

**MWRA ADVISORY BOARD MEETING
FEBRUARY 21, 2013
BRADLEY ESTATE
2468B WASHINGTON STREET, CANTON, MA**

MINUTES APPROVED AT THE APRIL 18, 2013 MEETING

Thirty-eight people were in attendance, including twenty-one voting members: Michael Bishop, BELMONT; John Sullivan, BOSTON; Jay Hersey, BROOKLINE; John Sanchez, BURLINGTON; Michael Trotta, CANTON; Andrew DeSantis, CHELSEA; J.R. Greene and Andy Fisk, GUBERNATORIAL APPOINTEES; Bill Hadley, LEXINGTON; Amy McHugh, MARBLEHEAD; Katherine Haynes Dunphy, MILTON; John Cosgrove, NEEDHAM; Lou Taverna, NEWTON; Bernie Cooper, NORWOOD; Jeff Zager, READING; John DeAmicis, STONEHAM; Carol Antonelli, WAKEFIELD; Walter Woods, WELLESLEY; Zig Peret, WILBRAHAM; Joe Lobao, WILMINGTON; Steve Swymer, WINCHESTER.

Also present: John Carroll and Joseph Foti, MWRA BOARD OF DIRECTORS; Avril Elkort, CANTON; Joe Welch, NORWOOD; Eric Sherman, WAKEFIELD; William Shaughnessy, WELLESLEY; Beth Rudolph, WINCHESTER; Jonathan Yeo, DWSP; Andreae Downs, WAC; Lexi Dewey, WSCAC; Kathy Soni and Kevin McCluskey, MWRA STAFF; Joe Favaloro, Matthew Romero, Maggie Kenneally, Cornelia Potter and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF.

A. WELCOME

Chairman Katherine Haynes Dunphy called the Advisory Board meeting to order at 11:39 a.m. and introduced Canton Selectwoman Avril Elkort, who welcomed everyone to Canton.

B. REPORT OF THE EXECUTIVE DIRECTOR

MWRA Advisory Board Executive Director Joseph Favaloro noted that on Monday, Beth Daley of the Boston Globe wrote a front-page story regarding the Mystic River watershed entitled "*A Steady Flow of Trouble*." She raised a lot of issues and points. Mr. Favaloro stated that he felt strongly that he needed to balance the story with an editorial piece that was published this morning. The editorial noted that the MWRA has done the right thing and has spent a lot of money in its efforts to address water issues in the Mystic.

Mr. Favaloro stated that staff plans to provide the Legislature with a flash drive containing a digital version of the *2012 Annual Water and Sewer Retail Rate Survey*, along with a video that speaks to the needs of the MWRA communities to try to bring water and sewer infrastructure back onto the "radar screens" of the legislators. The video serves to remind the legislature that infrastructure is more than just roads, bridges and transportation. The video will also be posted on YouTube and can be accessed through this link: <http://youtu.be/akWX1muMPJs>.

C. PRESENTATION: STATUS OF WATERSHED OPERATIONS – Jonathan Yeo, Director of the Division of Water Supply Protection

Jonathan Yeo, Director of the Division of Water Supply Protection (DWSP), made a PowerPoint presentation to the Advisory Board, which can be found on the Advisory Board's website (<http://mwraadvisoryboard.com/2013/02/february-advisory-board-meeting/>). He stated that his Division is funded by the MWRA through the Water Supply Protection Trust. Katherine Dunphy serves as a member of the Board of Trustees, which is chaired by Fred Laskey. DWSP has close coordination with MWRA's financial team and the division has very effective budgetary controls and oversight with MWRA Budget Director Kathy Soni. The Division also has watershed advisory committees, which are made up of various stakeholders, that review policies and issues.

There is a lot of ongoing coordination on water quality and reservoir operations with MWRA staff. The Division has about 145 staff – labor, trades, engineers, scientists, planners, rangers and some seasonal employees out in the watersheds. The Division manages the watershed areas covering Quabbin, Ware River, Wachusett and Sudbury.

Step one to having great water quality at the tap is great watersheds, which DWSP has. Seventy-five to eighty percent of the watersheds are forest but there is also some development, cities and towns, roads and trains, farms and houses within the watersheds, so staff has a variety of things it needs to manage.

The reservoirs provide their own treatment through the forests and then go on to the John Carroll Water Treatment Plant and into your communities. Staff is in the process of updating its Watershed Protection Plan (which is done every five years) to look at all the threats to water quality and to develop programs to address those threats. From there, an annual work plan is created and approved by the Trustees to determine staffing and efforts in the next year.

In 2010, DWSP won the award from the American Water Works Association for its source water protection program.

