



MWRA Advisory Board

Spring 2001 Special Report

For over fifteen years, with distinction and diligence, the MWRA Advisory Board has successfully represented the sixty MWRA-serviced communities throughout the Commonwealth of Massachusetts. As ratepayers continue to demand a responsible balance be struck between fiscal and environmental concerns, the Advisory Board has implemented numerous solutions. Through budget reviews, legislation, advocacy, and even litigation, the Advisory Board continues to aggressively pursue the best interests of MWRA ratepayers.

The MWRA Advisory Board was created by the Massachusetts Legislature in 1985 to represent the interests of MWRA-serviced communities. Each community has a seat on the Advisory Board and a five-member staff maintains the Advisory Board office, located in Boston at a separate location than MWRA.

The MWRA Enabling Act statutorily empowers the Advisory Board to monitor operations of MWRA and appoint three members to the MWRA Board of Directors. After careful review of the Authority's capital and expense budgets, the Advisory Board submits our recommendations to the Board on budgets, management practices and policy issues.

In addition to acting as a "watchdog" in ensuring proper management and tight controls over ratepayer dollars, the Advisory Board serves as a liaison between communities and MWRA. The Advisory Board has proven to be a valuable source of information for communities by providing our Annual Water and Sewer Retail Rate Survey, formal comments on MWRA budgets and periodic newsletters. In addition, the Advisory Board's web-site offers ratepayers immediate access to MWRA Board of Directors' meetings, member lists and rate surveys. The Advisory Board regularly hosts scheduled meetings that are public and very often provide a forum through which ratepayers' concerns are communicated to MWRA.

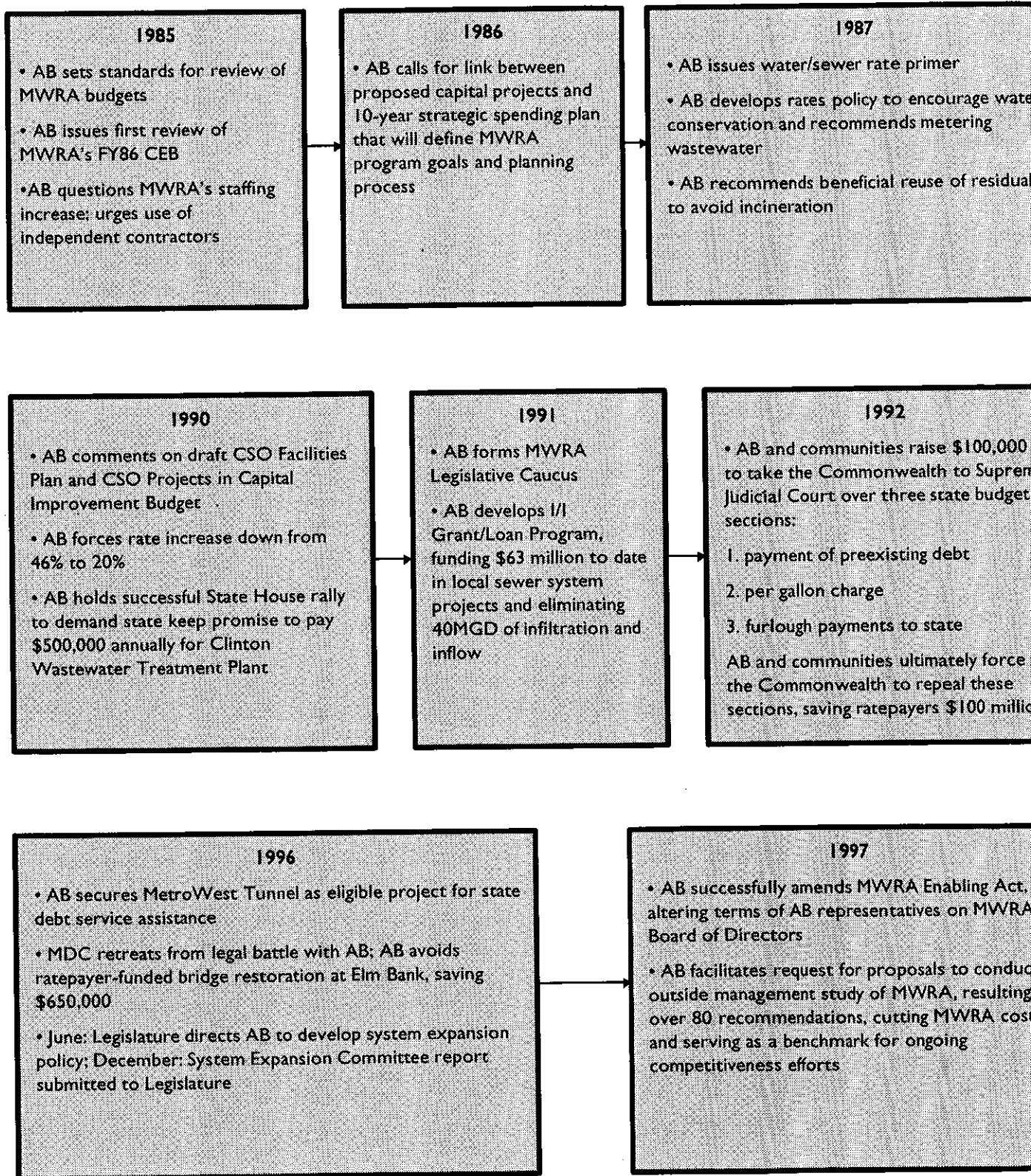
Periodically, the Advisory Board prepares a Special Report. Early into the new millennium, coinciding with the appointment of a new MWRA Executive Director and in recognition of the Advisory Board's Fifteenth Anniversary, we believe there is no more appropriate time to celebrate our mutual victories and outline our future goals.

