

MWRA ADVISORY BOARD

Summary Of:

MWRA BOARD OF DIRECTORS' MEETING

August 13, 2003

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on **August 13, 2003** at the Charlestown Navy Yard. **Present:** John Carroll, Andrew Pappastergion and Joseph Foti, Advisory Board Representatives; Vincent Mannering and Antonia Pollak, City of Boston Representatives; Joseph MacRitchie, City of Quincy Representative; Marie Turner, Town of Winthrop Representative; Lucile Hicks, Gubernatorial Appointee. **Absent:** Chair Ellen Roy Herzfelder and Donald Mitchell, Gubernatorial Appointees; Kevin Cotter, City of Boston Representative.

AGENDA

Report of the Chair

No Report.

Report of the Executive Director

Fred Laskey, MWRA Executive Director, stated that the start up of the MetroWest Water Supply Tunnel continues in earnest. The Authority is driving a slug of chlorinated water through to disinfect the Tunnel. The effort is going well, but not exactly as planned. Staff envisioned a high concentrate slug moving through intact; however, the slug has elongated and diluted, providing a long-term contact at lower concentration rather than short-term contact at a high concentration. MWRA expects to turn on the Wachusett Aqueduct November 3rd.

Because of the weather and downpours in central Massachusetts, when MWRA turns the tunnel on, the Authority may be approaching regulatory limits for chlorination byproducts. Quality of water at Wachusett, as well as higher dosage requirements necessary for the Wachusett Aqueduct, may contribute to exceeding these limits. Staff has been in touch with DEP and is taking steps to avoid that problem. Trihalomethanes are of most concern. The waiver of filtration may also be threatened. Mr. Carroll asked what would happen if MWRA exceeded the limit. Mr. Laskey stated that it is a byproduct that may have negative health impacts, including miscarriages in pregnant women. Mike Hornbrook stated that MWRA wants to be proactive and let customers know. Mr. Laskey stated that MWRA is driving water from the Quabbin into the Wachusett to try to improve the quality. Chlorine adjustments are made daily.

A presentation was given at Children's Museum to address questions around the Fort Point Channel. An effort was made by Save the Harbor/Save the Bay to focus attention on the fact that with sewer separation, there are dramatic reductions in CSOs and are trying to focus the discussion on storm water and the Authority's moral responsibility. Eric Hall from EPA stated that the Authority doesn't have a responsibility for storm water and if EPA required it, the Authority would win in court.

The Reserved Channel cable issue continues to plug along with meetings of the Army Corps of Engineers and discussions with Massport.

APPROVALS

Adoption of Early Retirement Incentive Program

The Board voted to authorize MWRA to participate in the Retirement Incentive Program established by Section 616 of Chapter 26 of the Acts of 2003 and authorize the Executive Director to implement said Program for MWRA employees and to take any and all actions including the passage of legislation to ensure that all eligible MWRA employees are covered by said Program; provided that only up to 50% of the positions (in total salary dollars) which are vacated as a result of the 2003 Retirement Incentive Program shall be backfilled.

Staff recommended adoption of an Early Retirement Incentive Program (ERIP) for MWRA pursuant to the section that was included in the Commonwealth FY04 budget. This legislation allows the Board to approve the participation of MWRA in the ERIP and to restructure the program at its discretion, provided the eligibility criteria and program benefit (any combination of years of creditable service and years of age, the sum of which shall not be greater than five years) do not exceed the benefits offered by the State Program. Current MWRA employees who transferred from the MDC in 1985 and who participate in the State Retirement System are eligible to participate in a parallel Early Retirement Program now being offered to employees of the Commonwealth.

It is estimated that approximately 225 MWRA employees could be eligible for the MWRA ERIP (an additional 155 MWRA employees are eligible under the State Program). In May 2001 Buck Consultants, actuarial advisers to the MWRA Retirement Board, estimated that the impact to the MWRA Retirement System of providing this type of retirement incentive to an estimated 146 eligible employees (as of May 2001) to be a \$340,000 increase in the annual pension cost. Actual cost impact will depend on participation in the program. Staff assumes potential gross savings from this program are approximately \$1.42 million. The savings are achieved by the reduction in salary costs (\$56,900 per employee) and the "protection" of these savings by imposing a goal of back-filling only 50% of the positions (in total salary dollars), which are vacated as a result of the ERIP.

