

MWRA Advisory Board Summary
of the
MWRA Board of Directors Meeting
Wednesday, June 9, 2010

Prior to the Board of Directors meeting, a budget hearing on the Draft FY11 Capital Improvement Plan and the Current Expense Budget was held with Advisory Board staff and MWRA staff. In attendance at the budget hearing were: MWRA Board Members Jack Walsh, Kevin Cotter, Vincent Mannering, Michael Gove, Joseph Foti, and Andrew Pappastergion, in addition to staff from MWRA and MWRA Advisory Board. Board members John Carroll, James Hunt and Marie Turner arrived during the course of the hearing. The meeting opened with introductory remarks by Joseph Favaloro, Executive Director of the MWRA Advisory Board, followed by a PowerPoint presentation by Advisory Board staff summarizing the Advisory Board's review process and key comments and recommendations. Following the Advisory Board's presentation, staff of the Authority gave a power point presentation on the updated current and capital budgets. Included was a separate power point of alternative revisions to the water redundancy program. The morning committee meetings were consolidated into the full Board meeting in the afternoon.

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on June 9, 2010 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, Kevin Cotter and James Hunt III, City of Boston Representatives; Jack Walsh, City of Quincy Representative; Marie Turner, Town of Winthrop Representative.

REPORT OF THE CHAIR

NO REPORT

REPORT OF THE EXECUTIVE DIRECTOR

MWRA Executive Director Fred Laskey stated that staff implemented a strategy for the invasive species Asian Milfoil at Chestnut Hill Reservoir, noting that it is going to become an ongoing series of battles on war on invasive species.

Mr. Laskey provided an update on the missing coupling from the water main break in Weston. He said that crews were digging down at hotspots and CDM representatives and contractors have become concerned that they are seeing silt coming out from under the slab and are urging that we stop digging. MWRA Chief Operating Officer Michael Hornbrook noted that crews have now excavated down to depth of hotspot identified and found nothing. He said that areas are identified as hotspots because of different electrical properties of the soil and when backfilled could have made it look like hotspot; all geotech people have recommended not going further.

Chairman Bowles asked what would happen if DCR lowered river. Mr. Hornbrook responded that he was not sure, noting that if we go further we would have to enhance support excavation systems as well as groundwater control.

Director of Construction Anandon Navanandan stated that it was only possible to dig a maximum of another 3 feet. Chairman Bowles asked if crews could bear down and look sideways with ground-penetrating radar to look under pipe. Mr. Hornbrook responded that ground-penetrating radar is not a guarantee at all.

Board Member Jim Hunt asked if that National Guard could be utilized in the search, noting that they may not be better, but might be good option to explore.

Chairman Bowles asked staff to look into whether lowering river would help as well. Mr. Laskey stated that costs are escalating quickly. MWRA General Counsel Steve Remsburg stated that information was requested from contractor about the bolt that had been found and everyone appears cooperative.

Chairman Bowles stated that Mr. Laskey would report back to Board of Directors. He noted that he and Mr. Laskey have been working with the Chair of the panel to look for other panel members to include both academic and practical expertise.

Board Member Vincent Mannering asked when could we look under pipe? Mr. Hornbrook responded that the Authority was investigating options and right now focusing on 3 hotspots and getting down to that depth. He said getting under the pipe it would be a large effort and would have to support pipe on both sides from bottom and hold it up as it is dug underneath.

Staff was joined by Fred Holland from Camp, Dresser McKee who reaffirmed steps taken to date as well as limitations and concerns moving forward.

