



Executive Committee Meeting

Friday, February 9, 2018
8:30 AM

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

Attendees

Lou Taverna	Newton	Andrew Pappastergion	MWRA Board of Directors
Bernie Cooper	Norwood	Fred Laskey	MWRA
Michael Rademacher	Arlington	Michael Hornbrook	MWRA
Carol Antonelli	Wakefield	Alice Arena	Fore River Residents
John DeAmicis	Stoneham	Against the Compressor Station	
Elena Proakis Ellis	Melrose	Mike Lynn	Fore River Residents
Moe Handel	MAPC	Against the Compressor Station	
Robert King	Somerville	Frank Singleton	Fore River Residents
Tim MacDonald	Cambridge	Against the Compressor Station	
David Manugian	Bedford	Joe Favaloro	MWRA Advisory Board
Brendan O’Regan	Saugus	Matt Romero	MWRA Advisory Board
Ralph Pecora	Lexington	James Guidod	MWRA Advisory Board
Nicholas Rystrom	Revere	Lenna Ostrodka	MWRA Advisory Board
John Carroll	MWRA Board of Directors	Cornelia Potter	MWRA Advisory Board

DRAFT MINUTES

Welcome

The Chairman called the meeting to order at 8:32 am, and welcomed members and guests.

Approval of Minutes

A motion was made and seconded to approve the minutes of meetings of the Executive Committee for November 9, 2017, and December 15, 2017. (The meeting scheduled for January 12, 2018, was cancelled due to a snowstorm.) There was no discussion; the motion passed by unanimous vote.

Presentation: Fore River Residents Against the Compressor Station

Three members of the Fore River group were present to discuss concerns regarding the proposed siting of a gas compressor station on the North Parcel in Weymouth and how this action could affect the MWRA’s Weymouth Pumping Station, which is in close proximity to the proposed compressor site. The Fore River representatives provided materials for the Executive Committee meeting packet, and discussed the decision-making process for siting the proposed compressor station. The Chairman, Mr. Taverna, noted that the presentation and discussion would be informational and would not be subject to a vote by the Executive Committee.

The representatives of the Fore River Residents Against the Compressor Station highlighted their roles and experience in dealing with the proposed high pressure gas compressor station. They highlighted a number of reasons why members of the Executive Committee should be concerned with the proposal. In particular was the view that that the proposed facility presented a “clear and present danger” to the Authority’s wastewater pumping station located on the same peninsula as the proposed compressor station. The representatives also expressed concern over potential release of methane gas from the proposed station. The concerned residents noted that they had been involved in the issue for more than the previous year. They described a number of organizations that had

a regulatory role in siting the facility, including safety issues (as well as proximity to the Authority's wastewater pump station and interceptor).

The MWRA's Executive Director, Fred Laskey, and Chief Operating Officer, Michael Hornbrook, described the location and several related facilities at or under the North Parcel. It was also noted that the federal and state review and approval processes for the proposed compressor station did not call for comments from the MWRA. The representatives also described the conservation concerns, having to do with the fact that area is a filled wetland and poses a danger of flooding and storm surge. Also noted was the observation that this is the only compressor station site along the east coast near an interstate pipeline.

Also questioned by the project's opponents was the adequacy of insurance on the proposed project and the importance to the Authority of protection of its wastewater pumping station asset. Also noted was that the gas line is an underwater facility all the way to Salem. Also referenced was the propensity for accidents and the how they happen in "high consequence" areas. The gas is said by some as not needed in this area, and it is to be exported to Europe as LNG. While some alternative sites have been proposed, they have been rejected. In addition, opposition has been expressed by a number of political representatives, both in the House and the Senate and at the gubernatorial level. In addition, the Towns of Braintree and Weymouth have expressed opposition to the project. [Advisory Board staff also noted that all the documents referenced by the Fore River representatives are available in the Advisory Board drop box for further examination.]

In answer to a question about what agencies have siting authority, the representatives stated that the Massachusetts Energy Facility Siting Council does not have authority to actually deny a proposed site. (It was indicated that other alternatives could be considered, but the actual denial of a site is not within the authority of the state Council.) Meetings with other agencies continue to be conducted (or sought). In addition, Authority staff presented a map showing where the MWRA's intermediate wastewater pumping station, and related facilities, are located. The Authority's facility is an abutter, but the agency does not have the authority to grant a permit nor does the Authority own the real estate. MWRA operates the facility remotely, and while it is not staffed, staff do go to the facility for daily checks. Another member observed that concerns regarding a particular site could also be overruled by a site in another community. In the future, if there is a concern, it could be discussed again at a later date.

