

MWRA ADVISORY BOARD MEETING
SEPTEMBER 16, 2010
BRADLEY ESTATE
2468B WASHINGTON STREET, CANTON, MA 02021 – 11:30 A.M.
MINUTES APPROVED AT THE NOVEMBER 18, 2010 MEETING

Fifty-one people were in attendance, including twenty-four voting members: John Bean, ARLINGTON; E. A. Maguire, ASHLAND; Michael Bishop, BELMONT; John Sullivan, BOSTON; Michael Trotta, CANTON; Andrew DeSantis, CHELSEA; J. R. Greene and Barbara Wyatt, GUBERNATORIAL APPOINTEES; Dennis Meehan, LEXINGTON; Jay Fink, LYNN; Bruce Kenerson, LYNNFIELD; Katherine Haynes Dunphy, MILTON; Wiff Peterson, NATICK; John Cosgrove, NEEDHAM; Lou Taverna, NEWTON; Bernie Cooper, NORWOOD; Jeff Zager, READING; John DeAmicis, STONEHAM; Richard Stinson, WAKEFIELD; Patrick Fasanello, WALPOLE; Walter Woods, WELLESLEY; Earl Forman, WESTON; Bob Angelo, WESTWOOD; Michael Chiasson, WEYMOUTH.

Also present: John Carroll, Andrew Pappastergion and Jack Walsh, MWRA BOARD OF DIRECTORS; Avril Elkort, CANTON; Rick Mattson, WALPOLE; Tabor Keally, NepRWA; Paul Lauenstein, NepRWA and WSCAC; Mary Adelstein, Ed Bretschneider, Stephen Greene, Karen Lachmays, Tom Miner, Mason Phelps, Larry Schafer and Vin Spada, WAC; Whitney Beals, Alice Clemente, Lexi Dewey and Dona Motts, WSCAC; Fred Laskey, Michael Hornbrook, Rachel Madden, Kathy Soni, Dave Whelan, Pam Heidell and Bonnie Hale, MWRA STAFF; Joe Favaloro, Matthew Romero and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF.

A. WELCOME

Chairman Dunphy called the meeting to order at 11:35 a.m. and introduced Avril Elkort from the Canton Board of Selectmen who welcomed everyone to Canton. Chairman Dunphy also welcomed members of WAC and WSCAC who were also in attendance.

B. APPROVAL OF THE MINUTES FROM THE MARCH 18, 2010 ADVISORY BOARD MEETING

A Motion was made **TO APPROVE THE MINUTES FROM THE MARCH 18, 2010 ADVISORY BOARD MEETING**. It was seconded and passed by unanimous vote.

C. REPORT OF THE EXECUTIVE DIRECTOR

MWRA Advisory Board Executive Director Joseph Favaloro noted that the Advisory Board has moved from 11 Beacon Street in downtown Boston to the fourth floor of the MWRA's building in Charlestown. There will be an open house, at no expense to the Advisory Board or the ratepayers, on September 21; members are welcome.

D. PRESENTATION: CHALLENGES FACING THE MWRA – Fred Laskey, MWRA Executive Director

MWRA Executive Director Fred Laskey stated that 2010 was quite a year for the Authority and those challenges continue. Mr. Laskey said you almost couldn't make up the sequence of events around the Advisory Board tour and the fact that water was discovered bubbling out of the ground. The new

leak is relatively small and staff has set up a sump pump and continues to measure the leak to monitor it until the best method of repair can be determined.

The repair will require a 30-foot excavation and staff believes trying to repair the ten-foot pipe while it is active with 110 psi of pressure would endanger personnel. Staff believes the repair should be an inside fix or a dry fix, which would require the pipe to be shut down. The problem is that the Hultman, which would serve as backup, is currently undergoing rehabilitation and is out of service.

The strategy would be to flow water out of the tank and also out of Shaft L into the Hultman in order to bypass the leak location, allowing the leak site to be shut down. Unfortunately, further work has to be completed on the Hultman in order to allow for this alternative. MWRA has received a schedule from the contractor that will take six to eight weeks to be in a position to make that repair.

