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**EXECUTIVE COMMITTEE MEETING
FRIDAY, NOVEMBER 9, 2012
ADVISORY BOARD OFFICE**

MINUTES APPROVED AT THE JANUARY 11, 2013 MEETING

Present: John Sullivan, BOSTON; John Sanchez, BURLINGTON; Bill Hadley, LEXINGTON; Katherine Dunphy, MILTON; Lou Taverna, NEWTON; Bernie Cooper, NORWOOD; Nick Rystrom, REVERE; Rob King, SOMERVILLE; John DeAmicis, STONEHAM.

Also in attendance, John Carroll and Andrew Pappastergion, MWRA BOARD OF DIRECTORS; Fred Laskey and Michael Hornbrook, MWRA STAFF; Joseph Favaloro, Matthew Romero, Maggie Kenneally, Cornelia Potter and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF.

I. Approval of the October 12, 2012 Minutes of the Executive Committee

Chairman Katherine Haynes Dunphy called the meeting to order at 8:34 a.m. A motion was made **TO APPROVE THE OCTOBER 12, 2012 MINUTES OF THE EXECUTIVE COMMITTEE**. It was seconded and passed by unanimous vote.

II. Report of the Executive Director

MWRA Advisory Board Executive Director Joseph Favaloro stated that he had positive news. There have been lengthy discussions about system expansion with Tri-Town (Braintree, Holbrook and Randolph) and Southfield. Regarding Southfield, Fred Laskey and Mr. Favaloro have been asked to meet with the House Majority Leader next week, along with Southfield representatives, to see if the parties can move closer to an agreement.

Additionally, North Reading has moved forward with an Environmental Notification Form, which states that the Town of North Reading intends to pursue full-time membership as an MWRA water system customer.

III. Status Update of the Joint MWRA/Advisory Board Long-Term Rates Management Committee

MWRA Advisory Board Executive Director Joseph Favaloro stated that the Long-Term Rates Management Committee held two meetings last May. Beyond staff of the Advisory Board, both Katherine Dunphy and John DeAmicis of the Executive Committee also served as Advisory Board representatives on this Committee. Joel Barrera, Jim

Hunt and Andy Pappastergion served as the Board of Director's representatives, along with Authority staff as well.

Rachel Madden will be at the Advisory Board meeting next week to talk about various scenarios that were discussed for when the reserves are released. After that meeting, staff will come back to the Executive Committee to determine what its recommendation will be to the Rates Management Committee and the MWRA moving forward through the budget process.

IV. Presentation: 2012 Annual Water and Sewer Retail Rate Survey

Manager for Finance and Policy Review Matthew Romero offered preliminary retail rate information that has been received from the communities. Proofs will be sent out to the communities before the actual document can go to print so there is the potential for these numbers to change once feedback is received from the communities.

In FY12, the MWRA final wholesale assessments increased by 3.49%. The average MWRA community household charge was between \$865 to \$1,298. The range is based on what the Authority typically sees in the system of 60,000 gallons up to the American Water Works Association standard of 90,000 gallons. The Advisory Board uses the 90,000 gallon standard to track the rates across time. The average retail rate increase was about 3.5% and over the ten-year period from 2001 to 2011, there was a 73% increase at the 90,000 gallon standard.

Looking at the same things in FY13, the wholesale increase was 3%. The range for household charges was from \$898 to \$1,347. The average community retail rate increase is 3.8% currently; to put that 3.8% increase in perspective, this is the second year in a row that there are a significant number of communities that have maintained flat rate increases with zero retail rate increases. From the ten-year period 2002 to 2012, retail rates reflect a 70% increase, again at the 90,000 gallons. John Carroll noted that he would like to compare the increases to other utility costs; it seems like a tremendous increase of 70%. Mr. Favaloro said staff would add some perspective. Mr. Romero said that 70% reflects a \$553 increase on average for combined water and sewer residential costs in the MWRA system.

Mr. Carroll said people in general don't relate to yearly costs. They are used to monthly bills. Mr. Romero said the largest number of users are billed quarterly. Members felt monthly would be a better breakdown.

Mr. Romero said the average MWRA-only costs across the system were \$1,346 in 2011. In 2012, the average has increased to \$1,389.