Sincerely,

Joseph C. Foti,
Chairman

Joseph E. Favaloro,
Executive Director

MWRA ADVISORY BOARD



THROUGH THE YEARS...

1988

- AB tells state and federal government to "Put Your Money Where Your Mandates Are!"
- AB initiates grass-roots petition drive to demand federal/state financial aid for rates stabilization
- AB solicits state/federal funding (\$1 BILLION to date!)

1989

- AB comments on regulations for continuation of contract water supply statement on MWRA's Principles of Mitigation
- AB calls for creation of permit fees for industrial use, providing MWRA \$1.4 million annually
- AB calls for sources reduction, recycling, expanded industrial pretreatment and broad-based public participation

1993

- Legislature asks AB to develop new Sewer Rate Methodology
- AB launches "Common Goals Initiatives," improving MWRA's relationship with communities
- AB initiates Construction Impact Review Board to resolve disputes between MWRA and communities

1994

- AB and communities develop and adopt new rate methodology
- MWRA becomes eligible for state debt service assistance (\$280 MILLION to date!):
- FY95: \$27M
- FY96: \$32M
- FY97: \$39.3M
- FY98: \$40.8M
- FY99: \$44M
- FY00: \$48.4M
- FY01: \$51.3M

1995

- AB conducts cost/benefit analysis for Norumbega covered storage
- AG Harshbarger calls for "Big Dig Advisory Board" based on success of MWRA's AB
- AB wins 0% FY95 rate increase
- AB wins elimination of Battery D, saving \$165 million in ratepayer money and \$1 BILLION+ on revamped CSO Plan

1998

- AB hosts "Coffee and Conversation" with communities on water treatment options
- AB hosts public hearing on ozone vs. ozone/filtration water treatment option
- Legislature grants AB power to review MDC Watershed Division budget

1999

- Local Pipeline Task Force develops a ten year (FY01-FY10), \$250 million loan program to rehabilitate local water lines
- AB recommends cutting \$10.8 million of MWRA Current Expense Budget
- AB recommends cutting \$91.9 million of MWRA Capital Improvement Budget through:
 - better management of capital program;
 - reassessment of capital program spending;
 - convening of alternative-seeking task force;
 - pursuing federal grants/increasing state funding

ADVISORY BOARD ACCOMPLISHMENTS IN 2000

SLASHING PROPOSED RATE HIKES: Our Fifteenth Anniversary marks another fiscal year that we were able to convince MWRA's Board of Directors to reject the rate increases recommended by MWRA. From FY96 to FY01 the Advisory Board has held net rate increases to 20.58%. If MWRA's increases had been accepted, this figure would have been 40.8%!

