



# Water Supply District of Acton

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## WLMAC MEETING NOTES OF MARCH 12, 2013

**Present:** John Cipar, Greta Eckhardt, Charles Olmstead, Paul Malchodi, Barry Rosen.

**Also Present:** Selectman John Sonner (BoS liaison to the WLMAC).

**Note Taker(s):** Barry Rosen

**Chairperson:** Barry Rosen

**Called To Order:** The chairperson called the meeting to order at 8:15 PM ET on March 12, 2013.

### New Business:

1. Approval of Minutes: On a motion from made by Mr. Olmstead and seconded by Ms. Eckhardt, the minutes of February 7, 2013 were approved by a unanimous vote. [Mr. Malchodi was not present at the time of this vote.]
2. Confirmation of Next WLMAC Meeting Date: The membership was surveyed to determine if the next meeting scheduled for April 9, 2013 at 8:00 PM at the AWD HQ was still a viable meeting date for most of the membership. Except for Mr. Cipar who expects to have a conflict, the rest of the committee felt that the date was acceptable for a meeting.
3. Additional Impressions of 1/28/2013 WLMAC Discussion with Board of Water Commissioners: Mr. Malchodi explained that he attempted to further explain Ms. Eckhardt's position on the bond debt fee to the commissioners that evening but he felt he may not have been successful.
4. MWRA Spreadsheet Model: Mr. Malchodi stepped the committee through the model that we had discussed during our last meeting and provided more detailed explanations. [The document discussed is on file at the AWD and is contained within the WLMAC minutes of 2/7/2013.] Some of the major conclusions reached by the WLMAC to this point:
  - 4.1. The current model could be further refined but in its present state actually represents the worst case scenario. The AWD would be doing everything on their own without any partnering with another water supplier. We are using pipe costs that could be high as they are not for 12 inch but rather for 36 inch mains which MWRA likes to use.
  - 4.2. Costs need to be examined over a greater window than 1-5 years. It's more realistic to look at a period of 10, 20 or more years over which expenses should be amortized. More regulation of the water supply will likely occur over this period of time necessitating additional expense to the District to continually upgrade existing water treatment plants and those yet to be built.
  - 4.3. The forecasted "fully loaded" water cost of AWD produced water will be about six tenths of a cent per gallon (\$ 0.0062) while the MWRA water will cost about seven tenths of a cent per gallon (\$ 0.0071). These water costs should be added to the operational expenses.

5. Discussion of Requesting a Joint Meeting with the AWD Finance Committee: The committee noted that in the draft 2013 LRP that we had been reviewing, a connection to the MWRA as a water source was dismissed as prohibitively expensive. This seemed to echo what was reported to the commissioners by the District Finance Committee some months earlier. It was conjectured that the report by the Finance Committee may have been used by Wright-Pierce in preparing the draft. Mr. Rosen suggested that an initial joint meeting with the AWD Finance Committee could help us understand the history and perhaps help both committees assist the District in understanding the alternatives available to obtain water as well as the costs associated with each solution.
  - 5.1. As the Finance Committee has previously done research on MWRA costs for the commissioners, the WLMAC would like to better understand their report.
  - 5.2. The WLMAC felt that the Finance Committee would be a natural fit of a group with which we should work to understand the cost comparisons of MWRA water with other available options.
  - 5.3. Mr. Sonner suggested that while doing this, it would be a good to develop both a high and low cost for each solution.
  - 5.4. After more discussion, it was clear that the sense of the committee was positive on attempting to hold a joint meeting with the AWD FinCom.
6. Motion To Conduct Joint Meeting With AWD Finance Committee: Mr. Olmstead makes the motion which is seconded by Mr. Malchodi for the WLMAC to request a joint meeting with the AWD Finance Committee with purposes to: (a) better understand what studies have been done by the FinCom to date related to MWRA water costs and (b) work on cost comparisons of MWRA water with other available options. The motion passed unanimously. [All WLMAC members present.]
  - 6.1. Mr. Rosen was requested to notify the AWD Board of Water Commissioners of this WLMAC decision.
  - 6.2. Mr. Rosen was requested to contact the Finance Committee (after 6.1) and invite them to a joint meeting with the WLMAC.

### **Old Business:**

7. Discussion of WLMAC Resolution: As the WLMAC passed a motion to conduct a joint meeting with the Finance Committee (6.), there was no longer a need to discuss the previous resolution by the committee to examine alternatives for obtaining additional water.

### **Adjournment:**

On a motion by Mr. Olmstead which was seconded by Mr. Cipar, the committee voted unanimously to adjourn the meeting at 10:00 PM ET on March 12, 2013.

|                       |                            | drill and treat |           | mwra                |                      |
|-----------------------|----------------------------|-----------------|-----------|---------------------|----------------------|
|                       |                            | cap             | annual    | cap                 | annual               |
|                       |                            | \$ in 000       | \$ in 000 | \$ in 000           | \$ in 000            |
|                       | plant 2                    | 15000           |           |                     |                      |
|                       | plant 3                    | 8000            |           |                     |                      |
|                       | write off                  |                 |           | 500                 |                      |
|                       | pipe                       |                 |           | 30000               |                      |
|                       | rights                     |                 |           | 10000               |                      |
|                       | total                      | 23000           | 1610      | 40500               | 2025                 |
|                       |                            |                 |           | 20 year cost of cap | 20 year cost of cap  |
|                       | electricity                |                 | 300       |                     | 100                  |
|                       | media                      |                 | 300       |                     |                      |
|                       | supplies chemicals         |                 | 200       |                     | 100                  |
|                       | disposal                   |                 | 100       |                     |                      |
|                       | well maintenance           |                 | 100       |                     | 100 Valve maint      |
|                       | well maintenance stff      |                 | 80        |                     | 40 valve maint staff |
|                       | plant staff                |                 | 700       |                     |                      |
|                       | total                      |                 | 3390      |                     | 2365                 |
| billed gal/year       | per gallon                 |                 | \$0.0062  |                     | \$0.0043             |
| 550,000,000           |                            |                 |           |                     |                      |
|                       | total to add to op exper   |                 | \$0.0062  |                     | \$0.0071             |
|                       |                            |                 |           |                     | \$ 0.0028            |
|                       |                            |                 |           |                     | mwra                 |
| mwra cost per mil gal |                            |                 |           |                     |                      |
| \$ 2,787              |                            |                 |           |                     |                      |
| 1,000,000             |                            |                 |           |                     |                      |
|                       | total to add to op expense |                 |           |                     |                      |
|                       |                            |                 |           |                     | per gallon           |

810 interest forgone because of mwra interest free loand

total to add to op expense per gallon