



THE COMMONWEALTH OF MASSACHUSETTS
WATER RESOURCES COMMISSION
100 CAMBRIDGE STREET, BOSTON MA 02114

Meeting Minutes for October 11, 2018

100 Cambridge Street, Boston, MA, 1:00 p.m.

Minutes approved January 10, 2019

Members in Attendance:

Vandana Rao	Director of Water Policy, Executive Office of Energy and Environmental Affairs (EEA)
Linda Balzotti	Designee, Department of Housing and Community Development (DHCD)
Anne Carroll	Designee, Department of Conservation and Recreation (DCR)
Duane LeVangie	Designee, Department of Environmental Protection (MassDEP)
Hotze Wijnja	Designee, Department of Agricultural Resources (DAR)
Michelle Craddock	Designee, Department of Fish and Game (DFG)
Thomas Cambareri	Public Member
Marcela Molina	Public Member
Vincent Ragucci	Public Member
Kenneth Weismantel	Public Member

Members Absent

Todd Callaghan	Designee, Massachusetts Office of Coastal Zone Management (CZM)
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Others in Attendance:

Michele Drury	DCR
Erin Graham	DCR
Allison Field-Juma	OARS
Beth Card	Massachusetts Water Resources Authority
Gabby Queenan	Massachusetts Rivers Alliance
Liz Walk	Office of Representative Dykema
Kate Bentsen	DFG/Div. of Ecological Restoration
Sara Cohen	DCR
Doug Small	Town of Ashland
Gregory Eldridge	Haley & Ward, Inc.
Viki Zoltay	DCR
Vanessa Curran	DCR
Jennifer Sulla	EEA
Marilyn McCrory	DCR

Rao called the meeting to order at 1:12 p.m.

Agenda Item #1: Executive Director's Report

Rao announced that the FY19 Drinking Water Supply grant program is open. These grants are issued by EOEEA through the land protection program- they help buy land that protects water supply. There is an information session on Tuesday October 16th in Westborough at 10 a.m. and the RFR is open until the end of October.

Rao also announced an upcoming Water Rates Workshop by the Alliance for Water Efficiency on November 14th at the Sharon Community Center, co-hosted by DCR and DER with funding provided by DER.

Agenda Item #2: Hydrologic Conditions and Drought Update

Zoltay provided an update on the hydrologic conditions for September 2018. The headline is that it continues to rain. Many areas received more than double the expected precipitation, with the exception of the Cape. Streamflow was above normal for the entire month, significantly so in some areas including 5 record highs. We had recharge this month for groundwater which is unusual, with most wells above normal. Only 2 wells were just barely below in the southeast. Reservoirs are all normal, no drought predicted and next month looks to bring above normal temps and a slight chance of above normal precipitation. Since 1895, this is the third warmest September on record and the 8th wettest.

Agenda Item #3: Vote on the Minutes of August 2018

Rao invited a motion to approve the meeting minutes for August 2018.

V O T E	A motion was made by Weismantel with a second by Ragucci to approve the meeting minutes for August 9, 2018. The vote to approve was unanimous of those present, with two abstaining (Wijnja and Molina)
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Agenda Item #4: Discussion and Potential Vote: Staff Recommendation on Ashland's Request to Join the MWRA under the Interbasin Transfer Act

Rao explained that there is no pressure on Commissioners to vote today, however, we have put the option to vote on the agenda, if the Commissioners are comfortable with the recommendation and ready to make a decision.

Drury reminded everyone that we had a lively discussion about the staff recommendation at the September WRC meeting which helped to inform this draft of the staff recommendation. In addition, since that time we held a public hearing on the staff recommendation which Vincent Ragucci attended on behalf of the Commission. In addition to Ragucci, a representative from MWRA attended along with a representative from the Town of Ashland and Ashland's consultant. The Town of Hopkinton could not attend but sent comments in advance which were read into the record. Written comments were received by MRWA, the Towns of Ashland and Hopkinton and Steve Morgan who is an Ashland citizen.

We received a lot of very good comments at the September WRC meeting and incorporated those into this month's staff recommendation. This redline version reflects major substantive changes we have made since the last version including:

- Incorporating updated information from the MWRA regarding system operations.
- Clarifying that under the ITA, Ashland will not be limited to the times of year and at reservoir elevations that they are proposing to take MWRA water, as long as the approved amount is not exceeded.
- Adding a deadline for Ashland to respond in writing that they will abide by the comments.

