



## **Joint WAC/WSCAC Meeting**

April 14, 2015 - 10:30 A.M.

Location: The Waterworks Museum  
2450 Beacon Street, Chestnut Hill

### Members in Bold in Attendance:

Whitney Beals, WSCAC Chair, NE Forestry  
Elie Saroufim, Boston Water & Sewer  
Martha Morgan, Nashua River Watershed  
Dona Motts, MA League of Women Voters  
Kurt Tramosch, Wayland Wells  
**Terry Connolly, Town of Ware & Trout Unlimited**

Andrea Donlon, CRWC  
**Gerald Eves, Trout Unlimited**  
Michael Baram, BU & CLF  
**Paul Lauenstein, NepRWA**  
**Martin Pillsbury, MAPC**  
Bill Fadden, OARS

### Non –Members in Attendance:

Lexi Dewey, WSCAC staff  
Stephen Greene, WAC  
Mary Adelstein, WAC  
Jim Pappas, Potential WAC Member  
Julie Wood, CRWA  
Kathy Soni, MWRA  
Wendy Leo, MWRA

Andreae Downs, WAC  
Dan Winograd, WAC  
Beth Miller, WAC  
Karen Golmer, NEWIN  
Travis Ahern, MWRA Advisory Board  
Tom Durkin, MWRA  
Adrianna Cillo, BWSC

### WAC/WSCAC Business

WAC approved their March meeting summary. WSCAC was unable to approve the March meeting summary as a quorum was not present.

### Advisory Board Updates


Travis Ahern stated that several communities have expressed concern regarding changes to tax exemption statuses and municipal bonds. Travis said that MA Municipal Association has been advocating on behalf of not changing the tax exempt status of all municipalities and federal regulations that could impact wastewater and water policies themselves. The Advisory Board has invited Geoffrey Beckwith, Executive Director with MMA to discuss the current landscape. Susan Perez, Executive Director of the MA Clean Water Trust will be discussing State Revolving Funds (SRF) at the Advisory Board meeting on Thursday, April 16<sup>th</sup> in Wellesley.

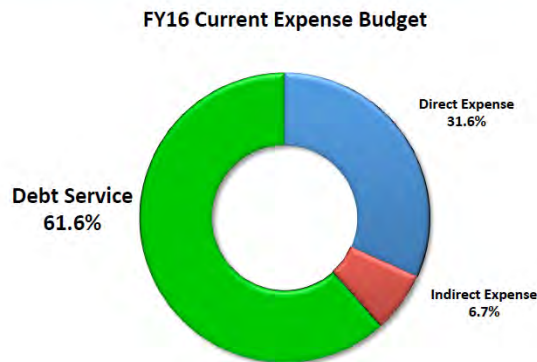
### MWRA Presentation: Fiscal Year 2016 Proposed Current Expense Budget (CEB) and Capital Improvement Budget (CIB)

Tom Durkin, MWRA's Finance Director, began the presentation by highlighting several milestones the MWRA will hit in FY16:

- Bond resolution changes become effective
- The pension fund is anticipated to be fully funded – there are enough assets to meet the liabilities
- Staff will recommend an irrevocable trust to invest in other post employment benefits (OPEB) (i.e. health insurance)
- MWRA’s largest contract (NEFCo) has been renewed for five years at a savings of \$1.25 million

Following his discussion of milestones, Tom addressed the FY16 Proposed Current Expense Budget (CEB). The CEB is composed of three parts: direct expenses (31.6%), indirect expenses (6.7%), and debt service expenses (61.6%). Tom stated that the large proportion of the budget designated for debt service expenses needs to be controlled to leave room for the necessary MWRA operating costs.

