



Executive Committee Meeting

Friday, September 9, 2016
8:30 AM

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

Attendees

John Sanchez	Burlington
David Manugian	Bedford
Michael Rademacher	Arlington
Rajitha Purimetla	Ashland
Jeremy Marsette	Natick
Joe Foti	MWRA Board of Directors
John Carroll	MWRA Board of Directors
Pam Heidell	MWRA staff
Lou Taverna	Newton
Bernie Cooper	Norwood
Nicholas Rystrom	Revere
John DeAmicis	Stoneham
Carol Antonelli	Wakefield
Joe Favaloro	AB staff
Matt Romero	AB staff
James Guiod	AB staff
Lenna Ostrodka	AB staff
Cornelia Potter	AB staff

DRAFT MINUTES

I. Approval of the June 10, 2016 meeting minutes

Mr. Taverna opened the meeting at 8:38 am with a request for a motion to approve the Executive Committee minutes for June 10, 2016. The motion was offered and seconded; the minutes were approved unanimously.

II. Action Item: To approve Ashland's request for a 4th emergency water supply connection to the MWRA's waterworks system

Mr. Taverna introduced the action item: to approve Ashland's request for a fourth emergency water supply connection to the MWRA's waterworks system via the town of Southborough for a six-month period from August 22, 2016 to February 22, 2017. The proposal notes that Ashland will abide by the rules stipulated under emergency water supply withdrawals (Policy #OP. 05) including payment of 110% of the MWRA prevailing rate plus 110% of the annual asset value contribution (entrance fee equivalent) with interest for 15 years.

Regitha Purimetla, the junior engineer from the Town of Ashland, noted that she was taking over some of the responsibilities from David Manugian who has moved to a new position in the Town of Bedford. At a vote at town meeting in 2015 Ashland voted to join the MWRA system. At another Town Meeting there will be a vote on raising the money for the construction; we expect to have more accurate estimates for the cost of construction at that time. We also have some grants; the Town of Hopkinton will also get some water as well. They approved funding of \$1 million for the project at a Town Meeting last May. We are here today to seek approval for another emergency connection. In answer to a question from Mr. Taverna about how much water Ashland will be requesting, Ms. Purimetla responded

that it would be 1.6 million gallons and would be expected to cover the shortage of water in the community. She also reported that Ashland has been meeting with Southborough to go through the design process as well to ensure that we have enough authority in terms of construction and construction phases which we hope to have started by early spring next year. We have an IMA as well with the Town of Southborough; it is in the draft process.

In answer to a question from Mr. DeAmicis as whether Ashland would be reselling water from the MWRA to the Town of Hopkinton, Ms. Purimetla pointed out that it is the same distribution pipes that go from Ashland through the Town of Hopkinton. Mr. Favaloro added that Hopkinton draws water from the same source. If Hopkinton were to come into the system, it would have to go through the entire formal application process.

In answer to a question regarding whether Hopkinton is a member of the MWRA water system, Pam Heidell reported that she had had a discussion with the DPW director who stated that the town warrant article was carefully worded and the town does not plan on joining the MWRA.

A motion was made and seconded to approve the application; it was passed unanimously.

III. Office Update

Mr. Favaloro reported that it had been an active summer in the office. There has been work on reorganizing some of the staff; he has contracted out the accounts payable function as well as preparation of meeting minutes; positions have been reexamined, creating new opportunities in the office. A new staff position has been created and he introduced Lenna Ostrodka who will join the staff shortly. She has recently moved to Boston from Chicago, where she has had experience with stormwater management and worked with the USGS and the Illinois State Geological Survey where she worked on environmental site assessments. She stated her interest in working with the communities and learning about their needs. The major focus for this position will be on the communities and providing services for communities; examples of topics include MS4 permits, management of stormwater – examples of community-related areas that we want to work on.

We also wanted to get the annual audit process taken care of early (given the staffing and organizational changes that have taken place in recent months). It was completed the previous week; the final report should be “findings free” and should be available within a week to ten days. The auditor looks at policies as they relate to finance, what our tracking systems are and how we account for dollars. The audit does not have to be conducted every year but it has been the policy of the Executive Committee to do one every year. We use Randall Davis whose firm used to be Daniel Dennis and Co; currently, it is known as Davis Kelly, LLP.