MWRA has a backup plan. Staff could run water through the MetroWest Tunnel into the Norumbega Covered Storage Tank and purposely overflow the elevation of that tank into a spillway that would spill into the open Norumbega Reservoir, which is the old reservoir that MWRA used for many years. That water could flow across to an intake into the Hultman where it could be chlorinated and then run around the leak site into the distribution system. This is a great back up if the MWRA needs to make an urgent repair; however, there is a down side to it. MWRA would be taking the treated water and running it through the reservoir into the intake; because it is treated water and chlorine will be added, it may avoid a boil order, but people just downstream from the location may have the odor of chlorine in their water and further down into the system the chlorine would dissipate so within three to four days there would be bacterial activity in the MWRA system and the local systems. MWRA does not want to use this option unless it is necessary.

Staff has accelerated the work on the Hultman rehabilitation so that the leak can be repaired as soon as possible.

Marcis Kempe added that the contractor has worked on one segment at a time on the Hultman rehabilitation, which has proven to be fortunate because the Authority has had segments available twice now to recover from a problem.

Mr. Laskey said the need for redundancy is now fresh in everyone's mind. The procurement schedule for the Spot Pond Storage Tank is racing along. The design/build model for the complex storage tank designs has worked well. This will be a major upgrade to the MWRA system in the low-service area, particularly north of the city. It will have great impact on the MWRA's ability for the communities immediately served by this tank but additionally there will be a back up pump station that will add redundancy to the Gillis Pump Station, which will be run in tandem with Gillis.

The South Boston CSO Storage Tunnel has a crucial federal court milestone date of May 2011 to make sure that this tunnel is operating during next summer's swimming season. The force main through the Boston streets is essentially complete; the pump station is about half complete; the ventilation building is approaching half completion. The project is on schedule.

Renewable energy continues to be a priority for the Authority. Staff has been able to maximize federal stimulus monies for these energy projects. A turbine will be installed at the Loring Road Covered Storage site in Weston and will run about 90% of the time. A lot of these energy projects have been driven by state and federal money. The Charlestown wind turbine was completely funded by the federal government.

A steam topping turbine has been installed at Deer Island, making electricity from the steam that was wasted.

Stimulus funding has been provided for a massive solar power field at the John J. Carroll Water Treatment Plant. Two solar projects are also being done on Deer Island as well (also funded through the stimulus funding).

A startup company called FloDesign has contacted the Authority and offered to provide a prototype of its new wind turbine that is shaped like a jet engine to be installed at Deer Island, all at no cost to the Authority. It makes more electricity at lower wind speed and will maximize the wind flow by funneling it through the jet engine. John Vetere, Director of the Deer Island Treatment Plant, is currently in the negotiation process on the details with FloDesign. This project has heavy state subsidies and has been designated by one of the most successful energy venture capital firms as a good investment, according to MWRA Board Chairman Bowles.

Mr. Laskey said the whole issue of system expansion continues to float. Staff has had discussions with entities about entering the system, both north and south, but nothing has come from those discussions at this point.

The biggest regulatory issues at this point are the National Pollutant Discharge Elimination System (NPDES) permits for the Clinton and Deer Island Wastewater Treatment Plants. Staff has seen a pre-draft of Clinton's permit that shows that EPA is going to dramatically increase the phosphorous limitations at the plant. MWRA inherited, under a grandfathered arrangement dating back many years having to do with the construction of the Wachusett Reservoir, the requirement to provide Clinton and Lancaster with wastewater treatment. MWRA runs a small treatment plant in Clinton on the Nashua River that costs about \$1.3 million to run and the state reimburses \$500,000 to the MWRA.

EPA, in the pre-draft, is requiring MWRA to reduce the phosphorous releases, which will require about \$3.5 million in capital investment to remove that phosphorous and also will add to the operational costs of that plant. In fairness to EPA, the requirements they are putting on the plant are consistent with others on that river and in that area. Why the MWRA ratepayers should have to pay for it is another issue.

The Authority still does not have a NPDES permit for Deer Island; MWRA is now in the ninth year of a five-year permit. The issue of co-permittees keeps coming to the forefront. It seems clear that EPA wants to include the communities as co-permittees on Deer Island's NPDES permit. EPA held national listening sessions to come up with a new strategy on how to deal with storm water and other issues. The Authority pushed back and said the MWRA should not be a co-permittee with communities.