ADMINISTRATION & FINANCE COMMITTEE

INFORMATION

APPLICATION OF FISCAL YEAR SURPLUS FUNDS

The Board requested that staff review the application of fiscal year surpluses to determine the best use of year-end surplus funds. Staff examined three potential uses for the funds available at the end of the fiscal year. The three scenarios included:

- Defeasance: To execute a defeasance, funds are deposited into an escrow account, typically comprised of U.S. Treasury Securities, which will pay all future debt service on the selected bonds. Typically, a defeasance can be structured to provide targeted budget relief in one or more fiscal years. A \$1 million defeasance would provide a minimum of \$1 million of rate relief in the targeted period of time.
- Reserves Deposit: Fiscal year-end surplus funds can be deposited into either the Rate Stabilization Fund or the Bond Redemption Account. Funds that are deposited in the Bond Redemption Account can be used to pay future debt service and there are no General Bond Resolution limitations on the amount to be withdrawn in any given year. Moneys in the Rate Stabilization Fund are treated as revenue for budget purposes. Unlike a defeasance where funds are placed in an escrow account, reserve funds can provide MWRA with the liquidity necessary to respond to unforeseen expenses.
- Pre-Funding of Retirement System: Funds available at the end of a fiscal year could be used to make an optional payment to the Retirement System, which would result in a reduction to future annual required contributions and/or to the amortization schedule of the unfunded liability. Based on the current amortization of the unfunded liability, \$1 million in making optional payments of the Retirement System would result in a reduction to the average annual contribution of approximate \$120,000 or about 2% for the first five years. Over the life of the current amortization schedule, a \$1 million deposit would result in approximately \$570,000 in interest income at 8%.

All three options provide a means to reduce the rate revenue requirement to varying degrees; the question of which method to employ focuses on the current needs of the MWRA. All options are reasonable approaches to provide some financial benefit to MWRA; while a deposit to the Retirement System may provide a slightly higher return on investment, the flexibility afforded by

reserve deposits and targeted defeasances outweighs the modest financial gains generated from a pension fund deposit.

Regarding optional payments, Board Member Joel Barrera asked if there was a mechanism that would make the ratios less tight and give the Authority more flexibility? MWRA Director of Administration and Finance Rachel Madden responded that optional payments are applied toward debt; other pieces (Commonwealth obligation, current revenue) are used as budgeting mechanisms.

Mr. Barrera stated, for various reasons it may be more beneficial for the reserves strategy versus the pre-funding pension strategy. He said that he now has less confidence in the Pension Board majority; maybe the Authority should do reserves now rather than pension, although he supported the pension option last year.

Ms. Madden responded that with this option, money is available when needed; with a defeasance, it is locked in for targeted years and can't be changed. She noted that all three strategies are favorable to the rating agencies.

Board Member Michael Gove asked if it makes a difference if the money is locked into a commitment (e.g. pension, defeasance) versus the flexibility of the reserves? Ms. Madden responded that there is some benefit from the ratings agencies' perspectives that it's locked in, but staff haven't posed that question to our analyst before. MWRA Treasurer Tom Durkin responded that making voluntary contribution to pension fund has a long-term benefit; however not great short-term. He noted in last year, the context of the times has been the yardstick; typically we defease closer debt for budgetary savings. Each alternative should be chosen in the context of the times. Moody's opinion of economic time changes with ebb and flow. Mr. Laskey stated that the Authority has pushed the envelope in taking advantage of very favorable trends, including utilities and interest rates. There is a lot of risk in the budget of this year and next couple of years; maintaining that flexibility is more important to us than it had been in the past.

Mr. Barrera asked what the Advisory Board position was on this topic. Joseph Favaloro, Executive Director of the MWRA Advisory Board, stated that we've led the charge that this should go into the rate stabilization account for more flexibility.

Mr. Mannering asked what is the effect of \$2.8 million? He said that he would defer to what financial staff recommends, noting that he liked the retirement board option for number of reasons including the long-term financial benefit and the statement it makes that the Authority is paying attention to the largest liability in the country. He said that he could see why the other options are also attractive.

Mr. Laskey noted that this is the additional payment, not the required amount.

Mr. Gove stated that the reason the Authority has this \$2.8 million is because it was set-aside at the end of FY09. He noted that the Board said if the conditions were right, it could use it for the optional payment, Mr. Laskey responded that now we're at the end of the year, and because we don't have \$2.8 million built into the FY11 budget, you want to take it and flip it into the reserves for use in next year and beyond.

