



**MWRA Advisory Board Summary  
of the  
MWRA Board of Director's Meeting  
Wednesday, September 17, 2008**

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on September 17, 2008 at the Charlestown Navy Yard. **Present:** Chair Ian Bowles, Joel Barrera and Michael Gove, Gubernatorial Appointees; John Carroll, Andrew Pappastergion and Joseph Foti, Advisory Board Representatives; Vincent Mannering\* and James Hunt III, City of Boston Representatives; Marie Turner, Town of Winthrop Representative. **Absent:** Kevin Cotter, City of Boston Representative; Joseph MacRitchie, City of Quincy Representative.

**REPORT OF THE CHAIR**

Ian Bowles, Chair of the MWRA Board of Directors, congratulated staff for the positive Boston Globe Editorial in today's paper, which commends the good taste and quality of MWRA water. He thanked the finance team for their leadership in this difficult economic time.

**REPORT OF THE EXECUTIVE DIRECTOR**

MWRA Executive Director Fred Laskey congratulated Ria Convery, MWRA Communications Director, and the water quality team for their hard work that led to the positive Globe editorial. He briefed the Board on the August water usage report, which showed that it was the lowest August usage in MWRA's history; additionally, five out of eight months this year are the lowest usage for their respective months. Mr. Laskey noted that it was difficult for communities who set their budgets based on last year's rates.

Secretary Bowles commented that there is a difficult incentive when water suppliers are also responsible for encouraging water conservation. He noted that the Authority should talk about rate decoupling, which would separate the volume sales of a utility from the provider. He noted the electrical industry as an example of this practice. Mr. Laskey responded that the Authority will look into this and have a review of the policy by November.

Mr. Laskey updated the Board on the progress of the South Boston Tunnel. He noted that Deer Island has received National Association of Clean Water Agencies' Gold Award for 2007 and that the MWRA has been awarded the Association of Metropolitan Water Agencies Platinum Award for Utility Excellence. He also noted that there would be a fundraiser for MWRA employee Lee Jensen next week.

## APPROVALS

**APPROVAL OF THE FIFTY-FIFTH BOND RESOLUTION**

The Board voted to adopt the fifty-fifth Supplemental Resolution authorizing the issuance of up to \$552,000,000 of Massachusetts Water Resources Authority General Revenue Bonds (2008 Series G) and Massachusetts Water Resources Authority General Revenue Refunding Bonds (2008 Series H) and the supporting Issuance Resolution.

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\* Mr. Mannering was present for the morning committee meetings, but not present for the afternoon Board meeting.

The bonds to be issued under this authorization include both new money and refunding bonds. The \$125 million in proceeds of the new money portion will be deposited into the construction fund to pay for capital improvements. These improvements include the CSO projects, Deer Island Asset Protection and water system distribution improvements. In addition to the new money, this authorization would allow for the issuance of \$427 million in General Revenue Refunding Bonds. These refunding bonds will be used to redeem \$77 million in commercial paper. The remaining portion would be used to refund up to \$350 million of existing debt.

Staff will continue to work with MWRA's financial advisors to determine the most appropriate size and structure for the refunding. With the exception of the redemption of the commercial paper, the refunding will not take place unless a net present value savings of at least 4.0 percent can be achieved.

Board Member Joel Barrera stated that this seems like a valid plan; does the newly established state Finance Advisory Board have any impact on the Authority? Chief Financial Officer Rachel Madden responded that the MWRA has already complied with these standards regarding updates and notification. Mr. Barrera asked if it will hinder the MWRA's ability to move quickly. Ms. Madden responded that it was unclear at this point, although she believes it is a review, rather than an approval process.

### **APPROVAL OF THE FIFTY-SIXTH BOND RESOLUTION**

The Board voted to adopt the fifty-sixth Supplemental Resolution authorizing the issuance of up to \$180,000,000 of Massachusetts Water Resources Authority Subordinated General Revenue Bonds (2008 Series I) and the supporting Issuance Resolution.

In the coming months, the Massachusetts Water Pollution Abatement Trust (MWPAT) anticipates issuing \$350 million in bonds for purposes of providing subsidized financing for water and wastewater capital projects to Massachusetts government entities. In FY09, MWRA anticipates receiving up to \$180 million of this financing to fund several water and wastewater projects. The loans with a 20-year maturity will have a fixed interest rate of 2% and loans with a 30-year maturity will have a fixed-interest rate of approximately 2.4%. MWRA has utilized interim loans in the past to take advantage of a low rate offered by MWPAT.