MWRA SPENDING CAP: MWRA's FY01 budget process concluded our efforts to implement a capital-spending cap. Our recommendation of long-term capital spending limits prevailed during the comment period on MWRA's Capital Improvements Program budget. Capital spending is now limited to no more than \$2.3 billion from FY01-FY10. Additionally, our recommendation to set the first three-year cap at \$500 million in FY01, \$402 million in FY02 and \$329 million in FY03 was successful. Communities face countless demands within strict spending limits; so too must MWRA.

SURPLUS PROPERTY LANGUAGE: Prior to passage of the "surplus property amendment" in the FY01 state budget, MWRA maintained properties considered surplus to its mission. Fortunately, the Legislature agreed to an amendment that saves ratepayer dollars and gives communities the chance to utilize valuable properties. By clarifying the responsibility of the Department of Capital Asset Management to repossess properties considered surplus, as intended by the MWRA Enabling Act, the Authority can avoid spending ratepayer dollars on redundant facilities.

DEBT SERVICE ASSISTANCE: The MWRA Legislative Caucus continues to heed the cry for rate relief, with annual appropriations to the Commonwealth Sewer Rate Relief Fund topping \$378 million since FY94 and \$280 million offsetting MWRA debt service since FY95. Working with the MWRA Legislative Caucus during the FY96 budget debates, we were able to include funding for the MetroWest Tunnel within the debt service appropriation. During the current legislative session, we have renewed our efforts to make the Walnut Hill Water Treatment Plant eligible for debt service assistance as well.

SUCCESSFUL APPEAL OF THREE SECTIONS OF NPDES PERMIT: The Advisory Board appealed three sections of the National Pollution Discharge Elimination System Permit (NPDES), granted to MWRA for the Deer Island Treatment Plant (DITP). We first questioned limiting outside flow to the DITP to 1.5 MGD and argued that EPA could not set arbitrary limits on flow. The second condition instituted water conservation controls specific to MWRA. We argued that EPA overstepped its bounds by adding conditions for water use within a sewer permit. Additionally, MWRA and communities had previously instituted water conservation measures and not all MWRA-serviced communities are water communities. The third section related to Infiltration/Inflow (I/I) with EPA directing MWRA to regulate communities. The Advisory Board argued that MWRA is not an enforcement agency. Indeed, prior to the issuance of the draft NPDES permit, MWRA had already convened a task force to develop strategies with communities to reduce I/I. Months of legal filings and dialogue with DEP and EPA resulted in the successful modification of the three sections that the Advisory Board had contested.

COMMUNITY INITIATIVES: The voice of the Advisory Board is only as strong as the communities that we represent. Throughout the winter of 1999 and spring of 2000, Advisory Board staff met with mayors, city and town managers and elected bodies to preview anticipated rate increases and outline potential remedies. During the spring of 2000, the Advisory Board convened a CEO Rates Management meeting. The intent of the gathering was to develop a consensus for a Rates Management Resolution, which was ultimately signed by most community leaders and then presented to the MWRA Board of Directors. The Resolution influenced the Board's support of the Advisory Board's recommendations for rate reductions in FY01.

OZONATION VS. FILTRATION = \$180 MILLION SAVINGS: With the decision to avoid filtration came the opportunity to develop a local water infrastructure replacement program. System-wide there are over 2,485 miles of unlined pipes. On behalf of MWRA-serviced communities, we assembled a working group that consisted of representatives from communities, DEP, the Executive Office of Administration and Finance, MWRA and the Advisory Board to address the issue of local pipelines. Following six months of meetings, the Advisory Board and MWRA developed a \$250 million (\$25 million per year for ten years) zero interest loan program. To date nearly \$5.7 million have been distributed to communities.