In 2013, staff plans to focus on watershed forestry. DWSP had a successful deer hunt at Quabbin. Wildlife staff and operations staff run this program with the Fish and Wildlife Department, which has been extremely successful in maintaining deer at a certain density. The number of deer needs to remain in the range of 10 to 12 per square mile so that the forest can be allowed to regenerate. The forests are vital to the protection of the water supply. Keeping deer from eating all of the young trees is essential. Staff has been monitoring forest regeneration with a goal of 2,000 stems per acre and has been successful thus far.

In regard to invasive species, staff has been addressing terrestrial plants. Invasive plants are a threat to forest regeneration and to native ecology. Staff has also been working on aquatic invasive species – they are a threat to both water quality and to infrastructure. Efforts are being maintained to ensure that zebra mussels do not get into the watersheds. DWSP has been working with MWRA to deal with water chestnut and milfoil in the reservoirs and trying to ensure that an outbreak of hydrilla near the Wachusett Reservoir remains out of the reservoir itself.

The Asian Long-Horn Beetle is still in the Worcester area and is still in and around the Wachusett watershed. Staff is working closely with the federal and state governments to make sure that its spread does not go further into the watershed and devastate the tree population, especially maple trees. The infestation began in 2008 and continues.

Aquatic invasive species have been a high priority of the Water Supply Protection Trust. Staff has been doing a variety of monitoring and management programs to deal with the problem and have had a fair amount of success. Staff is looking forward to a large effort with the MWRA to get rid of milfoil in one of the basins on the western end of the Wachusett Reservoir.

The dangerous hydrilla plant has been discovered in some lakes and ponds in Clinton, just north of the Wachusett Reservoir. To ensure that fishermen do not drag the hydrilla to the reservoir, successful treatments have been done on the ponds and lakes.

Gulls are probably the number one threat to the water supply. Staff has been battling gulls for over 20 years through harassment programs. A study was undertaken two years ago to determine feeding patterns. Gulls come by the thousands in the afternoon and land near the two intakes at Quabbin and Wachusett. The gulls have been banded to monitor their locations so that staff can understand where they are feeding and where they are going. Based on this data, staff has learned that people have been feeding the gulls in parking lots; staff has been working with towns to start prohibiting the feeding of birds in the parking lots. Work has been done with Wal-Mart and other private property owners to post signage.

Staff has also been working with wastewater treatment plant operators to put up wiring over open basins so those are not feeding sources and also working with farmers to prevent large scale feeding on farms.

During the winter, a hover craft that can go over ice and water is used to utilize pyrotechnics to harass the gulls. It has also been determined that the gulls do not like green lasers because they think they are wires. When the lasers are shined toward the gulls, the gulls take off. Lasers are the latest new technology.

Spills from the road network around the Wachusett Reservoir present a real threat to the water supply. Staff has prioritized those threats and has done some work to protect the reservoir. One major project has been completed at the Cosgrove Intake, which is where all of metropolitan Boston's water supply comes from. There were seven or eight drains that went into the reservoir at that location. DWSP designed a project to correct that and the Department of Transportation funded it for \$2 million. DWSP is now working to design fixes for problems at the Route 12 Bridge on the western end of the reservoir.

Staff has been working with towns and volunteer groups to collect household hazardous waste out in the watersheds and to do recycling. A new \$300,000 facility in West Boylston, built by private funding and grants, is being run by volunteers to do recycling and swapping.

Big issues for the coming year include the Rutland-Holden Sewer, which staff continues to work on with the MWRA. The sewer is owned by the Department of Conservation and Recreation

(DCR) and is managed by the MWRA. Legal challenges continue with those communities. Staff has been working with the Attorney General's office to try to bring the issue to a resolution.

Another top priority is getting the watershed forestry program back up and running.

A challenge for the coming year is funding for capital projects, such as buildings and dams.

Staff is working to dispose of land around the Framingham reservoirs, which are no longer part of the water supply so that DWSP is no longer in the business of managing that land.

In response to the Science and Technical Advisory Committee's (STAC) report on the forestry program, the DWSP's advisory committee reviewed the Forestry Program and the STAC report and was in support of the Program and agreed with the recommendations of the report. The main recommendations of the STAC report were that DWSP needed to produce some plain language summaries of the forestry program, to continue to enhance source water protection in the Wachusett Reservoir watershed, restart active forest management using methods that eliminate the geometric patch and consider creating both early successional old-growth conditions in limited areas, monitor the effectiveness of the program using best management practices including posting time-sequence photos online, monitor the water quality effects of forest management above and below and before and after harvesting operations, which DWSP has been doing for several years at Wachusett Reservoir.