### **MEMORANDUM OF UNDERSTANDING AND FINANCIAL ASSISTANCE AGREEMENT BETWEEN MWRA AND THE TOWN OF BROOKLINE FOR THE IMPLEMENTATION OF CSO CONTROL PROJECTS, AMENDMENT 1; AND MWRA FINANCIAL ASSISTANCE THROUGH DECEMBER 2008**

The Board voted to authorize the Executive Director, on behalf of the Authority, to execute Amendment 1 to the *Memorandum of Understanding and Financial Assistance Agreement with the Town of Brookline for Implementation of CSO Control Projects*, increasing the award amount by \$11,483,000 to \$20,483,000 with no change to the term of the agreement.

Under the Memorandum of Understanding (MOU) and the Financial Assistance Agreement (FAA) between MWRA and the Town of Brookline for the Implementation of CSO Control Projects, Brookline is responsible for implementing the Brookline Sewer Separation project, one of 35 projects in MWRA's long-term CSO control plan. Brookline submitted an updated project cost estimate for MWRA review and approval as design work proceeded. Amendment 1 will revise the project funding limits for eligible work based on the latest approved cost estimate. Brookline is continuing with final design of the separation project, which will be constructed with two contracts.

Since the execution of the MOU and FAA in 2006, MWRA has transferred a total of \$1,271,600 to Brookline's CSO account to cover eligible design costs through June 2008. Total eligible costs paid by Brookline through June 2008 were \$1,160,192 leaving a balance in the CSO account of \$111,408. MWRA staff plan to transfer \$583,592 into the Brookline CSO account to cover anticipated eligible costs in the period July through December 2008, which will bring the total amount of MWRA funds transferred to the Brookline CSO account to \$1,855,192.

### **APPOINTMENT OF CONTROLLER, FINANCE DIVISION**

The Board voted to approve the Executive Director's recommendation to appoint Robert M. Belkin to the position of Controller in the Finance Division (Non-Union, Grade 15), at an annual salary of \$117,500 to be effective on the date designated by the Executive Director.

The Controller is responsible for developing, administering and maintaining the MWRA accounting systems, financial records and financial statements. The Controller is also responsible for establishing and maintaining fiscal controls, accounting and payroll systems, as well as review and approval of expenditures for appropriateness and conformity with sound financial practices. The position was advertised internally and externally; five external candidates were interviewed. Mr. Belkin was selected as the best candidate for the position. He has over ten years of experience at Uno Restaurants LLC and has experience in managing and directing internal audit, the accounts payable and accounts receivable departments, and support personnel. Mr. Belkin holds a BS in Accounting from Bentley College and is a Certified Public Accountant.

Board Member Michael Gove asked what the salary threshold necessary for Board approval is. Bob Donnelly, Director of Human Resources, responded that it is \$85,000 or more. Mr. Barrera noted that Mr. Belkin had all private sector experience and questioned whether that was a good fit for the Authority. Mr. Donnelly responded that staff was confident that his skills were transferable.

### **APPOINTMENT OF SENIOR SYSTEMS MANAGER, MIS DEPARTMENT, SUPPORT SERVICES DIVISION**

The Board voted to approve the Executive Director's recommendation to appoint Sean Thomas to the position of Senior Systems Manager in the MIS Department, Support Services Division (Unit 6, Grade 12), at an annual salary of \$89,342.84 to be effective on the date designated by the Executive Director.

The Senior Systems Manager is the MIS team leader for overall maintenance and support activities on the HP-UX Itanium system for the new version of Lawson. The position supervises the maintenance and support activities of data networking functions on the HP-UX Itanium system and is responsible for closing escalated service calls.

The position was posted internally; one candidate applied. Mr. Thomas has been employed by MWRA since April 1993, first as a contractor, Technical Support Analyst in the MIS Department until he was hired permanently as a Software Maintenance Specialist in March 1995. In 1998, Mr. Thomas was promoted to Database Analyst/Programmer. Mr. Thomas has demonstrated excellent skills and capabilities working with the MWRA's Oracle database systems and associated hardware.

### **APPOINTMENT OF SENIOR PROGRAM MANAGER, PROCESS CONTROL & PROJECT SUPPORT, FIELD OPERATIONS**

The Board voted to approve the Executive Director's recommendation to appoint Brian L. Kubaska to the position of Senior Program Manager, Process Control & Project Support in the Field Operations Department, Operations Division (Unit 9, Grade 30) at an annual salary of \$101,636 to be effective September 20, 2008.

The newly established Process Control & Project Support Unit is comprised of ten project and program managers that had previously been spread throughout the Field Operations Department providing a variety of operation and technical project support functions. This new position will play an important role in the Field Operations Department, particularly on matters related to wastewater system operation reporting and troubleshooting, SCADA operation and control scheme enhancements, coverage availability for wet-weather and incident management and wastewater system project control.

This position was posted internally and externally; 11 candidates applied. Nine candidates were interviewed and upon completion of the interview process, Brian Kubaska was selected as the most qualified candidate. Mr. Kubaska has more than 16 years of experience in wastewater collection system design, modeling and SCADA systems. He has been employed at MWRA since 1994 and has been promoted to various positions with increasing levels of responsibility. Mr. Kubaska has extensive knowledge of MWRA's wastewater systems, facilities and control.

