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**EXECUTIVE COMMITTEE MEETING  
FRIDAY, MARCH 15, 2013  
ADVISORY BOARD OFFICE**

Minutes Approved at the April 12, 2013 Meeting.

Present: John Sullivan, BOSTON; John Sanchez, BURLINGTON; Tim MacDonald, CAMBRIDGE; Bill Hadley, LEXINGTON; Katherine Haynes Dunphy, MILTON; Lou Taverna, NEWTON; Rob King, SOMERVILLE; John DeAmicis, STONEHAM; Zig Peret, WILBRAHAM.

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

**I. Approval of the February 15, 2013 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 FEBRUARY 15, 2013 MINUTES OF THE EXECUTIVE COMMITTEE**. It was seconded and passed by unanimous vote.

**II. Process and Timeline for Election of an Advisory Board Representative to the MWRA Board of Directors**

MWRA Advisory Board Executive Director Joseph Favaloro stated that the Executive Committee will once again serve as the Nominating Committee to vote for an Advisory Board representative to the MWRA Board of Directors, which is expected to be held in May.

Joe Foti has indicated that he would like to serve again as a member of the Board. If anyone else is interested in running, they must submit a letter of intent and resume by May 8.

**III. Legislative Update**

Mr. Favaloro stated that staff has begun its efforts to advocate for the need to expand the discussion on water and wastewater infrastructure. MWRA and Advisory Board staff have met with the House Chairman of Ways and Means Brian Dempsey. There will be Debt Service Assistance (DSA) in the House Budget, most likely in the \$500,000 range.

On Friday, staff testified before the Joint Committee of Ways and Means on the need for an expansion of what the term infrastructure means.

For the first time, the concept of “chemical reimbursement” was introduced to the legislators. It was not filed as a stand-alone bill; however, staff would like to see if it could be worked through the budget process. The language was provided to Chairman Dempsey if he wished to utilize it to create an “either/or” for “DSA or Chemical Reimbursement”. The chemical reimbursement is better insulated. Up until 2009, the Commonwealth of Massachusetts would provide a reimbursement to all municipalities and wastewater districts for chemicals that were purchased for operations, and it was included as a line item in local aid. It was eliminated in 2009. It represented around \$800,000 for the MWRA and another \$1 million for the rest of the Commonwealth.

Mr. Favaloro noted that he and Mr. Laskey spent time with Senate President Murray’s staff talking about an infrastructure bill and what it might look like. Any infrastructure bill that includes water and wastewater will come from the Senate; however, the current issue is that there is no available funding.

Staff plans to meet with Senate Ways and Means Chairman Steve Brewer within the next couple of weeks to continue the dialogue.

One of Governor Patrick’s principal objectives is a change in healthcare for retirees. This bill would significantly change packages for public employees’ healthcare when they retire. It changes the plan from being totally vested in ten years, with 80% of premium costs, to a plan that goes to 20 years at 50% of healthcare costs, and continues on during years 20 to 30, with the percentage ratcheting up. Only when a public employee retires at 30 years would they be eligible for 80% of their premium. Language will be included for people who are close to retirement. It will significantly reduce the overall liability for an entity like the MWRA and other public entities.

Advisory Board staff felt compelled to write a letter of support for House Bill No. 59, *“An Act Providing Retiree Healthcare Reform,”* which are the changes that the Governor and the legislature have brought forward. The Advisory Board’s job is to represent the overall interests of the ratepayers, which would include reducing the liabilities of the MWRA. In this case, it means between \$50 and \$70 million over a 30-year horizon.

A Motion was made **TO APPROVE THE LETTER OF SUPPORT FOR HOUSE BILL NO. 59, “AN ACT PROVIDING RETIREE HEALTHCARE REFORM.”** It was seconded and passed by unanimous vote.

#### **IV. DEP Regulatory Reform Draft Regulations**

Mr. Favaloro stated that the Department of Environmental Protection (DEP) has decided to change its regulations in a multi-year effort. The regulatory reform package revisits a large number of regulations.

Mr. Favaloro stated that he did not believe there had been a lot of communication with the communities in regard to these regulatory changes. Even before they have had a chance to tell communities what is included in this reform package, there have been public hearings scheduled for March 22 through mid-April. Then there will be a comment period and the process will be over.

The types of changes to be imposed include: managing I/I in the community systems to a five-year storm and asking communities to get rights to be able to walk into anyone's basement to remove a sump pump. Those are the types of things that are included in the new regulations.

MWRA Chief Operating Officer Michael Hornbrook and Director of ENQUAD Andrea Rex will be before the Advisory Board next week to speak about the Mystic River Water Quality and Mr. Hornbrook will also outline some of the potential impacts of these regulatory changes.

It might be worthwhile, between now and April, to see if DEP would want to come in and the Authority could invite the MWRA communities to talk about these potential changes.

The DEP website lists this regulatory change document.

There is also an implication that there will be a moratorium on sewer connections if a community doesn't meet the numbers it includes in its five-year storm plan. These are potential impacts that communities may want to take a look at.

Chairman Dunphy asked what the penalty would be if a community wasn't able to manage a five-year storm. Mr. Favaloro said the first penalty would be that no new connections would be allowed into the sewer system.

## **V. Preliminary Discussion on the FY14 Advisory Board Budget**

Mr. Favaloro stated that this is a significant budget because it marks the point where the Advisory Board has already taken the "low hanging fruit" and utilized various tools to keep its budget requests down. Previous measures included transferring the costs for electricity and telephone to the MWRA and moving to Charlestown two years ago for a significant savings on the lease. These were all tools that the Advisory Board used to hold the bottom line. The Advisory Board's budget has barely increased over a seven to eight year horizon.

One tool that staff counted on for this year's budget was that the Advisory Board would move down within the MWRA's office space. With the Authority renewing its lease, Advisory Board staff thought there would be an opportunity for some savings by renegotiating out of its lease; however, that deal was not possible. Additionally, operational and real estate taxes have also increased.

Staff will be before the Executive Committee next month with its final budget request for FY14.

**VI. Status: Economic Development Report**

Staff plans to meet with consultants from the Collins Center from UMass Boston this afternoon. The academic piece of the project, which states the reasons why there is a direct link between water and wastewater infrastructure and economic development, was presented to the Executive Committee. This will be an addendum to the overall project.

The Advisory Board plans to have representatives from the Collins Center speak before the Advisory Board in April.

**VII. Status: Operations Committee**

Mr. Favaloro noted that he cancelled the scheduled Operations Committee meeting because several key players in the discussion were unable to make the meeting. Rather than have to discuss the same materials in two consecutive meetings, staff felt it would be better to just postpone the meeting. Additionally, more time could be used to conduct research and collect data.

**VIII. Approval of the Advisory Board Agenda for March 21, 2013**

A motion was made **TO APPROVE THE ADVISORY BOARD AGENDA FOR THE MARCH 21, 2013 MEETING**. It was seconded and passed by unanimous vote.

**IX. Adjournment**

A motion was made **TO ADJOURN THE MEETING AT 9:28 A.M.** It was seconded and passed by unanimous vote.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "William Hadley".

William Hadley, Secretary