



Friday January 5, 2024
Remote Connection via Zoom
10:30 AM

OPERATIONS COMMITTEE MEETING SUMMARY

A. Roll Call Attendance

A commencing roll call voted as follows:

Michael Rademacher	Here (remote)
Elena Proakis-Ellis	Here (remote)
Rich Raiche	Here (remote)
Sam Stivers	Here (remote)
Chase Berkeley	Here (remote)

B. Local Water System Assistance Program Phase 4

Jon Szarek, MWRA’s Senior Program Manager, presented on the Local Water System Assistance Program (LWSAP), which achieves the goal of maintaining high quality water from the MWRA distribution system through funding community water system rehabilitation projects, the majority of which are water main lining projects. The program has funded the lining of nearly 600 miles of community water mains to date. Three funding phases totaling \$725 million have been approved. Funding allocations are based on a community’s percent share of water charge and percent share of unlined pipe. All funding distributions are interest-free loans with a 10-year loan repayment schedule. \$563 million has been distributed covering 529 local water system improvement projects. Phase 1 distributed \$220 million from FY01 through FY13, Phase 2 has distributed \$210 million and runs from FY11 through FY25, and Phase 3 has \$293 million allocated and runs from FY18 through FY30. Only 8 of the 47 water communities have Phase 2 funds remaining, prompting discussions of adding a potential Phase 4 funding stage as FY25 completes.

Total funding to communities is distributed on a yearly basis divided by ten so as not to have larger communities taking all their money at once, distressing MWRA’s borrowing capacity. If a community does not use a particular fund total in a year it will get rolled over into the next fiscal year, which may enable bigger projects to be undertaken.

Stephen Estes-Smargiassi, MWRA’s Director of Planning and Sustainability, spoke on the reasoning behind why the water loan program has traditionally been a 0% loan while the sewer program has been a grant-loan structure. At its inception, the water program was targeted towards the amount share of total unlined pipe for a community, and therefore was not equally distributed and instead





was targeted. The wastewater program is proportionate to community share of billing, essentially money coming back to the community proportionate to what they put in.

{a motion to recommend Phase 4 of \$300 million start in FY25 as proposed by MWRA staff was put forth, motioned by Rich Raiche and seconded by Sam Stivers. It was added to the omnibus vote at the end of the meeting}

C. I/I Local Financial Assistance Program loan-only Phase 15

Jon Szarek presented on the I/I Local Financial Assistance Program, which is intended to rehabilitate local source systems and the long-term reduction of I/I quantities going into the regional source system. The program achieves this through the funding of community rehabilitation projects along with I/I reduction, planning, and engineering design services. To date, the board has approved 14 funding phases totaling \$861 million, beginning in FY93. This total is made up of grants and interest-free loans. Funding allocations are based on a community's percent share surcharge. Grant/loan phases are distributed as 75% grants and 25% interest-free loans with a 10-year repayment schedule. Loan-only phases are intended as stopgaps between grant-loan phases, as demonstrated with Phase 13. \$551 million has been distributed to date, covering nearly 700 local I/I identification and rehabilitation projects, with over 80% of the funds going to the rehab projects.

As of December 2023, two communities (Milton and Newton) have depleted their funds, which has prompted discussion of adding a \$100 million Phase 15 loan-only program as a stopgap. This would allow communities that are amid projects, or have priority projects, to proceed while the rest of the communities spend their grant-loan funds. The proposed loan-only Phase 15 would be optional. Elena Proakis-Ellis raised concern that adding a loan-only phase may push back the next potential grant/loan phase and noted that there was a lag getting to the grant/loan Phase 14 when the loan-only Phase 13 was introduced. These concerns would be alleviated if a grant/loan Phase 16 were preemptively introduced.

{a motion was put forth to suggest a Phase 15 loan-only program for FY25 coupled with a Phase 16 grant/loan program of \$125 million for FY26. Rich Raiche motioned and Sam Stivers seconded the motion, adding it to the omnibus vote at the end of the meeting}

D. Lead Loan Program update

Jon Szarek gave an introduction on the Lead Service Line Replacement Loan Program, which was initiated in FY17 at \$100 million and provides interest-free loans for local lead service line inventory identification and replacement projects. There are no preset community allocations, and each community can develop its own program tailored to their circumstances. It's estimated that MWRA communities contain nearly 16,000 lead service lines, nearly 2,000 goose necks, and 7,000 unknown service line sources. \$41 million in lead loans have been distributed to 17 communities, replacing nearly 4,300 lead service lines in addition to doing inventories and identification projects.

Stephen Estes-Smargiassi presented further on the program. Corrosion control, pH adjustment, and





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alkalinity adjustment were introduced in 1996 resulting in an 80% to 90% reduction in lead levels, depending on the year. These results are from first-draw samples in homes considered high-risk for having lead. The EPA introduced proposed regulations which will be promulgated in final by the end of 2024 which would reduce the lead action level from 15 to 10 parts per billion (ppb), which is likely to impact some MWRA communities. Sampling procedures for lead service lines may also change, which will cause lead levels as they're monitored and reported to increase. EPA will also be mandating replacement of all lead service lines within 10 years of when the regulation goes into effect, which will shift service line replacement from being triggered by lead level to eliminating lead lines entirely.

If a lead reading is above the action level, MWRA may need to make changes in corrosion control by adding orthophosphate to the system, which once introduced will need to be perpetuated into the future. There is aversion to this method as lead lines may need to ultimately be replaced, thus spending money on adding a new chemical with the capital infrastructure needed to add it into the treatment process is costly. The MWRA has conducted a pilot program taking samples of communities with lead service lines using the EPA's proposed new standards. They are looking at differences in lead levels between homes with lead service lines versus homes with copper and lead solder. Most of the elevated samples are coming from homes with lead service lines. Communities that have funded the private portion of service line replacement have had greater success at convincing homeowners to participate in full replacement. Expect future discussion of a possible introduction of a new replacement program which encourages full replacement.

Orthophosphate builds up a film of lead phosphate on the interior of lead service lines which acts as an effective corrosion control. However, it is also a pollutant and not something wanted in wastewater.

E. New business

Matthew Romero reported that the Advisory Board and MWRA staff are in early discussions about establishing TRAC fees and their potential increase over the next five years. Several years ago, it was recommended to tie TRAC fees to an index, such as the consumer price index, but this was determined that it was not feasible. Instead, a five-year plan of incremental increases was introduced. As we are in the 5th year of this plan, we are beginning conversations for the next five-year plan.

F. Omnibus Vote/Adjournment

{a motion to adjourn was put forward, motioned by Elena Proakis-Ellis and seconded by Sam Stivers. It was added to the omnibus vote at the end of the meeting}

An omnibus roll call vote took place including the following:

- to recommend Phase 4 of \$300 million start in FY25 as proposed by MWRA staff
- to suggest a Phase 15 loan-only program for FY25 coupled with a Phase 16 grant-loan program of \$125 million for FY26.



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- meeting adjournment

The roll call vote was as follows:

Michael Rademacher	Yes (remote)
Elena Proakis-Ellis	Yes (remote)
Rich Raiche	Yes (remote)
Sam Stivers	Yes (remote)
Chase Berkeley	Yes (remote)

Respectfully submitted,

Michael Rademacher, Secretary

These minutes reflect the discussion of the meeting. The Advisory Board maintains audio recordings of Operations Committee meetings that are available upon request.



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