### **APPOINTMENT OF PROGRAM MANAGER, TRADES MAINTENANCE, FIELD OPERATIONS**

The Board voted to approve the Executive Director's recommendation to appoint Raymond A. Marquis to the position of Program Manager, Trades Maintenance in the Field Operations Department, Operations Division (Unit 9, Grade 29), at an annual salary of \$89,963 to be effective September 20, 2008.

There are two Program Manager, Trades Maintenance, positions; they play an important role in the Field Operations Department, particularly in the improvement of facility equipment availability, reliability and performance. Each Program Manager will manage a cross-function crew of trades staff and will have responsibility for specific facilities situated close together geographically.

The position was posted internally. Mr. Marquis has a strong technical background with more than 21 years of maintenance experience, including more than 17 years in wastewater and water systems operations and maintenance. He has been employed at MWRA since 1994 and has been promoted to various positions with increasing levels of responsibility. Mr. Marquis has extensive knowledge of MWRA's water and wastewater systems, facilities and equipment.

### **APPOINTMENT OF CONSTRUCTION COORDINATOR, ENGINEERING & CONSTRUCTION**

The Board voted to approve the Executive Director's recommendation to appoint Lisa L. Hamilton to the position of Construction Coordinator in the Engineering and Construction Department, Operations Division (Unit 9, Grade 30), at an annual salary of \$101,636.17 to be effective September 20, 2008.

The Construction Coordinator position manages all aspects of construction projects, including the rehabilitation and improvement of MWRA's waterworks and wastewater facilities and pipelines. The position was posted internally and 17 candidates applied for this position from various departments. Three candidates were interviewed and Ms. Hamilton was selected as the best and most qualified candidate.

Ms. Hamilton has 23 years of experience in the field of civil engineering including 15 years with MWRA where she has been promoted to various positions with increasing levels of responsibility. She has been involved in various improvements in MWRA's waterworks system and has successfully managed many projects, including the Rehabilitation of the Weston Aqueduct Supply Mains and the Final Connections for the Chestnut Hill Connecting Mains.

### **APPOINTMENT OF PROGRAM MANAGER, ENERGY MANAGEMENT**

The Board voted to approve the Executive Director's recommendation to appoint Kristen A. Patneau to the position of Program Manager, Energy Management (Unit 9, Grade 29), at an annual salary of \$89,963 to be effective September 20, 2008.

MWRA has developed a number of on-going and new renewable energy initiatives and programs and continues to work aggressively to use its resources efficiently, develop renewable energy sources, and reduce the environmental impacts of its daily operations. The position of Program Manager, Energy Management is a new position created to manage the growing number of programs associated with these renewable energy, energy efficiency and energy cost reduction programs and contracts, with an initial primary focus on Deer Island, as well as providing technical assistance oversight and management for other agency-wide energy initiatives.

The position of Program Manager, Energy Management was posted internally; eight candidates were interviewed. Kristen Patneau was selected as the best candidate to fill this position. Ms. Patneau has more than 20 years of experience in project management – the last 15 at MWRA – with increasing levels of responsibility. Over the last eight years, Ms. Patneau has been responsible for a variety of energy management programs for MWRA. She has successfully managed MWRA's competitive electricity purchase contracts and contract management of wind and solar related renewable energy projects.

### **APPOINTMENT OF ASSETS MANAGER, DEER ISLAND TREATMENT PLANT**

The Board voted to approve the Executive Director's recommendation to appoint Edward Regan to the position of Assets Manager, Deer Island Treatment Plant (Unit 6, Grade 14), at an annual salary of \$95,823.04 to be effective September 20, 2008.

The Assets Manager is a key member of Deer Island's overall maintenance program; this position oversees the Work Coordinator Center and the Condition Monitoring Maintenance Unit. The Assets Manager's primary focus is ensuring that the plant's assets (equipment, buildings and utilities) are receiving the best possible long-term maintenance and care and that contracts for maintenance/services are in place to maximize equipment availability, reliability and performance.

The position was posted internally; six candidates were interviewed. Upon completion of the interview process, Mr. Regan was selected as the best and most qualified candidate. Mr. Regan has 22 years of experience and has been employed at MWRA since 1986 and has been promoted several times to positions of increasing responsibility. His demonstrated knowledge of MWRA's asset management program, in addition to his knowledge of plant processes and his experience in managing contracts, will ensure his success as Assets Manager.

#### **APPOINTMENT OF SENIOR PROGRAM MANAGER, ELECTRICAL, DEER ISLAND TREATMENT PLANT**

The Board voted to approve the Executive Director's recommendation to appoint Ravi Kammila to the position of Senior Program Manager, Electrical, Deer Island Treatment Plant (Unit 9, Grade 30), at an annual salary of \$101,636.16 to be effective on the date designated by the Executive Director.