Mr. Carroll asked why MWRA would want to offer the ERIP. Mr. Walker stated that a staffing target of 1,325 employees was set, which MWRA intends to meet with or without this program. Given that this benefit could be made available to the employees, staff felt obligated to offer it.

Mr. Carroll suggested that any motion to adopt the program should limit participation to 50 employees. Mr. Mannering disagreed, stating that flexibility is needed. Ms. Pollak noted that without knowing which employees will be taking advantage of the program, how can MWRA identify the need to backfill a certain number of employees. Mr. Walker stated that MWRA didn't take advantage of its 2002 backfill allowance and is already 19 positions below staffing targets for this fiscal year. The 50% allowance was to realize some savings. Ms. Pollak expressed concern that there should be some flexibility to ensure that the Authority can backfill in the appropriate areas.

Mr. MacRitchie asked if MWRA employees who are members of the state system because of prior employment are eligible whether MWRA adopts the ERIP. Are we treating the other employees differently? Mr. Walker stated that the state language sounds as though the prior employees would still be eligible. To be safe, MWRA wanted to make sure all employees are eligible. The legal opinion was that if the Board did not approve, none of the employees could participate. Mr. Laskey noted that MWRA got into this problem last year when Treasurer O'Brien let former MDC employees go through. Staff was trying avoid a fight by having the vote.

Mr. MacRitchie stated that the numbers down the road will be lower if people leave cooperatively; therefore, backfills should not be limited. Last year's policy allowed backfills of 20%. Mr. Laskey stated that MWRA needs to backfill one of every two positions.

August PCR Amendments

The Board voted to approve the amendments to the Position Control Register. Those that make up the financial impact are as follows:

Current Title	Amended Title	Financial Impact
Pump Station Supervisor	Operations Supervisor	\$ 629 - \$ 629
Program Manager, Pipeline	Senior Program Manager, Pipeline	\$3,469 - \$ 3,469
Project Coordinator	Communications Specialist	\$3,110 - \$ 3,110
Graphics Technician	Communications Specialist	\$3,110 - \$ 3,110
Supervisor, Building & Grounds	Planning/Scheduling Coordinator	-\$5,490 - \$10,448
Dispatcher/Courier	Motor Pool Coordinator	\$5,759 - \$16,222
Total		\$10,587 - \$36,989

CONTRACT AWARDS

Sluice Gate Rehabilitation Phase II: R. Zoppo Corp., Contract 5258

The Board voted to approve the award of Contract No. 5258, Sluice Gate Rehabilitation Phase II, to the lowest responsive bidder, R. Zoppo Corp., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$4,493,526 for a contract term of 730 calendar days from the Notice to Proceed.

Sluice Gate Rehabilitation Phase II includes the rehabilitation of nine historic gatehouses and 29 sluice gates contained within the gatehouses. Site locations include Stearns Reservoir Gatehouse No. 1 and Brackett Reservoir Gatehouse No. 2, both located in Framingham; Waste Weirs A, B, C and D, located along the Sudbury Aqueduct in Sherborn, Natick, Wellesley and Newton; Bradley Basin Terminal Chamber in Newton; Chestnut Hill Gatehouse No. 2 in Boston; and Spot Pond South Gatehouse in Medford.

The FY04-06 CIP includes a budget of \$4,341,000 for Contract 5258. The contract award amount is \$4,493,526, or \$152,526 over budget, which will be covered within the five-year CIP spending cap.

CONTRACT AMENDMENTS/CHANGE ORDERS

Revenue Bond Consulting Engineer: Camp Dresser & McKee, Inc., Contract F108, Amendment 1

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 1 to extend the time for completion of Contract No. F108 with Camp Dresser & McKee, Inc. (CDM), Revenue Bond Consulting Engineer, by 12 months to March 30, 2004.

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 Statement. This report is prepared by a revenue bond consulting engineer.

On June 5, 2003, a five-member Selection Committee met to review and approve an RFQ/P and Scope of Services for a new contract, which was made available on June 11, 2003. The RFQ/P was advertised in the Boston Globe and the Goods and Services Bulletin. Seven firms were issued the RFQ/P. Only one firm

responded with a proposal, CDM, the current incumbent consultant. A survey was conducted to determine why firms did not respond. The main reason given was that the Scope of Work was beyond the capabilities of the firm. Several additional firms, considered capable of performing the work that did not request the RFQ/P were also surveyed to determine the possibility of increased competition. Two firms indicated that if the Project were rebid, each would submit a proposal.

