



MWRA Advisory Board

Advisory Board Meeting

Thursday, September 18, 2014
11:30 AM

Boston Water and Sewer Commission
980 Harrison Avenue
Roxbury, MA 02119

Attendees (Voting Members)

Michael Rademacher	Arlington	Jason Mammone	Dedham	Michael Coffey	Quincy
David Manugian	Ashland	Bill Hadley	Lexington	Jeff Zager	Reading
Roy Sorenson	Bedford	Dan O'Neill	Lynn	Brendan O'Regan	Saugus
Mike Bishop	Belmont	Amy McHugh	Marblehead	John DeAmicis	Stoneham
John Sullivan	Boston	Cassandra Koutalidis	Medford	Pat Fasanello	Walpole
Jay Hersey	Brookline	Katherine Dunphy	Milton	Jeff Bina	Westwood
John Sanchez	Burlington	Thom Donahue	Nahant	Joe Lobao	Wilmington
Tim MacDonald	Cambridge	Lou Taverna	Newton	Thomas Reilly	Winthrop
Andrew DeSantis	Chelsea				

Other Attendees

Henry Vitale	BWSC	Carolyn Fiore	MWRA	Vincent Spada	WAC
Elie Saroufim	BWSC	Betsy Reilley	MWRA	Andreae Downs	WAC
Sam Corda	Cambridge	Kathy Soni	MWRA	Lexi Dewey	WSCAC
Phil Jasset	Newton	Kevin McCluskey	MWRA	Jerry Eves	WSCAC
Scott Gustafson	Walpole	Dave Whelan	MWRA	Dona Motts	WSCAC
Kurt Tramosch	Wayland	Wendy Leo	MWRA	Whit Beals	WSCAC
David Cash	DEPF	David Duest	MWRA	Bill Farrell	WSCAC
Beth Riportella	DEP	Craig Alba	WAC	Martha Morgan	WSCAC
Ann Lowery	DEP	Dan Winograd	WAC	Zoe Neale	Mass Organics
A. Pappastergion	MWRA Board	Beth Miller	WAC	Joseph Favaloro	AB Staff
Joe Foti	MWRA Board	Mary Adelstein	WAC	Matthew Romero	AB Staff
Fred Laskey	MWRA	Karen Lachmayr	WAC	Cornelia Potter	AB Staff
Michael Hornbrook	MWRA	Tabor Keally	WAC	Travis Ahern	AB Staff
Rachel Madden	MWRA	Stephen Greene	WAC	Mary Ann McClellan	AB Staff

Sixty-seven people were in attendance, including twenty-five voting members.

MINUTES APPROVED AT THE NOVEMBER 20, 2014 MEETING

A. WELCOME

Chairman Katherine Haynes Dunphy called the MWRA Advisory Board meeting to order at 11:38 a.m. and introduced Boston Water and Sewer Commission (BWSC) Executive Director Henry Vitale who welcomed everyone to BWSC.

B. APPROVAL OF THE MAY 15 AND JUNE 19, 2014 MINUTES OF THE ADVISORY BOARD

A motion was made **TO APPROVE THE MAY 15 AND JUNE 19, 2014 MINUTES OF THE MWRA ADVISORY BOARD.** It was seconded and passed by unanimous vote.

C. REPORT OF THE EXECUTIVE DIRECTOR

MWRA Advisory Board Executive Director Joseph Favaloro stated in an attempt to become paperless, the Advisory Board provided Executive Committee members with iPads. In October the Advisory Board will be going fully paperless for the Executive Committee. Though the Advisory Board cannot purchase an iPad for every member of the Advisory Board, many members may have their own iPads. Since staff has the ability to tie members in to where this information is going to be stored, if a member would like to become paperless, we can tie you in through your iPad/tablet as well.

Another change that the Executive Committee and staff worked through last year was to limit some of the months where there would be full Advisory Board meetings. We don't do Advisory Board meetings in July, August (although

there is a field trip), October and December. Staff is suggesting that we use October's meeting for community workshops. This October, the Advisory Board will be holding its first community workshop on retail water and sewer rates and stormwater fees. Both of those topics are in the forefront.