Ms. Madden stated that all of these are good options; this is an extremely tight budget.

POSSIBLE RATE ADJUSTMENT STRATEGIES FOR THE MAY 2010 WATER MAIN BREAK

On May 1, 2010 a water main break occurred in a joint of a 120-inch pipe that connects the MetroWest Tunnel and the City Tunnel, which resulted in increased flow rate from 200 to 480 million gallons per day. In order to ensure continued water supply to our member communities, MWRA activated the emergency back-up water supply system utilizing the Sudbury Aqueduct and Chestnut Hill Reservoir. The Chestnut Hill Pumping Station was put on-line to allow

emergency and partially treated supplies of water to be distributed to the 30 communities affected in the MWRA's service area. A state of emergency was declared by Governor Patrick and a boil water order was issued for the 30 communities in the metropolitan water service area lasting from mid-day May 1 through early May 4, 2010.

Following the repair of the pipe that connects the MetroWest Tunnel to the City Tunnel and the reintroduction of fully treated water into the MWRA system, MWRA recommended targeted flushing of some water systems to purge any water that was drawn from emergency sources. There were numerous discussions between the affected communities and the Advisory Board regarding the disruption of flow rates. MWRA staff seeks the Advisory Board guidance on how to address possible rate adjustments for our member communities during the boil water order and the subsequent request for flushing of their systems.

APPROVALS

MWRA FY11 INSURANCE PROGRAM RENEWAL

The Board voted to authorize the Executive Director, on behalf of the Authority, to award to the lowest eligible and responsive bidders, insurance policies, bonds and contracts for services for MWRA's FY11 Insurance Program, for the period beginning July 1, 2010, through June 30, 2011, for the premiums and fees described below for a total program amount not to exceed \$1,667,162.

1. Workers' Compensation Excess Policy with N.Y Marine, submitted by broker Willis of MA, with a \$25 million limit and a \$500,000 self-insured retention, for a premium of \$91,545;
2. Property Policy (including Boiler & Machinery) with FM Global Insurance Co., with various limits of coverage with a \$2.5 million self-insured retention, for a premium of \$638,072;
3. General Liability Policy (including Automobile Liability, Protection and Indemnity, Wharfingers, Limited Pollution and Employment Practice Liability) with Everest Insurance Co., Star Indemnity and Markel American Insurance Co., submitted by broker William Gallagher Associates, with a \$35 million self-insurance retention, for a combined premium of \$568,252;
4. Excess/Umbrella Liability Policies with Westchester, Great American and Axis Insurance Companies, submitted by broker William Gallagher Associates, providing a combined total of \$65 million of coverage excess of primary coverage for a total combined premium of \$214,566;
5. Public Official's Liability Policy with State National Insurance Co., submitted by broker Wells Fargo, with a \$5 million limit with a \$1 million deductible, for a premium of \$49,001;
6. Fiduciary Liability Policy with Chubb Insurance Co., submitted by broker Wells Fargo, with a \$5 million limit with \$1 million deductible, for a premium of \$7,125;
7. Public Official's/Crime Bond with The Hartford Insurance Co., submitted by broker William Gallagher Associates, with a limit of \$1 million with a \$25,000 deductible for a premium (including commission) of \$6,151;
8. Treasurer's Bond with a \$1 million limit with a vendor to be determined in an amount not to exceed \$3,500; and
9. Broker contracts with William Gallagher Associates for an amount of \$70,000; Willis of Massachusetts for an amount of \$10,250; and Wells Fargo Insurance Services for an amount of \$8,700.

MWRA's Insurance Program is renewed on an annual basis at the beginning of each fiscal year. Annual renewals are required due to the insurance industry's reluctance to provide firm pricing for more than a one-year period. This year's recommended renewal (FY11) totals \$1,667,162, which is \$62,639 (or 3.6%) less than the FY10 cost of \$1,729,801.