The Senior Program Manager, Electrical provides engineering and technical support to Deer Island's Operations and Maintenance Units and is responsible for ensuring the overall operation and reliability of Deer Island's electrical distribution and general systems, which consist of 43 medium and low voltage substations.

The position was posted externally in March 2008; Mr. Kammila was interviewed and staff determined that he possesses the necessary knowledge, experience and skills required for this position. He has 14 years of experience in a variety of positions dealing with electrical design, maintenance management and capital projects within the water and wastewater, petroleum and mining industries. His experience includes SCADA, process and control systems, asset management, work management and energy management.

#### **APPOINTMENT OF SENIOR STAFF COUNSEL, LAW DIVISION**

The Board voted to approve the Executive Director's recommendation to appoint James P. Atkinson to the position of Senior Staff Counsel, Law Division (Unit 6, Grade 13) at an annual salary of \$98,044.34 to be effective on the date designated by the Executive Director.

This position is key within the Law Division as virtually every project of construction and maintenance undertaken by the Authority requires the acquisition of permanent and/or temporary rights to own or occupy real estate for the duration of the project, as well as the drafting and securing of instruments which memorialize the right acquired to use such lands.

The position was posted internally and externally. Fourteen attorneys were interviewed; Mr. Atkinson was selected as the most qualified candidate. He has over 22 years of directly relevant experience and an extensive background in Massachusetts public sector real estate practice. Further, Mr. Atkinson has experience as a Staff Attorney for the MBTA and Legal Counsel for the Massachusetts Port Authority. In addition to his law degree, Mr. Atkinson also holds degrees in community planning and civil engineering.

Board Member Vincent Mannering asked why there were so many new hires. MWRA Chief Operating Officer Michael Hornbrook responded that most of these positions are part of the reorganization plan that was previously discussed with the Board. Mr. Mannering asked if this were a one-time event. Mr. Hornbrook responded in the affirmative.

#### **SEPTEMBER PCR AMENDMENTS – FY09**

The Board voted to approve amendments to the Position Control Register. The PCR amendments reflect organizational changes aimed at improving the cost-effectiveness, structural soundness and staffing patterns of the various work unions.

Recommended organizational changes include:

1. Title, grade and location change to a vacant position to meet the need for water quality data management in the Operations Division, Field Operations Department
2. Title and grade change to a vacant position in the Operations Division, Deer Island Treatment Plant due to a union settlement.

These amendments result in upgrades of vacant positions by more than one grade and require Board Approval after review by the Personnel Committee. The annualized impact of these PCR amendments will theoretically range from a cost of -\$2,803 to \$41,112 and will likely be at the higher end of that range.

## CONTRACT AWARDS

### **REMARKETING AGENT FOR THE 1999 SERIES B AND 2002 SERIES D VARIABLE RATE DEMAND BONDS: BANC OF AMERICAN SECURITIES, LLC**

The Board voted to approve the recommendation of the Consultant Selection Committee to select Banc of America Securities, LLC to provide remarketing services for the 1999 Series B and the 2002 Series D Variable Rate Demand Bonds pursuant to the twenty-fourth and thirty-ninth Supplemental Resolutions, and to authorize the Executive Director, on behalf of the Authority, to award a contract to Banc of America Securities, LLC as successor to UBS Securities.

During the 2008 subordinated debt refunding, staff informed the Board that UBS Securities would be exiting the municipal market and no longer taking on remarketing of variable rate bonds.

The 1999 Series B bonds have an outstanding par amount of \$72,600,000 and are in a weekly mode. The 2002 Series D bonds currently have a par amount of \$66,450,000 outstanding and are in a daily mode. Thirteen financial institutions submitted proposals on September 4, 2008. The Selection Committee evaluated and ranked the proposals based on criteria contained in the Request for Qualifications Statements and Proposals (RFQ/P). Banc of America Securities, LLC has significant experience in remarketing short-term bonds.

Mr. Mannering stated, "Banc of America just got downgraded. How will that affect this contract?" MWRA Treasurer Tom Durkin responded that there were 13 responses to the RFQ/P and it was a difficult procurement process because the Authority established so many criteria in order to be more secure. Banc of America was a leader in both price and capacity.

### **POWER BOILER MAINTENANCE – DEER ISLAND TREATMENT PLANT: O'CONNOR CONSTRUCTORS, INC., CONTRACT S466**

The Board voted to approve Contract S466, Power Boiler Maintenance, Deer Island Treatment Plant, to the lowest eligible and responsible bidder, O'Connor Constructors, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$3,175,179 for a term of 1,095 calendar days from the Notice to Proceed.

