



**EXECUTIVE COMMITTEE MEETING
FRIDAY, JANUARY 11, 2013
ADVISORY BOARD OFFICE**

MINUTES APPROVED AT THE FEBRUARY 15, 2013 MEETING

Present: John Sanchez, BURLINGTON; Tim MacDonald, CAMBRIDGE; Andy DeSantis, CHELSEA; Katherine Dunphy, MILTON; Lou Taverna, NEWTON; Bernie Cooper, NORWOOD; Rob King, SOMERVILLE; John DeAmicis, STONEHAM; Zig Peret, of WILBRAHAM.

Also in attendance, John Carroll and Andrew Pappastergion, MWRA BOARD OF DIRECTORS; Fred Laskey, Ria Convery, Steve Estes-Smargiassi and Michelle Gillen; Joseph Favaloro, Matthew Romero, Cornelia Potter and Mary Ann McClellan, MWRA ADVISORY BOARD STAFF.

I. Approval of the November 9, 2012 and December 14, 2012 Minutes of the Executive Committee

Chairman Katherine Haynes Dunphy called the meeting to order at 8:41 a.m. A Motion was made **TO APPROVE THE NOVEMBER 9, 2012 AND DECEMBER 14, 2012 MINUTES OF THE EXECUTIVE COMMITTEE**. It was seconded and passed by unanimous vote.

II. Use of Reserves as Part of a Long-Term Rates Management Strategy

MWRA Advisory Board Executive Director Joseph Favaloro stated that the resolve on utilizing the reserves has not diminished. In the coming months, the Long-Term Rates Management Committee will be meeting again. Since the release of the reserves is not scheduled until 2016, it didn't make sense to have an action vote at the present time. Waiting will allow flexibility – what is good today may not ultimately be the best approach in the future.

John DeAmicis said the committee did agree on an approach but nothing is official and nothing has been ratified. Chairman Dunphy noted that there are several years before any changes are needed.

III. Draft Comments on STAC Report

Mr. Favaloro said meetings were held in December between the two advisory committees in western Massachusetts to review the Science and Technical Advisory

Committee (STAC) report. More than forty people attended the meetings and there were no significant issues with the report. The public comments portion of this process ends on January 18, 2013.

Staff provided the Executive Committee with written comments for their input. Comments suggested by staff included: 1) to put the recommendations of the STAC report in place; 2) if there is going to be a change, ensure that the change is more restrictive than what the plan indicates; and 3) if a mistake is made in the future, admit it and correct it and then move forward.

Andy DeSantis said he did not agree with the words “more restrictive” because he would like to see the same net forest growth maintained. Bernie Cooper said he was confused by what “more restrictive” meant. Mr. Favaloro explained, if the watershed division were going to deviate from any of the report recommendations, it should be more restrictive than the actual recommendation rather than go against the recommendation in any way. Staff agreed to change the wording to make this position more clear.

Watershed staff will be scheduled to come to the Advisory Board's February or March meeting to update members on what progress has been made.

IV. Legislative Update

Staff is in the process of working the Advisory Board's legislative package through the legislature. Quotes from Senator Murray's inaugural address in being re-elected as Senate President noted that water and wastewater infrastructure must be on her agenda because of its impact on economic development. Cape Cod is in need of serious repairs to its infrastructure. If there is some type of bonding deal that covers water and sewer infrastructure, perhaps the MWRA may be able to get a piece of those funds.

The Advisory Board's language in regard to the online sales tax requests 100% of those funds, to be broken down as follows: 50% to be paid to clean water and safe water act construction bonding issues; 25% to pick up the obligations of the Commonwealth Sewer Rate Relief Fund; 15% for projects that allow for the growth and the economic development of the Commonwealth of Massachusetts; and the remaining 10% to be utilized for innovative water and wastewater projects.

The 50% would make Senate President Murray happy because her district is the most exposed as it relates to the new clean water act and safe drinking water act; that money would pay the bonds for those types of projects and would still benefit the MWRA. Stormwater is also included in this because that is the other issue that is going to impact communities dramatically. Twenty-five percent of a \$400 million number, for example, would serve the Commonwealth Sewer Rate Relief Fund, which is existing debt and that is where the Authority would benefit the most.

V. Update: Economic Development Report

Mr. Favaloro said the discussion relating to economic development has begun to resonate. There is finally starting to be some recognition that water and wastewater infrastructure is an issue and that it relates to economic development. Because of everything the Senate President is saying and the change in the landscape at the State House, the report on the ties between economic development and water and wastewater is even more critical.

There had been some discomfort from the Executive Committee in paying for the Economic Development study upfront; the new contract will pay as different task orders are completed so there is no upfront money.

The \$100 million Economic Development bill is on hold. Legislators are reluctant to file another spending bill at this time.

