

MWRA ADVISORY BOARD

Summary of

MWRA BOARD OF DIRECTORS' MEETING

January 11, 2006

A meeting of the Board of Directors of the MWRA was held on **January 11, 2006** at the Charlestown Navy Yard. **Present:** Chair Stephen R. Pritchard and Lucile Hicks, Gubernatorial Appointees; John Carroll, Andrew Pappastergion and Joseph Foti, Advisory Board Representatives; Vincent Mannering, Kevin Cotter and James Hunt III, City of Boston Representatives; Joseph MacRitchie, City of Quincy Representative; Marie Turner, Town of Winthrop Representative. **Absent:** Rudolph Banks, Gubernatorial Appointee.

AGENDA

Report of the Chair

No Report.

Report of the Executive Director

MWRA Executive Director Fred Laskey informed the Board that the Authority will receive \$200,000 from the Executive Office of Public Safety, awarded through its Homeland Security Program.

Mr. Laskey noted that the MWRA Advisory Board's Advocacy Day will be held on January 19, 2006 at the State House in a push to increase the levels of funding for the Sewer Rate Relief Fund (also known as Debt Service Assistance).

Mr. Laskey stated that Bruce McMillan, one of three MWRA employees serving overseas, has returned from his tour of duty in Iraq; Mr. McMillan presented the Authority with an American flag that flew over the Abu Ghraib facility in Iraq, along with a certificate of authenticity.

The Authority has been in continuous discussions with the Central Artery Project regarding its continued disposal of groundwater into the MWRA sewer system. The Authority has received notice from the Federal Department of Transportation that they are auditing this matter. MWRA allowed the Central Artery Project to dispose its groundwater through the sewer system in Boston as part of a short-term solution, but it is against MWRA policy. TRAC Manager Carolyn Fiore noted that groundwater is being released from the Ted Williams Tunnel as well. The total volume of water is an average of 38 million gallons over three years or 36,000 gallons per day.

APPROVALS

Transmittal of a Proposed Amendment to the FY06 Current Expense Budget to the Advisory Board

The Board voted to approve transmittal to the MWRA Advisory Board, for its review and comment, a proposed amendment to the FY06 Current Expense Budget (CEB) to increase revenue and expenses by \$5,388,452 primarily to address projected overspending for energy and utility costs.

The potential shortfall between expenses and revenues will be covered by the receipt of additional non-rate revenue of \$2.1 million and an increase in the utilization of the rate stabilization fund not to exceed the proposed amendment of \$3.3 million. Any other revenues or spending reductions realized in excess of those projected in the staff summary will be utilized to further reduce the proposed \$3.3 million withdrawal from the rate stabilization fund.

Board Member Lucile Hicks asked if staff anticipates that these shortfalls will put pressure to dial down on other parts of the budget. Mr. Laskey stated that is part of the debate; how much maintenance is needed or how many new vehicles and is 1,259 employees the right number. No rash unilateral decisions have been made, other than tightening spending and scrutinizing new hires.

Board Member Marie Turner asked how far staff has gotten in seeking a higher level of state assistance. Mr. Laskey stated that Advisory Board Executive Director Joseph Favaloro has met with 50 communities and received the endorsement of thirty communities thus far on a Resolution seeking \$25 million in Debt Service Assistance for FY07.

Mr. Favaloro stated rate increase projections are sobering; the days of surpluses are gone. For FY07, the Authority is already \$17 million over its projections of an 8.7% rate increase. The Advisory Board has elevated the debate on Debt Service Assistance as job number one. Most communities will have endorsed the Resolution by January 19th, the date the Advisory Board has designated as Advocacy Day at the State House for making the case for Debt Service Assistance. The Advisory Board is seeking \$25 million for FY07 and to reinstate the funding driven by a formula by FY11.

Ms. Turner commended the Advisory Board for its grass-roots effort and stated the Board of Directors ought to get involved.

Legal Services for Debt Financing Program: Ropes & Gray LLP and Palmer & Dodge LLC, Amendment 1

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 1 to increase the amount of the Bond Counsel Contract with Ropes & Gray LLP in an amount not to exceed \$425,000, increasing the Contract amount from \$940,000 to \$1,365,000 with no increase in contract term, and to approve Amendment No. 1 to increase the amount of the Disclosure Counsel Contract with Palmer & Dodge LLC in an amount not to exceed \$180,000.