Contract S466 will provide scheduled annual inspection and maintenance services, as well as emergency and non-emergency repair services, replacement parts and vendor services as needed for the two-high pressure power boilers and associated equipment located in the Thermal/Power Plant at Deer Island, for a period of three years. The power boilers are used for generating steam energy to be used in facility heating, process heating and electrical generation; they were installed as part of the Boston Harbor Project and have been on-line for 10 years.

Contract S466 had a four-week bidding period; one bid was received by O'Connor Constructors, Inc. The bid is 9.8% higher than the updated Engineer's Estimate. O'Connor Constructors has successfully completed three previous power boiler maintenance contracts at Deer Island and is familiar with MWRA's treatment plant operations and procedures.

Funding of \$675,000 is included in Deer Island's FY09 Current Expense Budget for the first year of this contract; any costs exceeding that amount will be absorbed within the Operations Division's FY09 CEB.

Mr. Mannering questioned why there was only one bidder for this contract. John Vetere, Director of Deer Island Wastewater Treatment Plant, responded that the market is tight. He noted that the last time there were two bidders the second bid was much higher.

**ENGINEERING SERVICES DURING CONSTRUCTION AND RESIDENT ENGINEERING INSPECTION SERVICES FOR DIGESTED SLUDGE OVERFLOW PIPING AND PLUG VALVE REPLACEMENT AND DIGESTED SLUDGE AND FLUSHING PUMP REPLACEMENT – DEER ISLAND TREATMENT PLANT: CAMP DRESSER & MCKEE, INC., CONTRACT 7055A**

The Board voted to approve the recommendation of the Consultant Selection Committee to select Camp Dresser & McKee, Inc. to provide engineering services during construction and resident engineering services for the Digested Sludge Overflow Piping and Plug Valve Replacement project and the Digested Sludge and Flushing Pump Replacement project – Deer Island Treatment Plant and to authorize the Executive Director, on behalf of the Authority, to execute Contract 7055A with Camp Dresser & McKee, Inc. in an amount not to exceed \$962,465.55 for a term of 32 months from the Notice to Proceed.

Contract 7055A is a professional services contract to provide engineering services during construction and resident engineering services for two separate construction projects: Contract 7055 – Digested Sludge Overflow Piping and Plug Valve Replacement and Contract 7123 – Digested Sludge and Flushing Pump Replacement.

Proposals were received on August 15, 2008 from four companies, with Camp, Dresser & McKee, Inc. (CDM) submitting the lowest cost proposal. The Selection Committee reviewed the cost proposal and determined that CDM's cost was reasonable and complete.

The FY09 Capital Improvement Program includes a budget of \$800,000 for Contract 7055A; the award amount is \$962,465.55 or \$162,465.55 over budget. This amount will be covered within the five-year CIP spending cap.

**SECTION 97A WATER MAIN EXTENSION: P. CALIACCO CORP., CONTRACT 7021**

The Board voted to approve the award of Contract No. 7021, Section 97A Water Main Extension, to the lowest eligible and responsive bidder, P. Caliacco Corp., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$1,865,000 for a term of 365 calendar days from the Notice to Proceed.

Contract 7021 will construct the new Section 97A, a 3,000 foot-long, 16-inch and 12-inch water main extension along Bennington Street in Revere/East Boston and across an MBTA Blue Line bridge in Boston, which will provide the needed redundant supply to Meter 99. Contract 7021 also includes the installation of an emergency pressure reducing valve, which will connect to BWSC's low system to provide supplemental back-up service to the East Boston area, including Logan Airport.

Bids were received from six contractors; P. Caliacco Corp.'s bid price is \$23,316 or 1.2% less than the Engineer's Estimate. Staff have reviewed the bid and qualifications and determined that the Contractor understands the scope of work and can complete the work for the price bid.

The FY09 CIP includes a budget of \$1,888,000 for Contract 7021; the recommended contract amount is \$1,865,000.

**ULTRAVIOLET DISINFECTION FACILITIES DESIGN, CONSTRUCTION ADMINISTRATION AND RESIDENT INSPECTION SERVICES AT THE WARE DISINFECTION FACILITY: EARTH TECH, INC., CONTRACT 6775**

The Board voted to approve the recommendation of the Consultant Selection Committee to select Earth Tech, Inc. to provide design, construction administration and resident inspection services to add Ultraviolet

Disinfection Facilities at the Ware Disinfection Facility and to authorize the Executive Director, on behalf of the Authority, to execute a contract with Earth Tech, Inc. in an amount not to exceed \$1,790,740 for a term of 56 months from the Notice to Proceed.

