

**MWRA ADVISORY BOARD MEETING
NOVEMBER 18, 2004
NEWTON FREE LIBRARY
330 HOMER STREET, NEWTON CENTRE, MA – 11:30 A.M.
MINUTES APPROVED AT THE JANUARY 20, 2005 MEETING**

Forty-three people were in attendance, including twenty-five voting members: John Sanchez, ARLINGTON; E. A. Maguire, ASHLAND; Peter Castanino, BELMONT; John Sullivan, BOSTON; Timothy MacDonald, CAMBRIDGE; Ed Sullivan, CANTON; Andrew DeSantis, CHELSEA; Al Borgonzi, EVERETT; J. R. Greene and Barbara Wyatt, GUBERNATORIAL APPOINTEES; Dennis Meehan, LEXINGTON; Jay Fink, LYNN; Bruce Kenerson, LYNNFIELD; Ed Bates, MAPC; Doran Crouse, MARLBOROUGH; Katherine Haynes Dunphy, MILTON; Lou Taverna, NEWTON; Bernie Cooper, NORWOOD; Peter Smyrnios, PEABODY; Ted McIntire, READING; Barbara Stevens, SOMERVILLE; Richard Stinson, WAKEFIELD; Earl Forman, WESTON; Robert Angelo, WESTWOOD; Michael Woods, WILMINGTON.

Also present: Joe Foti, MWRA BOARD OF DIRECTORS; Don McCabe, ARLINGTON; Jon Norton, EVERETT; Walter Heller, MILTON; Ed Bretschneider, WAC; Eileen Simonson, WSCAC; Phil Jasset and Matt Boger, UCANE; Michael Hornbrook, Pamela Heidell, Marcis Kempe, Fred Laskey, Carl Leone and Charles Calapa, MWRA STAFF; Joe Favaloro, Cornelia Potter, Ryan Ferrara and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF.

A. WELCOME

Chairman Katherine Haynes Dunphy called the meeting to order at 11:41 a.m. and requested a moment of silence in memory of the Honorable A. David Mazzone, the United States District Court Judge who presided over the Boston Harbor Clean Up Case. [The case has been transferred to Judge Richard G. Stearns who presided over the filtration discussion with EPA and ruled with MWRA and ratepayers in avoidance of filtration.]

B. APPROVAL OF THE MINUTES FROM OCTOBER 21, 2004

A Motion was made **TO APPROVE THE MINUTES FROM THE OCTOBER 21, 2004 ADVISORY BOARD MEETING.** It was seconded and passed by unanimous vote.

C. PRESENTATION: IMPACTS ON COMMUNITIES AND THE WALNUT HILL WATER TREATMENT PLANT DUE TO THE SHAFT C LEAK/WACHUSETT AQUEDUCT REACTIVATION

MWRA Chief Operating Officer Michael Hornbrook stated to tie the new Walnut Hill Water Treatment Plant (WHWTP) into the system, it was necessary to take the Cosgrove Tunnel offline and connect Shaft C into the new WHWTP and into the new MetroWest line. As staff brought the grade line up in the Cosgrove Tunnel to force the flows through the new WHWTP and into the MetroWest, a 1 MGD leak developed in a new surface pipe off Shaft C at the WHWTP.

It was determined the leak was in the joint. To repair the leak, MWRA had to bring the 105 year-old rehabilitated Wachusett Aqueduct back online so the Cosgrove Tunnel could be shut down, a process that the MWRA has undertaken over the past two weeks.

The Cosgrove pipe was dewatered and four engineering teams were sent in to evaluate the pipe and physically measure all the joints between the shaft through the plant. Sixty-one joints were measured, of which 60 met contract specifications. The only one that did not was where the leak occurred. There was a one-inch deflection down on the top of the crown. Each joint has a coupling and clamp that fits over it. When staff excavated, after bringing the system offline, it was determined the clamp was not installed correctly and may have put downward pressure on the pipe. Based upon internal and external inspection by the four engineering teams, it has been identified as a single source issue; the solution was a structural weld inside the pipe, which has now been repaired.

It will be necessary to disinfect this system and do a flow test at the maximum hydraulic grade line to make sure the fix is secure. The Authority will bring the Cosgrove back online and take the Wachusett offline within a week to ten days. Customers should not have seen any pressure or water quality problems.

An Advisory Board member asked who pays for the improvements. Mr. Hornbrook responded as far as MWRA is concerned, this is a contractor issue. The contractor installed the pipe and the contractor is responsible for fixing it.

