



Executive Committee Meeting

Friday, September 13, 2013
8:30 AM

Advisory Board Conference Room
100 1st Avenue, Building 39-4
Boston, MA 02129

Attendees

John Sullivan	Boston	Lou Taverna	Newton	Zig Peret	Wilbraham
Tim MacDonald	Cambridge	Michael Coffey	Quincy	Joseph Favaloro	Staff
Andrew DeSantis	Chelsea	Nick Rystrom	Revere	Matthew Romero	Staff
Katherine Dunphy	Milton	Rob King	Somerville	Cornelia Potter	Staff
Andy Pappastergion	MWRA BOD	John DeAmicis	Stoneham	Mary Ann McClellan	Staff
Joseph Foti	MWRA BOD	Carol Antonelli	Wakefield		

MINUTES APPROVED AT THE NOVEMBER 15, 2013 MEETING

I. Approval of the June 14, 2013 Minutes of the Executive Committee.

Chairman Katherine Haynes Dunphy called the meeting to order at 8:44 a.m. A Motion was made **TO APPROVE THE JUNE 14, 2013 MINUTES OF THE EXECUTIVE COMMITTEE**. It was seconded and passed by unanimous vote.

II. Action Item: Nomination of the FY14 Executive Committee

The following slate was presented to the Executive Committee, acting as the Nomination Committee, for its consideration:

Chair: Katherine Haynes Dunphy, Milton; Vice Chair of Finance: Bernie Cooper, Norwood; Vice Chair of Operations: Lou Taverna, Newton; Secretary: William P. Hadley, Lexington; Treasurer: John P. Sullivan, Boston; At-Large: Carol Antonelli, Wakefield, Michael Coffey, Quincy, John DeAmicis, Stoneham, Andrew DeSantis, Chelsea, Robert King, Somerville, Craig Leiner, Natick, Timothy MacDonald, Cambridge, Zigmund Peret, Wilbraham, Nick Rystrom, Revere, John Sanchez, Burlington, Walter Woods, Wellesley, (1) Vacant.

Hearing no nominations from the floor, a motion was made **TO SUBMIT THE LIST OF NOMINEES TO SERVE AS THE FY14 EXECUTIVE COMMITTEE TO THE FULL MWRA ADVISORY BOARD**. It was seconded and passed by unanimous vote.

III. Preview: Economic Development Report

Mr. Favaloro stated that there has been a huge effort over an extended period of time to provide the Economic Development Report. The report is not officially complete, but is well underway. Staff from the Collins Center will be at the Advisory Board meeting next week to formally present this information to the Advisory Board. From there, staff will be working on a strategy to get its message out.

The report notes that there is a greater return for a water/wastewater investment than an investment in transportation.

Case studies were done on projects in Lynnfield, Stoughton and Framingham that showed the benefits to their local economies, job growth and tax revenues because of the infrastructure improvements that were made.

In contrast, the Southfield development in Weymouth has slowed down its progress because of a lack of water. Those are the types of projects this report is looking at.

Urban development was highlighted on the Advisory Board's recent successful field trip, which was a result of the Boston Harbor Cleanup.

The report also looks at unrealized opportunities, such as Union Square and Boynton Yards in Somerville, which could be a huge economic driver for the city if not for the lack of a sewer system, which has restraints and causes flooding. This has made it difficult for the city to develop that vast area.

The state's new Sustainable Water Management Initiative (SWMI) will result in changes to the amount of water that can be drawn from stressed water basins. Multiple communities will be impacted by these new rules in terms of increasing or maintaining the levels of growth that they currently have.

In addition to the MWRA District, the report also looked at the Miles Standish Industrial Park in Taunton.

Mr. Favaloro stated that he hopes this report will provide the Advisory Board with the "sound bites" that begin to start the discussion on the Infrastructure Finance Bills that Representative Dykema and Senator Eldridge spoke about on the Advisory Board field trip. Senate President Therese Murray is also planning to propose an infrastructure bill.

This report will be used as a building block to build a foundation in order to have a real discussion about an infrastructure bill to try to make the case that these improvements would be tied to economic development.

Lou Taverna asked how much the Advisory Board is spending for this report. Mr. Favaloro stated that the contract with the Collins Center is for \$14,000. Mr. Taverna stated that this seems like more than \$14,000 worth of work.

