



*Summary of:*

## **MWRA BOARD OF DIRECTORS' MEETING**

**May 8, 2002**

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A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on **May 8, 2002** at the Charlestown Navy Yard. **Present:** Andrew Pappastergion and Joseph Foti, Advisory Board Representatives; Chairman Robert Durand, Donald Mitchell and Lucile Hicks, Gubernatorial Representatives; Vincent Mannering and Antonia Pollak, City of Boston Representatives; Joseph MacRitchie, City of Quincy Representative. **Absent:** John Carroll, Advisory Board Representative; Marie Turner, Town of Winthrop Representative.

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### **AGENDA**

#### **Report of the Chair**

No report.

#### **Report of the Executive Director**

Mr. Laskey informed the Board that in its version of the FY03 state budget, the House of Representatives recommended funding of \$55.5 million for the Commonwealth Sewer Rate Relief Fund, which provides MWRA and other communities with debt service assistance. This is encouraging news for ratepayers in light of the fact that the Governor's version of the FY03 state budget included \$38.6 million for debt service assistance. Further, staff does not anticipate any significant opposition to the House's recommendation during the FY03 budget debates.

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### **APPROVALS**

#### **Extension of Credit Enhancement for Variable Rate Bonds**

The Board voted to authorize the Executive Director, Chief Financial Officer or Treasurer, to extend MWRA's Standby Bond Purchase Agreement with the Bank of Nova Scotia from June 17, 2002 to June 16, 2005, for a fee not to exceed \$942,780. The \$942,780 fee will be a component of debt service and included in the Current Expense Budgets (CEB) over the next three years.

Mr. MacRitchie asked staff whether the market has been surveyed to determine whether the Bank of Nova Scotia is the best provider of this service. Staff responded affirmatively and explained that such providers are becoming less common. In order to offer this service, providers essentially set aside part of their assets in case MWRA needs a purchaser of its bonds. The service is comparable to an insurance policy, which requires premiums to be paid even if the service is never utilized.

**Memorandum of Understanding and Financial Assistance Agreement with the City of Cambridge for Implementation of Combined Sewer Overflow Projects, Amendment 3**

The Board voted to authorize the Executive Director, on behalf of the Authority, to execute Amendment 3 to the Memorandum of Understanding and related Financial Assistance Agreement with the City of Cambridge for implementation of the combined sewer overflow (CSO) control plan, extending the agreement by nineteen months, from May 31, 2002 to December 31, 2003.

Staff maintains that the time extension that Amendment 3 affords is necessary to complete the regulatory review process relative to Alewife Brook CSO control and obtain legislative approval prior to moving the CSO project into the design and construction phase.

The FY02-04 Capital Improvement Program (CIP) budget includes \$39,467,000 for Cambridge-implemented CSO projects. Amendment 3 does not yet increase the total amount of authorized funding to Cambridge, which is currently \$18,409,000.

**Agreement with the Metropolitan District Commission Regarding Responsibility for Chestnut Hill Reservoir and Surrounding Land**

The Board voted to approve an agreement between MWRA and the Metropolitan District Commission (MDC) for the latter to assume responsibility for the operation, maintenance and management of the Chestnut Hill Reservoir and surrounding land. This Agreement will not result in any additional costs for MWRA. All costs for maintaining the Chestnut Hill Reservoir and surrounding land will be borne by the MDC.

Ms. Hicks expressed concern about giving the MDC any further jurisdiction over properties that MWRA may need to access. Staff explained that the Agreement turns over a small area of approximately eight acres. Additionally, MWRA's need for utilization of the Chestnut Hill Reservoir water supply is limited to emergency purposes.

Ms. Hicks noted that the Agreement seems to be based on goodwill rather than specific, enforceable language. Staff responded that the Agreement is intentionally vague to allow MWRA the flexibility to enter the property for simple, non-emergency reasons (i.e.: valve replacement).