V. Hurricane Sandy Facts and Figures

MWRA Executive Director Fred Laskey stated as storms approach, a memo is sent out to Board members (and Joe Favaloro is cc'd). A key step is the weather forecast to

determine when and how the storm is going to hit. With computer models these days, they are able to report with some accuracy on storms that are still seven to ten days away, which is a big change from five to ten years ago where at best there might be five days notice.

The Authority subscribes to a weather forecast that is not so much geared to the prediction of storms, but rather to when rain is going to start and stop, which helps with staffing.

Staff is invited to sit in on National Weather Service briefings and they send out information on wind and rain, which are the two important elements to the MWRA. If heavy rain is predicted, the first thing staff does is look at where the reservoirs are in terms of fullness because it takes the longest amount of time to draw them down. Essentially, staff has no control at the Quabbin because it is so big but at the Wachusett, staff has the ability to bring that elevation down. In March 2010, there was substantial flooding in Clinton because the reservoir topped the dam. MWRA has new hurricane gates there now that will allow the levels to be brought down. Water can also be released from underneath the dam.

In Clinton, one of the issues is that downstream of the dam there is a river that is not in the MWRA's jurisdiction; the river has not been maintained so the overflow areas are all full of debris. In this case, the MWRA has to let the town get down in there and clean it up to make sure it flows.

Staff also looks at the Sudbury system. The limitation on the Sudbury system is that whatever the MWRA releases has to be past Saxonville before the storm hits (and the same with Clinton) so that the MWRA doesn't contribute to the flooding downstream.

To give a sense of the magnitude, the Authority dumped 700 million gallons out of Wachusett, which is already low; in the Sudbury system, 470 million gallons were dumped prior to the storm to make sure we were at the right levels.

As the storm comes closer, the next thing looked at is the fuel and the testing of generators and equipment. Are there crews to do preventative maintenance and repairs? All the generators are tested and in tandem with that all the fuel and chemicals are topped off.

As the storm becomes imminent, staff will pre-deploy pumps; two will automatically go to Melrose where there is a history of sanitary sewer overflows (SSOs) at the Roosevelt School. The Authority did a construction job there to push the potential SSOs downstream away from the school. Pumps were also deployed at the IPS in Weymouth and at hot spots in the south system; Pearl Street is one of them.

The Authority also has an Emergency Operations Center at its Chelsea facility that has been beneficial for the MWRA. Ten years ago in a storm, management would have to ride around in pickup trucks and talk back and forth on the radio about what they were

observing. Now, the tracking systems are very sophisticated; staff can track very closely where the elevations are and can tie into the Boston Water and Sewer Commission to track the elevation of their system as well. Rain gauges at the Stony Brook are tracked as well. The biggest issue would be if the Authority has to do discharges from Nut Island in these big storms, which has occurred at least once by design. The Authority's permits allow staff to save the stations through controlled discharges. The philosophy is that we would rather have a two to three-hour pollution problem than flooding out the stations or headworks and then having three to four-month problem.

Email updates are sent out to the communities in stages. Staff has the ability to send out information to various departments, including water, sewer, DPW, emergency preparation people and then the Chief Executive of the community. The Chief Executive is only contacted if there is a hurricane warning. Additional updates are sent out if there are major issues.

The Authority's web page is also updated on a regular basis. The weather forecast is posted on the home page and regular updates are provided. MWRA is also on Twitter.

During the hurricane, two of the three headworks choked and all of the CSOs activated. The big issue for the MWRA was the wind, causing the loss of electricity. At one point the MWRA had ten of its facilities on backup generation. All of the backup generators worked well. A number of other locations also went dark but did not need any pumping. The Authority lost a piece of the roof from the gravity thickeners at Deer Island. The surf coming in at Deer Island was immense. The seawalls are designed to divert the energy so they are curved and the result is forty to fifty-mile an hour wind coming in and the waves are projected up 50 to 100 feet and caught in that wind. Between the rain and the salt water, the plant is literally being pelted.

As far as damages, the biggest things for the Authority were the loss of a roof at Deer Island and 100 downed trees that needed to be cleared out to get into our facilities; a lot of the trees were in the MetroWest area.