Two large studies have been teed up; the first is a staffing study that came as a suggestion from the Advisory Board. About seven or eight years ago, the Black and Veatch study looked at the staffing levels of the Authority as compared to other utilities and made recommendations to help the Authority reduce its head count. The Authority has followed that "road map" for the last several years and the headcount has dropped from 1700+ down to 1200+ during that timeframe. There are now two questions: 1) Is the MWRA at the appropriate staffing level? 2) Are the employees allocated appropriately? Yesterday the Board of Directors created a task force that includes two members of the Advisory Board (Chairman Dunphy and Joe Favaloro), three members of the Board of Directors (Joe Foti, Joel Barrerra and Vincent Mannering), representatives of the labor coalition and MWRA staff to work on this study. A procurement will be done in the fall to bring in a consultant firm to begin that work, which should take approximately one year.

Further, Mr. Mannering requested that the Authority do a study on its Internet Technology systems, configuration and staffing to ensure that MWRA has its MIS division up to par.

E. COMMITTEE REPORTS

Executive Committee – Katherine Haynes Dunphy

❖ ACTION ITEM: NOMINATION AND ELECTION OF THE FY11 EXECUTIVE COMMITTEE

Chairman Dunphy offered the proposed slate for the FY11 Executive Committee and asked if there were nominations from the floor. Hearing none, the following slate was submitted 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:	Lou Taverna, Newton
Treasurer:	John P. Sullivan, Boston
At-Large:	Carol Antonelli, Somerville
	Brian Carlisle, Quincy
	John DeAmicis, Stoneham
	Andrew DeSantis, Chelsea
	William P. Hadley, Lexington
	Timothy MacDonald, Cambridge
	Zigmund Peret, Wilbraham
	Winfield Peterson, Natick
	John Sanchez, Burlington
	Walter Woods, Wellesley
	(2) Vacant

A Motion was made **TO ADOPT THE PROPOSED SLATE AS THE FY11 EXECUTIVE COMMITTEE**. It was seconded and passed by unanimous vote.

❖ LEGISLATIVE UPDATE

Mr. Favaloro said that Debt Service Assistance (DSA) did not find its way back into the final state budget. The House and Senate budgets did include \$500,000 for DSA, which was vetoed by the Governor; however, he did state that if the federal Medicaid reimbursement monies come back, he would revisit that line item among many others. Since that time the state has gotten a commitment of \$500 million in federal Medicaid dollars so staff hopes that line item will be reestablished even at a small amount. The Advisory Board believes it is important that the line item remain in the budget rather than having to start back from ground zero if it is eliminated entirely.

One item that has been included in the Advisory Board's legislative package for many years was a line item to allow the City of Quincy and the Town of Winthrop to directly appoint their representative to the MWRA Board of Directors, rather than submitting names to the Governor for his selection; this initiative has finally passed.

Next month staff will bring forward the 2011-2012 Legislative Package for review, with a vote expected in November in order to be filed in December.

❖ MWRA / MWRA ADVISORY BOARD 25TH ANNIVERSARY UPDATE

Mr. Favaloro said November 17th has been designated as the reception date at the Federal Court House in Boston to celebrate the MWRA and Advisory Board's 25th Anniversary; however, the Advisory Board would like to look at the anniversary in a year-long point of view. Staff plans to bring individuals and groups that have a perspective that goes back 25 years to the Advisory Board

meetings. Staff has held discussions with Governor Dukakis to have him attend an Advisory Board meeting to talk about what it was like before the creation of the MWRA and the role it played in a presidential election.

There is a lot of history and perspective that staff would like to feature. Emails have been sent to Paul Levy, Doug MacDonald and Fred Laskey, Executive Directors of the MWRA, to get a perspective on the evolution of the MWRA. The regulatory perspective will be featured as well. That is the goal of the Advisory Board.

[The November 17th reception has since been postponed. In the meantime, the Advisory Board has been working with the Massachusetts Municipal Association (MMA) to organize a panel discussion marking the 25th Anniversary of the MWRA and the Advisory Board at the upcoming Annual Meeting of the MMA on Friday, January 21, 2011.]