Ms. Hicks asked staff to explain a portion of the Agreement that references removal of a wrought-iron fence on the property. Staff stated that language concerning the fence was included to allow MWRA the first right of refusal of the fence for use at another site if the MDC chooses to remove it. Mr. MacRitchie asked staff whether MWRA's Law Department has truly considered liability issues, such as if the fence is removed, public access to the Reservoir would be expanded. Staff responded that similar issues have been considered during negotiations of other agreements. The position of the Law Department is that MWRA's liability actually decreases because it is relieving itself of care and custody of the property.

**Appointment of Program Manager, Network Services, MIS Department**

The Board voted to approve the Executive Director's recommendation to appoint Theodore Ruetenik to the position of

Program Manager, Network Services, in the MIS Department at an annual salary of \$76,675 effective on the date designated by the Executive Director. There are sufficient funds in the FY02 CEB to fund this position.

### **Appointment of Deputy Chief Operating Officer**

The Board voted to approve the Executive Director's recommendation to appoint Michael J. McBride, P.E., to the position of Deputy Chief Operating Officer at an annual salary of \$128,750 effective June 1, 2002.

This position became available upon the recent retirement of William Brutsch. Mr. McBride has served MWRA since 1989. He began as a Senior Construction Manager on the Boston Harbor Project and was responsible for several major construction packages on Deer Island. Since 1995 Mr. McBride has served as Deputy Director, Capital Construction. In this capacity he has been responsible for all construction related to the \$1.7 billion Integrated Water Supply Improvement Program.

In addition to maintaining his current salary of \$128,750, Mr. McBride will continue to receive a monthly vehicle allowance and remain on-call for twenty-four hours per day, seven days per week for emergencies and other events.

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## **CONTRACT AWARDS**

### **Wastewater Transport SCADA Implementation: Camp Dresser & McKee, Inc., Contract 6532**

The Board voted to approve the recommendation of the Consultant Selection Committee to select Camp Dresser & McKee, Inc. (CDM), to provide design, integration (equipment programming, operator computer graphics development), training, construction administration and resident inspection services for the wastewater transport SCADA Implementation. The Board further voted to authorize the Executive Director, on behalf of the Authority, to execute a contract with CDM in an amount not to exceed \$5,719,587, for a term of seventy-seven months from the Notice to Proceed.

Staff noted for the Board that some benefits of SCADA implementation include reduced staffing, overtime and energy consumption. Mr. Mannering questioned the selection of CDM over EMA, Inc. (EMA), which proposed a lower cost per hour for this Contract. Staff responded that CDM's overall bid came in at \$1.2 million less than EMA's. Mr. Mannering suggested that staff could have negotiated a reduction in EMA's overall cost. Staff responded that there was concern that if the cost differential between EMA and CDM was negotiated, the selection of the former could ultimately result in staff returning to the Board seeking approval for spending amendments.

Mr. Mannering asked staff why its summary for the Board indicates that MWRA has had differences in the past with CDM. Staff responded that these differences were insignificant and that it is MWRA policy to disclose to the Board as much information as possible about bidders.

The FY02-04 CIP contains a budget of \$5,369,000 for Design and Integration Services, resulting in a \$350,587 shortfall. Staff states in its summary that if this additional amount causes the CIP budget to exceed the ten-year spending cap or the cap for any of the first three years, reductions will be made elsewhere within the CIP.

### **East/West Spot Pond Supply Mains Contract 2 - Sections 4, 5, 6, 7, 11, 12, 16W, 57 and 67: P. Gioioso & Sons, Inc., Contract 6381**

The Board voted to approve the award of Contract 6381, East/West Spot Pond Supply Mains Contract 2 - Sections 4, 5, 6, 7, 11, 12, 16W, 57 and 67, to the lowest responsive bidder, P. Gioiso & Sons, Inc. The Board further voted to authorize the Executive Director, on behalf of the Authority, to execute said contract in the bid amount of \$19,483,200 for a term of 1,507 calendar days from the Notice to Proceed.

Contract 6381 is the second major contract under the East/West Spot Pond Supply Mains Rehabilitation Project. The

rehabilitation of these mains is critical to improving the quality and reliability of the water supply that reaches the Low Service communities, as well as ensuring redundancy of the supply to Boston.