Public Comments were broadly supportive of the STAC comments. Some requests were that the DWSP: 1) deal with the issue of invasive plants and its relationship to forestry and strengthen the monitoring of the long-term effects of active management; 2) improve the consistent application of best management practices in forestry; 3) improve internal communications to avoid any problems in the future; 4) improve public communication via more detailed lot descriptions online; 5) to conduct field trips and field tours for the public; 6) to invest more in road and culvert maintenance; and 7) to consider re-starting a third-party recertification effort of the forestry program.

The DWSP's response to the STAC report is an acceptance of all of its recommendations; many of the public comment recommendations have been accepted as well.

In terms of watershed protection, the STAC report said that the division should continue to focus efforts at Wachusett. Over the last 20 years, \$130 million has been spent on land acquisition and has raised the ownership of land from 8% to 28% at Wachusett; totals have been raised at Quabbin as well. MWRA is working to find an additional \$5 million over the next five years for highly-targeted watershed acquisition toward critical parcels.

The water supply is forest-filtered. We believe this biological filter works best when it is actively growing and regenerating. Forest management deliberately diversifies the composition and the pattern for improved resistance to and recovery from our ever-increasing natural disturbances. The STAC report describes and supports this perspective. An active forest management program has been in place for nearly 50 years.

The main recommendation of the STAC is to continue regular forest management, have irregular shapes and leave green trees behind in the openings. A detailed plan will be posted

online. Once the DCR Commissioner's approval is given, staff will get projects out to bid; staff believes forest management will begin again in late spring or early summer of 2013.

John Carroll asked what is different about what was happening prior to that unfortunate situation and now. Mr. Yeo said prior to this situation, for decades people from all over the world came to visit this program as one of the highest quality forest programs on public lands in the world. A lot of water suppliers have copied these efforts around the world. A small group of people used the internet and photography, focused mostly on parklands and projects that weren't so great, and then they showed one or two projects on watershed lands and essentially "dragged" DWSP into it. EPA then made DWSP part of the overall program to revamp its efforts. There was one project that had a problem from an aesthetic viewpoint, with nothing illegal and causing no water quality problems, but it happened to be down the road from a prominent Nobel prize winning science writer that wrote an editorial and got the Globe involved. It was an extremely unfortunate situation. It didn't look nice and several things happened that shouldn't have happened. Changes have been made in the program, through review process, oversight and guidance, to ensure that it doesn't happen again.

Chairman Dunphy asked in the time that there was a moratorium at Quabbin and the state forests, was there a loss of logging contractors who are now no longer available to do the work. Mr. Yeo said a few people retired early and others sold their equipment. DWSP requires specialized equipment to come into the watersheds, with some valued at \$500,000. Without the projects to work on for two years, the contractors couldn't afford to continue payments on these pieces of equipment and had to sell them. Perhaps new people will join in once the program starts up again. There is still a group of dedicated, highly-skilled teams that do have the specialized equipment and follow the rules.

Chairman Dunphy said when DCR realized the work had been done poorly, if DCR reported itself and the Globe heard about it from DCR, it would have been better than having the opposition report it.

Mr. Yeo said this year DWSP set a transparency record in October. Staff was able to see down 36.5 feet at the Wachusett Reservoir. At Quabbin the record is 46 feet. There is great water at the reservoirs and the plan is to keep it that way for the MWRA and the consumers.

D. COMMITTEE REPORTS

Executive Committee – Katherine Haynes Dunphy

❖ STATUS: ECONOMIC DEVELOPMENT REPORT

Mr. Favaloro stated that the Collins Center at UMass Boston, hired by the Advisory Board, has been working with staff to come up with an economic development report that links the importance of a viable water and wastewater infrastructure to overall economic development.

The Collins Center staffers will be before the Advisory Board in April to make a presentation to the Advisory Board members. The report will be used by staff as a center-piece when it meets with the MWRA Legislative Caucus.

The study will speak to areas where an investment in water and wastewater infrastructure has had a positive impact on the local economy throughout Massachusetts and the country. The Collins Center will also look at areas that were held back because they were not able to fund water and wastewater infrastructure projects.

❖ **LEGISLATIVE UPDATE**

Staff is in the process of scheduling meetings with both House and Senate Chairmen of Ways and Means to make the Advisory Board's case that the state needs to get back to its obligation to assist MWRA ratepayers, either through Debt Service Assistance (DSA), Economic Development funding or a piece of the online sales tax revenue.

Last week, staff met with the Speaker of the House for discussions about the need for DSA and what staff can do in order to prevent DSA from being eliminated.