BOND DEFEASANCE OF FUTURE DEBT SERVICE

The Board voted to authorize the Executive Director or his designees, on behalf of the Authority, to enter into and execute all necessary agreements and other instruments to escrow up to \$55,000,000 of outstanding MWRA debt to maturity.

At the February 10, 2010 Board Meeting, staff presented the proposed FY11 Current Expense Budget (CEB) which included a defeasance which included the use of up to \$23.6 million of funds from the projected FY10 surplus and \$30.9 million from the 2010 Series B restructuring of outstanding debt to achieve rate relief for FY11, FY12 and FY13. The impact of the combined \$54.5 million defeasance is included in the Draft Final FY11 Current Expense Budget and rate projections for FY12 and FY13.

At this meeting, staff are seeking authorization to execute the defeasance in an amount up to \$55 million. The cost of the defeasance would come from the FY10 surplus, currently estimated at \$23.6 million and the \$30.9 million of funds made available from the 2010 Series B restructuring. Staff currently anticipate the surplus to be sufficient to cover the full cost of the defeasance. However, if the FY10 surplus is not sufficient to cover the \$23.6 million portion of the defeasance, staff are requesting authorization to use a small amount of Bond Redemption funds to augment the surplus if necessary.

The defeasance of these bonds will decrease the FY11, FY12 and FY13 debt service requirement. The budgetary savings from the defeasance component are approximately \$2.4 million in FY11, \$11.9 in FY12 and \$40.3 million in FY13.

Mr. Laskey noted that the defeasance transaction had been discussed at numerous Board meetings over the last few months.

CONTRACT AWARDS

MAINTENANCE AND SUPPORT AGREEMENT FOR LAWSON MANAGEMENT SYSTEM SUITE: LAWSON

SOFTWARE, INC.

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve a sole source annual maintenance and support agreement for the Lawson Management System Suite with Lawson Software, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute said agreement with Lawson Software, Inc., in the amount of \$541,280.9 for the period of June 1, 2010 through May 31, 2011.

Due to the importance of the Lawson system to MWRA's current business environment, the Lawson Management System Suite will be a major focus of the upcoming Strategic Information Technology Plan. The latest Lawson environment and application upgrade was implemented in May 2009 and was required to maintain vendor support. The upgrade was rolled out in three logical tiers (hardware, application environment, and application software) since each was a prerequisite for the successor.

In 2010, the fee for the current maintenance agreement increased by less than 0.01% from 2009. This maintenance and support agreement is an essential tool to protect the MWRA's Lawson software investment. Staff have thoroughly reviewed the sole source nature of this procurement. Lawson Software, Inc. is the manufacturer of this software and while there are third party vendors who provide support for various applications, they do not have the ability to change standard code or provide upgrades or fixes to the application.

There are sufficient funds contained in FY10 Current expense Budget for this purchase under Software Licenses line item.

Mr. Laskey noted that this maintenance and support agreement would be part of the information technology strategic plan review.

SECURITY GUARD SERVICES VARIOUS MWRA FACILITIES: ABM SECURITY

SERVICES: CONTRACT EXE-030

This item was withdrawn.

WASTEWATER POLICY & OVERSIGHT COMMITTEE

APPROVALS

CONTRACT FOR WASTEWATER ADVISORY COMMITTEE

The Board voted to authorize the Executive Director to execute a contract with the Wastewater Advisory Committee for a one-year period beginning on July 1, 2010 at a cost of \$58,500.

The Wastewater Advisory Committee (WAC) was created in 1990 to offer independent recommendations on wastewater programs and policies. WAC's members include citizen advocates and representatives from the MWRA Advisory Board, MAPC, watershed associations, the engineering and business communities, and science and education fields. WAC's monthly meetings are geared toward engendering discussion and facilitating timely recommendations to MWRA staff and the Board of Directors on wastewater policies, projects and program initiatives directly related to MWRA and public concerns. WAC elects its chairman and employs an Executive Director.

