operations and maintenance procedures for communities. Working together to develop regional goals and strategies on how to reduce I/I in the regional sewer system, the Task Force met for many months and developed a draft report, which will be voted upon on December 20. The recommendations consist of guidelines for member communities to follow, as well as some proposed strategies for DEP, EPA and MWRA. The biggest recommendation is the continuation of the I/I Grant/Loan Program.

Mr. MacDonald stated that a few months ago he was asked to write an article in a magazine called *Civilization* about privatization and competitiveness in the water business around the world. There is no single right way to run the water business, it depends on what your assets, resources and profits are. There is an important need to focus on the long term. MWRA has commissioned a competitiveness study, which was awarded to Black and Veatch, to review staffing issues. The MWRA today is 90 people smaller than it was in September of 1999.

Mr. MacDonald stated that the only real issue facing the MWRA is rates. The process that the Advisory Board conducts in going through the MWRA budgets is the most important contribution made by communities. A huge policy initiative for the Authority over the last three or four years has been to try to link water infrastructure with fundamental public health agendas. The American Public Health Association held its national convention in Boston earlier this week where the MWRA took a booth to reach out to public health officers in the communities.

## F. COMMITTEE REPORTS

**Executive Committee** - Joe Foti

### ❖ PRESENTATION/ACTION ITEM: LEGISLATIVE AGENDA

Joe Favaloro stated that the new legislative year kicks off on December 6, 2000, which is the date that all bills need to be filed. Rep. DeLeo will be sponsoring much of the package related to debt service assistance, followed very closely by legislation about the MDC that Senator Shannon and Rep. Mariano will be filing. Senator Jacques' office will be filing legislation related to limiting MWRA liability.

Mr. Favaloro introduced Bill Guenther of the Mass Clean Water Council to discuss legislation maximizing the State Revolving Loan Fund (SRF).

Mr. Guenther stated that infrastructure is a top issue for the state over the next five years. An infrastructure conference will be held on December 12<sup>th</sup> focusing on water, energy and transportation in an effort to bring these issues collectively on the table. The SRF is the last major surviving conduit for federal funds into Massachusetts for water projects. The Commonwealth's SRF is one of the most successful in the country, approaching \$2 billion, with principle repayments being paid back to the revolving fund, allowing more loans to communities and MWRA projects.

In 1996, the Legislature increased contract assistance for 0% interest loans for communities and projects. In last year's budget, a provision was added to end the zero interest after 2001. The fund would then move to a 2% interest rate, which is critical for providing for three to one leveraging. Mr. Guenther stated that we are all in favor of moving to three to one leveraging, but zero interest has been critical in getting communities to move forward with projects.

Thacher Kezer added that the fundamental issue on the SRF fund is a shift of responsibility of cost from the state to the local level. By 2005, about \$15 million of costs for contract assistance that the state was going to pay would be shifted to the communities. The legislation would have the state carry the interest costs and communities carry the capital cost and repayment cost.

Jay Fink stated that the rationale for the 2% interest was to take that money and assist more communities. At zero interest, how would the Council's initiative help more communities? Mr. Guenther stated that there are two issues: 1) How do we get more money out there? The answer is three to one leveraging. 2) Who should help pay for that additional contract assistance cost? The Council wants to keep the 50/50 partnership and have the state maintain the contract assistance portion, and let the cities and towns pay the capital costs.

The Administration is pushing development and affordable housing. Communities need to be able to build the water and sewer systems to support that growth. There is a good argument that zero-interest loans and a 50/50 partnership provide the incentives to get projects done.

Mr. Favaloro stated that the evolution of the SRF is going in the wrong direction. We went from 100% grants back in the 70s, to grant/loans, to less grant/more loan. Now the loans have more threads. The SRF is working successfully, the Commonwealth should leave the formula unchanged.

A Motion was made **TO ACCEPT THE LEGISLATIVE AGENDA [listed below] FOR FY01**. It was seconded and passed by unanimous vote.

- Expansion of debt service assistance to include water treatment related components.
- The increase of eligible percentage of debt service assistance from 20% to 25%.
- Proposed state funding of the I/I Assistance Program.
- Propose the establishment of a program for local pipeline infrastructure improvements for MWRA communities, administered through the Massachusetts Water Pollution Abatement Trust.

- Support of Massachusetts Clean Water Council initiative to return State Revolving Funds to 0% interest from 2%.
- Propose the incorporation of the MDC Watershed Division into the MWRA.
- The return to a 50/50 split between MWRA and the Commonwealth for the MDC Division of Watershed Management budget.
- Propose that the Commonwealth assume the debt service for land acquisition costs and pilot payment costs.
- Propose exemption of MWRA from Comptroller's annual assessment of MWRA for 30% of MDC watershed division employees' line item.
- Propose privatization study of the MDC Watershed Division.
- Propose maximum MWRA liability amount of \$100,000.
- Propose that the Commonwealth fund 100% of local share of Clinton Wastewater Treatment Plant cost.
- Propose privatization study of the Clinton Wastewater Treatment Plant.
- Propose prohibiting new connections to the Clinton Wastewater Treatment Plant made without compensation to MWRA for the costs associated with new flows.
- Language to allow the Authority to contract for advertising at MWRA facilities' properties.

**Operations Committee** - Andy DeSantis

❖ **REPORT: ONGOING DISCUSSION ON EXTENDING THE INFLOW AND INFILTRATION (I/I) GRANT/LOAN PROGRAM**

The Operations Committee has begun ongoing discussions regarding Round IV of the I/I Grant/Loan Program and is scheduled to meet again on December 12<sup>th</sup> in Chelsea City Hall. The Advisory Board's intends to have a vote at the January meeting so that a recommendation can be incorporated into the capital budget comments in February.

**G. QUESTIONS AND COMMENTS**

Ed Sullivan reported that the Town of Canton has received its permits for Well Number 9 and thanked the Advisory Board members for their support during the process.

Al Renzi of Framingham noted that the sulfide problem in the Framingham Extension Sewer could occur in other communities as well. He stated, "When the time comes to pay for the cost of this problem, I would hope that the Advisory Board members and the Board of Directors will remember to help us with this system-wide problem. It is not just a community problem."

**H. ADJOURNMENT**

**A MOTION WAS MADE TO ADJOURN THE MEETING AT 1:35 P.M.** It was seconded and passed by unanimous vote.

Respectfully submitted,

Edward Sullivan, Secretary