Per new EPA drinking water regulations, the *Long-Term 2 Enhanced Surface Water Treatment Rule* will require MWRA to add an additional disinfectant at the Ware Disinfection Facility (WDF) as, under the new rule, all unfiltered water systems must have two primary means of disinfection. Based on the findings of pilot testing and other research, staff have concluded that Ultraviolet (UV) light disinfection is the most cost-effective solution at the WDF. Compliance with the *Long-Term 2 Enhanced Surface Water Treatment Rule* is required by October 2012. This project consists of design, and construction administration/resident inspection services for the installation of ultraviolet light disinfection at the WDF.

Five proposals were received; Earth Tech was the first ranked firm and proposed the lowest cost. Based upon the Earth Tech team qualifications, key personnel, technical approach, streamlined organization and extremely competitive cost, the Selection Committee recommend the award of the contract to Earth Tech.

The FY09 Capital Improvement Program includes a budget of \$2,380,000 for Contract 6775. The award amount is \$1,790,740.

### **WATER TRANSMISSION REDUNDANCY PLAN: FAY, SPOFFORD & THORNDIKE, LLC, CONTRACT 6273**

The Board voted to approve the recommendation of the Consultant Selection Committee to select Fay, Spofford & Thorndike, LLC to provide concept planning and design services for the Water Transmission Redundancy Plan and to authorize the Executive Director, on behalf of the Authority, to execute a contract with Fay, Spofford & Thorndike, LLC, in an amount not to exceed \$1,918,970.61 for a term of 30 months from the Notice to Proceed.

This project will include an evaluation of alternatives and development of conceptual designs and cost estimates to provide redundancy for the Metropolitan Tunnel System and the Cosgrove Tunnel. This project will address Segment 2 (Quabbin Aqueduct), Segment 3 (Cosgrove Tunnel) and Segment 5 (Metropolitan Tunnel System). The work will be sequenced so that recommendations for redundancy in the metropolitan area will be provided early in the project. The study has an overall scheduled duration of 30 months.

Five firms submitted proposals for the contract; Fay, Spofford & Thorndike, LLC was the first-ranked firm, scoring second in cost points, but highest in the total of the non-cost categories of qualifications, experience, and technical approach.

The FY09 CIP includes \$3,500,000 for this study; the contract award amount is \$1,918,970.61. The remaining budget of \$1,581,029 will be used to procure a service contract to inspect the Quabbin Aqueduct Tunnel.

Board Member Michael Gove asked why this is being done now. Mr. Laskey responded that this has been part of the Authority's long-range plan to provide redundancy; it has been a part of water system planning since 1938. He stated that there are two questions about redundancy in the original master plan: are there areas where redundancy is possible and what about single barrel tunnels?

Mr. Gove asked if this study will provide all the necessary information to update the redundancy plan. He noted for a \$1.8 million study, the Authority should be pretty close to where it needs to be. Board Member John Carroll stated that this contract should not take any more money.

## **CONTRACT AMENDMENTS/ CHANGE ORDERS**

### **REVENUE BOND CONSULTING ENGINEER: CAMP DRESSER & MCKEE, INC., AMENDMENT 2**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 2 to extend the time for completion of Contract No. F169 with Camp Dresser and McKee, Inc., Revenue

Bond Consulting Engineer, by 183 calendar days to December 31, 2008, with no increase in contract amount.

MWRA requires the services of an independent engineering firm to develop an Engineering and Financial Feasibility Report, which is included in the Official Statements for revenue bond issuances. The Consulting Engineer makes determinations of MWRA's ability to meet its coverage and additional bond requirements of the General Bond Resolution. Staff are in the process of procuring a new contract for Revenue Bond Consulting Engineer Services; however to ensure that a Consulting Engineer is available to complete the Triennial Engineering and Financial Status Report and to provide Supplemental Feasibility Reports for the new fall money and SRF transactions, an extension of the existing contract is necessary.

Staff request that the term of the contract be extended by 183 calendar days from July 1, 2008 to December 31, 2008. Amendment 2 is for a time extension only and will have no fiscal impact.

**TECHNICAL ASSISTANCE CONSULTING SERVICES – HAZARDOUS MATERIALS: ENVIROSENSE, INC., CONTRACT 583TA, AMENDMENT 2**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 2 to increase the amount of Contract No. 583TA with EnviroSense, Inc., Technical Assistance Consulting Services – Hazardous Materials, in the amount of \$50,000 and to extend the term by five months to March 16, 2009.

Contract 583TA provides as-needed consultant services for small, unanticipated or emergency projects requiring professional expertise in hazardous materials assessment. The contract is due to expire on October 25, 2008. Since much of the PCB-related analysis was unanticipated and the level of effort greater than expected, staff recommend that the contract be increased by \$50,000 to allow the Consultant to complete additional Human Health Risk Characterizations of MWRA and DCR staff.

The FY09 Capital Improvement Program budget includes \$900,000 for Hazardous Materials Assessment in the Technical Assistance Consulting Program. With Amendment 2, the adjusted contract amount will be \$605,118.