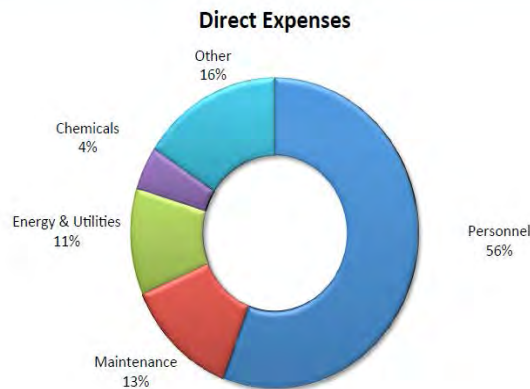
 **FY16 Proposed Current Expense Budget (CEB)**



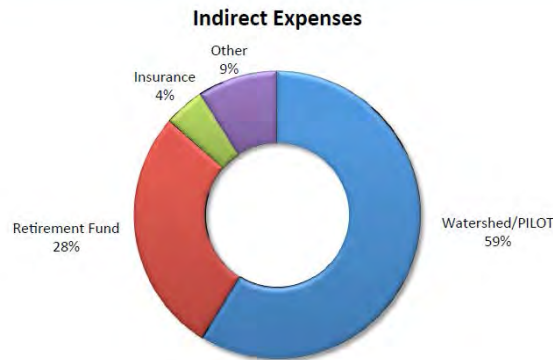
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Divided by percentage, the components of the Direct and Indirect Expenses are depicted below:

 **CEB Budget Structure**



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Kathy Soni, MWRA’s Budget Director, explained that the largest portion of Direct Expenses, Personnel, is comprised of wages and benefits. Overtime, the personnel cost has been offset by a lowered head count and lower energy costs as the MWRA has invested in renewable energy. Additionally, Indirect Expenses grew this year by half of a percent; Kathy credited the fact that the cable supplying electricity to Deer Island is paid for as a major reason for this small increase.

Kathy then presented the main points of the FY16 Proposed Capital Improvement Budget (CIP). The MWRA continues to focus on:

- Asset protection and long-term redundancy projects
- Reducing debt levels by paying more principal than the projected borrowings
- Ensuring FY16 Proposed CIP meets the 5 year Cap requirements

Kathy noted that capital budget actual spending for FY05-14 has averaged \$162 million. The projected spending for FY15-18, however, averages \$155 million. Kathy discussed the allocation of funding between the major programs of the MWRA. The FY16 Proposed CIP cites Waterworks’ expenditures at \$41.6 million – 30% of the budget.

Kathy highlighted the “Big Spenders” of the FY16 Proposed CIP. The top ten projects will account for 87.1% of planned spending. On the water side, the MWRA plans to spend \$18.3 million on long-term redundancy, \$6.1 million on the Weston Aqueduct Supply Mains, and \$5.5 million on the Northern Intermediate High (NIH) Redundancy project.

Kathy then addressed ongoing and upcoming capital projects. In terms of ongoing projects, Kathy explained that the Spot Pond Covered Storage Facility and Pump Station was scheduled to be online in May of 2015, but due to snow related delays, it is expected to be completed in August. The MWRA expects to spend \$1.5 million on Spot Pond in FY16. In respect to upcoming projects, the Wachusett Aqueduct Pump Station is scheduled to be completed in November of 2018 with a projected cost of \$60.5 million project. Additionally, the Southern Extra High Redundancy – Section 111 project, the Weston Aqueduct Supply Mains (WASM) – Section 36 project, and the Northern Intermediate High – Section 89 Phase 1B are all upcoming.

Kathy completed the presentation by addressing future risks and uncertainties. The following items were noted:

- Co-digestion Deer Island Receiving Facilities
- Fish Hatchery Pipeline/Hydro.
- Sudbury Aqueduct – tunnel vs. surface pipeline
- Residuals Processing/Asset Management
- New regulatory mandates

Negotiations are underway regarding the fish hatchery pipeline. The Sudbury Aqueduct is an option to address long-term redundancy issues. New regulatory mandates are an ongoing concern and source of uncertainty.

The meeting was adjourned. The next WSCAC meeting will be held on Tuesday, May 12<sup>th</sup> at 10 A.M. in Southborough at the MWRA facilities.

[FY16 Proposed Current Expense Budget and Capital Improvement PowerPoint Presentation](#)