Messages center on water and wastewater infrastructure investment and its benefits to economic development. That is the message with the case studies to cement it.

IV. FY14 Advisory Board Priorities

Mr. Favaloro stated that traditionally, staff keys up the Advisory Board's priorities for the coming fiscal year in September; the Authority will attend the September Advisory Board meeting to tee up their priorities as well. For the most part, priorities do align.

Job number one is managing rates, especially in the FY14 to FY16 timeframe to keep those rate increases under 3.5%. Currently, FY17 is proposed to be more than double that increase at about 8.5%. Efforts in the next three years will need to focus on ways to bring the proposed FY17 rate increase down. From an economic development perspective, this proposed high rate increase hurts the Authority in its system expansion efforts because it discourages communities from wanting to join. The focus will be how to make some significant alterations to FY17, without forgetting about FY14, FY15 and FY16. The released reserves have already begun to filter through the projections.

Another topic that ties into the economic development report and the rate revenue is the need to get water and wastewater infrastructure back on the map. A bit of good news is that the State Budget was proposed to include

\$600,000 for Debt Service Assistance (DSA); however, the final version of the budget included \$1 million. Staff hopes that DSA will avoid the 9c cuts by the Governor.

John DeAmicis asked how to get water and wastewater back on the map without calling on the MWRA ratepayers to “pony up” more money; as a ratepayer and a taxpayer, he doesn’t want to pay more. He said he is not sure he wants to pay more taxes to benefit someone else’s community. Mr. Favaloro said that is a fair point.

John Sullivan said he agreed on the need for utilities for economic development but the Executive Committee has to remember who benefits from it. It is going to be some local town and the state for tax purposes. The communities should be asking the MWRA to come and do it. The MWRA shouldn’t be promoting that it wants to spend its money or resources so someone else can become the beneficiary unless it is a clear-cut benefit to the MWRA and its communities. If the community needs the MWRA, the question should be what are you going to do to entice the MWRA to come play ball?

Mr. Sullivan stated that the Boston Water and Sewer Commission (BWSC) has done a lot of economic development for the city and the seaport and has not paid for any of it. BWSC lets someone else pay for it and they can then make money. Joe Foti added that this option is possible because it is Boston; Chelsea does not have that luxury. The MWRA has to give a little bit too.

Mr. Sullivan said the MWRA just has to be careful on how much money it spends to get a return over 20 to 30 years. He stated that he doesn’t want to see the Authority spend all this money so that the region gets developed and the state makes the money and then there is no real return to the Authority.

Mr. Favaloro said getting water and wastewater infrastructure back on the map has been a concerted effort of staff. Last January, Senate President Therese Murray made it one of her issues as she moves forward into her last term as Senate President based on a realization that the Cape needs some serious money.

Mr. Favaloro said his opinion may differ from some members of the Executive Committee, but it would be his hope that in his remaining lifetime that he could report to this committee that the MWRA got \$32 million of the \$51 million in DSA. He wouldn’t care if the Cape got \$14 million of it because, in all fairness, there is an obligation on the part of the Commonwealth of Massachusetts to be a partner on the infrastructure side. Mr. Sullivan’s point about who benefitted from the harbor cleanup and the development of the seaport, and the \$176 million in revenues that came into the Commonwealth because the MWRA communities are paying the \$5 billion it took to complete these projects is a valid point. The MWRA and its communities should get something back for that. Mr. Favaloro said he has a fundamental belief that the Commonwealth, in some way, shape or form, should be part of the solution; at this point in time they are not.

The Environmental Bond Bill has its hearing next week. Though there is no guarantee that all of the things in the bond bill will be funded, it is important to have them included in this bill or else there is no chance for funding. The Environmental Bond Bill is broader than any water or wastewater project; it includes all environmental projects.

On the Infrastructure Bill, one approach was to ask for \$200 million whereby the Commonwealth would bond \$2 billion for \$200 million per year to go out to entities like the MWRA and the communities to fund water and wastewater projects. There needs to be a source of dedicated funding from the Commonwealth of Massachusetts. It is difficult to influence that final number, at least at this stage of the process, but we are trying to influence a few components of it. One is that it has to be a dedicated funding source; two, the definition of community has to include entities such as the South Essex Sewer District, the MWRA and other non-community entities that still

need to draw on some level of funding. It also has to include a capital plan. The MWRA has an approved capital budget and a five-year cap; it is more than \$1 billion. There needs to be funding for those types of projects. By the same token, the MWRA has spent \$7.5 billion to date; there has to be some continued recognition that DSA is needed that accepts and acknowledges the commitment that has already been made by the MWRA and its communities to get the Commonwealth to the point that it is today.

