

**EXECUTIVE COMMITTEE MEETING
FRIDAY, JANUARY 13, 2012
ADVISORY BOARD OFFICE**

MINUTES APPROVED AT THE FEBRUARY 10, 2012 MEETING

Present: John Sanchez, BURLINGTON; Bill Hadley, LEXINGTON; Jay Fink, LYNN; Katherine Dunphy, MILTON; Lou Taverna, NEWTON; John DeAmicis, STONEHAM; Carol Antonelli, WAKEFIELD.

Also in attendance, Joseph Favaloro, Matthew Romero, Maggie Atanasov, Mary Ann McClellan and Cornelia Potter, MWRA ADVISORY BOARD STAFF.

I. Approval of the November 10, 2011 Minutes of the Executive Committee

Chairman Katherine Haynes Dunphy called the meeting to order at 8:38 a.m. A Motion was made **TO APPROVE THE NOVEMBER 10, 2011 MINUTES OF THE EXECUTIVE COMMITTEE**. It was seconded and passed by unanimous vote.

II. Results of the Executive Committee Meeting Survey

MWRA Advisory Board Executive Director Joseph Favaloro stated that the Executive Committee requested in November to have staff survey attendees to determine if one day of the week was better than another to hold its monthly meeting.

Staff issued a blind survey and 14 responses were received; Friday received the most favorable response.

John Sanchez stated that perhaps a change in the time might be helpful because getting to the Advisory Board office during rush hour on a Friday morning is sometimes difficult. Matt Romero noted that he could send another survey out to members with time options as well.

Mr. Favaloro said comments he had heard in the past were that many people did not like going into their office first. It is easier for them to get away for a meeting if they start their day with the meeting; however, if they go into the office, it is more difficult to leave. Staff will put together a new survey and send it to members.

III. A) Possible Advisory Board Role in Stoneham Dispute with MWRA

Mr. Favaloro said that he and Fred Laskey met with the legislative delegation, members of the Board of Selectmen and Town Administrator of Stoneham to go over concerns

that Stoneham has with the Northern Intermediate High Pipeline that is proceeding through the MWRA's Capital Improvement Program. This is a \$40+ million project that provides redundant water for not only Stoneham, but also Reading, Wilmington, Woburn and other communities.

Stoneham had raised concerns about the impacts of the project versus the benefit for Stoneham and the level of construction mitigation. Further, when MWRA purchased the five acres of land for the project, it took that property off of the tax rolls.

At the meeting, a lot of these issues were vetted out. Mr. Favaloro also offered the use of the Construction Impact Review Board (CIRB), which is a standing-body of the Advisory Board but has not been used in many years. CIRB is made up of three members of the communities, two members of the MWRA staff and a fourth community member that would serve as an alternate.

Mr. Favaloro noted that CIRB is a standing committee of the Advisory Board so he would like to appoint members to serve in the event the committee is needed.

Ultimately, the discussions with Stoneham and the legislative representatives have led to a better understanding and the project is closer to moving forward.

John DeAmicis, Stoneham's designee on the Advisory Board, asked to set the stage for the issue that Stoneham had with the project. He said nearly 40% of the Town belongs to the Department of Conservation and Recreation (DCR) or the MWRA and for that the community receives a grand total of about \$5,000 in Payment in Lieu of Taxes (PILOT) and no other form of mitigation. Mr. DeAmicis said "That is the starting point."

Then two years ago, the MWRA decided instead of putting the covered storage tank on land already owned by the DCR or the MWRA at no cost, it was easier to buy some taxable land for \$5 million and put the tank on that property. So instead of getting land for free 200 yards away, the MWRA bought land for \$5 million. As a result, the selectmen were in an uproar because that is land that goes off of the tax rolls that was going to be developed.

There was supposed to be a soccer field on top of this tank. DEP came back and said having a soccer field on top of a storage tank wasn't a good idea. So the selectmen believed they had a deal and that the Authority was renegeing on the deal.

