



Summary of:

MWRA BOARD OF DIRECTORS' MEETING

June 11, 1997

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A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on June 11, 1997 at the Authority Headquarters in Charlestown. Present: Chair Trudy Coxe, Gubernatorial Representative; Norman Jacques and John Carroll, Advisory Board Representatives; Joseph MacRitchie, City of Quincy Representative; Lorraine Downey and Vincent Mannering, City of Boston Representatives; Sam Mygatt, Donald Mitchell, Gubernatorial Representatives. Absent: Michael Benullo, City of Boston Representative; Marie Turner, Town of Winthrop Representative; and Charles Lyons, Advisory Board Representative.

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AGENDA

Report of the Chair

No report.

Report of the Executive Director

Mr. MacDonald reported that the State budget Conference Committee has begun deliberations. Most of the issues that directly affect the MWRA have been heard and the Authority awaits the results. On the Federal level, the sub-committee of the House Appropriations Committee will mark up the House bill on June 25, 1997.

The Executive Director also informed the Board that staff members have met with Senator Fargo and Representative Locke over the land issue in the Town of Weston.

Board members were invited to a ribbon cutting ceremony that will be held for Middlesex Fells next week. This is one of the first pieces being put into place for the improvement of the water supply.

APPROVALS

FY97 Current Expense Budget Reallocations

The Board voted to approve the FY97 Current Expense Budget reallocations, as listed in the staff summary and filed with the records of the meeting. These adjustments account for changes in plans and expenses which have taken place during the fiscal year. The Advisory board has reviewed all reallocations.

FY97 Third Quarter CEB Projection of Year-End Revenue and Expenses and Use of Projected Surplus

The Board voted to approve the following usage of the projected FY97 surplus of \$19.8 million: use the Sewer portion, estimated to be \$17.7 million, to make up to \$17 million in escrow deposits to reduce Sewer debt service obligations in FY99; and use the Water portion, estimated to be \$2.1 million, as a reserve to pay prior year debt service obligations to the Commonwealth of Massachusetts for watershed land acquisitions.

Response to Advisory Board Comments and Recommendations on Proposed FY98-00 Capital Improvement Program

The Board voted to approve the Response to the Advisory Board Comments and Recommendations on the MWRA's Proposed FY98-00 Capital Improvement Program and Budget, as presented and filed with the records of the meeting. This response is the basis for the Final FY98-00 CIP which the Board of Directors will vote to approve on June 25, 1997.

In March, the Advisory Board issued their Comments and Recommendations to the MWRA's proposed FY98-00 Capital Improvement Program which included \$147 million in overall reductions. Authority staff have prepared a response to those proposed cuts that accepts \$82.3 million in reductions and recommends further cuts of \$15.5 million. However, these cuts are offset by a budget increase of \$205.9 million which leaves the Advisory Board and MWRA \$108 million apart. Of the additional money requested, \$51 million is for the Boston Harbor Project, \$17.2 million for CSOs, and \$18.2 million for the Braintree-Weymouth Relief Facilities.

Response to Advisory Board Comments and Recommendations on Proposed FY98 Current Expense Budget

The Board voted to approve (Vincent Mannering opposed) the Response to the Advisory Board's Comments and Recommendations on MWRA's Proposed FY98 Current Expense Budget, including changes to the budget approved during the Administration and Finance Committee's discussions on May 28, 1997, and the addition of \$930,000 for the implementation of plans for the immediate water disinfection at Shaft A and an addition to the Operating Reserve. The increased expense of \$800,000 for the disinfection Program and the associated deposit of \$130,000 to the operating reserve will be offset by the use of Rate Stabilization funds, and therefore not result in any change to the previously agreed rate requirement of 4.5%.

John Carroll noted that the disinfection program was not part of the extensive briefing held for the Board of Directors. He felt that if this recommendation to implement disinfection one year earlier came from the Task 8 Committee, they should have provided a written recommendation. Staff explained that the MWRA's current practice of simultaneous primary and residual disinfection does not provide sufficient "CT" (concentration and time) values to inactivate all pathogens of regulatory or public health concern. MWRA recognizes that the current disinfection system is deficient and has initiated a disinfection improvements program. This new proposal to feed sodium hypochlorite on a temporary basis from a mobile trailer at Shaft A is expected to enable the MWRA to meet all the inactivation requirements currently contained in the Surface Water Treatment Rule. (Note, however, that water which passes through open distribution reservoirs will not meet SWTR regulatory requirements until those reservoirs are covered, despite the disinfection that will be initiated at Shaft A). MWRA anticipates beginning this additional treatment in September, 1997.