Report of the Executive Director

Mr. Favaloro reported that the state's Department of Administration and Finance had released to the Department of Revenue the process for providing for debt service assistance for this year's budget cycle. This year looks to be back up to \$1.1 million (on a statewide basis). For this past year the amount available to the MWRA was an offset to the budget amount of \$360,000. For the FY 2019 budget, the offset is expected to be closer to \$900,000. Every dollar that comes in is used to offset the previous year's assessment. The starting process for the FY 2019 budget includes \$500,000 in the Governor's budget. So far this year, state revenues are "flush." Conversations with legislative leaders are expected in the coming weeks.

Preview of the Advisory Board FY 2019 Budget

Mr. Favaloro opened the discussion with a focus on a revisit of the Advisory Board staff salaries. He observed that there has been a lot of "upheaval" in the Advisory Board's staffing in the last couple of years. There have also been changes in the job market, job descriptions, and in salary levels. A related review topic is the titles for the positions. A review of Authority positions was also conducted to provide guidance in how to reclassify job tasks and

descriptions as well as setting steps within the job descriptions and COLAs. In the process, the Executive Director created a 12-step structure and a salary range from \$65,000 to \$90,000 and then determine how to place staff in a new pay structure using as a guide the number of years served at the Advisory Board. A separate vote will take place at an upcoming meeting after the proposed Advisory Board budget has been vetted by the membership.

Mr. Favaloro also reported that North Reading continues to pursue the possibility of water service through Andover. The specifics are now re-evolving. Regarding Peabody, there is a water line that the MWRA is in the process of designing to go up to Route 1. The effort could also open up the markets to Middleton or Salem or other communities in that area. However, Peabody has been resistant at this juncture to commit to an amount of water. In the absence of a commitment to some agreed amount of water, there could be a cost share required on the pipeline itself. Ashland is still in discussion regarding water purchases. Also continuing are discussions with Burlington.

MWRA Assumptions for the Proposed FY 2019 Current Expense Budget

Matt Romero presented the key assumptions under discussion by MWRA staff for the evolving draft of the proposed MWRA Current Expense Budget for FY 2019. He opened his remarks by noting that usually the Authority staff would make its presentation to the Board of Directors on the draft of the Current Expense Budget for FY 2019 before the February meeting of the Advisory Board. As a result, anything in this presentation could change.

Authority staff are looking at a proposed rate revenue increase of about 3.9%. The total budget would be \$745.1million. It could change by the time of the Board of Directors meeting next week on February 21. The budget covers all the subjects that the Advisory Board typically looks at: staffing levels (last year the Advisory Board recommended a reduction of about \$1 million to reflect a vacancy rate rather than reducing the actual number of authorized positions); regarding the pension and OPEB (which may reflect larger changes than in recent years' surpluses). For costs budgeted for variable rate debt, the potential surpluses are tightening between the amounts budgeted for variable rate debt payments and the actual accruals. There may also be an optional debt payment that can contribute to balancing future budget pressures. The next topic is funding for enterococcus treatment in anticipation of increased treatment that can be expected from an updated draft of the NPDES permit. Staff anticipate recommending deleting that from the proposed budget document.

Regarding debt service assistance, staff anticipate updating the assumptions for receipt of some funding for the final Current Expense Budget for FY 2019 (consistent with the Advisory Board's "pay it forward" approach).

Mr. Favaloro noted that the Advisory Board's public hearing is expected to be scheduled for March.

Process to Replace the Director of the DCR Division of Water Supply Protection

The Executive Director reported that the posting for the position is up. There were no significant changes to what he was requesting. The Advisory Board's letter stated that a process was being requested and that there should be participation by the MWRA, the Water Supply Trust and the Advisory Board. Thus far, Dave Coppes at the MWRA has been asked to serve on the committee. Mr. Favaloro has requested that Mr. Taverna also serve on the Committee, as a representative on the Water Supply Protection Trust and as the Chairman of the Advisory Board.

Federal Infrastructure Bill

Mr. Favaloro noted that the federal infrastructure bill, in its current form, is still evolving, and recent versions reflect additional funding for domestic spending.

Approval of Agenda for the February 15 Meeting of the Advisory Board

A motion was made and seconded to approve the proposed agenda for the upcoming monthly meeting of the Advisory Board. The motion was approved.

Adjournment

A motion was made and approved to adjourn the meeting, at 10:03 am.

Respectfully submitted,

Michael W. Rademacher, Secretary