Approval of the Fiftieth Issuance Resolution

The Board voted to adopt the fiftieth Supplemental Resolution authorizing the issuance of up to \$600,000,000 of Massachusetts Water Resources Authority General Revenue and Refunding Bonds (2006 Series A) and supporting Issuance Resolution.

The bonds to be issued under this authorization include both new money and refunding bonds. The new money will be used to permanently finance a portion of outstanding commercial paper. The commercial paper program was used to fund the construction of the John J. Carroll Water Treatment Plant and the

Norumbega Covered Storage Reservoir. Now that these projects are completed and the assets placed into service, the commercial paper must be replaced with permanent financing. This issue will include \$200 million of new money to reduce commercial paper outstanding. The assets being funded with this issuance have long useful lives; as a result, the term of the bonds to be issued would be up to forty years. This issuance will also include the ability to refund up to \$400 million of existing debt based on current market conditions at the time of sale.

Disposal of Surplus Personal Property

The Board voted to authorize the Executive Director, on behalf of the Authority, to dispose of surplus personal property for a six-month period.

With the consolidation of several of the MWRA's locations into the Chelsea facility and the closure of the Fore River Staging Area, there has been a concerted effort made to review materials for usefulness and to ensure that the maximum benefits are realized from the disposal of property.

In the next six months, staff anticipate the disposition/sale of the following items through publicly advertised bids or competitive quotes: Deer Island Ro/Ro System; vehicles; machine shop equipment; Deer Island transformer; office furniture and partitions; and assorted small dollar items determined to no longer be of value to the Authority.

Funds collected from the sale of surplus personal property are returned to the General Fund.

Approval of New Wastewater Advisory Committee Members

The Board voted to approve the appointment of Larry Shafer and Lauren Thirer to the Wastewater Advisory Committee (WAC).

The WAC was created to offer independent advice to the Board of Directors and to staff regarding wastewater programs and policies. WAC member terms are typically three years.

Mr. Shafer is a registered Professional Engineer with more than 50 years of experience and knowledge of wastewater issues and state and federal regulations and has been attending WAC meetings as an interested observer and contributor. Mr. Shafer holds degrees from Yale and Rensselaer.

Ms. Thirer has been nominated to replace Megan Lim as Save the Harbor/Save the Bay's representative on WAC. Ms. Thirer is involved in environmental policy and youth programming at Save the Harbor/Save the Bay and holds a degree from Yale University.

Ambulance Response Services: Assignment of Contract S412 from General Ambulance Service, Inc. to Mercy Ambulance Company, Inc.

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve the assignment of Contract S412, Ambulance Response Services, from General Ambulance Service, Inc. to Mercy Ambulance Company, Inc., effective on December 31, 2005, with no change in contract amount or contract term and to execute a Consent to Assignment under which Mercy Ambulance Company, Inc. will assume all of the obligations owed by General Ambulance Service, Inc. to MWRA under Contract S412.

On December 20, 2005, General Ambulance Service, Inc. notified MWRA that all assets of General Ambulance Service, Inc. had been sold to Mercy Ambulance Company, Inc. on September 8, 2005. To complete that transaction as to Contract S412, MWRA must consent in writing to the transfer of that assignment.

This assignment will result in no change in operating personnel nor will it impact the level of service. There is no budgetary impact.

January PCR Amendments – FY2006

The Board voted to approve amendments to the Position Control Register. The annualized budget impact of these PCR amendments will be \$13,438.

The amendments included: 1) reclassification of a filled position in the Field Operations Department as per union agreement. The incumbent has obtained the necessary certification to be reclassified to Communications and Control Technician; 2) reclassification of a filled position at the John J. Carroll Water Treatment Plant to Medium Voltage Electrical Specialist to meet the need for medium voltage electrical work..

Extension of Contract Employee, Support Services Division

The Board voted to approve the extension of the employment contract for Nicholas Greenwood, MIS Operations Analyst, Support Services Division, from February 16, 2006 to June 30, 2006 at an hourly rate of \$12.50, for an annual compensation not to exceed \$26,000.

Mr. Greenwood has been a contract employee since February 15, 2005 assisting the MIS Department with a range of PC support issues at Chelsea, Deer Island and the Charlestown Navy Yard.

CONTRACT AWARDS

Heath Hill Section 52, Phase 2 Rehabilitation: J. D'Amico, Inc., Contract 5194

The Board voted to approve the award of Contract 5194, Heath Hill Section 52, Phase 2 Rehabilitation, to the lowest responsive bidder, J. D'Amico, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$7,593,250 for a term of 630 calendar days from the Notice to Proceed.