The FY02-04 CIP contains \$21,340,000 for Contract 6381.

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## **CONTRACT AMENDMENTS/CHANGE ORDERS**

### **Integrated Financial Management System: Lawson Associates, Inc., Contract 6362, Amendment 6**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 6 to Contract 6362, Integrated Financial, Procurement and Human Resources/Payroll Management Systems, with Lawson Associates, Inc., extending the contract term by seven months, from May 31, 2002 to December 31, 2002.

Staff maintains that Amendment 6 is necessary to allow additional time for complete implementation of the integrated system, as well as a post-implementation review period. Mr. Pappastergion asked staff why the cost of Contract 6362 has nearly doubled since being awarded in 1999. Staff responded that the Contract was designed to require the award of a series of amendments rather than a lump sum award to ensure satisfaction with Lawson Associates throughout the contract term.

### **Technical Assistance Consulting Services - Hazardous Materials: EnviroSense, Inc., Contract 558TA, Amendment 1**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 1 to Contract 558TA, Technical Assistance Consulting Services for Hazardous Materials, with EnviroSense, Inc., in the amount of \$35,000, extending the contract term by two years, from June 7, 2002 to June 7, 2004.

EnviroSense is nearing completion of a design for an enhanced groundwater remediation system. Amendment 1 funds installation of this system.

Amendment 1 increases the original contract amount of \$200,000 to \$235,000. The FY02-04 CIP includes \$992,000 for Hazardous Materials/Technical Assistance Contracts, which will fund Amendment 1.

### **Upgrade of CSO Treatment Facilities and Floatables Control: CDM, Contract 6123, Amendment 6**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 6 to Contract 6123, Upgrade of Existing CSO Facilities and Floatables Control, with CDM, in the amount of \$284,000, extending the term by four months to October 31, 2002.

Staff recommends adjusting the scope and increasing the level of effort for this Contract to account for additional work that was necessary over the last few years. The work was performed at various times throughout the construction of the Cottage Farm CSO facility.

Amendment 6 increases the cumulative amendment total to \$3,747,567, added to the original contract amount of \$2,748,567, for a revised contract total of \$6,496,134. The FY02-04 CIP includes \$6,459,000 for Contract 6123, resulting in a \$37,134 shortfall. Should this additional amount cause the CIP budget to exceed the ten-year spending cap or the cap for any of the first three years, reductions will be made elsewhere within the CIP.

### **Braintree-Weymouth Replacement Pump Station and Interceptors: Metcalf & Eddy, Contract 5331, Amendment 7**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 7 to increase the amount of Contract 5331 with Metcalf & Eddy, Inc., Braintree-Weymouth Replacement Pump Station and Interceptors, in an amount not to exceed \$4,040,382, extending the time for completion by 1,157 calendar days to July

30, 2006.

Staff stated to the Board that the two main reasons driving the need for Amendment 7 are 1) reconfiguration of the project; and 2) active interest by public and private citizens. Contract 5331 was executed in 1995 to provide design and construction services for the Braintree-Weymouth Replacement Pump Station, North Weymouth Relief Interceptor, Fore River Siphon and rehabilitation of the Emergency Mill Cove Relief Siphon. However, in 1998 redesign took place in order to eliminate all construction impacts to residents of Braintree. This included making the Emergency Mill Cove Relief Siphon a permanent facility and scheduling contracts sequentially rather than concurrently.

Mr. MacRitchie asked what role contractors have when MWRA receives resident complaints about project impacts. Staff responded that there is a liaison to coordinate between communities and contractors. The most contact that contractors have with communities is through their respective insurers that investigate complaints. MWRA relies on the resulting documentation; however, in some circumstances the Authority conducts its own evaluation and deducts damages from the contractors' fees if they are found at fault.

Amendment 7 increases the cumulative amendment total to \$9,519,485.41, added to the original contract amount of \$4,730,036.87, for a revised contract total of \$14,249,522.28. The FY02-04 CIP contains \$12,215,000 for Contract 5331, resulting in a \$2,034,522.28 shortfall. The adjusted sub-phase total is reflected in the Proposed FY03-05 CIP. Staff states in its summary that if this additional amount causes the CIP budget to exceed the ten-year spending cap or the cap for any of the first three years, reductions will be made elsewhere.

