



*Summary of:*

**MWRA BOARD OF DIRECTORS' MEETING**

**March 24, 1999**

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A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on March 24, 1999 at the Authority Headquarters in Charlestown. **Present:** Chairman Robert Durand, Gubernatorial Representative; John Carroll, Andrew Pappastergion, Norman Jacques, Advisory Board Representatives; Vincent Mannering, Robert Spinney, City of Boston Representatives; Joseph MacRitchie, City of Quincy Representative; Marie Turner, Town of Winthrop Representative. **Absent:** Lucile Hicks, Donald Mitchell, Gubernatorial Representatives; Andrea d'Amato, City of Boston Representative.

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**AGENDA**

***Report of the Chair***

No Report.

***Report of the Executive Director***

Mr. MacDonald told the Board that the Nash Hill Covered Storage facility went on-line last week. The project was on time and on budget. The startup went smoothly with the cooperation of the Chicopee Valley Aqueduct communities. In addition, the Executive Director told the Board that the ground breaking for the Walnut Hill Water Treatment Plant is scheduled for May 5th.

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**APPROVALS**

***Appointment of Data Resources Manager, MIS***

The Board voted to approve the Executive Director's recommendation to appoint William Fahey to the position of Data Resources Manager in the MIS Department at an annual salary of \$78,680, to be effective on the date designated by the Executive Director.

The Data Resource Manager is responsible for a large portfolio of applications that service Waterworks and Sewerage business requirements. In addition, the position provides the MWRA with technical leadership for establishing and maintaining Oracle database standards, data dictionaries, and data warehousing. Mr. Fahey has over nineteen years of applications experience, of which ten years have been with MWRA. He joined the MIS Department in 1989 and transferred to Deer Island in 1993. As Facility Information System Applications Supervisor, he has provided leadership on key Deer Island operations and support application implementation.

#### **Appointment of Manager, Water Basin Coordination, Waterworks Division**

The Board approved the Executive Director's recommendation to appoint Lorraine M. Downey to the position of Manager, Water Basin Coordination in the Director's Office of the Waterworks Division at an annual salary of \$71,980, effective April 1, 1999.

This position will be responsible for overseeing and coordinating all water basin actions and activities for the MWRA, and ensuring the consistency of policy development and program direction with the goal of protecting all aspects of water supply systems. Ms. Downey, a former member of the MWRA Board of Directors, has over twenty-one years of experience working at the state and municipal level in the development of policies affecting water management and other environmental areas. She most recently served as Director of the Environment Department for the City of Boston from 1985 to 1998.

#### **Approval of Contract Employee, Support Services Division**

The Board voted to approve a contract for the employment of Christine Pierga as a Compensation Specialist in the Human Resources Department from March 27, 1999 to September 25, 1999 at an hourly rate of \$35 and a not-to-exceed dollar limit of \$14,560, with no option for extension.

Staff explained that Christine Pierga resigned her position as Manager, Compensation, Benefits and Human Resources Information Systems on March 5, 1999 after ten years with the Authority. Recruitment is underway for her replacement, but staff said that support from Ms. Pierga will ensure a consistent approach to compensation and classification program decisions over the next few months. Ms. Pierga will provide analysis, assistance and/or recommendations in the following areas: review of compensation consultant work products in the internal equity and market comparability of MWRA non-union positions; assistance with Human Resources staff analysis of reclassification requests to reduce the backlog; assistance with ongoing union negotiations on operations initiatives and/or reorganizations in the Transport, Deer Island and Waterworks Operations areas; and assistance with preparation for collective bargaining. The proposed hourly rate is equivalent to the rate Ms. Pierga earned as an employee.

Mr. Jacques and Mr. Pappastergion expressed concern over the practice of hiring former employees as consultants. Although in this case the hourly rate is the same as the individual earned as an employee of the MWRA, the Board recently approved a contract with a former employee which increased his hourly rate significantly. Mr. Pappastergion made a motion to direct staff to recommend a policy regarding these situations. (See vote entitled *Development of Policy Recommendations Regarding Resigned MWRA Employees Returning as Contract Employees.*)

#### **Extension of Contract Employee, Support Services Division**

The Board approved an amendment to the employment contract of Yury Kraytsberg, Senior Laboratory Information System (LIMS) Database Programmer, MIS Department, extending the term from March 24, 1999 to September 24, 1999 at an hourly rate of \$52, for an annualized compensation not to exceed \$27,040.