There was also a discussion on the number of positions funded in the FY98 budget. For the current year, FY97, 1,895 positions are authorized with 1,766 positions filled as of May. For FY98, the number of authorized positions will decline by a net of 22 to 1873; 36 positions are to be eliminated by the end of the fiscal year and 14 new ones will be created. The Authority has committed to setting its budget to reflect a 6% vacancy rate, which would support approximately 1,760 filled positions. Vincent Mannering protested the addition of any new positions in light of the management study that will be performed.

Retirement System Funding for FY98

The Board voted to approve funding of the MWRA's FY98 contribution to the Retirement System at the level of 4% of covered payroll which, based on a covered payroll of \$67 million, results FY98 funding of \$2,680,000 and will be included in the final FY98 CEB.

Amendments to MWRA Sewer Use Regulations to Implement a General Permit for Low Flow Pollutant Discharges and Make Other Changes

The Board voted to adopt amendments to the MWRA Sewer Use Regulations, 360 C.M.R., * 10.000, to implement a General Permit for Low Flow and Low Pollutant Discharges and make other changes, as described in the staff summary and filed with the records of the meeting.

The proposed amendments to MWRA Sewer Use Regulations would:

- Create a General Permit for Low Flow and Low Pollutant Dischargers;
- Allow certain chemical precipitation pretreatment systems to be used under the group permit for photo processing and printing operations (photo processors and printers that use a chemical precipitation pretreatment system now must have an individual sewer use discharge permit);
- Allow the discharge of swimming pool water under certain limited conditions with MWRA approval;
- Specify types of discharges that do not require a permit;
- Require the installation and maintenance of grease traps and grease interceptors when required by other state laws and regulations;
- Amend the Incentive and Other Charges program to implement a \$150 charge for the general permit, allow billing for up to three years of back charges for persons who should have had a permit but failed to apply; and assess a \$100 monitoring charge for each self-monitoring report required by a permit that is submitted more than 30 days late or without the necessary analytical data; and
- Remove some unnecessary and outdated dates and citations within the regulations.

EPA granted approval on May 12, 1997. Although the General Permit will decrease the amount of permit charges collected, it will allow TRAC to focus its resources on currently unregulated sewer users that are discharging pollutants of concern to the sewer system.

Extension of BHP Change Order Management Plan

The Board voted to extend the period of authorization for selective restorations of change order delegated authority (Change Order Management Plan) from June 30, 1997 to August 13, 1997. The Board of Directors further voted to end the Change Order Management Plan on August 13, 1997 and subsequently utilize the delegated authority process outlined in number 3 and 4 of the staff summary recommendation through December 31, 1997.

Staff is requesting a final six-week extension of the Change Order Management Plan to insure that adequate delegated authority is available to approve change orders identified during the late stages of construction, testing and start-up of

facilities over the next several months. In addition to that, they have requested that the restoration level of delegated authority for the four major contracts related to secondary treatment be allowed to range from \$250,000 to \$400,000 to insure that critical change orders can be executed in a timely manner for the following four contracts:

- Contract 5484, Secondary Reactor Batteries A & B
- Contract 5492, Secondary Clarifier Batteries A & B
- Contract 5493, Secondary Residuals Facilities
- Contract 6159, Secondary Reactor & Clarifier Battery C

The value of each of these contracts is in excess of \$100 million. After August, staff will submit an information report on the status of the four contracts to the Board at each meeting. Restoration of delegated authority plus large and certain other small dollar value change orders would be submitted for approval under separate staff summaries.