Contract 5194 includes the rehabilitation of 11,500 linear feet of pipeline utilizing cleaning and cement mortar lining, cleaning and reinforced cement mortar lining, sliplining, pipe replacement and removal and replacement of valve connections and appurtenances along the water main. Bids were received from eight contractors.

The FY06 CIP includes a budget of \$8,516,000 for Contract 5194.

Quabbin and Wachusett Dam and Spillway Improvements: GZA GeoEnvironmental, Inc., Contract 7019

The Board voted to approve the recommendation of the Consultant Selection Committee to select GZA GeoEnvironmental, Inc. to provide inspection, design and construction services in connection with the Quabbin and Wachusett Dam and Spillway Improvements project and to authorize the Executive Director, on behalf of the Authority, to execute a contract with GZA GeoEnvironmental, Inc. in an amount not to exceed \$1,257,727 for a term of 28 months from the Notice to Proceed.

As part of the Memorandum of Understanding with the Department of Conservation and Recreation (DCR), signed in April 2004, MWRA is responsible for funding and undertaking capital maintenance and improvements of dams, dikes and spillways at Quabbin Reservoir, Wachusett Reservoir, Sudbury Reservoir and Framingham Reservoir No. 3.

In 1990, the then Metropolitan District Commission (MDC) contracted with GZA GeoEnvironmental, Inc. to design needed repairs to the Wachusett Reservoir Bastion Building, the North and South Dikes and replacement of the old Lower Bay Spillway Flashboards, which regulate the reservoir water level and control floods with a series of mechanically-operated gates. Similarly, in 1999, MDC also contracted with GEI Consultants to design the Quabbin Reservoir Winsor Dam Toe Drain, the Quabbin Main Spillway repair, as well as piezometer installation to monitor hydrostatic pressure within the dam. Due to fiscal constraints and the timing of the transfer of capital improvement responsibility to MWRA, neither design was completed. Following the 2004 transfer of responsibility for these facilities to MWRA, both projects were approved as part of the FY06 Capital Improvement Program and are included in Contract 7019.

The FY06 CIP budget includes \$1,200,000 for Contract 7019 (and \$200,000 for Contract 7017). The award amount is \$1,257,727 for the combined work of both contracts.

CONTRACT AMENDMENTS/CHANGE ORDERS

Cummingsville Branch Replacement Sewer: Fay, Spofford & Thorndike, Inc., Contract 6092, Amendment 5

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 5 to increase the amount of Contract No. 6092 with Fay, Spofford & Thorndike, Inc., Design and Construction Services for the Cummingsville Branch Replacement Sewer, in an amount not to exceed \$33,000, reallocating existing funds within the contract and extending the time for completion by 365 calendar days to September 1, 2008.

This Change Order was needed to accommodate officials of the Town of Winchester who had concerns regarding the location of MWRA's proposed access road for this project; on October 24, 2005, the Winchester Board of Selectmen voted unanimously to have the MWRA utilize a cleared section of an abandoned roadway called Skunk Hollow Road and to give MWRA the necessary permits and/or approvals required to complete the project.

The cumulative value of all change orders to this contract is \$1,013,422, added to the original contract amount of \$1,319,747, for an adjusted sub-phase total of \$2,333,169; the FY06 CIP includes a budget of \$2,300,000 for Contract 6092 leaving the contract over budget by \$33,169. This amount will be covered in the five-year spending cap.

John J. Carroll Water Treatment Plant – Ozonation/Treatment Facilities: Barletta-Shea, J.V., Contract 6489, Change Order 129

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 129 to increase the amount of Contract No. 6489 with Barletta-Shea, a Joint Venture, John J. Carroll Water Treatment Plant (CWTP) – Ozonation/Treatment Facilities, in an amount not to exceed \$149,107. Further, to authorize the Executive Director to approve additional change orders as may be needed to Contract 6489 in amounts not to exceed the aggregate of \$250,000 and 180 calendar days.

Power interruptions at the CWTP have generally been brief and either the power from the utility is restored in a few seconds or, in the worst case, the back-up generators power up and power is restored in less than five minutes. To prevent unnecessary interruption of water flow during a brief power interruption, the loss of power signal must be separated from other inputs that cause an ozone generator to shut down. This change will allow the generators to be remotely restarted upon restoration of electric power.