Finance Committee – Bernard Cooper

❖ **CIP/CEB UPDATE**

Matt Romero said as always, staff is monitoring the Authority's budget. Last year staff pushed early for a \$0 increase and Authority staff gave every effort to work with the Advisory Board to get the lowest wholesale rate increase since 1996 at 1.49% for FY11. Staff also took a three-year perspective for FY12 and FY13 to bring those years down below 4%. The Advisory Board regards that as a good starting point and will look at ways to bring that down even further.

Staff has already begun to look at the budgets to see where the trends are going and is putting together a strategy on where it believes the projections will go for the end of the year and try to develop new approaches or tactics to bring that rate increase further down for FY12 and hopefully mitigate what is ahead for cities and towns.

Operations Committee – Jay Fink

❖ **SYSTEM EXPANSION UPDATE**

Mr. Favaloro said on many fronts system expansion would be a good thing; protection of the reservoirs and the environment, for the benefit of ratepayers, for the benefit of communities that desperately need water. The MWRA needs to come up with a way to expand the system.

Over the spring, all the stakeholders met to have a system expansion discussion to see if some common ground could be found. Now in the middle of September, the discussions have seemed to have lost steam. The regulatory process should not be easy; but it should not be impossible either. There continues to be timid interest from communities on joining the system. With the tough economic times, it is not something that can be rushed into.

There has been continued discussions with two tri-towns, the first, Braintree, Holbrook and Randolph, MWRA and Advisory Board staff went before the towns on a couple of occasions as they decide what they want to do with their water supply. At this point, they seem committed, led by Braintree, to dredge their own reservoir and build their own plant. For the second tri-town (South Weymouth Naval Base), the MWRA continues to be the preferred option for Phase II; Phase I will be coming through Weymouth.

Ashland has also made inquiries on joining the MWRA and there has been some discussion with North Reading. There seem to be some delays in making a decision, perhaps because of economic conditions, but also regulatory issues.

High on the Advisory Board's list for the future will be ways to reignite this discussion. The base needs to be spread as much as possible for MWRA communities. Every year less water is used,

which is phenomenal from a conservation/environmental standpoint, but it wreaks havoc with cities and towns on a financial level.

Chairman Dunphy said system expansion will put stronger requirements on communities for water conservation and protection of the environment so people that are concerned about the future of Massachusetts should not be concerned that system expansion would be bad for the environment. It would actually make much more difficult regulations for communities as they grow. There are certain parts of the state that are the right location for growth; they are near the highways and they are probably going to grow anyway. If water is a need in those communities it would be reasonable to use a supply that is more than adequate for the future.

In closing, Mr. Favaloro said since this was a joint meeting with WAC and WSCAC, he offered WAC and WSCAC an opportunity to speak.

Stephen Greene, Chairman of the Wastewater Advisory Committee (WAC), said one of WAC's biggest concerns are Sanitary Sewer Overflows and the impact they will have on the MWRA wastewater system, as well as what is going to come out of the next NPDES permit.

Whitney Beals, Chairman of the Water Supply Citizens Advisory Committee (WSCAC), yielded his time to Paul Lauenstein, a member of WSCAC and Vice-Chair. Mr. Lauenstein said there is a process at the state level on safe yield. In revisiting the appropriate allocations for water withdrawals in various communities and watersheds throughout the state, the state should establish safe yields or thresholds that are protective of the resource (some of the rivers in Massachusetts dry up or their eco-systems get hammered, especially in a summer like this). If the towns had to supplement their water supply with water from MWRA to support their economic growth and development and to protect their local environment, this might be a mechanism that might be a win/win proposition for all concerned that MWRA could provide that water at least within eastern Massachusetts around the periphery of the MWRA service area. Safe yields should be protective of the rivers and that should create an opportunity for the MWRA to achieve the system expansion that it has wanted for so long.

F. ADJOURNMENT

A MOTION WAS MADE TO ADJOURN THE MEETING AT 12:45 P.M. It was seconded and passed by unanimous vote.

Respectfully submitted,

Lou Taverna, Secretary