About a month ago there was another project at the north end of town near a section of route 28 and 93 for a 2,000 foot connector that really disrupted traffic and they got a lot of feedback on that disruption for a fairly small project. The MWRA now wants to go through the entire town to put this massive pipeline in and the selectmen felt enough was enough. The background on this matter was that the community felt that it has not been treated well by the Authority in the past few years. The community can't stop the pipeline but they could make it difficult. Mr. DeAmicis said that he does not know what the resolution will be but he is glad that the meeting took place. There has been a

tremendous amount of misinformation regarding not only this pipeline for the covered storage tank but for Spot Pond as well. Stoneham wanted to know what the benefit would be for the town on these projects.

Mr. Favaloro said he did not know what the outcome was going to be but he believed that the meeting ended a lot better than it started. There is now a better understanding of who benefits from what. The town and the MWRA will write up an “understanding” of what is going to happen.

By the end of the meeting, the town recognized that Mr. Laskey had never committed to put a field on top of the covered storage facility. Mr. Laskey had said he would go to DEP and ask them and DEP said no.

Mr. Favaloro said another issue that could dramatically impact every community down the road has come up. Construction projects are required to use either flaggers or police details. Most of the projects in the MWRA service area require details. One of the things that materialized is a dramatic difference on the understanding of how detail officers are paid. The Stoneham detail costs are double what any other detail costs have ever been for any project that was MWRA-related.

Both the town and the MWRA are going back and forth because this is a huge issue. Mr. Favaloro said his understanding on detail costs in most communities is that regardless of the officer’s rank, the patrolman’s rate is the rate that is used for details plus a 10% administrative fee, with the exception if there is a need for a supervisory officer, then that individual would get a supervising officer’s rates and normally a 10% differential is not paid on top of that; that is waived.

If Stoneham’s police detail rates were to become standard across the MWRA district, it would severely impact the costs of construction projects in all communities.

On the Stoneham billing, regardless if they are in supervisory role or not, if a captain is out there, they will bill at a captain’s rate, plus the differential is charged on top of that and they are determining that it is overtime from the minute they are out there. As a result, on the small project what was going to be \$40,000 to \$50,000 for detail costs turned out to be nearly \$125,000. Since it is a major project coming through town, that is going to double or triple the cost for details. If the Stoneham officers talk to the Reading officers and they talk to the Lexington officers, etc., this could become the new standard for police details. The MWRA has essentially dug in and has made this a debate with the town. The town says this is part of the collective bargaining agreement with the police department.

Mr. DeAmicis said the town has always added a 10% administrative fee to police details. A superior officer’s contract apparently says they get detail at time and one-half of their usual pay. Maybe the answer is that no superior officers are on details. Mr. Favaloro said the details are offered up equally. Mr. Romero said that MWRA staff

reported that the regular officers are turning down the details and the officers of higher grade have been taking them.

Jay Fink noted that the 10% fee is typically waived if they are doing the project for the town; that is where MWRA walks the gray line.

Chairman Dunphy said having signed police contracts in the past, it is her knowledge that if some change like this occurs it will be throughout greater Boston in a reasonable amount of time. If it happens, it will be very expensive for the MWRA. Mr. Fink said if it happens it will be expensive for everything anybody ever does.

Mr. DeAmicis said I can't believe that this is the only construction project where this has ever surfaced. Mr. Favaloro said it is. Again, it is standard procedure that it is patrolman's rate that is paid. No one is being critical of Stoneham but this is a huge change.

B) Understanding the Construction Impact Review Board (CIRB)

Mr. Favaloro said for this case, I don't think the Town of Stoneham will afford itself of CIRB; however, if anyone would be interested in serving on this committee, if needed in the future, please let staff know. Three members and an alternate are needed.

IV. Appointment of Advisory Board Members to Serve on the Long-Term Rates Management Committee

Mr. Favaloro said the Advisory Board staff has been pushing for a couple of budget cycles for the creation of a Long-Term Rates Management Committee, which the Authority agreed to. With the release of reserves scheduled for the FY15-17 timeframe, staff felt it was important to sit down to determine the best ways to utilize those funds, within the parameters allowed.

