

**MWRA ADVISORY BOARD MEETING
SEPTEMBER 16, 2004
NATIONAL HERITAGE MUSEUM
33 MARRETT RD. (ROUTE 2A), LEXINGTON, MA
MINUTES APPROVED AT THE OCTOBER 21, 2004 MEETING**

Twenty-three members were present: John Sanchez, ARLINGTON; E. A. Maguire, ASHLAND; John Sullivan, BOSTON; Timothy MacDonald, CAMBRIDGE; Ed Sullivan, CANTON; Andrew DeSantis, CHELSEA; Al Borgonzi, EVERETT; J. R. Greene, GUBERNATORIAL APPOINTEE; William Hadley, LEXINGTON; Bruce Kenerson, LYNNFIELD; Dana Snow, MARBLEHEAD; Doran Crouse, MARLBOROUGH; Don Ouellette, MEDFORD; Katherine Haynes Dunphy, MILTON; Lou Taverna, NEWTON; Ted McIntire, READING; Sam MacDonald, REVERE; Barbara Stevens, SOMERVILLE; Richard Stinson, WAKEFIELD; Walter Woods, WELLESLEY; Bob Angelo, WESTWOOD; Michael Woods, WILMINGTON; Steve Swymer, WINCHESTER.

Also present: John Carroll, Andrew Pappastergion and Joe Foti, MWRA BOARD OF DIRECTORS; Nan Crossland and Bob Alexander, DEDHAM/WESTWOOD WATER DISTRICT; Jon E. Norton, EVERETT; Dennis Meehan, LEXINGTON; Rob Antico, WILMINGTON; Jeff Dierchs, CAMP DRESSER MCKEE; Eileen Simonson, WSCAC; Hillary Anderson, NATIONAL HERITAGE MUSEUM; Phil Jasset and Matt Boger, UCANE; Michael Hornbrook, Stephen Estes Smargiassi, Marcis Kempe and Charlie Calapa, MWRA STAFF; Joe Favaloro, Cornelia Potter, Ryan Ferrara, Tracy Wadsworth and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF.

A. WELCOME

Chairman Katherine Haynes Dunphy called the meeting to order at 11:42 a.m. and introduced Advisory Board member William Hadley of Lexington. Mr. Hadley welcomed members to the Town of Lexington and introduced Hillary Anderson, the Director of Collections and Exhibits of the National Heritage Museum. Ms. Anderson welcomed members to the Museum and invited members to explore the exhibits.

B. APPROVAL OF THE MINUTES FROM JUNE 17, 2004

A Motion was made **TO APPROVE THE MINUTES FROM THE JUNE 17, 2004 ADVISORY BOARD MEETING**. It was seconded and passed by unanimous vote.

C. REPORT OF THE EXECUTIVE DIRECTOR

Advisory Board Executive Director Joe Favaloro stated that the Fall is a busy time of the year as staff gets ready for budget review and develops legislative strategy.

Board member John Carroll, working with Andrew Pappastergion and Joe Foti, brought to the MWRA Board of Directors a concept relating to rates.

Mr. Carroll explained that he has been thinking seriously about the idea of a “Proposition 2 ½” for the MWRA. As a consequence of the passage of Proposition 2 ½, cities and towns had difficult times, but somehow managed to get by (sometimes through overrides). Mr. Carroll’s idea is to think seriously about instituting a hard cap on rate increases for the future. It will cause severe problems for the staff of MWRA; However, it is worthwhile to consider and would include provisions for an override. Currently the Enabling Legislation says a vote of six members of the Board are required for a vote. Mr. Carroll suggests that a vote of nine members should be required for an override. There are questions about whether it is legal.

The Board of Directors agreed yesterday to set up a Committee to review this idea. The Committee will include the Chairman of the MWRA Board of Directors (Secretary of Environmental Affairs Ellen Roy Herzfelder), Board members Vincent Mannering, Andrew Pappastergion and John Carroll, and Advisory Board Executive Director Joe Favaloro.

Phil Jasset of UCANE asked how the 2½% was arrived at. Mr. Carroll said he arbitrarily picked a number, but it could be 3% or 1½%. It is not unreasonable given that rates have been slightly above or slightly below that figure in the past few years. The debt service appropriation by the legislature also plays into the decision. It has to be well thought out before it is done.

Walter Woods said the proposition is very timely since the Authority’s projections for rate increases are approaching double digits. Mr. Carroll said the debt service alone for the Authority is 60% of the Authority’s operating budget and is a major factor. It is a tough element to deal with, but Mr. Carroll is convinced that something can be done.