**Expansion Joint Repair Evaluation and Design at Deer Island Treatment Plant: Simpson, Gumpertz and Heger, Inc., Contract 6668, Amendment 2**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 2 to Contract 6668, Expansion Joint Repair Evaluation and Design at the Deer Island Treatment Plant, with Simpson, Gumpertz and Heger, Inc. (SG&H), in the amount of \$3,000 and extending the contract term by 730 calendar days, from February 28, 2001 to February 28, 2003.

Staff maintains that Amendment 2 is necessary for SG&H to conduct a second qualifications process, which was deemed necessary following MWRA's decision to re-bid a construction phase contract to utilize better products at a lower cost. In the process of preparing a report on concrete deck repair, expansion joint replacement and waterproofing for the primary clarifiers and secondary reactor batteries, the Contractor identified a new material for waterproofing and sealing. This product will cost less than the originally specified product and will increase the concrete's life expectancy.

Amendment 2 increases the cumulative amendment total to \$24,000, added to the original contract amount of \$99,874.20, for a revised contract total of \$123,874.20. The FY02-04 CIP contains \$121,000 for Contract 6668, resulting in a \$2,874.20 shortfall. Should this additional amount cause the CIP budget to exceed the ten-year spending cap or the cap for any of the first three years, reductions will be made elsewhere within the CIP.

**Walnut Hill Water Treatment Plant - Ozonation Treatment Facilities: Barletta-Shea, JV, Contract 6489, Change Order 17**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order 17 to Contract 6489, Walnut Hill Water Treatment Plant (WHWTP), Ozonation Treatment Facilities, with Barletta-Shea, JV, in the amount of \$571,722, and with a term extension of seventy-nine calendar days, from November 23, 2004 to February 10, 2005.

Staff maintains that Change Order 17 is necessary to fund the purchase and installation of additional drilled grounding rods, cable and conductors to provide the necessary system to protect the power distribution facilities from an electrical surge that could power-out the WHWTP.

Change Order 17 increases the cumulative change order total to \$2,814,960, added to the original contract amount of \$116,844,000, for a revised contract total of \$119,658,960. The FY02-04 CIP contains \$117,176,000 for Contract 6489, resulting in a \$4,482,960 shortfall. Staff states in its summary that the adjusted sub-phase total will be reflected in the

Final FY03-05 CIP and incorporated as part of the spending cap analysis. Staff further states that if the additional amount causes the CIP budget to exceed the ten-year spending cap or the cap for any of the first three years, reductions will be made elsewhere to offset the increase.

**WHWTP - Ozonation Treatment Facilities: Barletta-Shea, J.V., Contract 6489, Change Order 18**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order 18 to Contract 6489, WHWTP, Ozonation Treatment Facilities, with Barletta-Shea, JV, in an amount not to exceed \$1,900,000. The Board further voted to authorize the Executive Director to approve additional change orders as may be needed to Contract 6489 in amounts not to exceed the aggregate of \$250,000.

The purpose of Change Order 18 is to fund revisions to the scope of work necessary to make the WHWTP facilities' system compatible with MWRA's agency-wide system. These revisions include equipment upgrades, more secure equipment closures and additional features such as audio interactive capabilities between the central monitoring station and card access control points.

Change Order 18 increases the cumulative change order total to \$4,714,960, added to the original contract amount of \$116,844,000, for a revised contract total of \$121,558,960. The FY02-04 CIP contains \$117,176,000 for Contract 6489, resulting in a \$4,482,960 shortfall. Staff states in its summary that the adjusted sub-phase total will be reflected in the Final FY03-05 CIP and incorporated as part of the spending cap analysis. Staff further states that if the additional amount causes the CIP budget to exceed the ten-year spending cap or the cap for any of the first three years, reductions will be made elsewhere to offset the increase.