Change Order 125, Item 3, required the Contractor to completely dewater the ozone contactor tanks, the ozone extended contactor tanks and the carbon dioxide basins in the Post Treatment Building. When the tanks were dewatered, a build-up of silt was found in the tanks. Staff has determined that the source of the silt is debris and algae in the raw untreated water coming from the Wachusett Reservoir via the Cosgrove Tunnel that settled in the contact basins within the CWTP. Staff did not anticipate that approximately one to two inches of material would be left after only ten months of testing and operation. If this material is not removed, it will re-suspend upon refilling likely causing failure of water quality parameters upon re-start. Based on this experience, MWRA will plan to clean one-half of the tanks annually during the low water demand period.

The cumulative value of all change orders to this contract total \$28,387,859.68, or 24.3% of the original contract amount of \$116,844,000.00, for an adjusted Contract total of \$145,231,859.68, or \$7,244,859.68 over budget. This amount will be covered within the five-year CIP spending cap. Approximately \$6.7 million, or 5.8%, of these change orders have been issued at MWRA's request to address security improvements, inspection of the Cosgrove Tunnel and the change to the OCIP insurance program. Work on this contract is 100% complete.

Ms. Hicks asked if the silt build up will result in annual maintenance costs. Mr. Hornbrook replied there will be an ongoing cost, but not to this extent. Director of Construction Frank DePaola noted one advantage of having the Contractor do the initial cleaning is staff can observe how it is done. It does entail confined space entry and safety concerns; however, if MWRA staff can safely do this maintenance, it will. Initially it was thought that this maintenance would be performed every five years; however, having seen the amount of build up of one inch of silt in just ten months of operation, staff now believes it would be best to take care of the problem more frequently. Mr. Hornbrook suggested a three year cycle.

Norumbega Covered Storage Project: Norumbega Constructors – J. F. White Contracting/Slattery Skanska, Inc., Contract 6213, Change Order 25

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 25 to increase the amount of Contract No. 6213 with Norumbega Constructors – J. F. White Contracting/Slattery Skanska, Inc., Norumbega Reservoir Covered Storage Design/Build Project, for a lump sum amount of \$1,407,430.

The Contractor had submitted two change order requests for additional costs associated with two separate events. These requests included costs that were associated with the base contract work and not solely these events and were not processed. As a result, the Contractor submitted claims. Staff, in conjunction with the Owner's Representative and a firm specializing in claims analysis and cost estimating, have reviewed and determined the actual extra costs associated with these events. With the issuance of this change order, the Contractor has agreed that all claims to date related to this project are resolved. This change order compensates the Contractor for additional costs for concrete placement, excavation and backfill.

The cumulative value of all change orders to this contract is \$6,754,124.76, or 7.55% of the original contract amount of \$89,400,000.00, for an adjusted contract total of \$96,154,124.76. The FY06 CIP includes a budget of \$96,647,000 for Contract 6213. Work on this contract is 100% complete.

Board Member Joseph MacRitchie said this contract was done under the design/build method to avoid change orders. Why does MWRA have the risk? Mr. DePaola said the majority of the change orders were increases to the scope of the project. Staff will do a wrap up report on the design/build method at an upcoming Board meeting.

INFORMATION

Annual Report on New Connections to the MWRA System

In 2005, MWRA approved the connection of the Dedham-Westwood Water District and the Town of Reading to the MWRA Waterworks System and also approved an emergency water supply withdrawal for Wilmington. In the last five years, connections to the MWRA Waterworks System by the Town of Stoughton and a straddle in Peabody/Danvers were also approved.

Master Planning Update

Marian Orfeo, Director of Planning and Coordination, and Lise Marx, Senior Program Manager, provided the Board with its third semi-annual update on efforts to produce a Master Plan by summer 2006. The focus of the update was the portion of the water system east of Norumbega Covered Storage, otherwise known as the Metropolitan Water System. The intent of the update was to review the Metropolitan System and changes to that system since the 1993 Twenty-Year Waterworks Master Plan and to identify the analyses being conducted for the 2006 plan and the preliminary concerns that have been identified to date.

Planning and Coordination staff are managing the overall master planning process; however, a broad-based group of staff from across the agency are assisting in the development and evaluation of information and are playing a critical role in writing portions of the plan. Work is also advancing on a number of consultant-assisted studies that will be integrated and coordinated into the Master Plan process. Projects are expected to be identified in late spring and further efforts to finalize overall project prioritization and to assess the financial implications of recommended projects will continue during the summer.