The Committee would be made up of Executive Committee members, Board of Directors members, staffs of both the Advisory Board and the Authority, along with key outside individuals, such as bond counsel, to discuss how they will utilize the reserves. The financial advisor will come in to discuss rates management and defeasance issues. The comptroller and actuarial study individuals will talk about the pension, retiree health costs and GASB liabilities, etc.

This will strengthen the overall approach as relates to long-term debt and rates management. Bond counsel at the MWRA has confirmed how the reserves can and can't be used.

Jay Fink noted that Bernie Cooper, as Vice-Chair of the Finance Committee, might be a good candidate to join that committee. Mr. Favaloro noted that Zig Peret showed interest in being on the CIRB or this committee as well.

V. Advisory Board Budget Review Status

Staff has begun the process internally to think about what approach should be taken for the combined CIP/CEB review this year. It is still in its infancy stages. One concept that came out through last year's review process is that the role of the Advisory Board's review document these days isn't as much about how much slashing and cutting of the budget can be done but rather how issues can be looked at in a multi-year perspective.

Staff is looking at what the major issues are on the capital side and the current expense side and how to put them both together to develop a message from staff to the Executive Committee, and then with the Executive Committee's feedback, to the full Advisory Board.

Next month, staff will outline these ideas in a more direct way on what direction it wishes to take.

Assessments will come out the Friday before the Board meeting in February and staff is guessing that the Authority's projected number for FY13 that was part of the FY12 budget will be close to what they will put out there for the proposed FY13 budget.

MWRA staff will be before the Advisory Board in February to do a combined CIP/CEB presentation to the full body.

Mr. DeAmicis asked if there is an update on the staffing study. Mr. Favaloro said the working group (Katherine Dunphy, Joe Favaloro, Joe Foti, Joel Barrera and the Union Coalition) will reconvene within the next two to three weeks for a preview of the report. It is pretty much complete but they are still going back and forth on a few of the divisions to make sure they are using the right metric to measure them against.

Its sister document is an MIS study that is also underway. It makes good sense to mesh the MIS study with the staffing results for MIS. In February, the studies should be at the Board and if they are will be at either the February or March Advisory Board meetings.

VI. Legislative Update

Every time a bill or idea is debated at the State House, staff visits the Speaker and the Majority Leader to ask for a piece of it. They say no, but they will take care of the MWRA with Debt Service Assistance (DSA). Last year MWRA received \$500,000 for DSA to keep the line item alive. The biggest difference last year is that it was included in the House and the Senate Budget, which was the same number and same language due to the professional friendly relationship the Advisory Board and MWRA have with Senator Brewer who is now the Chairman of Senate Ways and Means.

With the fiscal realities, though there is more revenue coming into the state, expenses have gone up and DSA won't likely go very high. Staff is working with Administration and Finance to see if the Governor would include DSA as well.

The bottom line is it is going to be another challenging year for any level of DSA.

Another thing staff is working on is that a key priority for the state this year is going to be economic development. Mr. Favaloro said he has asked MWRA staff to provide the Advisory Board with a map that shows the MWRA route for expansion for the north, east, west and south, with the most promising being west through Ashland and the 495 belt. Behind that, Advisory Board staff will add the pages that talk about what the benefit would be if the 495 belt had the water that it needed to expand, then asking the legislature to fund it, in part or in whole.

Staff hopes to sit with the Speaker in early February to discuss economic development issues for Massachusetts.

VII. Approval of the Advisory Board Agenda for January 19, 2012

A Motion was made **TO APPROVE THE ADVISORY BOARD AGENDA FOR THE JANUARY 19, 2012 MEETING**. It was seconded and passed by unanimous vote.

VIII. Adjournment

A Motion was made **TO ADJOURN THE MEETING AT 9:56 A.M.** It was seconded and passed by unanimous vote.

Respectfully submitted,

Lou Taverna, Secretary