Staff is bringing in experts on stormwater fees and retail water and sewer rates, enterprise funds, and ascending block rates. Julie Conroy from MAPC will be at the workshop to talk about MAPC's stormwater "tool box" that they provide to cities and towns in regard to stormwater and establishing fees. The workshop will be held in Wellesley and in addition to designees and chief elected officials, administrative and finance personnel will be invited as well.

This year, the Water and Sewer Retail Rate Survey has been expanded through Travis Ahern's efforts. It will now speak to what communities are doing with things like stormwater fees at this point in time. Between inside and outside of the MWRA service area, there is a dramatic difference. Less than 10% of the communities that have responded to the survey thus far have identified how they are going to recover stormwater fees. Outside the MWRA area and nationally, that number is five times our number, with 55% of communities having identified how they are going to establish it. Staff is assembling that kind of information as a tool for communities to use for next month's workshop.

This month's green sheet video on [Wholesale Rate Methodology](#) will be on the Advisory Board's website today. Staff is creating educational green sheet videos that will have a longer-term "shelf-life" and will be maintained on the Advisory Board website. This month's video explains the water and sewer rate methodologies in less than eight minutes.

Mr. Favaloro noted that this is a joint meeting with WAC and WSCAC and thanked Mr. Vitale and Mr. Sullivan for hosting the Advisory Board at the BWSC facilities.

D. PRESENTATION(S):

❖ DEP INITIATIVES – David Cash, Commissioner of the Department of Environmental Protection

David Cash, Commissioner of the Massachusetts Department of Environmental Protection (DEP), noted that many of the priorities that DEP and the Patrick administration have are irrespective of political party. Regulations or new statutes are going to be moving forward, regardless of the election in November, and many of these move the ball forward to address issues or concerns that have been raised or seize opportunities that we have not been able to take advantage of that have significant environmental benefit and cost-saving benefits as well.

Mr. Cash recognized two DEP staff members that were in attendance, Deputy Chief of Staff Beth Riportella, who has worked on many of the legislative issues that will be discussed, and Acting Director of DEP's Water Division Ann Lowery, who also knows the details of these regulations and is here as a resource.

One pillar of the Patrick administration has been the marrying of policies that provide environmental benefits and economic benefits as well. There is no question that clean and abundant water is a necessary foundation for any economic development and for the kind of lifestyle that we all appreciate here in the Commonwealth.

Part of the economic side of this has been the marriage of the clean energy agenda in the state and the need of municipalities and MWRA to avail themselves of energy efficiency and renewable energy as a way to save costs over time. There is no question that MWRA has taken advantage of these kinds of incentives and the new programs that electric utilities have had that have put in place a real flagship effort on the energy side that at the end of the day saves ratepayers money, provides a more stable source of energy than we would get by depending on natural gas or coal, etc. DEP has been focusing on efforts to marry environmental goals, energy goals and economic goals together.

The Water Infrastructure Act finally passed this summer after years in the legislature. The administration and beyond worked very hard on this, understanding the infrastructure challenges that we face in the upcoming years.

The State Revolving Fund (SRF) Program was renamed the Clean Water Trust to get the word abatement out of the title because nobody understood what that meant. The cap has been increased but it does have to be appropriated by the legislature moving forward. There will be more principal forgiveness and zero-interest loans available.

A very new piece of the legislation created a water technology innovation grant program. The Clean Energy Center (CEC) was created at the beginning of the Patrick administration and has focused on clean energy innovation. It provides grants to startup companies that want to commercialize new innovative energy technologies. In this statute, \$1.5 million was appropriated for grants that would come through the CEC. MWRA has been a world leader in providing pilot sites for all kinds of different technologies, whether it is leak detection or in-pipe hydro or a variety of technologies. This also would provide extra funding for those kinds of efforts. It expands the scope of the CEC in a positive way.

On the non-legislative side, the Sustainable Water Management Initiative, also known as SWMI, contains regulatory changes that will adjust safe yield, provide for stream flow standards, etc. DEP is about to finalize that package, which has taken about five years of analysis, stakeholder engagement and engagement with the legislature.