**NORTH DORCHESTER BAY CSO FACILITIES: FAY, SPOFFORD & THORNDIKE, LLC, CONTRACT 7013, AMENDMENT 3**

The Board did not vote on this item in Open Session.

The North Dorchester Bay CSO Control Plan is intended to eliminate CSO discharges and greatly reduce stormwater discharges to South Boston beaches. The plan consists of a 17-foot-diameter, 11,000 foot, soft ground tunnel; a 15-mgd dewatering pump station at the Massport Conley Terminal; a 4,000-foot force main; and a remote odor control facility at the south upstream end of the tunnel.

On November 15, 2006, the Board approved the award of Contract 7013 to Fay, Spofford & Thorndike, LLC to provide final design and construction administration for the pump station, force main and remote odor control facility.

The remote odor control facility is currently designed as an above-ground structure. There have been strong objections, up to and including potential litigation regarding both the remote odor control location and the effectiveness of an above-ground odor control facility from an abutter (Corcoran Jennison Companies – owners of Bayside Expo Center). Corcoran Jennison is in the process of developing a large retail/residential development at the Bayside Expo Center Site, adjacent to MWRA's proposed odor control facilities; Corcoran Jennison alleges that the current design of an above-ground odor control facility creates the potential for nuisance odors.

Preliminary cost estimates for a below-ground odor control facility are \$7.28 million; the cost of the above-ground facility is estimated a \$4 million. The estimated net increase to construct the facility below ground is approximately \$3.28 million. Corcoran Jennison has indicated a willingness to participate in some cost-sharing associated with the additional costs to place the odor control facility under ground.

Joseph Favaloro, Executive Director of the MWRA Advisory Board, stated that this request is beyond appalling. If Corcoran has indicated that they are willing to cost share, I can tell you what the cost sharing will be: Corcoran, 100% of the additional costs; and ratepayers, zero. There is absolutely no reason for ratepayers to pick up this tab.

Mr. Laskey responded that we are well down the road regarding this project. There is a public relations campaign launched against us and we have made great strides in convincing them that there will not be a negative impact. Where this is an implication of litigation on this topic, this conversation really should be held in Executive Session.

The Board voted to reconvene in Executive Session.

## INFORMATION

### **DELEGATED AUTHORITY REPORT – JUNE 2008**

Staff provided the Board with a list of delegated authority actions over \$25,000 for the period July 1 through August 31, 2008. The report is broken down into two sections: construction/professional services and purchasing.

Mr. Pappastergion asked if he could get a break down of costs with specific regard to police details for the Southern Spine Distribution Mains. Mr. Hornbrook responded that there was \$150,000 for additional police details, totaling \$190,000.

Mr. Pappastergion asked how many bidders there were on the water tank coating contract and was the contract for the interior or the exterior or both. Mr. Hornbrook responded that there were two bidders for the exterior.

Mr. Pappastergion asked why the Authority was buying vehicles for \$38,000. Mr. Hornbrook responded that two vans were purchased and staff received quotes from seven dealers. Staff will always ask if it is possible to go smaller or use hybrids.

Board Member Joe Foti asked why there was an increased delivery of sodium hypochlorite; Mr. Vetere responded that it's not increased usage; it's a change in receiving practices.

Mr. Mannering asked if the Lawson Application Upgrade was the financial software. Mr. Feeley responded in the affirmative.

### **FY08 FOURTH QUARTER ORANGE NOTEBOOK**

The Orange Notebook presents performance indicators for operational, financial, workforce and customer service parameters tracked by MWRA management each month for Deer Island and Clinton Wastewater Treatment Plant Operations; Field Operations; Construction; Drinking Water Quality and Supply; Business Services; Management/Finance.

Mr. Carroll asked if the Authority takes out the people who are on a long-term sick leave; if so the average annualized sick days used number would be lower than what the Orange Notebook reported. Mr. Donnelly responded that staff includes all employees including those employees who are on a long-term sick leave. Mr. Hornbrook noted that staff started tracking family use leaves, which account for about 20% of time. Mr. Gove asked if there is a difference between a sick day and long-term leave and if not perhaps they should be separated. He also asked if employees were able to buy back sick time. Mr. Donnelly responded in the affirmative.

Mr. Barrera asked how Governor Patrick's new policy regarding the utilization of civilian flaggers affects the Authority. Mr. Hornbrook responded that it will affect the Authority both directly and indirectly because the Authority utilizes police details and the Authority's contractors use police details. Mr. Feeley added that the Authority is subject to local communities and must comply with their rules; he noted if communities change their requirements then the MWRA can as well.

Mr. Mannering noted the number of upgrades listed to the Lawson Financial Software. He said it seems as though Lawson is much customized despite promises that the software would be “vanilla” and not customized extensively. He noted he was disappointed when he saw the number of customized items. Mr. Laskey responded that this issue is a priority, though there have been some bumps in the road with regard to the MIS Department. He noted that Ms. Madden has worked to streamline and move toward a paperless process.