VI. Staff Benefit Update

Based on last month's discussion, the staff car allowance benefit would be broken up into three pieces. The first piece is a core car allowance, which every employee will receive. The second piece, as decided by the Executive Committee, would also keep in play the mileage reimbursement and tolls. The third piece would be amongst staff to decide which vehicle will be designated as the "official office vehicle" and there would be an additional stipend for that vehicle. This will be brought forward next month for the committee's thoughts and approval.

Mr. Favaloro stated that the compensation study has been placed on hold because he wants to fulfill the Executive Committee's request for justification relating to the new position that was discussed at last month's meeting. Further discussion on this topic is likely one to two months away.

VII. Progress of Operations Committee Discussion on Wastewater Metering and Wholesale Water Methodology

Mr. Favaloro stated that the Operations Committee has made significant progress in its discussions on sewer metering on the wastewater side. The committee is awaiting the Authority's proposal on its course of action. Mr. Favaloro said he believes the answer will be to use a consolidated approach so all the unmetered areas and the metering program itself will be done in a consolidated manner. There had been some discussion in doing this over five or ten years, but frankly, in Mr. Favaloro's estimation, that will not work.

The committee would need to develop a plan around the chosen procedure and what to do if discrepancies are discovered.

Mr. Favalaro said entities and individuals make better policy decisions when there aren't numbers behind it.

On the water side, there has been healthy discussion on three areas: 1) is there a better methodology out there; 2) using the MWRA as an insurance policy for emergency connections; 3) is there a way to recover costs if a community chooses to leave the MWRA system.

Information from the Operations Committee will be posted on the Advisory Board's website.

VIII. Other

MWRA Executive Director Fred Laskey stated that EPA is now allowing digital versions of the Consumer Confidence Report (CCR); however, a postcard would still have to be sent out to the consumers notifying them of the digital report and offering a paper version of the full report, if desired. Staff is already well on the road to drafting this year's CCR. The rough estimate for the publication and mailing of this document is \$200,000. The rough estimate for the preparation and mailing of the postcard is \$125,000. Ria Convery noted that the postage is the most costly portion of this project.

Mr. DeAmicis asked why this is an issue. If you mail something out every year, why doesn't staff just continue doing that? Mr. Laskey said people say that the MWRA is wasting money when it could be done electronically.

Mr. DeAmicis said, "what about my mother who doesn't have a computer?" Ms. Convery said the theory is that she would get a postcard saying "if you want the report, call us and we will send it to you." The MWRA would still have to print a number of copies.

Mr. DeAmicis said one of the problems is that there is not enough communication with the customer. Anything that detracts from communication is a bad thing. The only way staff communicates is with this one document that is sent once a year. Ms. Convery said that is true; this is the only opportunity to talk to people directly.

Mr. Laskey said one of the things staff finds is that if the MWRA explains to its customers what it is using funds for and why, there is a better acceptance of the bills. Staff also thought that in this version, it could be noted that if people want the report electronically in the future, this is something that staff is taking a look at and the transition could be made for the future.

Chairman Dunphy agreed with Mr. DeAmicis that people notice this document; they may not read it, but they look at it and pick up some information from the pictures and the maps and they have more confidence after viewing the flyer. People have commented to her that "we are lucky to have good water."

Mr. Favaloro also noted that it serves another purpose in that communities put their insert into the CCR as well and can send out the message they want to convey. Ms. Convery said staff would still have to do that on the electronic version; however, EPA is only allowing the information to be on one “url” so you can’t say click here, then click this and then click that. They want it to all be in one spot so you would have to do all community letters at the bottom. It would all look seamless and it is easy enough to do.

Mr. Laskey said he would report to the Board of Directors on Wednesday that the sense of the Executive Committee was to continue with the mailing of this report, at least for this year.

Mr. DeAmicis said he is big on saving money but this isn’t a lot of money to save.

Mr. Favaloro said the value and role of the Advisory Board and the Executive Committee is to be a sounding board to get a sense of the communities before the Authority moves forward in a particular direction.

Ms. Convery noted that the Authority already does have a web version of the CCR report.

Lou Taverna suggested that the reverse be done; the resident will receive a paper copy unless they specifically request to have it sent digitally. Stephen Estes Smargiassi noted that the MWRA mails this document with the cheapest postage it can get, which does not have an address on it; which is 12 cents per copy. If it were mailed with mailing addresses, it would cost 45 cents.

Mr. DeAmicis emphasized that this is the only communication that MWRA has with its customers.

IX. Approval of the Advisory Board Agenda for January 17, 2013

A motion was made **TO APPROVE THE ADVISORY BOARD AGENDA FOR THE JANUARY 17, 2013 MEETING**. It was seconded and passed by unanimous vote.

X. Adjournment

A motion was made **TO ADJOURN THE MEETING AT 9:51 A.M.** It was seconded and passed by unanimous vote.

Respectfully submitted,



William Hadley, Secretary