As part of a larger effort on regulatory reform, DEP clarified and made simpler and less duplicative its sewer connection regulations that will be coming out in April. DEP has also put forward inflow/infiltration (I/I) identification planning, with ways that cities and towns can address that.

DEP has been working with and negotiating with the Environmental Protection Agency (EPA) on the new Municipal Separate Storm Sewer System (MS4) permit and have been pushing hard on the cost-effectiveness and making it implementable.

A regulation that is about to go into effect on October 1 is a solid waste ban on organics. How will this impact the MWRA and its cities and towns? The basic gist is that it won't have a big impact on town DPWs and landfills. DEP has used landfill bans on a number of different materials. The idea has always been to keep things out of landfills that have other purposes or that could be particularly bad in landfills but to do so in such a way that we create markets for the use of these materials. That has provided real impetus for companies, both on the collection and recycling sides, to grow here in Massachusetts and the region and those have been successful.

Prior to each of these bans was a long effort to work with the stakeholders to figure out and signal that these markets need to develop. Organics make up about one-third of the waste stream. The state tried to identify the right size producer of this waste where it would be economical for them to not send them to landfills. Right now if you are a large restaurant and you produce a ton per week of organic waste, you have to pay to have it taken away and the tipping fee is going to be expensive. If you could find an alternate use for that or a company would come and cart it away for less than what it costs to take to a landfill, it would be a money saver, as long as it was consistent with the structure you would need in your restaurant to sort this stuff.

DEP has been working on this for ten years, but has more recently begun working with the stakeholders, colleges, universities, hospitals, large restaurants, etc. to work on the development of this regulation, which will take effect on October 1, when the enforcement will start. DEP determined that firms that produce a ton or more per week would fall into this category. There are about 1,700 of them throughout the state.

One question DEP has been asked is how this is enforced. The enforcement happens with the waste disposal company that is coming into a landfill. There are times when a truck will come into a landfill and it is filled with cardboard, which is banned from landfills. So the enforcement happens on the waste hauler that comes in.

Where is the market for this? The market has been for primarily composting facilities and anaerobic digestion. There are also companies that work on the food bank side as well. DEP is trying to capture that for human use in food banks

and agricultural use as well. You can think of organics not just causing environmental problems, but losing economic opportunities. DEP is trying to capture those opportunities.

There is a dairy farm in South Hadley with cows that produce a lot of manure. Through state funding, their own funding, and an amazing partnership of many different entities, financiers, etc., they built an anaerobic digestion facility. Manure is great in an anaerobic digestion facility but adding food scraps makes it even more efficient. The dairy farm ships its milk to Cabot Creamery in West Springfield. Cabot Creamery makes milk, yogurt and cheese and then has a lot of organic waste at the end of that process. They ship that organic waste back to the farm in South Hadley, which is added to the anaerobic digestion facility and it creates all of the electricity that the farm needs. It sells some of it back to the grid where it makes money. It also has a combined heat and power (CHP) unit attached to the anaerobic digestion unit so it creates all the heat that the farm needs to warm up the cow barn in the winter. It has fertilizer at the end of the process, which it uses on site and sells for a profit. A neighboring farm has such high quality fertilizer that it has seen increases in corn of 25% and the farm doesn't have expensive waste costs to deal with. There is savings on emissions and it is a win/win/win situation. Additionally, the farm uses its heat exchanger to cool the cow barn in the summer. It turns out that a cool cow in the summer turns out 20% more milk. Here is a way that we got rid of an organic waste problem and seized these opportunities that a number of different players, the farm, the creamery, and the neighboring farms have all been able to avail themselves of. That is the ideal.

Chairman Dunphy asked about molybdenum levels in pellets. There is a problem because Massachusetts' restrictions are more stringent than the federal restrictions. A small change would provide a big benefit in allowing the pellets to be sold in Massachusetts rather than shipping them to other states by truck or by train. Mr. Cash said he did not know the specifics about this. MWRA Chief Operating Officer Michael Hornbrook said that DEP and EPA have regulations on molybdenum. Currently the DEP limit is three times stricter than the federal limit, which restricts the use of the pellets in the Commonwealth. Mr. Cash said he would follow up on this; staff will get something back to Joe.