Staff explained that LIMS supports the Deer Island Treatment Plant, TRAC Department, ENQUAD and NPDES. The system uses Oracle as the database engine but uses older languages, such as Fortran, to do the complicated calculations, scientific analyses and reports. Mr. Kraytsberg is a seasoned Oracle and Fortran programmer with over

15 years' experience in the water and wastewater field. His additional assistance for up to six months will ensure that the system is properly supported and key activities performed as planned.

### **Extension of Contract Employee, Finance Division**

The Board voted to approve an amendment to the employment contract of Guy St. Andre, Grants Technician, Capital Grants Management, Finance Division, extending the term from April 17, 1999 to April 16, 2000 and increasing the hourly rate from \$23.50 to \$25.00, annualized compensation not to exceed \$29,400.

As a contract employee, Mr. St. Andre has been responsible for identification of grant funding reallocation options, review documentation of change orders to ensure maximum eligibility for grant/SRF funding, respond to audit issues, and prepare and present MWRA's position in cases where reconsideration of initial grant eligibility is warranted. With this extension, Mr. St. Andre will continue to assist MWRA staff with various aspects of federal and state funding of the Boston Harbor Project as well as the rest of the capital program.

### **Extension of Four Contract Employees, Sewerage Division**

The Board approved amendments to the following employment contracts:

Michael McEachern, GIS Specialist, SFD, contract extension from April 7, 1999 to December 31, 1999, hourly rate of \$16.90 (a 4% increase), annualized compensation not to exceed \$30,500;

Peter Abelli, HVAC Specialist, Transport, contract extension from April 16, 1999 to December 13, 1999, hourly rate of \$22.40 (a 4% increase), annualized compensation not to exceed \$44,000;

Stanley Saniuk, Jr., Technical Writer, Deer Island, contract extension from May 18, 1999 to December 31, 1999, hourly rate of \$34.00, annualized compensation not to exceed \$66,300;

Mark Zlotnikov, CADD Engineer, Deer Island, contract extension from June 14, 1999 to December 31, 1999, hourly rate of \$25.00, annualized compensation not to exceed \$48,750.

### **Approval of an Amendment to the Other Capital Projects Contingency Fund**

The Board voted to approve an amendment to the FY99-01 Capital Improvement Program to increase the Other Capital Projects Contingency Fund by \$5.9 million, from \$51.8 million to \$57.7 million.

This contingency fund amendment was broken out of an amendment that was approved at the last Board meeting in order to afford the Advisory Board the opportunity to review the request. Staff indicated that they are working on a third contingency fund amendment because bids on a particular contract are expected to be approximately \$4 to \$5 million higher than what is budgeted in the CIP.

### **Corrosion and Odor Control Study for the Framingham Extension Sewer; Final Recommendation for Corrosion and Odor Mitigation**

The Board voted to approve proceeding with measures identified in the Corrosion and Odor Control's final report to mitigate corrosion and odor problems in the Framingham Extension Sewer.

Staff explained that the original Framingham Extension Sewer facilities dating from the 1950's have been subject to deteriorated structural integrity and decreased carrying capacity since their installation. These problems, along with several failures, have been attributed to corrosion. In addition, severe odor conditions have been experienced in several locations in Natick and Wellesley along the line of the sewer. To determine the sources and extent of these problems, a contract was executed in January 1997 with Anderson- Nichols & Co., Inc. to perform a corrosion and odor control study for the Framingham Extension Sewer and the Towns of Ashland, Framingham and Natick. The study has determined that the long-standing and severe odor and corrosion problems in the Framingham Extension Sewer system originate in the Ashland and Framingham municipal sewer systems and are transferred downstream into the MWRA's

interceptors. Both odors and corrosion derive from bacterial conversion of sulfates to sulfides, which are released into the airspace within the interceptors above the sewage as extremely odorous hydrogen sulfide gas. Hydrogen sulfide gas is converted to sulfuric acid on the inside of pipe walls, where it readily corrodes concrete.