Financial Update and Summary as of November 2005

Chief Financial Officer Laura Guadagno stated through November 2005, total revenue was \$226 million, \$3.2 million or 1.4% greater than budgeted. Total expenses were \$218.6 million, \$417,448 or 0.2% more than budgeted. Through November, revenues exceeded expenses by \$7.4 million which is \$2.8 million more than budgeted. However, as indicated by the need for a budget amendment, as the year progresses expenses are forecast to exceed the budget by an estimated \$5.4 million primarily due to unexpected increases for electricity, diesel fuel and several other factors.

Update on Framingham Extension Sewer Corrosion and Odor Control Program

MWRA has been studying and addressing odor and corrosion issues in the Framingham Extension Sewer (FES), Framingham Extension Relief Sewer (FERS) and downstream interceptors since at least 1998. A 1998 consultant report identified instances of corrosion and collapse dating back to 1977 and attributed the problem to high levels of biochemical oxygen demand (BOD) and sulfates. In 1999, MWRA staff proceeded with a multi-faceted program to address these problems, which included: 1) *source reduction* in the form of BOD, sulfate and sulfide limits for municipal and industrial discharges; 2) *treatment*, in the form of chemical addition and the installation of biofilters at key locations; and 3) *asset protection* through rehabilitation of the FES and downstream interceptors.

Since the last update, MWRA staff developed a schedule for physical inspections of the FES and other MWRA interceptors in the program and have reviewed the aqueous and air-monitoring data from samples collected during 2005. Staff has also continued to oversee the work of the municipalities and industries in the program.

Board Member Vincent Mannering noted Unilever is 90% of the BOD problem and has not shown a lot of cooperation. Mr. Laskey noted that after an “extensive period of reasonableness, we intend to move quickly to ensure compliance.”

Wastewater Metering Replacement Project Update

As of October 1, 2005, the Wastewater Metering Replacement Project entered the Product Support phase. This phase is essentially a three-year warranty period during which, when a malfunctioning piece of equipment is identified and confirmed, the Contractor must replace it with brand new equipment at no cost to MWRA.

Infiltration/Inflow Local Financial Assistance Program Update

All 43 member sewer communities are participating in MWRA's Infiltration/Inflow (I/I) Local Financial Assistance (45% grant/55% loan) Program. A total of \$125.9 million in funding has been distributed. From the total program budget of \$180.75 million, nine communities have received their entire funding allocation. No additional program funding is proposed by staff for the FY07 CIP that is currently being developed.

Long-Range Water Supply Planning – Follow-up to September Presentation

In response to a June 14, 2005 proposal by Mr. Carroll to conduct a Long Range Water Supply Study, the September 14, 2005 Board of Directors meeting included a presentation by the Executive Director and a staff briefing paper. Staff of the Water Supply Citizen Advisory Committee (WSCAC) also addressed the Board and submitted a paper entitled “The WSCAC View”. Mr. Laskey and Ms. Simonson subsequently made presentations to the MWRA Advisory Board on September 15, 2005.

Mr. Carroll wrote to Board members again on October 3, 2005 to ask them to consider a vote:

- To set aside 20 MGD for possible expansion of the MWRA water system.
- To make that vote applicable for five years.

Allowing for expected growth within the existing service area, without any additional conservation, and even assuming a substantial loss of existing local supplies (a very conservative assumption for which there is no current factual basis), and starting from a demand above MWRA's current use, there is 36 MGD of additional capacity available. More realistic assumptions would yield even higher available capacity.

At the September 14 Board Meeting, the Executive Director presented the following key findings:

- The MWRA water system is operated based on an independently validated safe yield of 300 MGD.
- Current water demand in the service area is 220 MGD; the five year average demand is 230 MGD.
- Projected growth in the current service area over the next 20 years could potentially result in demand of approximately 244 MGD. 17 MGD is a comfortable cushion if needed to serve a greater share of the total demand in partially-served communities.
- Currently, projected demand of communities actively seeking to join the MWRA is 3.5 MGD.

The MWRA Advisory Board will reconvene the System Expansion Committee in February to be a forum for consideration of rate/policy issues and will provide recommendations to the MWRA and the Board of Directors that may ultimately be incorporated into MWRA policies. Issues slated for discussion include MWRA fee structures, entrance fee payment schedules, standby fees and premium fees for emergency use.