Paul Lauenstein said he is from a community that is on the edge of the MWRA service area. What is DEP's philosophical orientation with respect to standard centralized system expansion of the MWRA? Commissioner Cash said in general, where MWRA has the capacity and the expansion of use of local water could lead to problems, the expansion of the MWRA into those areas makes a lot of sense. That is partly why there was support for the matching grant program.

Cassandra Koutalidas, Medford City Engineer, asked about MS4 permits. Commissioner Cash said in our conversations with EPA, the concerns have been about cost and implementation. DEP has been supportive of the cities and towns in trying to make sure that any permit that moves forward will not unduly harm communities or set standards that are unreachable and, therefore, extraordinarily expensive. It is something that we historically have dealt with in a very similar way to EPA over the years and it is fair to say that EPA wants to be more stringent more quickly than we think is feasible. DEP has been working with them on it and hope it will come to a place that will work for cities and towns.

In response to a question from Michael Farrell of WSCAC on climate change, Mr. Cash stated throughout all the Energy and Environmental Agencies, we are looking at the impacts of climate change. Whether it is precipitation, temperature or soil moisture data, that is all going to be different in a climate-changed world.

Tom Reilly from Winthrop asked about the use of the Deer Island facility for co-digestion. Mr. Cash said the MWRA was doing a pilot study at its facility to see what the advantages, disadvantages, challenges would be and costs of adding organics to the mix. DEP knows it would add efficiency and produce better output on the energy side but there are questions in terms of infrastructure at the moment because of the controversy on trucking. DEP has been working closely with the MWRA and other state agencies on ways to move forward. There are potentially some big benefits for ratepayers in the energy picture. We want to move forward, making sure anything that we collectively do is cost-effective and can show some benefits.

❖ **MWRA FY15 PRIORITIES AND CHALLENGES** – Fred Laskey, MWRA Executive Director

MWRA Executive Director Fred Laskey provided members with a presentation on [MWRA FY15 Priorities and Challenges](#). One contract of concern to the Authority is the Valve Replacement and Piping at the Deer Island facility. It is a relatively small contract in terms of Authority contracts at \$17 million. It is a comprehensive updating of materials on the island; some people have noted that the plant has only been running for 20 years and ask why these items are being replaced. It is a harsh, caustic environment, with a lot of grit in a very tough, industrial climate. Frankly, things just wear out.

The problem is the current valves on the pump station don't completely isolate so there are leaks around the valves. It doesn't allow the MWRA to do maintenance and it also creates issues with the ability to turn on and run the pumps. It is a very delicate science, if you will, to get those pumps up and running.

There will be a total of 50 shutdowns of the north sewer system to accomplish this task; thirty shutdowns at the North Main Pump Station, 18 at the Winthrop Terminal and two for temporary dewatering. This means that everything on the north side is going to be shutdown at Deer Island and at the three headworks facilities that serve that area, Chelsea, Ward Street and Columbus Park. The work will be done at night.

The system will be used for storage at night so basically what is coming into the station is going to back up into the sewer systems and the idea is to get the work done in time to open it up and clear it out. MWRA will be monitoring the elevations in the sewer every 15 minutes in 11 locations to ensure that it is not rising faster than staff thought. A lot of this is weather related. If there is rain or snow melt or flows are high, it would weigh into the decision on whether to shut the system down on that night or not.

If something goes wrong, the first sanitary sewer overflows would likely occur in Medford if there were some problem. Staff is working on ways to configure the system to get more storage or divert it out and treat it to minimize the damage. DEP has been notified and there will be briefings for the communities as well. Advance notice will be given when the MWRA will be shutting down the system.