The other major activity of the summer was the total redesign of the website. The goal was to reflect that users are working with other devices, and the website had to be user friendly with information easily accessible to target audiences. It was also important that the new website have relevant information that communities need. There was a procurement process with outreach to seven or eight firms, bids from five, and the hiring of a firm and the staff worked with them. We started from scratch. It was important that the user understand the difference between the Advisory Board and the MWRA, and avoid confusion between the two. A key test is to explain who we are and what the Advisory Board does. Mr. Romero reviewed each “section” of the emerging website, explaining the different audiences (ratepayers, Advisory Board members, elected officials, people interested in environmental or system information, members of the press). Sections will include calendars, agendas, minutes, and policy positions; there will be a community page for each community. One of the goals is to create a robust library, reflecting the thirty years’ worth of material from the Advisory Board and from the Authority. There will be a number of pathways to get to data/information. He invited additional suggestions from the communities.

Mr. Guidod highlighted efforts to get our forms into regular formats, such as for the rates survey or for contact information. Staff will be responsible for keeping the website maintained and up to date; the consultant will also be on monthly contract to host (service) the website. The website is expected to “go live” by next week (by September 15).

IV. Teeing up FY17 Priorities and Challenges

Mr. Favaloro outlined some of the challenges ahead. He pointed out that September is a time when both Mr. Laskey and the Advisory Board highlight the priorities and challenges for the current fiscal year. Many of them are the same for both organizations; today’s discussion will highlight the most important issues and provide some of the information behind them especially since some of them could be pretty significant for FY17 and beyond.

Drought: We are 9+ inches below on rainfall in the greater Boston area. The Quabbin Reservoir is still within normal range at 85.1% of capacity. Just put that into perspective: last May we would have been at 92.8% of capacity, showing that the reservoir level has dropped by over 7 percentage points of capacity in just a few months. There is a point where this could become an issue within the MWRA service area. If it does become an issue within the service area think about what that means in the rest of the state. We need two or three good soakings in the next month or so. Even so, we are within the “normal range”; the rest of the state is in less of a good situation. We addressed Ashland’s need for water today; Mr. Laskey and Mr. Favaloro are in discussions with Peabody for emergency water. Dedham-Westwood is extending their water supply contract. Worcester is in dire straits and is now drawing off the Quabbin as well. Peabody, Worcester and Dedham-Westwood all have contracts with the Authority, so they differ from Ashland. Cambridge is fine at this point. That does not mean that others have not inquired as well, it just means that those are the ones that have been able to satisfy at this time. That is a huge challenge in FY17.

The flip side is to deal with the opportunity: this situation further heightens the need for discussion of a regional approach to water. Just in the last six months, Mr. Laskey and Mr. Favaloro have talked with Braintree, Holbrook, Randolph, Brockton, Union Point (which was SouthField) , Weymouth, Hingham, Peabody, and Scituate. We have met at least once and in the case of Tri-Town, nine times, to talk about water. There is one issue that is inescapable: they are all in the South Shore and they all need a way to get to the MWRA system.

In answer to a question about what does it take for the Authority to restrict the use of water? Mr. Favaloro pointed out that member communities always come first, as long as MWRA remains in the normal range none of those actions would have to be implemented. Once the water level drops into the next lower category, the Authority has in place all the criteria and what steps they need to take and who they can provide water to, at different stages. The information is available on the MWRA website. Mr. Taverna also noted that in recent conversations he has had with Steve Estes-Smargiassi, the Director of Planning for the MWRA, that there would have to be four to five years of this type of weather before the Quabbin goes into drought stage. However, the reservoir would have to drop to just the next level or stage to trigger some of the steps referred to above.

Lead in the System: Every day there is another story as the MWRA programs get started. The \$100 million loan program, the school testing program; Mr. Carroll noted his concern regarding the limits to notifying households where children that have been tested for lead levels that have in some cases shown to be potentially dangerous. After discussing some of the means for reaching those households, Mr. Favaloro summarized by pointing out that addressing service lines that may have lead will remain an issue that is front and center of concern.