Staff is hoping to convince legislators to set aside a piece of the funding to help expedite economic development projects. North Reading is interested in coming into the MWRA system. If the cost of those connection fees could be picked up by the Commonwealth, it is good for the Town of North Reading and it is great for the MWRA ratepayers because it would get those water revenues coming in faster.

One of the best ways to help overall MWRA rate revenue and, most importantly, to help the communities, would be to expand the system to spread the costs. Hudson has been taking some MWRA water; staff will work with them to see if that emergency use of water could grow into a more permanent relationship.

Cambridge is back on MWRA water for a short period of time because of a water transmission project the MWRA is doing and CSO projects that Cambridge is doing.

North Reading is probably the closest to coming into the MWRA waterworks system than all other entities at this time. It will be another 18 months or so at best.

MWRA and Advisory Board staff met with the new owners of Southfield two weeks ago to have a “meet and greet” type of discussion. The new owners are planning a reassessment of all potential water use. They will be looking at coming through Weymouth, which has pluses and minuses. If Weymouth has enough water, there is the SWMI discussion. They are looking at tying into the Brockton desalinization plant and they still want to explore the full MWRA connection into the system, which really only happens if there is a relationship with Braintree or Holbrook because they would be the two chances to get in by either one of those access points.

The Authority has put together a co-digestion pilot plant plan; however, the state is proposing an unrealistic schedule that doesn’t really tie into the thoughtful process that the Authority has brought forward. The MWRA needs to stand firm and be comfortable with what they can do and what they can’t do. This venture needs to be profitable to the MWRA or they should not do it.

Lou Taverna said the digesters at Deer Island are set up for wastewater; are they implying that they can take food waste as well? Mr. Favaloro said they would have to dedicate a digester to do it and that is the reason for the pilot study on what it would take to participate in that.

A preview of the draft National Pollutant Discharge Elimination System (NPDES) permit for the Clinton Wastewater Treatment Plant was given to the Authority this week. It will be released in the first week of October and it contains co-permittees and significant requirements on Operations and Maintenance (O&M) and Inflow and Infiltration (I/I).

The first thing that both the Authority and the Advisory Board will be doing in the next week is to ask for a 30-day extension. In the bigger picture, the co-permittee language will be mirrored in the Deer Island Wastewater Treatment Plant’s draft NPDES permit. There has been a lot of litigation at other facilities and the co-permittee language seems to be iron clad. The additional O&M and I/I requirements would throw more onto the communities’ plates. It could be impactful.

As the Advisory Board for the communities, staff wonders if there is more that we could be doing in community outreach to help by being a better facilitator or advocate for things even beyond our statutory responsibility. Could we be the “Massachusetts Municipal Association (MMA)” of water and wastewater? In the bigger picture, that is the type of thing staff wants the Executive Committee to wrap its head around.

It doesn’t hit the MWRA directly, but the biggest thing coming “down the pike” is Sanitary Sewer Overflows (SSOs). Should staff be getting more active in getting information out to communities on various topics, making them aware that there are pitfalls coming or actions that need to be taken? SSOs are probably one of the biggest. In general, should more community programs be created? Should staff be making communities aware of things that could benefit them that normally staff wouldn’t be involved in?

Mr. Favaloro said the co-permittee language in the NPDES permit would put communities “under the thumb” of the MWRA; eventually EPA could say “I’ll call Fred Laskey” and then “I’ll call the Judge.” From there, I will get them to make sure that Chelsea does project X. Mr. DeSantis said they are doing it anyway. Mr. Favaloro said there should be some ability to provide communities with information and assistance in dealing with all the issues they are going to be facing because of new changes in regulations. Mr. DeSantis said there are communities you can provide with help but they are still not going to do anything unless you bring the stick.

Mr. Favaloro said staff does not have a definitive plan, but thought there could be an outreach to communities on what they would like assistance in. It is different than putting a “hammer” in a NPDES permit and providing support services on the other end of it. Communities are going to need the assistance.