We all learned a lesson in 2010 during the water main break about the need for redundancy. The 800-pound gorilla in the room is Shaft 7, the so-called Beer Can Hill at Boston College. It is the MWRA's "heart and lungs" and is 60 years old. There is no redundancy to it. There is rust and corrosion in it but it thankfully is embedded in concrete so there is stability down below, but still if something goes wrong up above the service, the Authority is in big trouble. If this were to fail, there would be real trouble in getting water to hospitals, etc. One of the keys to a solution is to upsize WASM3.

Going through downtown Waltham Square and through Belmont with a 72-inch pipe isn't going to work. MWRA engineers and planners are looking at various options that would include a new tunnel, which goes back to the Master Plan of 1938. They envisioned a northern tunnel that would give the redundancy that is needed. There are four or five options in play. MWRA staff will work closely with Advisory Board staff in looking at the options. This is a big project and the construction is ten years out at best. The key in our financial planning is that spending would occur after we are over the hump on the "twin peaks" and there should be room in the bond cap even if we have to make up for it in the years going forward.

Mr. Laskey stated that he and Mr. Favaloro have probably spent more time on water system expansion than any other topic that is worked on collaboratively. Talks have been held with Tri-Town (Braintree, Holbrook and Randolph), Ashland, North Reading, Southfield, Weymouth and Hopkinton. The Dedham-Westwood Water District has indicated that it would like to increase the amount of water it takes from the MWRA.

If everyone that has talked about coming into the system came in, it is under 10 million gallons, which is not a lot of water from an MWRA perspective. Safe yield is 300 million gallons and we are currently at 200 million gallons. The

potential entrance fees would be \$46 million and the annual assessment for the usage would be about \$11 million. If you take the new policy of spreading the payments out over a number of years, it would be \$2 million per year, added to the \$11 million, providing \$13 million over the next 20 years. It would be \$200 to \$300 million in revenue coming in that wouldn't come out of the existing communities' rate base. It is a lot of money with minimal impact on the MWRA's overall usage. Staff believes it is worth pursuing, even if it were just a fraction of this; it should remain a priority.

In regard to staffing, the Authority is committed to achieving a steady state. A Board-directed staffing study recommended that the Authority be at 1,150 positions by 2017, which the Authority has already met. In 2000, the Authority had 1,600 employees. The issue we are facing is that we are seeing a substantial number of retirements, which has resulted in a number of internal personnel moves. Promotions are at a rate of 69% in-house.

Commissioner Cash mentioned Deer Island and the food waste ban. The electrical purchases on Deer Island have been reduced by 10% over time and it continues to drop through efficiencies, upgrades and other innovative things that the staff has come up with for reducing the demand of energy on the island.

MWRA has had an aggressive pursuit of renewable energy. Electricity has been provided by methane gas, hydro, etc. About 23% of the electricity use is made by the MWRA, along with about 60% of the overall energy needs, that is heat and power on Deer Island. Between the food waste and other changes, there is the potential to push those numbers higher. Methane gas is used efficiently.

The co-digestion program has been placed on hold because Winthrop does not want any more trucks going through its community. Staff is regrouping to try to figure out how to get a barge out to Deer Island, which will cost the MWRA money. Constructive conversations have taken place with DEP, the Secretary's office and the energy center to see if the state can help defray some of the costs or at least eliminate the risk.

Another thing has happened in parallel. The MWRA hired a firm to look at how energy is made on Deer Island and they have indicated to that the MWRA needs to change the whole paradigm. In a sense, the technology is 20 to 30 years old. Right now the Authority makes the steam first and then makes the electricity. They want to turn it around and make electricity first with methane and then, as a byproduct, the steam. Co-digestion would provide more methane and could put the numbers off the chart.

A crude estimate, not including the interest, to put in three gas turbines is \$75 million of capital spending; if you look at the annual energy savings, and added incentives from the Commonwealth through the Massachusetts Clean Energy Center, the payback would be quick. It is likely that a project like this would get assistance from clean energy groups.

On the electricity side, the MWRA made 23% of its electricity and bought 75%. The three gas turbines, with co-digestion, could provide 77% of the electricity for Deer Island. It would give the MWRA independence and reliability. Right now the MWRA makes about 62% of the energy consumed in-house. The food waste and the turbines would perhaps get the MWRA to 90% of its overall energy needs on Deer Island. Other efficiencies may be utilized to bring the MWRA closer to nearly energy neutral.