CHALLENGES . . . 2001 AND BEYOND . . .

- **Make the Spending Cap Work for Ratepayers!**
- **Maximize Community Participation in MWRA Issues:** Coordination efforts with community leaders and ratepayers must be strengthened as our unified voice directly effects MWRA policies.
- **Impact Authority Predictions of 6% Rate Increases Through FY07:** The Advisory Board and communities must continue to work together to reduce MWRA's current rate revenue growth predictions of \$376 million in FY01 to \$555 million in FY07.
- **Monitor Spending and Construction Schedule of Chelsea Maintenance Facility:** This is a critical step toward consolidating responsibilities and moving MWRA into the new millennium.
- **Explore Opportunities for and Examine Issues of System Expansion:** The System Expansion Committee must be reconvened and the System Expansion Policy must be revisited.
- **Fully Restore Debt Service Assistance:** The Advisory Board will continue to work with the Legislature throughout the FY02 state budget process and beyond to fully fund the Commonwealth Sewer Rate Relief Fund, which is the source of debt service assistance.
- **Expand Debt Service Assistance:** As MWRA debt shifts from wastewater to water, opportunities must be sought to expand debt service assistance, with an emphasis on water projects.
- **Keep Regulators in Check:** Environmental regulations must demonstrate benefits for every ratepayer dollar spent.
- **Demand Accountability from the MDC Division of Watershed Management (DWM):** Ratepayers have no oversight, yet pay 100% of the \$20 million (and growing!) necessary to support the watershed program. Several options must be explored:
 - 1. Return to a "50/50" Budget Cost Split Between the Commonwealth and MWRA in Funding the DWM Budget
 - 2. Incorporate the DWM into MWRA
 - 3. Implement Advisory Board Oversight of the DWM Budget
- **Promote the Local Infiltration/Inflow Funding Program and the Water Loan Program:** Communities need assistance to improve water and sewer infrastructure.
- **Participate in MWRA's Competitiveness Study:** On behalf of ratepayers, the Advisory Board must ensure that the question being asked is how efficiently is the Authority being run.

ADVISORY BOARD MEMBERS

COMMUNITY

CEO

DESIGNEE

ARLINGTON
ASHLAND
BEDFORD
BELMONT
BOSTON
BRAINTREE
BROOKLINE
BURLINGTON
CAMBRIDGE
CANTON
CHELSEA
CHICOPEE
CLINTON
DEDHAM
EVERETT
FRAMINGHAM
HINGHAM
HOLBROOK
LEOMINSTER
LEXINGTON
LYNN
LYNNFIELD
MALDEN
MARBLEHEAD
MARLBOROUGH
MEDFORD
MELROSE
MILTON
NAHANT
NATICK
NEEDHAM
NEWTON
NORTHBOROUGH
NORWOOD
PEABODY
QUINCY
RANDOLPH
READING
REVERE
SAUGUS
SOMERVILLE
SOUTH HADLEY
SOUTHBOROUGH
STONEHAM
STOUGHTON
SWAMPSCOTT
WAKEFIELD
WALPOLE
WALTHAM
WATERTOWN
WELLESLEY
WESTON
WESTWOOD
WEYMOUTH
WILBRAHAM
WILMINGTON
WINCHESTER
WINTHROP
WOBURN
WORCESTER