Sufficient funds for the WAC contract are available in the proposed FY10 CEB Advisory Board and Advisory Committees' cost center.

CONTRACT AWARDS

BRAINTREE-WEYMOUTH RELIEF FACILITIES – REHABILITATION OF SECTION 624: SPINIELLO COMPANIES,

CONTRACT 5310

The Board voted to approve the award of Contract No. 5310, Braintree-Weymouth Relief Facilities – Rehabilitation of Section 624, to the lowest eligible and responsible bidder, Spiniello Companies, and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$2,489,000 for a term of 180 calendar days from the Notice to Proceed.

The Braintree-Weymouth Relief Facilities projects have provided a total of 73 million gallons per day of capacity for the Braintree-Weymouth system. Contract 5310, the last of the Braintree-Weymouth Relief Facilities contracts, including the rehabilitation by cured-in-place lining of approximately 2,050 feet of Section 624, a 70-year-old, 60-inch X 57-inch interceptor in North Weymouth, which has been considerable corroded by hydrogen sulfide downstream of the discharge from the Hingham Pump Station.

Contract 5310 will be funded, in part, from the Massachusetts State Revolving Fund. Bids were received from five general contractors; Spiniello Companies' bid is the lowest bid and is 20% less than the engineer's estimate and staff are confident of Spiniello Companies' ability to perform the job.

The FY10 CIP include a budget of \$8,305,000 for Contract 5310; the contract award amount is \$2,489,000. The CIP budget was based on cost data that preceded the expiration of the cured-in-place liner patent. After the patent expired, the cost for the liner significantly decreased due to competition.

CONTRACT AMENDMENTS/CHANGE ORDERS

EMERGENCY SEWER REPAIR, SECTION 659A – QUINCY: BARLETTA HEAVY DIVISION, CONTRACT S485, CHANGE ORDER 3

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 3 to increase the amount of Contract No. S485 with Barletta Heavy Division, Emergency Sewer Repair, Section 659A – Quincy, in the amount of \$47,907.

The Board has been previously informed of this emergency contract resulting from two sinkholes that formed in April on Chickatabot Road near the intersection with Sea Street in Quincy, which were cased by a leak in MWRA's 30-inch-diameter Section 659A Squantum Force Main.

On April 12, 2010, Contract S485 was executed under delegated authority in the amount of \$215,000. All sewer repair work has been completed, the force main has been placed back into operation, and the by-pas piping has been removed.

The final change order includes the following:

Furnish and Install 1,400 Linear Feet of Curb-to-Curb Paving	\$47,907
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Due to the emergency nature of the repair and the need to quickly restore the area affected by the extensive, 24/7 construction impacts, the Contractor proceed with paving work at its own risk to avoid delays, complete all final contract work, and comply with the city's requirements. There will be no further change orders to this contract.

Although unplanned, the cost of Change Order 3 will be absorbed within the Field Operations Department's FY10 Current Expense Budget.

WATER POLICY & OVERSIGHT COMMITTEE

INFORMATION

UPDATE ON LEAD AND COPPER RULE COMPLIANCE – SPRING 2010

MWRA system-wide lead levels in the March 2010 sampling round were below the Action Level again for the 13th consecutive sampling round and for 16 of the past 18 rounds. The 90th percentile value was 7.05 ppb, the lowest level yet. Two communities (Medford and Milton) were individually above the Lead Action Level. MWRA continues to meet the copper standard.

Twice a year, under EPA's Lead and Copper Rule, MWRA must collect and test tap water in a sample of homes that are likely to have high lead levels. The EPA rule requires that 90% of the sampled homes must have lead levels below the Action Level of 15 parts per billion (ppb). The 90th percentile value for the system as a whole in the March 2010 sampling round is 7.05 ppb, the lowest 90th percentile since testing began, and well below the Lead Action Level of 15 ppb. These results will be formally transmitted to DEP and to the communities later this month.