BHP Change Order Management Report No. 42: Additional Delegated Authority for Change Orders to Contract Nos. 5722, 5493, 5745 and 5546

The Board voted (Sam MyGatt abstained) to authorize the Executive Director, on behalf of the Authority, to approve change orders as may be needed to the following contracts up to the following amounts:

| Contract | Description | Contractor | Amount |
|-----------------|----------------------------------|-------------------------|---------------|
| 5722 | North Main Pump Station | J.F. White/PKF-Mark III | \$250,000 |
| 5493 | Res. Trmt. Fac. Ph. I, Sec A&B | Geo. Hyman Const. Co. | \$250,000 |
| 5745 | On-Site Thermal/Power Plant | J.F. White/PKF-Mark III | \$400,000 |
| 5546 | Process Instr. & Control Systems | Bailey Controls Corp. | \$250,000 |

Appointment of Two Construction Coordinators, Engineering Services Department, Program Management Division

The Board voted to approve the Executive Director's recommendation to appoint Richard B. O'Malley to the position of Construction Coordinator in the Engineering Services Department, Program Management Division, at an annual salary of \$71,884, to be effective on the date designated by the Executive Director.

The Board also voted to approve the Executive Director's recommendation to appoint Anandan Navanandan to the position of Construction Coordination in the Construction Services Department, Program Management Division at an annual salary of \$66,686 to be effective on the date designated by the Executive Director.

This is part of the re-sizing and re-shaping of the Program Management Division where two vacant Senior Construction Manager positions were downgraded to two Grade 30 Construction Coordinator positions. While these individuals will be assuming greater responsibilities for review and approval of change orders, payment requests and claims, as well as management of CM staff and the project design engineer, the smaller dollar value of the remaining contracts warranted the downgrading of the positions.

Appointment of Senior Staff Counsel, Litigation, Law

The Board voted (with Ms. Cox and Mr. Mannering opposed) to approve the Executive Director's recommendation to appoint Bonnie M. Gillespie-Perry to the position of Senior Staff Counsel for Litigation in the Law Division at an annual salary of \$59,680 to be effective on the date designated by the Executive Director.

In response to Vincent Mannering's questions about the need for new counsel, Mary Jeka, General Counsel, explained that the needs of the Authority are changing. She said there has been a big increase in large value litigation cases being driven by the Boston Harbor Project, and stated that the difference between litigating a \$100,000 case and \$1 million case is vast. Rather than have to hire outside counsel she feels it would be more efficient to have staff defend the Authority.

Chairman Coxe expressed opposition to any new hires until the management study is completed. Mr. Mannering agreed.

Extension of Three Contract Employees - Support Services

| Name | Title/Department | Hourly Rate | Not -to-Exceed Compensation |
|-------------------|-----------------------------------|--------------------|------------------------------------|
| Robert DesRochers | Sr. Staff Auditor, Internal Audit | \$25.00 | \$29,000 |
| Martin L. Leonard | Sr. Staff Auditor, Internal Audit | \$25.00 | \$21,000 |
| Edward B. Fleming | Sr. Staff Auditor, Internal Audit | \$25.00 | \$24,000 |

Staff explained that these employees perform part time work at the Senior Staff Auditor level. Their flexible schedules allow Internal Audit to effectively respond to peak work loads and unscheduled requests.

Extension of Five Contract Employees - Sewerage

The Board voted to approve amendments to the following employment contracts for one year, for the dates listed in the staff summary and filed with the records of the meeting:

| Name | Title/Department | Hourly Rate | Not -to-Exceed Compensation |
|--------------------|-------------------------------------|-------------------------------------|------------------------------------|
| Joseph Horrigan | Chief Engineer, Th. Power Plant, DI | \$34.32 | \$71,386.00 |
| James Muenier, Jr. | First Cl.Eng., Th.Power Plant, DI | \$30.00 | \$62,400.00 |
| Dorothy Nee | Warehouse Worker, DI | \$10.00 | \$19,500.00 |
| Leslie Zenack | Contract Employee, TRAC | \$33.75 (7/1/97) \$35.00 (1/27/98). | \$35,000.00 |
| Matthew Moskal | Program Mgr., Process Control | Amend start date to June 1, 1997 | |

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CONTRACT AMENDMENTS/CHANGE ORDERS

North Main Pump Station: JF White/PKF Mark III, J.V., Contract 5722, Change Order 124

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 124 to

increase the contract price on Contract No. 5722, North Main Pump Station, with J. F. White/PKF- Mark III, J.V., in the amount of \$975,000 and to extend the time for completion by 101 days to September 19, 1997. The original contract price was \$59,240,000. Amendments now total \$26,879,722.51 for a total price of \$86,119,722.51.