Charles Lyons
John Ellsworth
Gordon Feltman
William P. Monahan
Hon. Thomas Menino
James Casey
Donna Kalikow
Juliet Perdichizzi
Hon. Anthony Gallucio
Avril Elkort
Jay Ash
Hon. Richard Kos
Mark Elworthy
Thomas R. Polito, Jr.
Hon. David Ragucci
John Kahn
Katherine Reardon
James A. Reichert
Hon. Dean Mazzarella
Jeanne Kreiger
Hon. Patrick McManus
Marc Miller
Hon. Richard C. Howard
William Woodfin II
Hon. William J. Mauro
Hon. Michael McGlynn
Hon. Patrick Guerriero
Charles McCarthy
Richard Lombard
Charles M. Hughes
John H. Cogswell
Hon. David Cohen
Dawn Rand
Gary M. Lee
Hon. Peter Torigian
Hon. James A. Sheets
James Burgess
George Hines
Hon. Thomas G. Ambrosino
Janette Fasano
Hon. Dorothy Kelly Gay
Thomas W. O'Donnell
David A. Coombs
Anthony C. Kennedy
Jeanne Fleming
Carole Shutzer
Stephen P. Maio
William P. Ryan
Hon. David F. Gately
Clyde Younger
Laurence D. Shind
Ripley Hastings
Thomas Dunn
Hon. David Madden
James E. Thompson
Robert J. Cain
Elizabeth Cregger
Gerald B. Ogus
Hon. Robert M. Dever
Hon. Raymond Mariano

Philip J. Farrington*
Edward Maguire
Richard Warrington
Guy Carbone*
John Sullivan, Jr.*
Darrin McAuliffe
Charles Barry
Syamal Chaudhuri
Timothy MacDonald*
Edward Sullivan*
Andrew DeSantis*
Christopher Golba

Paul G. Keane
David Ravanasi
Albert Renzi, Jr.

Thomas Cummings

William Hadley*/Ralph Pecora

Bruce Kenerson
Joseph Peluso
Dana Snow*
Doran Crouse
Gabriel Federico
Peter Hersey*
Katherine Haynes Dunphy*

John Craig
Stanley Stanzin*
Jay Fink*
Kara Buzanoski/John L. Meader
Bernard Cooper*
Peter Smyrnios
Ed Nelson
Paul Connors
Edward McIntire, Jr.*
Rod Granese
Joseph Attubato
Joseph Foti**
John Mikuszewski
Donald Buzzell
Jeffrey Oxman
Michael Hirsch
Alan Taubert

Patrick Fasanello
David Savoy
Gerald Mee
Walter Woods*
Jean M. Thurston
Philip Caruso/J. Timothy Walsh
Stephen C. Olson/Bradley Hayes
Albert Kirk
Michael Woods/Robert Antico
Karl Fryzel/George Zambouras

Fred Russell
Robert Moylan, Jr.

Gubernatorial Appointees:

Quabbin and Ware Watershed - J.R. Greene
Wachusett Watershed - Barbara Wyatt
Environmental Protection - Vacant
Boston Harbor - Vacant (two positions)
Connecticut River Basin - Vacant

MAPC Appointee:

Edward G. Bates

ADVISORY BOARD CHAIRMAN

1985 to Present:

Robert Healey -	Cambridge
Norman Jacques -	Needham
Walter Woods -	Wellesley
Andrew Pappastergion -	Brookline
Joseph Foti -	Somerville

ADVISORY BOARD MEMBERS - MWRA BOARD OF DIRECTORS

Past Members:

Anthony Fletcher -	Reading
Charles Lyons -	Arlington

Current Members:

John Carroll -	Norwood
Norman Jacques -	Needham
Andrew Pappastergion -	Brookline

ADVISORY BOARD STAFF :

Joseph Favaloro, Executive Director
Mary Ann McClellan, Administrative Assistant
Ryan Ferrara, Senior Policy & Finance Analyst
Cornelia Potter, Manager for Finance & Policy Review
Nathalie Grady, Government/Media Coordinator

MEETINGS THROUGH THE YEARS

Advisory Board Meetings -	168
Executive Committee -	173
Operations/Finance Committees -	154
Issue/Topic meetings:	
Sewer Rate Methodology, System Expansion Committee, Local Pipeline Task Force -	118
Public Hearings/Forums -	51
Total	664