Lou Taverna asked if there will be delays in bringing the treatment plant online. Mr. Hornbrook responded that staff is reviewing whether if this line is flushed and disinfected, there may be an opportunity to send some flow to the treatment plant to accelerate some of the testing to make up for any loss of time. Currently, there is not a firm answer as to whether or not this is feasible. If there is any associated impact, the time delay should be short.

Don McCabe asked if there are controls in place to avoid some of the troubles from other tunnels during project close out. Mr. Hornbrook said once the project is complete, as with all public works projects, MWRA typically has a one-year warranty period for workmanship and materials by the contractors. But, it is important to do these inspections as the work is being done before accepting the work as complete. Staff will

be running the system at the highest possible grade line that can be delivered. If it holds up, staff will have a high degree of confidence on a hydraulic grade line basis. If there are any other deficiencies, staff would aggressively pursue the contractor and/or the design engineers or the contract manager, or all three, to recover costs.

D. COMMITTEE REPORTS

Executive Committee – Katherine Haynes Dunphy

❖ ACTION ITEM: 2005/2006 LEGISLATIVE INITIATIVES

Mr. Favaloro stated after much discussion with the Executive Committee regarding the Debt Service Assistance (DSA) initiative and opportunities to increase DSA or the potential to widen the scope of eligible projects, it made sense to keep the status quo. With the Commonwealth still looking at a structural deficit in the \$1 billion range, widening the scope is unrealistic. The Advisory Board's DSA goal will be to level fund DSA at \$10 million.

For the State Revolving Loan Fund (SRF), the Advisory Board will support changes sponsored by other parties. The contractors' associations and many other groups take the lead on the SRF. If their initiatives push for 0% or 2% loans, the Advisory Board will support their position.

The Water Supply Protection Trust (Trust) currently has a three-member Board; two of the five-member seats have not been filled. Staff has been working on a late file to have the Chairman of the MWRA Advisory Board and the President of the Swift River Valley Historical Society serve as members four and five. This language is in final enactment in the Senate and should be in final enactment in the House early next week. If not completed by December 1, staff will re-file this bill.

Advisory Board staff is working closely with Senator Brewer and the Legislative Caucus to make it possible to purchase land for watershed protection through the Trust. As it stands now, the language is ambiguous.

The Advisory Board will again file legislation regarding the fringe benefit rate assessment for the Division of Water Supply Protection (DWSP) seeking to pay actual costs for health and retirement costs for eligible employees of the DWSP, rather than a percentage of a line item.

The Town of Clinton has been growing in leaps and bounds, with numerous new condominium developments. The Advisory Board's initiative proposes Clinton should pay MWRA a user fee for new connections into the system. Currently MWRA receives no compensation for managing the treatment facility beyond the \$500,000 from the Commonwealth. In reality, the cost of operating the plant, including *Direct* and *Indirect* expenses, is closer to \$1.3 million.

The Tort liability bill seeks, consistent with other state agencies, to limit the amount of exposure the MWRA is liable for. Staff was successful in having this initiative included as part of the Senate budget proposal for FY05; however, the initiative failed to gain support during Conference Committee discussions due in part to a history of opposition in the House.

Mr. Favaloro suggested the Advisory Board not re-file its initiative for advertising on MWRA buildings.

The eleven-member MWRA Board of Directors consists of three members elected by the Advisory Board, three members appointed by the Mayor of Boston, three members appointed by the Governor (the Secretary of EOEA and two members from watershed areas), and one member each from Quincy and Winthrop, who are also appointed by the Governor, chosen from a list submitted by Quincy and Winthrop. An initiative will be filed relative to the composition of the MWRA Board of Directors allowing the Mayor of Quincy and the Board of Selectmen from the Town of Winthrop to appoint a representative of their choosing to the Board. This bill was engrossed in the House and is currently awaiting action in the Senate.

Staff is working on final language for two versions of a jointly filed (MWRA/Advisory Board) initiative to establish an MWRA/Commonwealth Lead Service Replacement Program. One version would offer lead service replacement funding to municipalities through a grant program and the other version would include working with the Department of Public Health for a loan program to assist homeowners with lead service replacement.

The Advisory Board will welcome its new Government/Media Coordinator, Andrea Briggs, to the staff next month. Ms. Briggs previously served as Legislative Director for Senator Stephen Brewer.