John Sanchez said he disagrees with the idea because he has seen community infrastructure decline over the years resulting from Proposition 2½. Perhaps the cap could apply to a portion of expenses. Mr. Carroll said an 8% cap would work. There is a point that a cap could be instituted that would not destroy the MWRA. In an organization as big as the MWRA, there is definitely room for improvement.

Nan Crossland asked if the MWRA would need to worry about its bond rating. Mr. Carroll said that is another concern that Finance staff has noted. These same issues were raised in 1982 and somehow we got through it.

D. PRESENTATION: SOMETHING SMELLS FISHY – THE CONTINUING PROBLEMS WITH ALGAE IN THE RESERVOIR – Stephen Estes Smargiassi, Director – Planning

Stephen Estes Smargiassi, MWRA Director of Planning, stated the water did not smell fishy; it smelled and tasted metallic. The MWRA had just come off a fair amount of publicity on lead so people wondered if it was lead they tasted in their water. It was algae.

From July 4th weekend through the end of August, the MWRA experienced a long and difficult algal bloom. It was a type of algae that the Authority has only seen at low levels called *Chryso-sphaerella*. When interacting with chlorine disinfection, it produced a metallic taste and odor. Communities received 860 calls concerning taste and odor over eight weeks. In a typical year, communities receive 100 calls for the same issues. In two months, there were as many calls as normally seen in eight years.

The reservoir was treated with copper sulfate six times over an eight week time period. The MWRA's goal is to detect the algae before it gets to a level of being a taste and odor nuisance and then treat the reservoir. The algae grows at an exponential growth curve and the Authority tries to get it early and knock the curve down. This one had not been seen before at this level. The *Chryso-sphaerella* is gone now. Staff is working on ways to alter the monitoring protocol to identify algal outbreaks earlier.

Eileen Simonson noted the MWRA has seen this organism before because it is in the reservoir. It has been known to be there continually but not at these levels. Mr. Estes Smargiassi agreed and said the Authority sees many dozens of different kinds of algae at very low levels continually.

Lead sampling is scheduled for September 22. Communities must collect all the samples required. If a primary location is unavailable – if the homeowner no longer wants to participate – DEP has asked that you notify them that you are going to sample the first of your backup sites. Communities are not specifically authorized by DEP to collect the second tier alternate backup samples until DEP has been notified. The goal is to have every community collect 100% of the samples required so the MWRA as a system does not have a sampling violation.

Mr. Carroll asked what happens if the District, as a whole, passes this round of tests. Does that make communities exempt from having to replace their lead services? Mr. Estes Smargiassi replied his understanding is the MWRA and DEP have agreed that if MWRA passes twice in a row, in March and September, the mandatory sampling programs become voluntary and the lead replacement program for the 13 or 14 communities should not be required. Further, Mr. Estes Smargiassi believes that EPA has agreed, however, it is not in writing. Until it is in writing, we cannot be absolutely sure.

Mr. Carroll noted the Town of Weston failed the last round and it has no lead services at all. Mr. Estes Smargiassi said three communities where community samples exceeded the action level in either September or March did not have lead services – Lynnfield Water District, Weston and Lexington. Lead in those samples is coming from kitchen faucets and lead solder joints within the first twenty feet of the kitchen.

Communities will be receiving an invitation for a meeting jointly sponsored by the Advisory Board and the MWRA on Walnut Hill Water Treatment Plant startup. MWRA plans to start up the plant in the spring of next year.

E. COMMITTEE REPORTS

Executive Committee – Katherine Haynes Dunphy

❖ ACTION ITEM: ELECTION OF FY05 EXECUTIVE COMMITTEE

Hearing no nominations from the floor, the following slate was submitted by the Nomination Committee for consideration by the full Advisory Board:

Chair: Katherine Haynes Dunphy, Milton
Vice Chair of Finance: Bernie Cooper, Norwood

Vice Chair of Operations: Jay Fink, Lynn
Secretary: Edward Sullivan, Canton
Treasurer: John P. Sullivan, Boston

At-Large: *Lawrence Barrett, Stoughton
Andrew DeSantis, Chelsea
William P. Hadley, Lexington
Timothy MacDonald, Cambridge
Edward D. McIntire, Jr., Reading
Ralph Pecora, Waltham
John Sanchez, Arlington
Dana Snow, Marblehead
*Barbara Stevens, Somerville
Lou Taverna, Newton
Walter Woods, Wellesley

*New member for FY05.

A Motion was made **TO ADOPT THE PROPOSED FY05 MEMBER SLATE AS THE FY05 EXECUTIVE COMMITTEE.** It was seconded and passed by unanimous vote.

❖ **LEGISLATIVE UPDATE**

Mr. Favaloro noted that Tracy Wadsworth, the Advisory Board's Government/Media Coordinator, will be leaving the Advisory Board to be the MWRA's new Intergovernmental Manager next week. Ms. Wadsworth will continue to work closely with the Advisory Board on legislative strategy.