**WHWTP - Wachusett Aqueduct Rehabilitation: United Gunite, Contract 5522, Change Order 8**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order 8 to Contract 5522, WHWTP, Wachusett Aqueduct Rehabilitation, with United Gunite Construction Company, Inc., in the not-to-exceed amount of \$245,000. The Board further voted to authorize the Executive Director to approve additional change orders as may be needed to Contract 5522 in amounts not to exceed the aggregate of \$250,000.

Staff maintains that Change Order 8 is necessary to repair cracks along the aqueduct, provide pressure grouting to mitigate infiltration of the aqueduct, and purchase and install bolted frames and covers.

Change Order 8 increases the cumulative change order total to \$1,578,073, added to the original contract amount of \$21,435,807, for a revised contract total of \$23,013,880. The FY02-04 CIP contains \$21,436,000 for Contract 5522, resulting in a \$1,577,880 shortfall. Staff states in its summary that if this additional amount causes the CIP budget to exceed the ten-year spending cap or the cap for any of the first three years, reductions will be made elsewhere to offset the increase.

**Short Courses in Drinking Water Topics: New England Waterworks Association, Contract A429, Amendment 1**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 1 to Contract A429, Short Courses in Drinking Water Topics, with the New England Water Works Association, in the amount of \$97,000 and extending the contract term by six months, from June 8, 2002 to December 8, 2002.

Amendment 1 will allow staff to continue to provide classes for the Productivity Improvement Program, which is training required by the Unit 2 and Unit 3 collective bargaining agreements. Because of absences and low enrollments due to other work obligations, staff had to schedule more classes than originally planned. Amendment 1 increases the original contract amount from \$85,000 to \$182,000. Sufficient funds for Contract A429 are included in the FY02 Human Resources CEB and the Proposed FY03 CEB.

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### **Braintree-Weymouth Relief Facilities Update**

Staff informed the Board that design of the Braintree-Weymouth Relief Facilities is nearly complete and construction is well under way. This project includes seven construction contracts, three of which are under construction and one that is complete. Overall, 35% of construction is complete and four of the seven contracts have been awarded.

The tunnel from North Weymouth to Nut Island is now complete. While overall contract progress is behind schedule, the Contractor is making attempts to recover time by increasing production of the tunnel to the Fore River pelletizing plant.

Progress in the Intermediate Pump Station has been good. The contract is slightly ahead of schedule and the Contractor expects to be complete several months early. However, the facility will have to be "mothballed" during the delay caused by Site.

The North Weymouth Relief Interceptor will connect the Fore River Siphon to the Intermediate Pump Station. During tunneling operations the boring machine became stuck, but has since been retrieved. However, it was damaged by water and was sent away for repairs, which will be completed shortly to allow work to resume.

A recent fuel oil spill at the Braintree-Weymouth Pump Station has been contained and is being cleaned. However, site remediation of a small area will take place during construction of the replacement pump station.

Staff expressed concern over the Duke Energy Northern Hubline Project, which involves construction of a high-pressure gas pipeline from Salem to Weymouth. The proposed alignment of the pipeline raises potential conflicts with planned drilling by MWRA for the Intermediate Pump Station and the Fore River Siphons. Staff is coordinating meetings with Duke Energy representatives to address these concerns.

The FY02-04 CIP includes \$214.6 million for the entire Braintree-Weymouth Relief Facilities Project. Staff believes there are sufficient funds to complete the Project, but cautions that there remain several outstanding claims by Modern Continental Construction pertaining to differing site conditions encountered during mining for the Nut Island Tunnel.

### **Water System Capacity**

Staff presented the Board with an overview of the capacity of the MWRA water system. Staff stated that MWRA is positioned well despite recent drought declarations throughout the Commonwealth. There is even some room for expansion to other communities so long as this is done with caution.

Eileen Simonson of the Water Supply Citizens' Advisory Committee offered a brief presentation on system expansion to the Board. Ms. Simonson thanked MWRA and Advisory Board staff for building a flexible model by which to analyze the overall system. However, she advised caution in reviewing the amount of water that would be used by communities interested in joining the MWRA system.

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