The MWRA has been successful, with the Advisory Board, in keeping rate increases between 3% to 4%. The Advisory Board has the saying "four no more." The goal is sustainable, moderate increases out into the future.

Mr. Lauenstein asked what the Southern Extra High timeline is. Mr. Hornbrook stated that staff still has some detailed decisions to make and it will take about two years to go into construction.

Ms. Koutalidis said you have a \$45 million potential entrance fee; what would it cost to serve those communities. Mr. Hornbrook stated there would be no increased costs for the DWWD. Mr. Laskey said the current policy is that they need

to build the connection to us. The new legislation may have a principal forgiveness provision for those costs. Mr. Hornbrook said the plant and all of our main transmission lines can take the flow, regardless of any system expansion. Mr. Laskey said there would be some small incremental increases, but it is overwhelmed by the revenue.

Whitney Beals of WSCAC said he was curious to know if the valves and flow meters on Deer Island lasted as long as originally anticipated. Mr. Hornbrook said they are over 20 years old and have been exposed to a lot of grit and sand. There are a lot of chemical applications in wastewater systems so I would say in another 20 to 25 years they will need to be replaced again. We think we have found the best on the market.

Mr. Farrell asked about a letter that WSCAC wrote to the MWRA in regard to the railroad and chemicals in the Wachusett area. You noted that you were in talks with the railroad. Mr. Laskey said we have come to a new era of cooperation with the railroad. There have been drills through our safety officers and improvements are being made. They have agreed to the engineering assessments on the bridge. While we are still concerned, we are making progress.

Zoe Neale of Mass Organics asked to get to the 72%, what are the volumes that you are modeling? Deer Island Treatment Plant Director David Duest responded that the volume would be 500 wet tons per day by barge. Ms. Neale asked how the state could offset the risk of the pilot program. Mr. Laskey said obviously we would like them to pay for whatever the capital expenses are. It is clear that the Commonwealth is willing to partner with us on the risk and the cost. There is a good potential for cost-avoidance with this program.

❖ **ADVISORY BOARD FY15 PRIORITIES AND CHALLENGES** – Joseph Favaloro, MWRA Advisory Board Executive Director

The Advisory Board has five priorities: rates and budget, regulatory, minimizing state impacts, system expansion and legislative initiatives. Many of them Mr. Cash or Mr. Laskey hit upon. Clearly they are all critical as we move forward.

First, our goal is to stay on the radar screen on all of these fronts. The Advisory Board's mantra is sustainable and predictable rates. One of the Advisory Board's recommendations in 2008 talked about the need for the MWRA to come up with a strategy to use end-of-the-year surplus funds with a major emphasis on paying down the debt. Together they came up with the defeasance account. To date, \$286 million has been used to pay down the MWRA's debt. The MWRA is turning the corner and is now paying more in principal than in interest. That is significant. For the past six years increases have been under 4%. FY16 to FY20 are all over 4% as they are projected but there is some time to deal with them; the tools are out there. Releasing of the reserves is going to be a critical piece in controlling the costs.

Co-permittees have been on our radar screen and part of our strategy going back into the early 2000s. EPA has attempted to include co-permittees in each of the discussions on National Pollutant Discharge Elimination System (NPDES) permits as we look back. Mr. Favaloro said that he and Mr. Laskey went to Washington DC in 2008 or 2009 to talk to EPA about the concerns surrounding co-permittees. We have recommended that cities and towns not be part of the MWRA's NPDES permit. In fact, back then, we went as far as putting an attorney on retainer, assuming that a NPDES permit was coming.

The Charles River Pollution Control District (CRPCD) just received its NPDES permit and it was thrust upon four small communities (Bellingham, Franklin, Medway and Millis). It is inclusive of the co-permittee language. They reached out to the South Essex Sewer District and the Upper Blackstone Water Pollution Abatement District to have a discussion on the appeal to EPA.