Based upon the strong probability of increased competition, staff recommends extending the current consultant for a term to allow for the next borrowing, while concurrently rebidding the project, rather than awarding the contract to a single bidder.

Costs associated with Revenue Bond Consulting Engineer services are paid from bond proceeds and will represent a cost of issuance for each revenue bond offering. The Guaranteed Maximum Amount of \$464,929 for the four-year period of April 1, 1999 through March 30, 2003 still has \$172,912 remaining due to a lower than expected level of service required. Therefore, the contract can be extended at the current terms with no increase in the Guaranteed Maximum Amount.

Braintree-Weymouth Intermediate Pump Station: J. F. White Contracting Company, Contract 5316, Change Order 9

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order 9 to increase the amount of Contract 5316 with J. F. White Contracting Company, Braintree-Weymouth Intermediate Pump Station (IPS), in an amount not to exceed \$275,000.

The original design of the IPS, completed in 1999, assumed that the facility would have a small staff present 24 hours a day, 7 days a week. After the Notice to Proceed was issued for the construction of the IPS, MWRA developed its wastewater SCADA standards and began implementing its strategy of automating and providing remote monitoring and control of its wastewater facilities. This change order will allow modifications that are now necessary to comply with the wastewater SCADA standards and allow the station to be operated remotely from the Chelsea Operations Center with no full-time staff assigned to the facility. Installing the system now will be less costly than waiting until the IPS construction is complete.

The cumulative total of change orders to this contract is \$271,015.89 (.06%), added to the original amount of \$43,257,408.00, for an adjusted total of \$43,527,423.89. The FY04-06 CIP includes \$46,520,000 for this contract.

Squantum Pumping Station: U. S. Fidelity and Guaranty, Contract 5405A, Change Order 11

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 11 to increase the amount of Contract No. 5405A with United State Fidelity & Guaranty Company, Squantum Pumping Station, in an amount not to exceed \$105,000 and to extend the time for completion by 30 calendar days to September 20, 2003. Further, the Board voted to authorize the Executive Director to approve additional change orders as may be needed to Contract No. 5405A in amounts not to exceed the aggregate of \$250,000 and 180 calendar days.

Although the certified pump factory test curves submitted by the manufacturer for the new pumps at the Squantum Pumping Station represented that they exceeded the contract specifications, the pumps failed the performance test once installed on-site, having only 93% of the required specified capacity. Even at its reduced capacity, the overall capacity of the new station exceeds the capacity of the old station and the new station has been placed into service. Demolition of the old pump station has begun. New pumps are being fabricated and the pumps will be replaced one at a time in fall 2003.

The FY04-06 CIP includes a budget of \$4,407,000 for Contract 5405A. The cumulative value for Change Orders is \$457,831.67, 11% of the original contract amount of \$4,029,000.00, for an adjusted Contract total of \$4,486,831.67, which is \$79,839.67 over budget. This amount will be covered within the five-year CIP spending cap. The work on this contract is approximately 96% complete.

Quincy Pump Facilities: Fay, Spofford & Thorndike, Inc., Contract 5404, Amendment 8

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 8 to increase the amount of Contract No. 5404 with Fay, Spofford & Thorndike, Inc., Quincy Pump Facilities, in an amount not to exceed \$149,222.34 and to extend the time for completion by 366 days to December 31, 2004.

Amendment 8 provides for an additional level of effort associated with the construction of the Quincy and Squantum Pumping Stations and the Squantum Pumping Station Force Main Corrosion Mitigation contracts. Primarily, the additional level of effort and time is required due to granted time extensions and problems with the pumps on the Squantum Pumping Station contract. The pumps that are currently in the new pump station have failed to meet their performance tests and will be changed out one at a time over the next 4 to 6 months.

The FY04-06 CIP includes a budget of \$4,940,000 for Contract 5404. The cumulative value of Amendments is \$1,116,749.15, added to the original Contract amount of \$3,972,609.59, for an adjusted contract amount of \$5,089,358.74, or \$149,358.74 over budget. This amount will be covered within the five-year spending cap.

Sluice Gate Rehabilitation Phase II: SEA Consultants, Contract 6272, Amendment 3

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 3 to extend the time for completion of Contract No. 6272 with SEA Consultants, Inc., Sluice Gate Rehabilitation Phase II, by 1,062 days to September 30, 2006.