Mr. Barrera stated that he was more interested in community programs and asked if it made sense to provide community info in the Orange Notebook. Mr. Hornbrook responded yes, staff can begin to include that info.

### **FY08 FINANCIAL UPDATE AND SUMMARY AS OF JUNE 2008**

Staff provided the Board with a financial update and summary through June 2008, comparing actual spending to the budget. For Fiscal Year 2008, total revenue was \$573.9 million, \$9.4 million or 1.7% more than budgeted. Total expenses were \$564.1 million, \$0.4 million or 0.1% less than budgeted.

Mr. Mannering noted that current market conditions had resulted in significantly higher expenses on the Authority's variable rate debt service line item. What interest rate assumptions were budgeted for debt service? Kathy Soni, Budget Director, answered 4%, but that the Authority was currently running at about 2% with resets.

Mr. Barrera asked what happened with the money that was going to be put in the pension; what is happening in this turbulent time regarding the pension fund? Mr. Durkin responded that the pension program has a diversification plan. Mr. Mannering noted that Harvard University has an 8% return; how did that happen? Mr. Durkin responded that their exposure must be minimal.

Mr. Favaloro stated that when the Board asked when the next payment to the pension fund is, the answer is September or October. There are impending 9c cuts to the State Budget; how are we going to make communities pay more in the face of these difficult times? He stated that he would much rather not ask the communities for the \$15 million. Mr. Favaloro strongly urged the staff and Board to hold off on any additional contributions into the pension fund until the state budget picture is clearer.

Mr. Barrera asked if the Authority is self-insured. Ms. Soni responded that the Authority is self-insured, and there are set premiums and claims.

### **DEER ISLAND TREATMENT PLANT PROJECT UPDATE**

The Deer Island Treatment Plant is the second largest wastewater treatment plant in the United States. Its service area consists of 43 communities with a combined population of 2.2 million customers. A significant reinvestment each year in this \$3.8 billion facility for necessary maintenance is required to ensure continued reliable operation and regulatory compliance. As the Deer Island Treatment Plant and its equipment ages, staff expect maintenance spending and capital project spending will continue to increase annually.

Staff provided an update to the Board on upcoming maintenance projects that will require approval in the next year. The projects/areas that will be targeted are: primary and secondary clarifiers rehabilitation, residuals pipe replacement, digested sludge pump project, power system improvements, electrical system improvements, pumping stations, wind power and heat loop piping replacements.

These contracts are included in the FY09 CIP. FY09 capital expenditures for Deer Island replacement/rehabilitation are expected to exceed \$26 million. This is compared to FY04 actual expenditures of \$4 million, a 650% increase over the last five years. Two projects account for much of the FY09 projected spending, Primary and Secondary Clarifier Rehabilitations (\$7.7 million) and Electrical Upgrade 3 (\$5 million).

The FY09 maintenance budget is forecasted to exceed \$14.5 million compared to actual FY04 maintenance spending of \$8.4 million. Maintenance costs include all materials and service contracts during the year for the Maintenance Department to perform normal and corrective maintenance activities. Staff expect increase in ongoing maintenance and capital projects spending will continue as the Deer Island infrastructure and equipment continue to age.

## **UPDATE ON CARROLL WATER TREATMENT PLANT AND MARLBOROUGH WATER QUALITY RESULTS**

Low levels of total coliform bacteria have been detected at the outlet of the Carroll Water Treatment Plant (CWTP) and at the inlet to the City of Marlborough's distribution system during each summer since 2005 when the CWTP was placed in service. The small number of total coliform positives at the CWTP outlet and Marlborough entry points do not represent a health risk; however, they do present a potential regulatory risk.

A number of operational changes at the CWTP were made based on the recommendations of the Expert Panel convened by MWRA in October 2007. As the warm water season is not yet over and reservoir and plant conditions have been somewhat different than in previous years, firm conclusions are premature, but there have clearly been fewer total coliform positives at the finished water taps at the CWTP than in previous years.

Based on the results thus far this summer, staff believe that no further action on the design and construction of the UV treatment unit for Marlborough is warranted. That design was placed on hold after the July 2008 Board meeting and there are no plans to construct that unit for summer 2009. Likewise, staff believe that no change in direction is necessary in the design and construction of UV disinfection for the Carroll Water treatment Plant as required by the Long Term 2 Enhanced Surface Water Treatment Rule. That design project, approved by the Board in April 2008, is underway. MWRA continues to easily meet all the Surface Water Treatment Rule criteria for unfiltered surface water systems.

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*This summary does not include every item discussed by the Board, nor the full extent of the discussions.  
Please contact Christine Hevelone-Byler at the Advisory Board office with questions, comments or requests for more information.*