Mr. DeSantis said what is the point if there is no hammer? Mr. Favaloro said that he assumed there will be a hammer but it is who is “banging in the nail.” EPA may act differently with communities if they have to bang in that nail individually to the 46 wastewater communities as opposed to telling Mr. Laskey to bang that nail in.

The last time EPA attempted the co-permittees, the Advisory Board brought all the communities into a room to try to come up with a proactive plan working with DEP and EPA and what the MWRA could do. As it is now, the MWRA has the I/I Program and other programs that communities participate in. Mr. DeSantis said this would reach into the Advisory Board’s reorganization plan. Is this an expansion of the Advisory Board? Mr. Favaloro said no; there is no attempt to grow the footprint that we have, we’ll move things around but there is no attempt to increase the staff.

Chairman Dunphy said there are a couple of issues involved. First, when you see the word stormwater, that is usually paid for by taxes. Milton has a good program and is working on stormwater; however, if they get pushed, it is going to be competing with police, fire and schools and that will cause an uproar. There will be a push to have the sewer rates pay for it or a stormwater utility. That is what the federal people would like. That is one significant issue. Additionally, other communities are getting upset about the rates. The Advisory Board should advertise that staff is available to come out and talk about the issues.

Mr. DeSantis said 30 years ago when MWRA first came into existence it was easy to point to them as far as rates are concerned. Chairman Dunphy said they still do that.

Mr. Favaloro said this will be an open discussion throughout the year as staff reaches out to communities and asks what they might like us to be involved with or what we should be involved in. The Executive Committee will have the final say.

In the Integrated Comments, staff suggested forming a committee in regard to payments in lieu of taxes (PILOTs). Staff would like to bring communities from central and western Massachusetts, DCR and the MWRA together to have a healthy discussion about the fairness of how PILOTs are currently made. Every possible benefit for the communities is put in place and there is no “give” back the other way. It may be an act of futility, but it may be worthy to explore. PILOTs are at \$6+ million this year and will continue to grow each year.

One of the biggest problems in sewer systems these days are the “flushable” wipes. It is beginning to become more and more of a problem in wastewater systems. The Authority will be making presentations on this topic, along with creating educational material that will filter out from that discussion. Mr. Favaloro said it is becoming an issue for the major sewer lines. Industrial rags caused problems at the pump station in Braintree. Baby wipes and other products are causing significant impacts to the sewer systems.

Carol Antonelli said she is surprised that some of the wipes say “flushable” on them; that should be changed. Matthew Romero said this is also a huge issue with the wastewater advocacy groups that are saying just because it can go down the pipe doesn’t mean it won’t cause problems. It is absolutely an educational issue and with the aim of advocacy for our communities this would be helping them to get that message out to their ratepayers and constituents.

Mr. Favaloro said Michael Hornbrook and Rachel Madden will be speaking about the challenges for this fiscal year at the Advisory Board meeting. WSCAC and WAC will also be in attendance.

V. Advisory Board Staffing/Organization

Mr. Favaloro stated that Maggie Kenneally left the Advisory Board staff at the end of June. Over the course of the summer, staff had “spaghetti off the wall meetings” where we listed the jobs that we are doing and looked at why we were doing it, could we do it better and what is our back-up plan to cover these functions. We listed each of the responsibilities in the office. From there, some of those activities were redistributed.

The Government Media Coordinator’s responsibilities were broken up into communications and legislative components. The legislative activities will be rolled over to the Executive Director.

People do not write press releases anymore. Media is done with Flickr, YouTube, Facebook, Twitter, our website, etc. Communication is now done through social media almost exclusively. Mr. Favaloro said he has redefined Mr. Romero’s position to take over all of the social media aspects of this position. It will also continue to include the budgetary and policy pieces; he will be firmly involved in that aspect. One of the fatal flaws in this organization, however, is that there is no direct backup for the skill set that he has. What would the Advisory Board do in the event that Mr. Romero were to leave?

Mr. DeSantis asked how much of Mr. Romero’s time would be spent on social media. Mr. Favaloro said it would probably be a 50/50 split until the new budget person is brought on. Mr. DeSantis said he couldn’t see that a lot of time would be necessary to maintain a website. Mr. Favaloro said to be successful, you have to be actively on top of it; frankly, it has been a problem here.

Mr. DeSantis asked how often press releases are issued. How often is the website updated? Mr. Favaloro said if a website is done right, it should be updated daily. Mr. DeSantis agreed, but asked how much time it takes. He stated that he maintains a website but doesn’t do it every day, but rather once a week or once a month. Mr.