The original project schedule assumed a construction completion date of March 2004. Based on the most recent schedule, it is now anticipated that a construction Notice to Proceed will be issued in September 2003 with a Substantial Completion date of September 2005, an 18-month delay. This delay was caused by the complexity of the rehabilitation of historic structures requiring detailed design by multiple disciplines and MWRA staffing constraints.

The original contract cost was based on a six-year contract duration. However, the original contract duration inadvertently provided for only a five-year period. In addition, the ability to provide limited services during the one-year correction period, required upon construction completion, was not initially included in the scope of services. To make up for these shortfalls, it is necessary to extend the contract. Amendment 2 extended the contract by seven months. Amendment 3 is required to extend the contract term by an additional 35 months to September 30, 2006.

All costs associated with Amendment 3 (\$79,823) will be reallocated from Task 4, Resident Inspection Services, which MWRA staff will perform during construction. Therefore, no increase in the contract amount is required. The FY04-06 CIP includes a budget of \$1,498,000 for Contract 6272.

Phase 4 Valve Replacement: J. D'Amico, Inc., Contract 6345, Change Order 6

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 6 to increase the amount of Contract No. 6345 with J. D'Amico, Inc., Phase 4 Valve Replacement, in the amount of \$50,924.94. Further, to authorize the Executive Director to approve additional change orders as may be needed to Contract No. 6345 in amounts not to exceed the aggregate of \$250,000.

During excavation for work under this contract, MWRA's adjacent cast iron piping, installed in 1911, was found to be leaking, requiring Change Order 5. Upon review of the condition of the piping, both MWRA's

Engineering and Operations staff recommended replacement of this piping so the Contractor could finish its work in this area and the line could be put back into service. In addition, the City of Chelsea plans to reconstruct Marginal Street in fall 2003 and impose a moratorium on excavating within the street in this area.

Based on the Engineer's Estimate of \$77,000 for this work, Change Order 5 was executed on a time and materials basis. (Note: Change Order 5 included an additional item so the Change Order total was \$89,153.74.) As the Contractor proceeded on the last phase of this work, it became apparent that the Engineer's initial cost estimate would be insufficient due to additional utilities being encountered and obstructions that were not reflected on record drawings, including buried railroad rails, contaminated wood beams, large concrete support slabs and concrete encased electrical duct banks located above the water main to be replaced in the former right-of-way for an abandoned Chelsea Street bridge.

To complete the work in this street, the Contractor proceeded at its own risk with the support of the utilities and the removal of the obstructions. Based on field-verified time and materials records, the entire cost of the work totals \$127,924.94. Therefore, this change order increases the previously approved Change Order 5 not-to-exceed amount by \$50,924.94.

The cumulative value of all change orders to this contract is \$299,017.09 (24.2%), added to the original contract amount of \$1,233,323.00, for an adjusted contract total of \$1,532,340.09. The work of this contract is approximately 98% complete. The FY04-06 CIP includes a budget of \$1,482,000 for Contract 6345, \$50,340.09 over budget. This amount will be covered within the five-year CIP spending cap.

Walnut Hill Water Treatment Plant – Ozonation Treatment Facilities: Barletta/Shea, JV, Contract 6489, Change Order 52

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 52 to increase the amount of Contract No. 6489 with Barletta-Shea, JV, Walnut Hill Water Treatment Plant – Ozonation Treatment Facilities, in an amount not to exceed \$555,900. Further, the Board authorized the Executive Director to approve additional change orders as may be needed to Contract No. 6489 in amounts not to exceed the aggregate of \$250,000.

This change order will furnish and install two gate pedestal mounted cameras and a card entrance system at the front entrances of the Cosgrove and Norumbega Facilities and Walnut Hill Water Treatment Plant and replace the NEMA 1 enclosures with NEMA 4 enclosures at the Cosgrove Facility and Southborough Valve House. Further, this change order will furnish and install the exterior rated enclosure, analyzer panel, sample pump and pump control system, concrete pads for the additional sampling point at the Diversion Structure including power supply and back-up power. The change order also includes a larger local SCADA panel, UPS and PLC capacity radio system, a temporary communication panel at Shaft D and additional signals required to relay final chlorination and disinfection plan requirements. The Proposed Change Order for this work was approved and the Contractor proceeded with the work at its own risk in order to complete the contract work to support the start-up of the MetroWest Tunnel.