A Motion was made to approve the **MWRA ADVISORY BOARD'S 2005/2006 LEGISLATIVE INITIATIVES, WITH THE EXCEPTION OF THE ADVERTISING INITIATIVE.** It was seconded and passed by unanimous vote.

❖ **UPDATE: INITIAL MEETING OF WATER SUPPLY PROTECTION TRUST**

Mr. Favaloro stated the Board of Trustees for the Water Supply Protection Trust (Trust) has held its first meeting, with three members of the Board currently in place. Those members are the Executive Director of the MWRA, the Secretary of the Executive Office of Environmental Affairs and a member jointly selected by the North Worcester County Quabbin Anglers and the Quabbin Fishermen's Association.

The Board of Trustees approved the budget and work plan, with their next meeting scheduled for January.

Operations Committee – Jay Fink

❖ **PRESENTATION: WATER SUPPLY CONTINUATION AGREEMENTS WITH 21 COMMUNITIES**

MWRA Policy & Planning Manager Pamela Heidell gave a brief overview of MWRA water contract communities. There are 47 communities that are part of the MWRA water service area, of which 20 are provided water through contracts with MWRA.

“Contract communities” evolved through a series of legislative acts. These communities were admitted to the MDC under certain terms and conditions and, more recently, Bedford and Stoughton were admitted to MWRA under certain terms and conditions.

In terms of demand on the system, contract communities collectively are allowed 44 MGD through their contract limits as a maximum draw. In reality, they collectively draw less than that. The extent to which communities are served by local supplies varies but, in general, the communities are getting more water from local sources than from the MWRA.

Eileen Simonson noted that the Town of Northborough is redoing some of its watersheds. Is this contract, full use or partial use? Ms. Heidell stated the MWRA has asked Northborough for a detailed schedule on development of their local sources. As it stands now, their local source has been incompatible with MWRA’s treated water. In the last year, Northborough has been doing treatment studies and their final report should delineate when the old wells will be brought back online.

❖ UPDATE: OUTSTANDING QUESTIONS FOR COMMUNITY SUPPORT PROGRAMS

Ryan Ferrara stated MWRA staff came before the Operations Committee to discuss recent developments within the community support programs. Specific questions were posed regarding the reallocation of funds for the Local Water Pipeline Assistance Program based on a recent survey of unlined pipe in eligible communities and the establishment of guidelines to add communities joining the wastewater or water systems to the community support programs. The Operations Committee subsequently discussed the issues raised by MWRA staff at their meeting on November 18, 2004. Following are a series of motions that were unanimously approved by the Operations Committee:

MWRA hereby allows all eligible communities to apply for loans through the Local Water Pipeline Assistance Program, up to the total remaining balance within the community account, provided the community utilizes supplemental loan funds exclusively for lead service connection identification, inspection and replacement.

Communities that enter the MWRA Wastewater System will be eligible for funding through the I/I Local Financial Assistance Program. The applicant community is qualified for program funds based on said community’s proportional share of MWRA’s wholesale sewer charge. New communities are only eligible to apply for Phases of the I/I Local Financial Assistance Program that commence after said community is accepted as a member of the Wastewater system. Said community is ineligible to apply for program Phases approved by the MWRA Board of Directors prior to establishing membership.

Communities that enter the MWRA Waterworks System will be eligible for funding through the Local Pipeline Assistance Program. The applicant community is qualified for program funds based on 1) said

community's percentage of MWRA water use as a portion of total community use 2) proportional share of total MWRA community based unlined pipe and 3) prorating available funds to the number of years remaining in the program. MWRA will quantify and utilize separate prorated per-mile loan limits for fully and partially supplied communities who become members of the MWRA Waterworks System. The provision of interest-free loans through the Local Pipeline Assistance Program shall be in addition to the \$250 million currently allocated within the MWRA Capital Improvement Program. Existing community allocation levels will remain unchanged. Any MWRA staff summary seeking approval for admission of a community to the MWRA Waterworks system shall henceforth include a separate section that establishes the level of funding an applicant community will be eligible for under the Local Pipeline Assistance Program. Said staff summary shall seek the approval of the MWRA Board of Directors to add funds to the Capital Improvement Program, reflecting the inclusion of the applicant community within the Local Pipeline Assistance Program.