The total cost of the storm for the Authority was about \$300,000, of which \$107,000 was for overtime at Deer Island, Clinton, metro operations and western operations. The diesel fuel consumed was about \$106,000. In a storm, staff activates the large generators at Deer Island to run in tandem with the grid. If the wind is over a certain speed and the flows are over a certain elevation, the generators are turned on because of the potential for a power failure. The actual fuel used was \$148,000 but the MWRA avoided \$51,000 in costs for buying electricity from the grid. The Carroll Water Treatment Plant was also taken off the grid, which was a good thing because it lost power for an extended period of time. The fact that staff had pulled the treatment plant off the grid and was already on the generators made it seamless. It was \$75,000 to repair the roof at Deer Island and a pump was rented for Clinton; the MWRA may be buying a pump for that location.

MWRA has bolstered its portability capability since the March storm with the purchase of two 12-inch pumps that can move large amounts of water. There were no SSOs.

Mr. Hornbrook noted that sandbags were made up and pre-deployed to two areas that historically had rivers that came out of their banks.

Mr. DeAmicis asked how the loss of power affects the water supply. Mr. Laskey said the largest issue would be the treatment plant, which is why staff pulled it off of the grid and ran it on generators. The next phase would be the localized pump stations that pump to the higher elevations. About 80% of the water that the MWRA delivers comes in via gravity, with the remainder having to be pumped to higher elevated areas. If one of those pump stations went down, it would be a big problem.

Mr. Hornbrook noted that at any water pump station where there isn't a redundant pump station that can feed the same area, backup generators have been positioned.

Mr. Laskey noted that the fact that the Deer Island Plant is built up high gives him comfort, as does having the generators at the Carroll Water Treatment Plant.

VI. Action Item: 2013/2014 MWRA Advisory Board Legislative Package

Mr. Favaloro said there was a healthy discussion last month at the Executive Committee meeting on the Advisory Board's Legislative Package and a presentation was made to the full Advisory Board as well. Staff is seeking a vote to move forward with the finalized Legislative Package to be filed in January.

A motion was made **TO APPROVE THE 2013/2014 MWRA ADVISORY BOARD LEGISLATIVE PACKAGE**. It was seconded and passed by unanimous vote.

Mr. Favaloro noted that staff has engaged the Collins Center from the University of Massachusetts – Boston to provide an analysis that will be the basis of an Economic Development Initiative that seeks \$100 million for economic development. The Collins Center is putting together a quote for this work.

VII. Status: Forestry Program

Mr. Favaloro stated that the Secretary of the Executive Office of Energy and Environmental Affairs shared a letter with the MWRA Board of Directors that the Advisory Board sent last month in regard to the lack of a report on the Forestry Program. The Advisory Board had been informed that the report would be ready on October 23rd; however, as of November 9, the report had not been released.

Professor Barten, Chairman of the Science and Technical Advisory Committee which is doing the report, sent an email stating that two other federal agencies have to review the report before it can be finalized.

Mr. Favaloro said he has asked the Authority to hold the DCR invoice payment of \$2 million for watershed reimbursement until it is discussed with the Board of Directors. No report, no timeline...no money. The topic will be discussed at the next Board meeting. We expect that the Secretary will tell us that the report will be released on December 10th to the Quabbin Watershed and Ware River Watershed Advisory Committees for review and public comment. A real date and a real timeline are needed to ensure that it happens.

VIII. Outline of December Executive Committee Roundtable Topics

Mr. Favaloro stated that some of the topics that he will propose for the roundtable discussion include office logistics, as in where we are and where we are going as relates to physically being at this location; second would be staffing succession planning and salaries; and third, the role of the Advisory Board. How should we proceed for the future? Further, any topics that the Executive Committee would like to discuss can be added to the agenda as well. The meeting is scheduled for December 14.

IX. Annual Evaluation of the Executive Director

Mr. Favaloro provided members with a packet of information regarding his contract and accomplishments over the past year. After much discussion, the Executive Committee voted unanimously to give Executive Director Joseph Favaloro an outstanding review and to extend his contract for an additional year to June 30, 2015. Further, the Committee voted to increase the Executive Director's salary to the next step increase beginning January 1, 2013.

X. Approval of the Advisory Board Agenda for November 15, 2012

A motion was made **TO APPROVE THE ADVISORY BOARD AGENDA FOR THE NOVEMBER 15, 2012 MEETING**. It was seconded and passed by unanimous vote.

XI. Adjournment

A motion was made **TO ADJOURN THE MEETING AT 10:19 A.M.** It was seconded and passed by unanimous vote.

Respectfully submitted,



William Hadley, Secretary