Staff is compiling a list of all change orders for the Walnut Hill Program that have resulted from an omission or error on the part of the Design Engineer, CDM, and have notified CDM in writing of the current status of these findings. At least three of the items included under this change order appear to be in this category and therefore will be reviewed as part of this process.

The cumulative value of all change orders to this contract totals \$10,198,829, or 8.73% of the original contract amount of \$116,844,000, for an adjusted contract total of \$127,042,829. The FY04-06 CIP contains a budget of \$128,003,000 for Contract 6489. The work is approximately 72% complete.

Ms. Pollak commented that this contract has had a lot of Change Orders. Frank DePaola stated that when Walnut Hill was put out for bid, staff knew that the project was still in the development stages; however, MWRA was under schedule constraints to get these jobs under way.

Ms. Hicks stated that it sounds as if MWRA signed the contract with the understanding that there would be additions. Did MWRA have an estimate? Mr. DePaola stated that Massachusetts General Law Chapter 149 does not allow allocations for work that is anticipated. Some agencies add contingencies; however, MWRA does not.

Ms. Pollak asked if there were any implications in cost to use this approach. Mr. DePaola stated that there is a 5 to 7% premium on the cost.

Norumbega Covered Storage Facility Design/Build: J. F. White/Slattery Skanska, JV, Contract 6213, Change Order 15

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 15 to increase the amount of Contract No. 6213 with J. F. White Contracting/Slattery Skanska, Inc., Norumbega Covered Storage Facility Design/Build, in an amount not to exceed \$30,000. Further, to authorize the Executive Director to approve additional change orders as may be needed to Contract No. 6213 in amounts not to exceed the aggregate of \$250,000.

The SCADA system will operate the Norumbega facility, among other facilities, remotely. Under this change order, personnel from the Norumbega Contractor, its subcontractors and/or manufacturers shall be made available to support the remote SCADA testing of the on-site instrumentation and valves. Work will include, but not be limited to, providing lockout and tagout of all valves; opening and closing air release valves and butterfly valves; filling and draining of pipelines; and assisting with any adjustments of valves, electrical signal generation, etc. These tasks have to be performed in a number of different locations, including the Control Building, the two valve chambers that interface with MWWST and in the nine valve chambers used for tank control purposes.

The cumulative value of change orders to this contract total \$3,842,740.98, or 4.3% of the original amount of \$89,400,000.00, for an adjusted contract total of \$93,242,740.98. Work on this contract is approximately 82% complete. The FY04-06 CIP includes a budget of \$95,470,000 for Contract 6213.

Rehabilitation of Other Water Pumping Stations: Black & Veatch, Contract 6110, Amendment 3

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 3 to increase the amount of Contract No. 6110 with Black & Veatch (B&V), Rehabilitation of Other Water Pumping Stations, in an amount not to exceed \$144,000.

Concurrent with the processing of Amendment 2, it became evident that MWRA's standards for instrumentation and control were still evolving and it was determined that another design submittal should be made so that the 100% documents, when submitted, would accurately reflect MWRA's requirements. B&V proceeded to revise the 100% design for Contract 6375, and submitted it to MWRA for review and comment in March 2001.

B&V informed MWRA that it believed a number of MWRA's requirements required a level of effort outside the scope of work under its contract and submitted a letter to MWRA identifying its additional costs for this work. Shortly thereafter, B&V indicated that it also expected to exceed the budget included in Amendment 2 for Task 3, Final Design, to complete the 100% design documents. While it was recognized that additional out-of-scope work would have to be performed to complete the design, staff allowed B&V to proceed with the 100% design document. However, staff was unaware of the magnitude of the cost overrun until the 100% design documents were submitted.

In July 2001, four months after the submittal of the 100% design document for Contract 6375, B&V estimated that the budget in Amendment 2 may have been overrun by as much as \$200,000 in preparing the 100% design and that additional work was still required to get the plans and specifications ready to bid. At about this same time, MWRA's project manager resigned. Due to limited staff resources, this project was put on hold and only recently has a new project manager been assigned and the project being restarted.