Favaloro stated that everyone operates their sites differently; however, to manage Flickr, YouTube, Facebook, Twitter and the website in the manner we want, it takes time.

Mr. DeSantis said he has Twitter and Facebook accounts; he said he sees a lot of time being wasted by a lot of people on both of those. Mr. Favaloro said it won't be wasted here. Mr. Romero said there is a big difference between personal updates and trying to brand yourself. That is what this is about. As an agency, we are not out there in any of these formats right now. Mr. DeSantis said he doesn't think a lot of people are going to care. Mr. Favaloro stated that is the way that people communicate now.

Mr. Romero said the Advisory Board picked up new followers from the National Association of Clean Water Agencies (NACWA) conference. Staff didn't attend the conference but instead followed NACWA and re-tweeted some of their updates and started interacting with them. John Sullivan did go to the conference and he got elected to their Board. Mr. Romero stated that he "shouted that out" and four to six other local and national agencies started following the Advisory Board. Mr. DeSantis asked what you get out of that. Mr. Romero said we are getting exposure. The Advisory Board is getting other agencies to piggyback onto its issues and to weigh in on the larger issues that we are trying to promote. Whether it is flushables or economic development, staff is trying to expand the Advisory Board's reach using these new tools. Mr. Favaloro said the goal is to get the Advisory Board's message out to the largest audience possible.

Mr. DeSantis said his concern is not spending more time than the value of it. Mr. Romero said our primary and statutory obligation is to review the budget, which will always take priority. If your document is great, what good is it if nobody reads it? Getting the Advisory Board's message out there and expanding its advocacy is the goal.

Mr. Favaloro said in the past year Judge Stearns reached out to this office for information from our document for a symposium he was attending. The goal here is to evaluate what we are doing, what else we could be doing, and to fill the void we had on succession planning on the finance position and to continue with our roles.

At the end of the day, the blueprint of the number of positions has not changed, activities within them have and succession planning has hopefully occurred as well.

Mr. Favaloro stated in looking at the activities within the office, Mary Ann is essentially the Office Manager. She basically runs the office. Backup plans include that we have begun to engage the MWRA in regard to its Lawson system to have a backup on some of the financials that we are doing for payroll and accounting. Additionally, Mary Ann will take on the Board of Directors summaries. News & Notes, which has been widely read, is an effective tool to solidify the Advisory Board's positions; Joe will continue to write this newsletter. Cornelia Potter's contract position will be continued to supplement finance and policy issues. The expertise, knowledge and history she brings is incredible.

Staff's attempt for succession planning is to hire an entry level finance person to work on the budget document and inherit the Annual Retail Rate Survey, work on operations issues, and will have the technical skills necessary to assist in the creation of the document.

Staff is putting the final job description for the new Finance and Policy Analyst position and will advertise, with a plan to have someone on board in the December 1 timeframe.

Mr. Favaloro noted that FY2015 is going to be a "bear" for the Advisory Board budget-wise. All of the attempts to hold down the number will continue, but it is going to be a challenge being in the last year of the lease with a \$2

per square foot increase and the operating costs base year increase and the annualized cost of the new salaries. Mr. Favaloro proposed to do a compensation study, not including his position, which would also be included in the FY15 budget.

Chairman Dunphy asked when the lease ends and how will that work with the MWRA? Mr. Favaloro said there is about 18 months left on the lease and Mr. Laskey will provide space for the Advisory Board on the second floor. The money for the lease costs would no longer be in the Advisory Board budget.

Chairman Dunphy stated that there would be one really bad expensive year. Mr. Favaloro said yes. Currently, staff has a "handshake agreement" with the landlord that as he pursues tenants for the first floor space, in the course of those discussions if someone is looking for 2,000 square feet he would make them aware of the ability to sublease from the Advisory Board, which could help with the budget. Other than that, FY15 will be an expensive year.

VI. Approval of the Advisory Board Agenda for September 19, 2013

A motion was made **TO APPROVE THE ADVISORY BOARD AGENDA FOR THE SEPTEMBER 19, 2013 MEETING.** It was seconded and passed by unanimous vote.

VII. Adjournment

A motion was made **TO ADJOURN THE MEETING AT 10:08 A.M.** It was seconded and passed by unanimous vote.

Respectfully submitted,



William Hadley, Secretary