The MWRA Advisory Board expressed, at the November 18th meeting, prorating available funds to the number of years remaining in the Local Water Pipeline Assistance Program would apply to the Town of Stoughton. The MWRA Operations Committee also accepted the recommendation of MWRA staff to retain the existing community allocation levels for the Local Water Pipeline Assistance Program, originally established in 1999, and to support the MWRA's revision of cashflows within the FY05 Capital Improvement Program, reflecting actual community borrowing patterns within the Local Water Pipeline Assistance Program.

A Motion was made **TO ACCEPT THE RECOMMENDATIONS OF THE OPERATIONS COMMITTEE**. It was seconded and passed by unanimous vote.

❖ **UPDATE: WASTEWATER METER REPLACEMENT PROGRAM**

MWRA Deputy Director of Operations Marcis Kempe reported on the progress of the installation contract for the Wastewater Meter Replacement Program, with 173 meters out of 220 installed. The plan is to have all meters in the ground by the third week of December.

Currently, staff has completed documentation and considered all calibrations on 114 meters and accepted those as complete. The Authority has begun to use its own field staff for meter validation and found that this process works better. Staff still projects to complete the project in March and then will have a 30-day acceptance period for the system as a whole.

In the process of changing the meters, staff physically worked to get the old meter running as best as possible, changed the meter and recorded the after period as a percentage change. Of the 180 sites, the average change is almost zero; however, there is a wide variation between sites. Of the 180 meters, 30 have a before and after

percentage change greater than 10%. One explanation is the changes are occurring during a low flow period. The end of the summer going into the fall is the driest and low point of the water year in terms of the amount of infiltration into the base flow of the pipes. As the new meter is installed, staff does a field validation step to consider actual velocity and measures with a second device. In lower flows, measurement is a problem because one-half inch can make a substantial difference. The before and after tables are a representative number, but are not necessarily the consistent pattern the meter will follow.

Another way staff is trying to represent what the impact will be is to compare the performance of the meters since installation to the same period averages in prior years. All of this information is being developed and staff expects to come back with a more comprehensive presentation on the impact assessment.

Finance Committee – Bernard Cooper

❖ **STATUS: CIP/CEB**

Current expense spending through October came to nearly \$152 million or 4.5% less than budgeted. These monies are distributed with \$55 million for *Direct* expenses and \$97 million for *Indirect* expenses, including \$86 million for *Debt Service*. Spending on *Personnel* related expense is \$1 million below budget so far this year and *Maintenance* spending is running about \$0.524 million greater than budget through October.

This year's Current Expense Budget (CEB) is \$493 million and is funded by \$453 million in Rate Revenue, including Debt Service Assistance (of \$8.7 million).

On the capital side, spending through October reached \$73 million or \$3 million more than budgeted for the period, primarily due to stepped up spending on the Braintree-Weymouth Project and earlier distribution under the I/I and Local Water Pipeline Improvement Loan Programs than had been assumed when the cash flows were drawn.

This year's capital budget is \$208 million, plus another \$15.4 million in Contingency Fund allowances. The total of \$223 million for capital spending is less than half of all current expense spending and \$60 million less than the entire debt service budget.

More than half of all Wastewater spending is for projects in the CSO Control Program. One-third of all planned spending this fiscal year is in support of the CSO Program [\$68.6 million of \$208 million].

Both the CEB and CIP budget documents for this fiscal year are still undergoing internal review and can be expected to take at least another couple of weeks before the materials will be posted on the Internet and sent to the printer.

Progress is being made on the preparation of the proposed budgets for FY06. This week staff has worked toward prioritizing capital projects, finalizing the budgets and cash flows for the capital program. The proposed Capital Budget should be completed by the end of November, and staff will request Board authorization to transmit the Proposed FY06 CIP to the Advisory Board at the mid-December Board meeting.

The CEB process is moving forward, with the general guidance for limiting growth in *Direct* expense spending to within 2.5% of this year's budget plus the cost of new facilities, such as the Walnut Hill Water Treatment Plant and the new Intermediate Pump Station in Weymouth. The 2.5% target has been in place for several years. Initial requests for *Direct* expense spending are due in the next several weeks.

E. QUESTIONS AND COMMENTS

Ed Sullivan thanked Fred Laskey, John Carroll, Katherine Haynes Dunphy and Joe Favaloro for expertly presenting the role of the MWRA and its future costs at the Canton Association of Industries Roundtable this morning.

F. ADJOURNMENT

A MOTION WAS MADE TO ADJOURN THE MEETING AT 12:40 P.M. It was seconded and passed by unanimous vote.

Respectfully submitted,

Edward Sullivan, Secretary