Upon further review, B&V indicated that in 2000 and 2001 it incurred \$160,000 in additional costs over that budgeted under Task 3 in Amendment 2 as opposed to the \$200,000 estimated in July 2001. This \$160,000 in proposed costs in Amendment 3 are actual costs incurred and do not reflect any fixed fee. The total contract still contains funds of approximately \$1.5 million for Construction Administration and Resident Inspection Services. B&V now acknowledges that it did not inform MWRA of the cost overruns in a timely fashion, as a result of a changeover in their accounting system during the period of the cost overruns. B&V also indicated that they were driven to complete the design to satisfy MWRA's requirements and assumed that any Task 3 overruns would be included in the proposed future amendment. In further discussions on the cost request, B&V has offered to reduce the actual outstanding costs further by 10% to \$144,000 due to their management issues. This amount will bring the contract and billings to a current state.

The cumulative value of change orders to this contract total \$405,769.07, added to the original contract amount of \$3,966,196.16, for an adjusted contract total of \$4,371,965.23. The FY04-06 CIP includes a budget of \$4,703,000.00 for Contract 6110.

Replacement of Chestnut Hill Pumping Station: Fay, Spofford & Thorndike, Inc., Contract 6503, Amendment 1

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 1 to increase the amount of Contract No. 6503 with Fay, Spofford & Thorndike, Inc. (FS&T), Replacement of Chestnut Hill Pump Stations, in the amount of \$64,384.91 and to extend the time for completion by 469 days to April 17, 2003.

Amendment 1 retroactively extends the contract through completion of the correction period of the new pumping station and acceptance of the newly developed MWRA Facility Handbook for the Chestnut Hill Emergency Pump Station. Further, it recognizes the time that was required for FS&T to perform needed construction administration services and authorized special services during construction up through the date the facility handbook was completed. When the facility handbook was being developed, it was believed that unspent funds from other tasks would be available and could be reallocated to cover these costs. However, other reallocations were required to provide funds for FS&T to provide technical support to MWRA staff in the repair of a break in one of the Fisher Hill mains and the repair of an unforeseen leak at Shaft 7B.

The FY03-05 CIP includes a budget of \$1,057,000 for Contract 6503. Including this amendment for \$64,384.91, added to the original contract amount of \$1,055,555.52, the adjusted contract is \$1,119,940.43, or \$64,384.91 over budget. This amount will be covered within the five-year CIP spending cap.

Map Data Upgrade Project: Applied Geographics, Inc., Contract 6418, 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. 6418 with Applied Geographics, Inc., Map Data Upgrade Project, by six months to April 22, 2004.

In October 1999, the Board of Directors awarded Contract 6418 to Applied Geographics, Inc. (AGI) to develop seven communities' GIS base maps, create a standard base map for all MWRA water and sewer communities, and to upgrade map data for sewerage facilities of all 43 communities to the new standard base map. In March

2001, the Board further authorized the Executive Director to extend the contract by 24 months to allow AGI to incorporate field location coordinates collected by MWRA staff. This project is approximately 85% complete. MWRA has received and approved 100% of the contracted standard base map features and 94% on the contracted community sewer features from AGI. Thirty-two percent of MWRA sewerage features have been properly aligned with MWRA-supplied Global Positioning System (GPS).

Due to the unusually harsh winter, the process of acquiring sewer manhole interceptor coordinates using GPS technology took slightly longer than 18 months as originally planned. This has necessitated extending the contract by an extra six months in order to permit AGI to complete this work.

The FY04-06 CIP contains a budget of \$174,116 for this project. This Amendment does not increase the cost of this contract and there are sufficient funds in the budget.

INFORMATION

FY2003 Preliminary Financial Results

MWRA ended fiscal year 2003 with a surplus of \$2.1 million, less than one-half of one percent of FY03 revenues or expenses. In dollars, the surplus is the second smallest in MWRA's 18-year history (the year-end surplus in FY91 was \$1.3 million). Measured as a percent of revenues/expenses, the surplus is MWRA's smallest ever.

Ken Wissman stated that this is the tightest budget the Authority has ever had, having started the fiscal year with debt service assistance and ending without it. Unemployment insurance claims were higher than expected, as was workers' compensation because of an additional \$1.4 million (74% more than budgeted) for a review of reserves for existing claims. Additionally, the expenses related to vacating Building 34 at the Navy Yard are recognized.