- Clarifying that this decision does not supersede Hopkinton’s inter-municipal agreement with Ashland which allows them to purchase water from the Howe Street wells.
- Clarifying the WRC’s authority to review potential sales of MWRA water to other entities.
- Clarifying condition 6 on page 26. Ashland wants to make it clear that they have the ability to serve the whole town even though they do not currently serve 100% of the town. In response, we have changed the language to clarify their right to sell water anywhere within the town of Ashland.

Drury then invited questions

Cambareri signaled his interest in voting on the recommendation today. Weismantel concurred that the staff recommendation is strong and there is no need to postpone a vote. The comments were well addressed by the redline draft. Weismantel mentioned that he still had some additional concerns about how DCR manages the reservoir system but acknowledged they are outside this process. Rao asked if other Commissioners agree that they are willing to vote today. She noted many nods in favor and no opposition. Rao then read the proposed amendment to condition 6 which states, “Ashland cannot sell MWRA water to Hopkinton or other municipalities or entities outside of the Town of Ashland without prior approval from the WRC as this would represent a change in the operating rules thus triggering the ITA (313 CMR 4.04(5)).”

V O T E	A motion was made to approve the amendment by Balzotti with a second by Weismantel. The roll call vote to approve was unanimous of those present.
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Rao then requested a motion to accept the October 11, 2018 Staff Recommendation, as amended, to approve the Town of Ashland’s request under the Interbasin Transfer Act for Admission to the MWRA Water Works System.

V O T E	A motion was made by Ragucci with a second by Balzotti. The roll call vote was unanimous of those present.
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Drury then summarized next steps. We have 30 days to file the decision with the amendment as voted on. It needs to be filed with the Secretary of State and the Clerks of the MA House and Senate. We will then put it on our website and put a notice in the Environmental Monitor that it is available. We will send it to the proponents and the MWRA. Ragucci asked if additional legislation is needed to join the MWRA. Card responded that there will need to be legislation passed to allow Ashland to join the MWRA. There are a number of additional steps that will need to happen for Ashland to become a partial member. Rao congratulated Ashland and reiterated that the Commission requires Ashland to agree in writing to the conditions that are in the staff decision as well as to provide annual reports on the water conservation conditions to keep track of compliance. Drury noted that she will send reminders.

Agenda Item #5: Presentation: Revised Application for Request for Determination of Insignificance

Rao explained that the application for a request for determination of insignificance needed to be updated to reflect the new regulations and criteria for insignificance. Drury began by clarifying that the new application includes 2 parts which are separate applications. The application reflects the new criteria and includes a subsection for transfers less than 10,000 gallons per day. However, Drury noted that the regulations give the Commission the authority to request a full review even for transfers less than 10,000 gallons per day if they deem it warranted. Drury then summarized each of the five sections of the application and the appendices. Weismantel said the form looks pretty good and understandable. Drury asked that any questions or comments be directed to her by October 24th. Cambareri asked if we could be more explicit about the wastewater discharge to clarify that it includes a groundwater discharge permit. Drury responded that she believed that was included in the regulations. Cambareri clarified that not all applicants may have a CWMP, they may just have a groundwater discharge permit. Drury responded that we can ask them to discuss any groundwater discharges they may have. Hearing no further questions Drury thanked staff for their invaluable assistance in revising the application.

Agenda Item #6: Presentation: MA Water Rate Setting Experience- Lessons Learned from Suppliers

Cohen started by giving the context and background to this project. WRC staff had been hearing for years from water suppliers that water conservation has an impact on revenues and there is concern about promoting water conservation due to those revenue impacts. In updating the pricing chapter of the Water Conservation Standards we found that there are many tools and resources available to promote rate structures that support a sustainable financial picture while also incentivizing efficient use of water. We became interested in how we can bring tools to Massachusetts and what some of our state's specific challenges and gaps are. We teamed up with DER who shares our interest in this topic and designed a two-part project which we will describe today. Part 1 was a survey of water suppliers, administered in the summer 2017 to get an overview of the experiences suppliers encounter in the rate-setting process. For Part 2, based on the information from the survey, we conducted in-depth interviews with 7 supply communities whose circumstances were broadly representative of the water supply community and who ranged in their level of success with their efforts to restructure rates. The goal of these case studies was to gather and describe lessons learned and points of guidance.