The Advisory Board's Executive Committee, at its past meeting, voted to participate financially in helping the CRPCD to fight the co-permittee language in the appeals process. The dividend to that is simple; if we are successful in fighting the co-permittee language in their permit, it will be easier for us to fight the MWRA's permit whenever the draft is issued.

As we build up more information from the CRPCD participation, we will be better equipped if and when we need to take some action.

EPA's strategy is to go after the "small fish" to set a precedent before going after the "big fish," like the MWRA. They want to show a track record. The MWRA cannot and should not be a regulator over its customers. That is the principal argument moving forward.

For molybdenum, the state has a limit of 25 mg/kg, while the federal limit is 75 mg/kg. The state limit is three times higher than it needs to be. MWRA pellets are not "green" for six months of every year and cannot be beneficially re-used because of an arbitrarily set number. If the state lowered its number to 30 or 35 mg/kg, then there would be total beneficial re-use. In the future, there is a molybdenum "stick" if the Commonwealth doesn't want to raise its number. The Authority would have to force compliance on entities that are in violation.

On another topic, communities have paid every dime that the MWRA has asked of them because the MWRA is able to tell them, this is what we are doing with your money.

The Harbor Electric Energy Company cable (cross-harbor cable), co-digestion, the hatchery pipeline are examples of costs that are falling onto ratepayers in communities that frankly are not their responsibility.

If the Commonwealth wants to have bigger cruise ships in the harbor, they should pay for the costs associated with it. Thanks to the Advisory Board members, this past June, we all voted that it should not come from the MWRA ratepayer's pockets, they already paid for it and will not pay twice because of someone else's agenda.

The Advisory Board supports green projects and beneficial re-use. When the Authority first talked about a small pilot program for co-digestion, the Advisory Board included in its comments that the program must generate revenue and also requested a letter from DEP and EPA that if something goes wrong during the pilot process that the MWRA be held harmless. People said the Advisory Board is against co-digestion; however, staff simply asked questions. Winthrop fought hard regarding trucks going through their community. That forced the Authority to take a step back on how it is going to get the materials to Deer Island. What are the costs associated with it? Are we going to barge? Do we need piping? Where will the materials be stored prior to entering the digester? These are questions that need to be answered. Further, barging and piping will require additional costs. Staff is still looking for answers.

It should not be costing the Authority or its ratepayers millions of dollars to help finance a state initiative. If the state believes this is a strong initiative, and there is every indication that the Commonwealth feels that way, then they should be participating in the risk and the financing. A lot more work is needed.

Regarding the hatchery pipeline, why should the ratepayers have to pay to install a pipeline so that the Commonwealth can reduce its electricity costs in central Massachusetts? It is silly. End it once and for all and have the MWRA do the right thing.

Mr. Favaloro remembered when the proposal to sell an additional 40 million gallons of water per day was first put forth in regard to system expansion, then Director of the Water Supply Citizens Advisory Committee (WSCAC) Eileen Simonson and WSCAC went "nuts." It was done for a purpose. We didn't know if it was 40 MGD or 5 MGD but we wanted to get the discussion going. It made common sense that we had water to sell way back then and we have even more water to sell now.

Mr. Favaloro stated that he and Mr. Laskey have been to communities at least a dozen times trying to make the case for system expansion. It was the Advisory Board that extended the payments. It went from all upfront, to five years, to 25 years, with a three-year grace period. As part of our recommendations this year, we did put a sunset provision in to

extend it. Mr. Laskey talked about all of the inquiries and opportunities. We need to sell some significant water. It will never be hundreds of millions of gallons, but we hope to get to tens of millions of gallons.

In the past five years, the MWRA has released 92 billion gallons of water over the dam. The “street value” of the 92 billion gallons is about a quarter of a billion dollars in revenues. That amount spread out over a period of time could do significant good. We would never sell that amount of water, but rather than over a dam, we would like to sell it to a community. That is the direction we want to go in.