Mr. Carroll asked where the MWRA will put the excess funds. Mr. Wissman stated that the funds will roll into bond redemption or rate stabilization and will be used to reduce future rates. Staff will provide a recommendation. Mr. Carroll requested that a summary of all the funds be updated and provided to the Board. Mr. Laskey agreed.

Update on the Framingham Extension Sewer Odor and Corrosion Control Program

Staff provided the Board with an update on the status of the corrosion and odor problems, and the work being done to resolve these problems, in the Framingham Extension Sewer, Framingham Extension Relief Sewer and downstream interceptors. Progress has been made in sulfide levels discharged from municipal systems and hydrogen sulfide levels measured by the meters in the Framingham Extension Sewer have also been lower than the levels measured last year during the same time period. Staff believes that the improvement in sulfide levels is a result of two factors: the cooler, wetter weather of the spring of 2003 and the corrective actions being undertaken by the municipalities, industries and MWRA.

The communities of Ashland and Framingham have continued to reduce the amount of sulfide being generated in their systems. The Town of Natick has not provided any recent updates to its plans for reduction of sulfide, but staff has met with Natick's consultants to review sampling procedures.

MWRA has revised the 2003 Municipal Permits for Wellesley and Needham to identify specific sampling and analyses that the municipalities will be required to conduct beginning April 2004. Both towns are reviewing their systems to determine where they might be able to implement programs to reduce the generation of sulfide.

Staff has continued to closely monitor the industries required to comply with the limit for biochemical oxygen demand. In addition, staff has met with Nyacol NanoTechnologies, Inc. (Nyacol) to discuss its plans for complying with the proposed sulfate limit. Genzyme Corporation is now in compliance with the biochemical oxygen demand limit as required by its compliance schedule. Coca-Cola Bottling, Inc.'s compliance schedule was incorporated into a permit renewal issued March 13, 2003. The company submits quarterly reports and is currently on schedule to be in compliance with the biochemical oxygen demand limit by April 30, 2004.

Ms. Hicks asked if odor complaints have been reduced. Staff responded that MWRA has received three complaints this year. September is usually the worst month.

Braintree-Weymouth Relief Facilities Update

A major intermediate milestone was reached on July 22 when the Braintree-Weymouth Tunnel and Shafts contract was declared Substantially Complete. Of the seven construction contracts that make up the Braintree-Weymouth Relief Facilities Project, two have been completed, three are under construction, and the last two are in the final stages of design.

The administrative consent order with the Department of Environmental Protection outlines the four contracts that must be completed in order to achieve the project goal of providing hydraulic capacity of 73 MGD: Tunnel and Shafts; Intermediate Pump Station; North Weymouth Relief Interceptor; and Fore River Siphons. When completed, these contracts will result in the achievement of major milestones that improve wastewater transport operational efficiency and reduce the potential for environmental impacts in the Braintree, Weymouth and Quincy communities.

Progress Report on Cambridge-Implemented CSO Projects and MWRA Financial Assistance through December 2003

The CSO control plan comprises 25 projects at a total approved budget of \$645 million, which includes \$604 million for project design and construction. The City of Cambridge is implementing two of these projects: Cambridge/Alewife Brook Sewer Separation, budgeted by MWRA at \$38.5 million and Cambridge Floatables Control, budgeted by MWRA at \$2.5 million.

Work on the CSO eligible portion of the Cambridge/Alewife Brook sewer separation construction contracts previously approved is complete. Design and construction of the remaining large separation contracts was stalled due to the need to reevaluate the project and submission of additional MEPA filings. MWRA and the City of Cambridge have now satisfied the MEPA requirements with the submittal of the Response to Comments document on May 30, 2003. The project did not meet the original January 2000 court milestone for completion due to the reevaluation conducted after the discovery of significant differences between actual conditions and City of Cambridge plans of the sewer and drainage systems, upon which the original project were based. Discussions will soon begin with the court parties regarding revised project milestones this fall.

Mr. Mannering asked what the potential would be that the Department of Environmental Protection does not approve the Plan. Mr. Laskey stated that MWRA is removing 80% of the CSO discharges. It would be double the cost to remove the remaining 20%. All of the CSO projects will be coming in for a decision at the same time. Ms. Hicks asked when a decision is expected. Staff responded that a determination is expected in September of 2004.

This Summary does not include every item discussed by the Board, nor the full extent of the discussions. Please contact Mary Ann McClellan at the Advisory Board office with questions, comments and requests for additional information.