Finance Committee – Bernard Cooper

❖ **EVOLVING ADVISORY BOARD BUDGET REVIEW STRATEGY**

Mr. Favaloro stated that the MWRA will be before the Advisory Board next month to present its Capital Improvement Program (CIP) and Current Expense Budget (CEB). This meeting will be held at the Wellesley Free Library and will also serve as the Advisory Board's statutorily required public hearing on the MWRA's budget.

The Advisory Board's review will be looked at in terms of "Yesterday, Today and Tomorrow." In order to move forward, you need to appreciate what has already been accomplished. Over the years, the Advisory Board has made recommendations that, for the most part, the Authority has embraced.

Last year, the Advisory Board challenged the Authority to set the next five-year capital spending cap at no more than \$800 million. The Authority has proposed a five-year spending cap of \$793 million. It shows that the MWRA is willing to work with the Advisory Board. This reduction of the cap is already more than a \$200 million reduction in the MWRA's overall budget and that is significant.

The Advisory Board has asked the Authority to restructure debt, which it has. The concept of releasing reserves came from the Advisory Board and the Authority embraced it. Beginning in FY16, an estimated \$140 million will find its way into the rate structure, either as unencumbered funds (about \$40 million) that the Authority can utilize to pay down debt or existing bonds, which has a significant benefit on the overall rate increase package. Other reserve funds must be utilized on specific debt issuances.

The Advisory Board recommended that the Authority do a staffing study, which resulted in 20 positions being reduced from the MWRA's FY14 budget.

The Authority came up with a one-year defeasance account strategy. The Advisory Board recommended that the defeasance account be ongoing. In the three years since it was

implemented, it has been of significant benefit in paying down the MWRA's existing debt, which is the biggest driver of rate increases.

Many would say that the Authority has been almost too stringent in managing its fleet of vehicles in an effort to keep related costs down. The MIS strategic plan is now being implemented and will make the Authority more technologically efficient.

A drive around greater Boston will show the results of the Authority's aggressive alternative energy plan. The Authority utilizes solar panels, wind and water turbines, and hydropower.

The Authority's proposed budget for FY14 calls for a 3.9% rate revenue increase, which is approximately \$25 million. The increase is predominately driven by debt. Mr. Favaloro stated that the days of the Advisory Board being able to substantially reduce the proposed rate increase are gone, which is a compliment to the MWRA and even more so highlights what the Advisory Board has been able to accomplish. If the state were to invest in DSA at the levels it once did, there would be the potential of \$60 million per year to offset debt and the rate revenue requirement.

Mr. Favaloro said the Commonwealth wants to invest in transportation infrastructure because it is critical for economic development, it is necessary for public safety, it provides continuous service and it has to be affordable to the user. At this point, the Governor is talking about providing a \$1 billion investment in roads, bridges and public transportation. Water and wastewater infrastructure is also critical to economic development and public safety and it needs to have continuous service and be affordable to its customers; however, the Commonwealth hasn't provided any funding for water and wastewater infrastructure.

Between now and 2020, there will be nearly a quarter of a billion dollar increase in the rate revenue requirement. MWRA has cut positions, refinanced and restructured debt, installed GPS on its vehicles, and has had zero growth on its operating budget. The MWRA needs to find new revenue sources.

The MWRA and the Advisory Board have made numerous system expansion efforts with various communities. Economic development funding could help to tie communities into the MWRA's system, which would allow the communities to develop economically and would provide revenues to the MWRA.

The MWRA will be providing a full presentation on both the CIP and the CEB at the Advisory Board's public hearing at next month's meeting in Wellesley. WSCAC will be joining the Advisory Board for this meeting.

❖ **MWRA'S PRELIMINARY COMMUNITY ASSESSMENTS**

Mr. Favaloro provided members with the MWRA's preliminary FY14 community assessments, which represent an overall rate revenue increase of 3.9%. Copies of the preliminary FY14 community assessments can be found on the Advisory Board website (<http://mwraadvisoryboard.com/2013/02/preliminary-fy14-water-sewer-assessments/>).

Operations Committee – Lou Taverna

❖ **STATUS OF WASTEWATER METERING AND WATER RATE METHODOLOGY**

Operations Chairman Lou Taverna stated that lively discussions continue at the Operations Committee meetings. On the wholesale water rate methodology, the committee talked about right-to-use fees, standby fees, emergency charges and potential exit fees for those outlying communities, partial users and water users like Cambridge that only take MWRA water when they need it.

Mr. Favaloro added that on the wastewater side, the committee is likely a meeting away from a consensus on how to deal with the replacement of wastewater meters, as well as revisiting locations that do not have meters and how to determine how much flows comes from those areas.

E. ADJOURNMENT

A MOTION WAS MADE TO ADJOURN THE MEETING AT 1:01 P.M. It was seconded and passed by unanimous vote.

Respectfully submitted,

William Hadley, Secretary