Ms. Wadsworth said a summary of approved Advisory Board endorsed legislation includes the Watershed Protection Trust (Trust), which was a huge victory. The Trust passed through the budget process and was championed by Senator Brewer. The first meeting of the Trust's Board of Trustees is scheduled for September 29. For the first time in the history of the Authority, the Authority will have a seat at the table where the budget decisions on watershed protection are being made.

Additionally, Debt Service Assistance was approved at \$10 million this year, double the \$5 million allotted last year.

Mr. Favaloro added there is one outstanding piece on the Trust. The five-member Board of Trustees has three members in place, with two members yet to be appointed. There were constitutionality issues with language that came out of the legislature for the fourth and fifth members – an argument between the Executive and Legislative branches of government on their responsibilities. Staff is working to find alternatives for the fourth and fifth members. The three members are the Executive Director of the MWRA, the Secretary of Environmental Affairs (or her designee) and a representative of anglers and fishermen in central-western Massachusetts. The Board can serve with three members until the fourth and fifth members are selected.

Operations Committee – Jay Fink

❖ **PRESENTATION: DEDHAM/WESTWOOD'S APPLICATION TO JOIN THE MWRA WATER SYSTEM** – Nan Crossland, Executive Director – Dedham/Westwood Water District

Nan Crossland, Executive Director of the Dedham/Westwood Water District (DWWD), spoke to members regarding the reasons why Dedham/Westwood has applied to the MWRA. The Environmental Notification Form (ENF) is out, with the comment period ending September 24. It is a large document because Dedham/Westwood plans to expand it to become the Environmental Impact Report (EIR).

The DWWD is totally a groundwater system that was taken over from the Dedham Water Company in 1986. Since that time, DWWD has been searching for new sources. There are some opportunities for growth in the two towns.

DWWD was able to identify a site for a new well, despite the fact the District has brown water quality problems with manganese in most of its existing wells. The site was in a confined aquifer that does not have these problems and had good quality water. The well was built after a nine year process. The bad news is the well must be shut down when the Neponset River is low. The time it is needed the most is when the River is likely to be low. No other sources have been identified within DWWD's boundaries.

The application to the MWRA would be an opportunity to meet modest growth projections. DWWD has been using a new MWRA connection to a transmission main that runs through Dedham because a new standpipe was being built. Not much water was taken during that time, but it was comforting to know it was available for adequate fire protection.

DWWD basically needs on average 100,000 gallons of water per day during the summer months, only when its system cannot meet peak demands. There may be years DWWD would buy none. DWWD has had water bans nine years out of ten and has never been afraid to do total outside water bans. This connection would help ensure public health and safety in the DWWD system. New developments in the system are not allowed to use DWWD water for outside watering. They must build rainwater collection systems. DWWD is currently has a commercial water audit of large users and has found that most of the commercial users are following the recommendations, such as replacing toilets.

Eileen Simonson said while reviewing the ENF she noted that the Dedham/Westwood Water District does not own all of Zone One. How have you managed to have DEP allow you to run the system? Is there an opportunity for the DWWD to buy any of that land? Ms. Crossland responded that is one thing DWWD has been reviewing. This was grandfathered. Wells were built in the 1950s and DWWD has carefully been guarding Zone One despite the fact that some of them have buildings on them. There are very strict hazardous materials and building bylaws in place. Ms. Crossland stated she knows of only one Zone One that is basically open land and DWWD is looking to get a conservation restriction from them. There is some talk about selling or developing it. The owner knows that nothing could ever be done there that would adversely impact the water supply.

Ms. Simonson asked if there is any land in the Dedham/Westwood system where more storage might be developed. Ms. Crossland responded in DWWD's long range plan, it has one other storage tank in the planning process that has to do with system hydraulics. Jeff Dierchs of Camp Dresser McKee added that usually storage is not a great substitute for a shortage of supply because a shortage may last for quite some time and it usually is not feasible to build a 10 to 30 million gallon storage tank that will sit there most of the time without being circulated and used. That was one of our concerns. It is much better to have a reliable supply. Ms. Simonson said there are so few days that it might be necessary that the additional storage might in fact be a benefit.

❖ **UPDATE ON POTENTIAL SYSTEM EXPANSION REQUESTS**

Mr. Favalaro stated potential applications that may be before the Advisory Board for entry into the MWRA water system are Wilmington and Reading. Wilmington is in the front end of the process to lead to an application in the next fiscal year or beyond. Reading was moving forward, but has hit snags with DEP.