Bentsen introduced the survey goals and process. The survey was sent to 314 suppliers and we received 114 responses. We were happy with this 36% response rate. Most responses were from municipal and district entities. Responses were anonymous by default, but the survey offered voluntary identification for those interested in potential follow-up under Part 2. Thirty-five (35) respondents provided contact information. Bentsen went on to summarize the survey results including:

- The majority (90) had conducted a rate study in the last 5 years
- Most had attempted to revise their rates as a result of their studies. A few additional were intending to in the near future.

- The top 4 goals for rate revision involved increasing revenues for operating and capital expenses and stabilizing revenues.
- Some suppliers were interested in increasing water conservation through their rate revision, but this was listed less frequently than addressing revenue concerns.
- Obstacles encountered in the rate-setting process included lack of support from local rate payers, lack of political will among municipal officials, lack of technical tools and data. 13 suppliers responded that they encountered no obstacles.
- For those who successfully implemented the rates they advocated for, most didn't face political pressure to revoke them after the fact, and for most, the revised rates achieved their goals. .
- A large majority did not think the drought of 2016 effected rates or rate attitudes in their communities, although some felt the drought would increase support for rate adjustments and others felt it would decrease support.
- The summary document is posted on a website we created. The link can be found below and was included in the email recently sent by the WRC on the rates workshop.

Craddock then introduced Part 2 of the project which included in-depth case studies to get a better understanding of suppliers' experiences. We interviewed 7 water suppliers from a pool who had volunteered to provide more information. We chose some who were successful and some that faced challenges that weren't overcome. All but one interview were done in person by our consultant Raftelis. Interviews included a range of stakeholders in the rate-setting process, including water department directors, water commissioners, elected officials, finance directors, billing and IT staff, etc. We don't identify the communities in the report but do provide a summary table that includes key community characteristics.

Interviews were grounded in prepared questions, but were free-flowing and focused on the individual experiences of each community. The final report was organized around the key lessons learned, which emphasized the importance of communication, financial planning, data management and governance. Craddock went on to provide a summary of each key lesson learned along with specific points of guidance, all of which are also summarized in the final report and a 2-page flyer posted on the water rates webpage (<https://www.mass.gov/service-details/water-rates>).

Next steps include the water rates workshop which will include a panel discussion with some water suppliers and commissioners on how they got to "yes" on water rates.

Weismantel stated that the financial plan and enterprise fund are the two most important things for financial stability. Hopkinton also had a unique approach when they went to an enterprise fund. They instituted a hydrant fee for households not on public water but who benefitted from fire control services. In addition, because they were in a high growth area they instituted a high hook up fee which helped to ensure financial sustainability. Queenan noted that water conservation was listed fairly low on the survey. Did anyone indicate why this was the case? Craddock and Bentsen responded that some of the questions got at water conservation indirectly and responses reflected that conservation is a concern, but in some cases it is indirect, such as trying to reduce costs of pumping, which was noted as an issue during the drought.

Cohen responded that a potential next step would be to evaluate what makes an effective rate, which was not addressed in this study. This study laid the groundwork by trying to understand the rate-setting process and its challenges. Rao noted that Amy Vickers was also on the consulting team and asked about what feedback she had. Cohen responded that Vickers' impression was that MA is behind in efforts to incentivize water conservation and could do more to improve. An example she gave was that some of the interviewees hadn't heard of WaterSense. Carroll and Rao noted that Vickers works extensively with more arid communities in the western US whose outdoor water use is much higher than ours in the northeast, so her lens may be shaped by this. Cohen also noted that the interview questions were not geared toward assessing water conservation effectiveness overall, so the interview results were not the best source of data for a water conservation assessment. Rao thanked the team for a terrific presentation and excellent work.

Meeting adjourned, 2:52 p.m.

Documents or Exhibits Used at Meeting:

1. Minutes: August 9, 2018
2. Ashland
 - a. Updated Staff Recommendation – Redline
 - b. Updated Staff Recommendation – Clean
 - c. Public Comments Received on the Staff Recommendation
 - d. Response to Public Comments
3. Revised Request for Determination of Insignificance application form
4. AWE Support Letter for S 3021
5. Interbasin Transfer Act project status report, 28 September 2018
6. *Massachusetts Water Conservation Standards*. July 2018. Available at <https://www.mass.gov/service-details/details-on-the-2018-massachusetts-water-conservation-standards>

Compiled by: ac

Agendas, minutes, and other documents are available on the web site of the Water Resources Commission at <https://www.mass.gov/water-resources-commission-meetings>. All other meeting documents are available by request to WRC staff at 251 Causeway Street, 8th floor, Boston, MA 02114.