Board Member Andrew Pappastergion asked if there was any relief from the required testing frequencies. Mr. Remsburg responded that the Authority was "at a moderately solid wall with DEP; we haven't given up but very little progress has been made."

2009 ANNUAL WATER QUALITY REPORT (CONSUMER CONFIDENCE REPORT)

The 2009 *Annual Water Quality Report* will be mailed to every household in MWRA's service area between June 7 and June 25, 2010 to meet EPA's Consumer Confidence Report Rule (CCR) deadline of July 1. The CCR program has been an important national initiative that has promoted better information and education for consumers about their publicly supplied drinking water. The CCR has been the centerpiece of MWRA's drinking water communication program since 1999. MWRA has again produced three separate versions of the CCR for 2009: one for each of the fully-supplied communities in Metro Boston and MetroWest, and one for the three Chicopee Valley Aqueduct communities. To reduce costs, this year the report was reduced from 8 pages to 6 pages. The cost savings is an estimated \$40,000.

The FY10 CEB includes \$245,000 for the 2009 CCR, which should be more than sufficient for the estimated \$69,647.60 for printing and mail house services and \$118,635 for postage. The cost of preparing, printing and mailing almost 900,000 copies of the 2009 CCR is approximately \$.22 per copy.

APPROVALS

CONTRACT FOR WATER SUPPLY CITIZENS ADVISORY COMMITTEE

The Board voted to authorize the Executive Director to execute a contract with the Water Supply Citizens Advisory Committee for a one-year period beginning July 1, 2010, at a total cost of \$96,432, which involved funds for a part-time administrative assistance position and consultant services.

The Water Supply Citizens Advisory Committee (WSCAC) originated in 1978 and has received direct funding from MWRA since 1984. Along with the MWRA Advisory Board and the

Wastewater Advisory Committee, WSCAC provides advice and support for MWRA's policy decisions.

Continuing efforts begun last year to reduce administrative costs, this year's budget is \$27,455 less than last year's. WSCAC has now moved into DCR managed space at Quabbin Reservoir, which eliminated rental costs, and reduced some other office expenses. WSCAC used a temporary staff person during winter and spring to streamline their office operations and historical files, and has moved much of their routine correspondence and document handling to email.

The Board voted to approve an increase, as proposed by Mr. Gove, to the proposed budget to \$96,432 as compared to the \$79,032 in the Staff Summary. The increase would provide additional office assistance to the Executive Director, who is doing a lot of traveling. Over the next one and a half years, WSCAC is expected to focus on expansion of the water system. The Board approved the one-year extension of the contract with the Committee at the revised, higher cost.

LOCAL WATER SYSTEM ASSISTANCE PROGRAM – APPROVAL OF LOAN PROGRAM GUIDELINES

[Postponed – referred to 6/30/10 Water Policy and Oversight Committee meeting]

Mr. Mannering proposed an amendment to limit use of the program funds until a community had lined a specified percentage of their water pipes. After some discussion, Mr. Mannering withdrew his amendment and it was agreed to table the motion until the June 30 meeting of the Board of Directors and allow time for the Advisory Board to review the proposed change to the guidelines (that had previously been adopted by the Advisory Board).

PERSONNEL COMMITTEE

APPROVALS

JUNE PCR AMENDMENTS – FY10

The Board voted to approve an amendment to the Position Control Register (PCR).

The PCR amendments included in this package reflect organizational changes aimed at improving the cost-effectiveness, structural soundness and staffing patterns of the Operations Division. They include:

1. Title change for two filled positions to align the title with current duties.

These two amendments involve a change in title and require the approval of the Personnel Committee. These title changes are necessary in order to eliminate an obsolete position classification. There are no costs associated with these changes.

APPOINTMENT OF MANAGER, LABOR RELATIONS AND WORKERS' COMPENSATION, HUMAN RESOURCES

The Board voted to approve the Executive Director's recommendation to appoint Steven Perry to the position of Manager, Labor Relations & Workers; Compensation in the Human Resources Department, Administration & Finance Division (Non-Union Grade 14), at an annual salary of \$85,500 to be effective on the date designated by the Executive Director.