❖ **UPDATE: WASTEWATER METER REPLACEMENT PROGRAM** – Marcis Kempe, Deputy Director, Operations/Director, Operations Support

Marcis Kempe, Director of Operations Support, said the MWRA's metering system was aged, with meters installed ten plus years ago. It was physically failing and the Authority was spending extraordinary amounts of money keeping it running. It was decided to replace the meters.

MWRA is half way into the installation period and it is not going nearly as well as staff would like. Only 69 of 220 meters have been installed; of those, 36 have been accepted. Staff set up a fairly rigorous acceptance process, driven by concerns for accuracy.

Staff took measurements with the old meters. After the contractor does the installation they are required to make a submission to the MWRA with all the information about that site. There are programming and technologies being used that require some judgment about what variables to assign to some of the factors. A radar device needs to be programmed. The contractor gives staff those submissions and what they have measured in the field. All of that information has to be given to the MWRA before a review can be started. This process is running behind.

The metering devices chosen were highly accurate in a laboratory situation. The meters need to be installed under real world conditions. Staff has found that some of the manholes have issues that affect the performance of the different devices. Some devices have been retrofitted and others moved to the next manhole. Staff expects a 100% functional meter. Comparative analysis is being done. Staff thought two meters would be installed per day, but that is not the case.

Staff did not anticipate this level of difficulty installing these devices. The reason staff is having such difficulty is the rigorous review. Once a site is accepted, the contractor gets paid, so it is in their interest to get the project done. Accepted sites become part of the system waiting for complete acceptance. Staff initially wanted the contractor to address the existing problems before moving on to the next site and found it was unworkable because the two meter installation per day goal was not being met.

The contractor has added field crews and office staff and has addressed equipment issues. MWRA is expediting acceptance by adding crews and staff. Instead of two meters per day, the goal has been changed to four per day to catch up over the next few months. The one caveat is weather. The goal is 100% of the field sites installed and accepted by March and to run the thirty-day performance test for the entire system before final acceptance. Acceptance is necessary before these meters can be used as the basis of assessments.

The first 34 accepted sites show a percentage change. Part of the acceptance process is to see, in as short a period as possible, what the old meter was doing before and what the new meter is doing after. Sometimes the periods are a month apart, during which there has been rainfall or it is a different day of the week. Staff has tried to get a dry enough period to be able to compare an apple to an apple and got fairly random differences. The comparison must be done in a longer term.

Ryan Ferrara noted that monthly updates were requested to be forwarded to Advisory Board members and the Operations Committee. Updates have been inconsistent. Mr. Kempe said information has been sent to the caretaker of the meters in the communities via email, but the distribution list is too limited. The monthly Board update should be circulated to a wider distribution list.

Mr. Favaloro said this is a critical project. Dollars go out of the community based on this information. Surprises have to be avoided through regular communication via a regular monthly update.

Finance Committee – Bernard Cooper

❖ **UPDATE: CEB & CIP**

Cornelia Potter stated for FY04, on the capital side the Authority ended the year with spending at \$194 million, which was the lowest capital spending in fifteen years. The final amount was approximately 17% below the budgeted amount and more than 20% below the newly established cap amount.

On the Current Expense Budget (CEB) side, the formal year end surplus was barely \$1.5 million. In fact, the Authority had been building a surplus throughout the year principally in the area of variable rate debt that would have totaled between \$11 and \$14 million. The Authority used much of that surplus in the final weeks and months of the year for prepurchases and debt transactions to reduce spending requirements in FY05 and FY06.

The FY05 CEB and CIP have been drafted and are undergoing internal review. Authority staff has already begun the process for the FY06 capital budget preparations and will kickoff the FY06 CEB by end of this month.

The Authority reports that they plan to borrow, through the State Revolving Fund, sometime this fall. Staff sought authorization from the Board yesterday for borrowings ranging from \$90 to \$110 million, depending on the participation of other entities in the SRF Program.

The Authority is negotiating a refunding transaction, which is expected to be priced this week. The refunding will result in somewhat lower debt service payments for the specific maturities that are being repriced. The Authority also used some of this past fiscal year's surplus for a bond defeasance transaction. The amount totaled \$23 million, some of which was surplus and some already planned use from the bond redemption fund. This should allow for the lowering of debt service payments of \$17 million for FY05 and \$6 million for FY06.

Yesterday the Board approved the hiring of a new Budget Manager, Phil Moffitt, a current Planning Department staffer at the Authority. He will report to Budget Director Carl Erickson.

F. QUESTIONS AND COMMENTS

G. ADJOURNMENT

A MOTION WAS MADE TO ADJOURN THE MEETING AT 12:55 P.M. It was seconded and passed by unanimous vote.

Respectfully submitted,

Edward Sullivan, Secretary