This change order is for work associated with the Odor Control System upgrade and the Fire Suppression System. In response to higher than expected hydrogen sulfide levels at Deer Island and Nut island, modifications are being made to various process facilities. Since the discovery of the hydrogen sulfide corrosion condition, significant work has been conducted to assess the cause and solution for this problem. Upon completion of the analysis, this contract will be reviewed as part of the overall assessment of Metcalf & Eddy's performance as the Lead Design Engineer on the Boston Harbor Project to determine any damages incurred by MWRA as a result of deficient performance.

The Boston Fire Department required that the fire suppression systems be upgraded to provide the department with a local control panel which allows them to assess the status of the fire suppression system, enabling firefighters to more effectively handle an alarm event. The additional work will extend the contract completion date. If supplemental costs resulting from the time extension are warranted, payment will be processed under a future change order.

On-Site Thermal/Power Plant: J. F. White/PKF Mark III, J.V., Contract 5745, Change Order 117

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 117 to increase the contract price on Contract No. 5745, On-Site Thermal/Power Plant, with J.F. White/PKF-Mark III, J.F., in an amount not to exceed \$500,000. The original contract price was \$53,650,000. Amendments total \$21,309,219.10 for a revised total of \$74,959,219.10.

The Thermal/Power Plant provides the Deer Island Treatment Plant with back-up electrical power and hot water for the island's closed loop hot water heating system. Contract documents require that the Power Plant boilers be capable of operating on fuel oil and/or digester gas. At the time of design, the estimates for digester gas production in the egg-shaped digesters were at a level that would permit year-round use of the digester gas in the boilers. The actual production of digester gas exceeds the original estimates. The treatment plant will not have sufficient seasonal demand to use the steam that will be produced from the available digester gas during periods of warm weather. Therefore staff recommend that the boiler systems be modified to permit the burning of the excess digester gas and to use the available excess steam to produce power through the Steam Turbine Generator. If warranted, supplemental costs for this change order will be processed under a future change order.

Effluent Outfall Tunnel: Kiewit/Atkinson/Kenny, J.V., Contract 5637, Change Order 56

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 56 to increase the contract price on Contract No. 5637, Effluent Outfall Tunnel, with Kiewit/Atkinson/Kenny, J.V., in an amount not to exceed \$99,158.40. The original contract amount was \$201,959,987. Amendments total \$24,485,517.26 for a total revised contract amount of \$226,445,504.26.

During the tunnel mining, the contractor stockpiled tunnel muck in an area adjacent to Secondary Clarifier Batteries A&B, the only available storage area within range of the conveyor belt. It was anticipated that mining would end in March 1994; however, due to delays it lasted an additional 2 * years and the contractor ran out of space. This change order will compensate the contractor for the additional cost incurred to transport tunnel muck to the Tunnel Muck Handling Area during 55 graveyard shifts.

In addition, the Board authorized the Executive Director to approve additional change orders as may be needed to Contract No. 5637 in amounts not to exceed the aggregate of \$250,000, in accordance with the Management Policies and Procedures of the Board of Directors.

Deer Island Phase IV Training Program: Metcalf & Eddy, Inc., Contract # 5751, Amendment 1

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 1 to extend the time for completion of Contract No. 5751, Deer Island Phase IV Training, with Metcalf & Eddy, by two years to July 1, 1999 and to revise the scope of the remaining services. The original contract price is \$3,799,903.

The Deer Island Training Program has been crucial to the successful start-up of the Primary and Residual areas. Because of schedule delays, this proposed amendment seeks to extend the contract to July 1, 1999 at no additional cost to the Authority.

Technical Assistance Consulting-Civil Engineering: Green International Affiliates, Contract 525TA, Amendment 4

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 4 to extend the time for completion of Contract No. 525TA, Technical Assistance Consulting-Civil Engineering, with Green International Affiliates, Inc., by one year to October 8, 1997 at no additional cost to the Authority. The budget for the extension will remain the same, at \$50,000.

This summary does not include every item discussed by the Board nor the full extent of the discussions. Please contact Patty Cross at the Advisory Board Office with questions, comments and requests for additional information.

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