Regulatory Matters: the issue of co-permittees continues to be an issue. The towns of Clinton and Lancaster just received a letter from the Regional Director of EPA notifying them that they are co-permittees on the permit for the Clinton Wastewater Treatment Plant. The letter notes that the two communities do not have to sign and they have no responsibilities. The notification indicates that the Clinton permit is coming out in the next few days. This, in turn, is

indicative that the likely issuance of the NPDES permit for the Deer Island plant can be expected not far after. The whole co-permittee issue is clearly a lot more sensitive and important for the Deer Island communities than it is for Clinton. Mr. Favaloro stated that if we try to fight this issue, we will lose. This issue will be front and center in the next month or so. We have joined a couple of lawsuits that have failed. EPA has been very careful in how they have drafted and redrafted NPDES permits. If we cannot fight the co-permittee issue, maybe EPA will have to more clearly define which responsibilities belong with whom within the permit itself, including specific language stating that MWRA has no responsibilities for stormwater within the service area. Other than that you are going to end up with the regionalization of all stormwater and wastewater services throughout the whole MWRA service area. Next week's presentation at the Advisory Board meeting will be to lay out what the challenge is.

Cross Harbor Electric Cable. Pure and simple, HEEC/Eversource does not want to pay for their mistake. They have used Department of Public Utilities (DPU), the Army Corps of Engineers, and the U.S. Attorney Carmen Ortiz to basically file suit which says the MWRA is a co-permittee, so basically the Authority is responsible for the cable which was illegally laid by NStar which we paid over \$100 million with interest and now we are asked to replace it. This issue is currently in the courts. We have to pay for someone else's incompetence. This was a critical project to provide power to start up the new treatment plant; there was emphasis in the contract that was reward/penalty: for every day that there was for every day that the job got done faster NStar got a bonus; for every day that they were late, they would have to pay a penalty. The Authority paid over a million dollars in bonuses because NStar finished the job ahead of schedule.

MS4 Permits: Next July, the permits are to take effect. The monitoring requirements will come into play.

Primacy: Mr. Favaloro reminded the Committee that last spring he had cautioned Beth Card that primacy was not going to work with funding coming from the general fund budget. We have supported primacy in our budget comments for at least three budget cycles. It is not going to work as they presented it.

Rates and Budgets: the mantra "four no more" is now "four no more no more." We are going to be spending some through this budget process to look at where those numbers ought to be. We will be taking a further look – is it 3.2%? 3.8%? More or less? As long as the Fed continues to hold interest rates low and as we begin to get into the FY17 budget, we will have that conversation with the Authority.

Water System Redundancy: the long awaited discussion on redundancy is going to be October 6th for a half day. The location has yet to be determined. That is a huge discussion; it will be shaping future budgets although construction spending is expected to be a decade away. It will be a major discussion in finance, policy and system operation.

Massachusetts State Budget: the budget situation in the state is bad and is only getting worse despite improving employment figures. Numbers that were ratcheted down for the FY17 budget missed their mark in August by more than \$40 million and no one can figure out why. Though they hope that things are going to get better; even with overrides by the Legislature, they are missing their benchmarks. You can expect that Debt Service Assistance is gone. You can expect that a lot of other basic services are going to take a hit; that hit may come as early as October since state budget officials will have to reconcile the revenue and budget numbers for October. You may see as early as November cuts to the state budget.

V. Action Item: Nomination and election of the FY17 Executive Committee

The Committee nominated the roster of candidates as proposed (http://mwraadvisoryboard.com/wp-content/uploads/2016/11/5_Proposed-Executive-Committee-for-Nomination-and-Election.pdf). The slate of candidates passed.

VI. Approval of the Advisory Board Agenda for September 15, 2016

The Executive Committee approved the agenda proposed for the September 15, 2016 meeting of the Advisory Board to be held in Lexington, Massachusetts. Mr. Taverna also noted that there will be no meeting of the Executive Committee or the full Advisory Board during the month of October, consistent with the revised calendar for the Advisory Board; he noted the planned workshop on water redundancy scheduled for October 6. Mr. Favaloro observed that the November meeting date for the Executive Committee falls on Friday, November 11, a local holiday for many municipalities. He suggested Thursday, November 10 as an alternative. It was suggested that the Committee members be polled via the new Advisory Board website, expected to go on line in a few days.

VII. Adjournment

A motion was made **TO ADJOURN THE MEETING AT 10:03 A.M.**

Respectfully submitted,

Michael Rademacher, Secretary