Staff worked with a lot of different groups to try to get the “forgotten infrastructure,” back on the radar screen. The infrastructure bill has a lot of good things in it but it needs more work. Staff has already begun to have meetings with the Commonwealth; we need to get authorized and appropriated. A plan needs to be in place to spend \$138 million per year in 2% and 0% loans and principal forgiveness. If those things occurred, the \$40 billion gap in funding versus need would begin to be addressed. Staff needs to work on getting the grants for the entrance fees and the \$13 million in I/I reimbursements and having Debt Service Assistance (DSA) increased as well.

Every two years new bills have to be filed so in November, we will bring our next session’s priorities for the legislature. Most of them will include making the infrastructure bill work for us, growing DSA and finding new sources of revenue.

Based on what happens in November in regard to some of the ballot questions, we will be back working with other coalitions to try to get a piece of the “Bottle Bill” revenues, for example.

E. COMMITTEE REPORTS

Executive Committee – Katherine Haynes Dunphy

❖ **ACTION ITEM: NOMINATION AND ELECTION OF THE FY15 EXECUTIVE COMMITTEE**

Chairman Dunphy stated that the Executive Committee, acting as the Nominating Committee, has offered the following proposed slate for the FY15 Executive Committee:

- | | |
|---------------------------|---------------------------------|
| 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, Framingham |
| | Timothy MacDonald, Cambridge |
| | Brendan O’Regan, Saugus |
| | Michael Rademacher, Arlington |
| | Nick Rystrom, Revere |
| | John Sanchez, Burlington |
| | Walter Woods, Wellesley |
| | (1) Vacant |

Hearing no nominations from the floor, a motion was made **TO ADOPT THE PROPOSED SLATE AS THE FY15 EXECUTIVE COMMITTEE TO THE FULL MWRA ADVISORY BOARD.** It was seconded and passed by unanimous vote.

❖ **WSCAC/WAC FY15 PRIORITIES AND CHALLENGES** – Lexi Dewey, Executive Director, Water Supply Citizens Advisory Committee and Andreae Downs, Executive Director, Wastewater Advisory Committee

WSCAC Executive Director Lexi Dewey stated that the October WSCAC meeting will be a tour of the UltraViolet treatment facility at the Ware Disinfection Facility. November’s meeting will be on a source water protection project, which is a DCR presentation on the updated Watershed Protection Act. WSCAC is also monitoring DCR’s watershed forestry program, updates in land acquisitions, terrestrial and aquatic invasive programs and the Asian Longhorn Beetle and the effects of climate change.

Future WSCAC meetings will cover MWRA redundancy projects, water conservation and water re-use projects, water quality, algae and algae treatments. In addition to reviewing MWRA’s projects and programs, including system expansion, WSCAC is also following regulations on the state and federal levels.

Wastewater Advisory Committee (WAC) Director Andreae Downs stated that WAC has been around since 1990 and we serve at the pleasure of the MWRA Board of Directors, serving as a balanced forum and source of independent advice. WAC has twelve members, with representation from Harvard and MIT, environmentalists, a planner, industry representatives, engineers and a couple of municipal utilities members as well.

We worked with the water infrastructure finance group on the legislation addressing a lot of the things that the Advisory Board was supporting, adding another independent voice. We also questioned co-permittees in the draft Clinton NPDES permit, advocated for DSA, and more I/I funding.

This year we are focusing on co-digestion, stormwater and the MS4 permits, not in terms of structuring rates but in terms of best practices. We will be sharing what kinds of technologies work, how well they work and how cost-effective they might be.

WAC’s October 17th meeting will feature Zoe Neale who specializes in markets for organic waste. We are interested in looking at some of the questions like what will/does the market look like? Will Deer Island be able to charge a hefty enough tipping fee to make a profit on this?

Operations Committee – Lou Taverna

❖ **UPDATE**

Operations Committee Vice Chair Lou Taverna stated that an Operations Committee will be held in November, in conjunction with the Advisory Board meeting, to discuss the Deer Island Valve and Pipe Replacement Program in detail.

F. ADJOURNMENT

A MOTION WAS MADE TO ADJOURN THE MEETING AT 1:27 P.M. It was seconded and passed by unanimous vote.

Respectfully submitted,



William P. Hadley, Secretary