Measures which will be taken to resolve the problem include setting sulfate and sulfide limits for municipal discharges, setting sulfate and sulfide limits for industrial discharges, upgrading the chemical addition facility at the Framingham Extension Relief Sewer pumping station, and installation of exhaust air treatment facilities for both the Framingham Extension Relief Sewer and the Framingham Extension Sewer. Staff reported that the total cost for these measures is approximately \$3.1 million. Approximately \$810,000 is expected to be spent by the MWRA in FY00-03, \$665,000 by the communities in FY00-03, and \$92,000 in combined MWRA and community annual operating costs from FY03 forward.

### **Approval of Sewer Connection in Hingham Under the System Expansion Policy**

The Board approved an application for a connection to the MWRA sewer system through the North Sewer District in Hingham for a single family house in Hingham, in accordance with MWRA Policy and Procedures for Requests for Sewer Service to Locations Outside MWRA Service Area (System Expansion Policy), and to accept the Advisory Board conditions for the connection.

Staff explained that this home is located in Hingham but is outside the North Hingham Sewer District. The homeowners have evaluated the feasibility of installing a new septic system, but it was determined that an efficient and permanent system was not feasible due to the water level, topography, and location of nearby wetlands. The estimated total daily flow is 330 gallons. The application was approved by the full Advisory Board on March 18, 1999 with the conditions that the applicant, working cooperatively with the Hingham Sewer Commission, realize a four to one gallon reduction of flow in the Hingham wastewater system, and that the applicant pay a connection fee consistent with the System Expansion Policy, set at \$7,400.

### **Revisions to Reallocation and Variance Reporting Policy**

The Board voted (with Mr. MacRitchie opposed) to approve revisions to the MWRA Budget and Rates Policies and Procedures to eliminate the policy on Current Expense Budget reallocations and revise the variance reporting and projection policy to emphasize Authority and division responsibility for managing spending within the overall MWRA and division budgets and to revise the description of variance information reporting practices.

Staff explained that the reallocation policy grants authority to approve reallocations to division directors, the Executive Director and the Board of Directors based on prescribed dollar limits and other factors. Staff recommended eliminating the reallocation policy for the following reasons: reallocation of funds can mask existing variances and create new "artificial" variances; few reallocations are of significant dollar value; few reallocations change an overall line item or department level budget; and the administrative process is time intensive with little value-added outcome.

Mr. MacRitchie asked if this reduces the oversight of the Board. Staff said that the changes will actually simplify oversight.

### **Advisory Board CIP Recommendation on Capital Program Management**

The Board authorized the MWRA budget staff to meet with Joseph Favaloro of the MWRA Advisory Board and two members of the Board of Directors (the Chairs of the Water and Wastewater Committees) to look at the Advisory Board proposal regarding capital program management.

This issue was originally presented to the Board as an information item. Mr. MacDonald explained that the Advisory Board, in its CIP comments, recommended that the Authority place limits on capital spending over the next three years and convene a task force that includes state and federal regulators, Advisory Board representatives and MWRA staff to develop capital program alternatives that would fit within these spending limits. He said that the Authority disagreed with the recommendation and wanted to get feedback from the Board.

Mr. Carroll said that he saw value in capping capital expenditures. He asked if Authority staff has sat down with the Advisory Board to discuss setting a cap. Staff said that they had not. Mr. Carroll recommended that staff sit down with the Advisory Board to make an effort to put a cap on CIP spending for the next three years. Mr. MacRitchie said that he did not think the Advisory Board recommendation should be taken lightly and recommended that the Board direct MWRA and two members of the Board to meet with the Advisory Board.

Mr. MacDonald said that he disagreed with involving regulators in the negotiations. Joe Favaloro, Executive Director of the MWRA Advisory Board, said that the Advisory Board assumes the initial step would include discussions between the MWRA Board, Authority staff and the Advisory Board. The next step would involve the regulators. Mr. Favaloro noted that ending discussion before it starts is the wrong approach to take. The Board then directed MWRA staff and the chairs of the Water and Wastewater Committees to meet with the Advisory Board.