The Manager of Labor Relations and Worker's Compensation serves as the daily contact to the bargaining unit representatives. The Manager is responsible for managing successor collective bargaining negotiations, as well as mid-term and impact negotiations for each unit. This position plays a critical and vital role in the Human Resources Department and is especially important as the Authority prepares to enter into successor collective bargaining negotiations with all five of its bargaining units.

Mr. Perry has nine years of progressively responsible Labor Relations experience with the Commonwealth of Massachusetts, Human Resources Division at the Office of Employee Relations. Mr. Perry is an experienced negotiator and possesses exceptional communication and interpersonal skills, which are critical and necessary for this position. Mr. Perry's nine years of relevant experience and extensive background in Labor Relations will be directly transferable to the Manager of Labor Relation's position.

There are sufficient funds in the FY10 CEB to fund this position.

EXTENSION OF EMPLOYMENT CONTRACT, ADMINISTRATIVE ASSISTANT, CLINTON WASTEWATER TREATMENT PLANT

The Board voted to approve the extension of the part-time employment contract for Ms. Jane Densmore, Administrative Assistant, Clinton Wastewater Treatment Plant, Operations Division, for a period of one year, from July 1, 2010 to June 30, 2011 at the current hourly rate of \$21.00, for an annual compensation not to exceed \$21,840.

The Clinton Wastewater Treatment Plant continues to have a part-time need for assistance in completing routine administrative tasks related to maintaining accurate files for invoices, attendance records, purchasing requisitions, etc. The tasks do not require a full-time position.

Since March 2008, Ms. Jane Densmore has provided this administrative support to the Superintendent of the Clinton Wastewater Treatment Plant under a part-time employment contract. The continued need for this position is evaluated on a yearly basis. At the resent time, the need for a full-time position is not warranted.

Funding for this position is included in the Proposed FY11 Current Expense Budget.

OTHER BUSINESS

EXECUTIVE DIRECTOR'S PERFORMANCE REVIEW AND CONTRACT EXTENSION

The Board voted to rate the performance of Frederick A. Laskey, Executive Director, as excellent, and to extend the term of the Executive Director's employment agreement and appointment as Executive Director by one year to June 3, 2010, subject to his consent.

EXTENSION OF CONTRACT FOR CHIEF OPERATING OFFICER

The Board voted to extend the term of the employment agreement with Michael J. Hornbrook, Chief Operating Officer, by one year to May 31, 2013, subject to his consent.

AMENDMENT TO VOTES OF MAY 6, 2010 AND MAY 26,2010 REGARDING INDEPENDENT PANEL TO REVIEW AND INVESTIGATE THE MAY 1, 2010 WATER MAIN BREAK

The Board voted to amend the votes of the Board of Directors taken at its 5/6/10 and 5/26/10 meetings relative to the appointment of an independent expert panel to indicate that the

Executive Director will delegate his existing investigative authority with respect to cost recovery relative to the May 1, 2010 water main break to a panel of independent experts, and that the Executive Director will appoint such panel members, including its chairperson Zorica Pantić, as are deemed appropriate to the needs of the investigation, said panel to be charged by the Executive Director with the tasks of: (i) identifying the probable causes of the water main break and loss of the insulating coupling on May 1, 2010; (ii) preparing and submitting a report to the Board of Directors and to the Executive Director of the panel's independent findings and recommendations with respect to the identification of any design, construction or other defects or deficiencies in any aspect of the work, services, components, or materials furnished for the affected section of the MetroWest Water Supply Tunnel, any of which may allow the Authority to pursue cost recovery efforts; and (iii) making any other general recommendations that will assist the authority with respect to the design, installation and testing of pipe coupling systems, whether past or future and, further, that the Executive Director, on behalf of the Authority, employ his delegated authority to retain and engaged such legal counsel and such consultants as the panel believes are necessary to carry out the tasks with which it has been charged.

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 or requests for more information.