Ms. Orfeo stated the goal of this study was to ensure that the Board has the information needed to take the next steps in expanding the Waterworks System to additional communities. The Authority has momentum now with Reading and Dedham-Westwood Water District recently joining the system.

Chairman Pritchard asked if 300 MGD allows for recovery from a drought. Director of Planning Steve Estes Smargiassi replied in the affirmative; staff felt it was prudent to plan for a drought.

Mr. MacRitchie noted the MWRA has agreements with partially supplied communities but has staff accounted for emergency users? Mr. Estes Smargiassi said staff did account for drought needs for neighboring communities, such as Brockton and Sharon, which may have shortages.

Ms. Orfeo noted the entrance fee will be \$5.5 million for every one MGD, which would be a financial benefit to the MWRA.

Chairman Pritchard asked if the Authority's analyses have been peer reviewed. Mr. Estes Smargiassi said yes; an MIT professor reviewed the analyses as part of an Army Corps of Engineers Drought Study, along with Metcalf and Eddy. They thought the MWRA was too conservative.

John Carroll made a motion that the Executive Director be authorized to speak with communities that might want to join the waterworks system. It was seconded.

Ms. Hicks was uncomfortable with the motion, stating that it is premature before the Board has heard from the System Expansion Committee. Decisions need to be made before the Authority markets water.

Mr. Favaloro noted the System Expansion Committee's scope is narrow and will focus on cleaning up issues that have come to light since the Committee last convened, such as premium charges, standby fees and whether entrance fees should be paid upfront or over a period of years, not to deal with safe yield.

Chairman Pritchard said environmental benefits could be had. What are the trade offs from the effects of desalinization versus providing MWRA water. The Board must look at the matter in a broad context.

Mr. MacRitchie said he appreciates the comments of WSCAC and the Advisory Board; however, the Board should be giving the System Expansion Committee direction as well. The Authority has made a capital investment and communities wanting to join the system must make that up through their entrance fee. It is important that the Advisory Board know where Board members stand as well.

Board Member James Hunt agreed that the discussion must be well rounded. With rising costs, the way to address the issue is through efficiency, refinancing and selling more water, one of the only options the Board has. Mr. Hunt said he wants to hear from WSCAC and environmental groups as well as the Advisory Board, along with a state-wide regulatory framework. Time should be dedicated to this discussion.

Mr. Carroll withdrew his motion and asked how to expedite this process, stating that it was his guess that the majority of the Board is in favor of selling more water. There should be a policy to tell staff that the Board wants to sell water, but be conservative.

Mr. Mannering said the next step is simply what are the environmental benefits versus the financial benefits?

Chairman Pritchard said he would commit the Executive Office of Environmental Affairs time and resources to this effort and asked staff to come back to the Board with financial and environmental information in the next month or two.

Mr. Mannering said the Board can make the decision to sell 100 MGD, but the regulators can say no. All players should be brought to the table so communities realize it won't take 25 years.

Eileen Simonson and Bill Elliot of the Water Supply Citizens Advisory Committee (WSCAC) expressed concern with safe yield calculations. State policy says the MWRA does not own the water, but rather manages this state resource. When communities join the system, it should be consistent with state regulation. Ms. Simonson said she has never heard MWRA staff be negative about joining the MWRA system. The MWRA's analysis of safe yield is not the most conservative way to look at it. Water provided primarily in the summer to communities goes on people's lawns.

WSCAC suggested the Board review a May 8, 2002 presentation that was given to the Board that provides more detailed information and included things that have to be done in terms of drought response to ensure the reservoirs stay healthy. Further, WSCAC would like more water to be released downstream to other rivers.

Local Pipeline Assistance Program Update

Twenty-six of the 41 eligible member water communities are participating in MWRA's \$255 million Local Pipeline Assistance Program. Through the first five and one-half years of the thirteen-year program, \$97.4 million in interest-free loans have been distributed to local communities to finance 123 projects that will help maintain high water quality in local distribution systems, such as pipeline cleaning and lining projects or replacement of unlined water mains. Funds were allocated to member water communities based on their percent share of unlined water pipe. MWRA's partially supplied communities received pro-rated shares based on their percentage use of MWRA water during fiscal years 1995 through 1998. Interest-free loans are repaid to the MWRA construction fund over a ten-year period beginning one year after the date the funds are distributed.

This Summary does not include every item discussed by the Board, nor the full extent of the discussions. Please contact Mary Ann McClellan at the Advisory Board office with questions, comments or requests for additional information.