### **Development of Policy Recommendation Regarding Resigned MWRA Employees Returning as Contract Employees**

The Board voted to direct staff to draft a recommendation to the Board on a policy to deal with the situation of employees that have resigned or left the employ of the MWRA and are hired back as consultants. (See discussion under vote entitled *Approval of Contract Employee, Support Services Division.*)

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## **CONTRACT AWARDS**

### **Integrated Financial and Procurement Management Systems; Lawson Software**

The Board approved the recommendation of the Consultant Selection Panel to select Lawson Software to provide an Integrated Financial and Procurement Management System and to authorize the Executive Director, on behalf of the Authority, to execute a contract with Lawson Software in an amount not to exceed \$4,830,000.

Staff explained that the Authority's Business Plan Strategy for Technology and Automation includes moving away from proprietary operating systems and software, converting applications to Oracle database management standard, and reducing the amount of customization.

### **Selection of Revenue Bond Consulting Engineer; Camp Dresser & McKee**

The Board voted to approve the recommendation of the Consultant Selection Panel to select Camp Dresser & McKee to provide Revenue Bond Consulting Engineering Services and to authorize the Executive Director, on behalf of the Authority, to execute a contract with Camp Dresser & McKee for a four year period from April 1, 1999 through March 30, 2003, for a guaranteed maximum amount of \$464,929.

Each time MWRA issues or refinances revenue bonds, it is required to include a new or updated Engineering and Financial Feasibility Report in its Official Statements. Camp Dresser & McKee will provide revenue bond consulting engineer services to prepare these reports over the next four years.

### **Washington D.C. Consultants; Campbell-Crane Associates and Foley, Hoag & Eliot**

The Board authorized the Executive Director, on behalf of the Authority, to enter into a contract with Campbell-Crane Associates to serve as Washington, D.C. consultants to the MWRA on federal funding matters from March 1, 1999 through December 31, 1999 for a retainer of \$100,000. Campbell-Crane will subcontract with Foley, Hoag & Eliot to assist with the consulting services.

Staff explained that refocusing of the MWRA's Washington strategy will be a major concern of the new lobbying team. With the near completion of the Boston Harbor Project, having secured \$888 million in earmarked and SRF funding, the Washington funding strategy must now turn to other major capital spending priorities. The two areas that are likely to be the focus of funding efforts are CSO's and the Safe Drinking Water projects since a portion of these programs are federally mandated.

**Hazardous Materials Consulting Services in Connection with the Sudbury Aqueduct; Weston & Sampson Engineers, Inc.**

The Board approved the recommendation of the Consultant Selection Panel to select Weston & Sampson Engineers, Inc. to provide hazardous materials consulting services relating to the Sudbury Aqueduct and to authorize the Executive Director, on behalf of the Authority, to execute Contract No. 6617 with Weston & Sampson Engineers, Inc. in an amount not to exceed \$150,000 for a term of three years.

MWRA staff have been dealing with a complicated set of problems arising from the fact that the out-of-service Sudbury Aqueduct, maintained since 1974 as a back-up supply conduit for the Chestnut Hill Reservoir, may have come within the influence of a contamination plume from one or more nearby hazardous waste sites in Framingham. Under this contract, the hazardous materials consulting work will be completed in a phased approach, with each task building upon previous information until sufficient information is collected to determine the scope of necessary remedial measures.

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**CONTRACT AMENDMENTS/CHANGE ORDERS**

**Fuel Supplier III; Taylor Oil**

The Board authorized the Executive Director, on behalf of the Authority, to approve Change Order No. 2 to extend the time for completion of Contract 6121, Fuel Supplier III, with Taylor Oil Northeast, by 91 days to June 30, 1999 at no additional cost.

Due to additional changes in the design, the completion of the Permanent Fuel Facility has been further delayed until June 1999. It is now necessary to have this supplier continue to provide fuel until such time as the Permanent Fuel Facility is completed.

**Ancillary Design Modifications-Phase III; R. Zoppo Corp./Interstate Engineering Corp., J.V.**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 28 to increase the contract price on Contract 6180, Ancillary Design Modifications-Phase III, with R. Zoppo Corp./Interstate Engineering Corp., J.V., in the amount of \$12,289. Further, the Board authorized the Executive Director to approve additional change orders as may be needed to Contract No. 6180 in amounts not to exceed the aggregate of \$250,000. A contingency transfer in the full amount is required. The original contract price was \$28,191,605. Change orders now total \$2,251,264 or 7.99% of the original contract amount.

This contract includes a wide array of modifications which are necessary for safe and efficient long-term operation of the Deer Island Treatment Plant. This change order will provide for modifications to the compressed air system and removal and installation of an additional fourteen light fixtures.

**North Main Pump Station/Winthrop Terminal Facility - ESDC; Malcolm Pirnie**

The Board authorized the Executive Director, on behalf of the Authority, to approve Amendment No. 15 to increase the contract price on Contract No. 5529, North Main Pump Station/Winthrop Terminal Facility - ESDC, with Malcolm Pirnie, Inc., in the amount of \$241,445 and to extend the time for completion by 15 months to March 31, 2000. The original contract price was \$2,433,751. Amendments now total \$8,462,175.

This contract provides design services for the North System Tunnels and North Main Pump Station/Winthrop Terminal Facility Modifications. This amendment involves the following changes to the ESDC budget: a budget increase of \$196,000 to support a higher level of effort to review a greater quantity of technical submittals and change/clarification requests and an increased number of change order designs; a budget decrease of \$198,555 due to lower level of effort required to review non-conformance requests, preparation of drawing revisions and assistance to the CM for physical

testing and checkout, inter-CP testing and start-up, claims assistance, and O&M manual review; and an increase of \$217,000 for the costs associated with the harmonic filter effort.

**Rehabilitation of Water Storage Tanks; W.T. Rich Company, Inc.**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 10 to increase the contract price on Contract No. 5136, Rehabilitation of Water Storage Tanks, with W.T. Rich Co., Inc., on a time and materials basis not to exceed \$200,000 and to extend Milestones 1, 2, 3 and 5 with no extension in contract completion time. Further, the Board authorized the Executive Director to approve change orders as may be needed to Contract No. 5136 in amounts not to exceed the aggregate of \$250,000 and time extensions not to exceed the aggregate of 180 calendar days. A contingency transfer in the amount of \$200,000 is required. The original contract price was \$4,749,000. Change orders now total \$962,076 or 20% of the original contract amount.

Staff explained that the water storage tanks require disinfection and testing prior to being returned to service. The original contract specifications incorrectly indicated this work would be done by Waterworks Operations. This change order will allow the contractor to perform this work and will extend the milestone completion dates.

**MetroWest Water Supply Tunnel - Middle Tunnel Segment; Shea-Traylor-Healy, J.V.**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 19 to increase the contract price on Contract No. 6055, MetroWest Water Supply Tunnel-Middle Tunnel Segment, with Shea-Traylor-Healy, J.V., in the amount of \$448,300. Further, the Board authorized the Executive Director to approve additional change orders as may be needed to Contract No. 6055 in amounts not to exceed the aggregate of \$250,000. The original contract amount was \$251,867,770. Change orders now total \$2,005,403.

This change order resolves a circumstance in which the overtime rate required to be paid by the contractor to Local 103 electricians has been at a higher rate than the contractor was led to expect in the contract bid documents. The responsibility for the confusion lies in an oversight by MWRA's team when the bid specifications were prepared. Following a careful review by the Law Division and Internal Audit Unit, staff determined that this change order is the most responsible way to settle the issue.

**Fells Reservoir Covered Storage Project; Barletta Engineering Corp.**

The Board authorized the Executive Director, on behalf of the Authority, to approve Change Order No. 11 to increase the contract price on Contract No. 5088, Fells Reservoir Covered Storage Project, with Barletta Engineering Corp., in an amount not to exceed \$113,220. Further, the Board authorized the Executive Director to approve additional change orders as may be needed to Contract No. 5088 in amounts not to exceed the aggregate of \$250,000. A contingency transfer in the amount of \$295,901 is required. The original contract price was \$13,157,276. Change orders now total \$967,843 or 13% of the original contract amount.

This contract includes the rehabilitation of the Gate House at Fells Reservoir. Staff explained that the Board approved a change order in June of 1998 which included items of work to repair cracks in the lower elevations of the Gate House. Certain assumptions as to what would be required were made in that change order because certain areas could not be seen until the open reservoir was taken off-line and drained in October 1998. Now that the Basin has been completely drained, the extent of the perimeter, exterior cracks and joints requiring sealing was confirmed to be twice the amount previously estimated. In addition, it was found that the foundation floor shown on the record drawing did not exist and the structure was cast into the existing rock. Further sealing of the base of the interior walls and floor is therefore required.

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