



MWRA Advisory Board Summary
of the
MWRA Board of Directors Meeting
Wednesday, July 15, 2010

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on July 15, 2010 at the Charlestown Navy Yard. **Present:** 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; Jack Walsh, City of Quincy Representative; Marie Turner, Town of Winthrop Representative. **Absent:** Chair Ian Bowles, Gubernatorial Appointee; Kevin Cotter, City of Boston Representative.

REPORT OF THE CHAIR

No Report.

REPORT OF THE EXECUTIVE DIRECTOR

MWRA Executive Director Fred Laskey stated that the expert panel met the day before to discuss the recovery of items from Shaft 5A. Professor Ballinger recommended that the bolt be analyzed in a private laboratory. The O-ring did not appear to be fused. Mr. Laskey said it was a productive meeting and the panel requested follow-up assignments and information. Staff will survey the MWRA's peers to see if other similar collars are in use.

Mr. Laskey noted that Panel Members Zorica Pantić, Wentworth Institute President, and Ronald Ballinger, Professor of Nuclear Science and Engineering and Materials Science and Engineering at MIT, will testify today before the joint Legislative Committee. MWRA staff will be testifying before the Committee on Thursday, focusing on what happened, the response and the operational side.

Board Member Joel Barrera asked what the level of interest is from the media. MWRA Deputy Director of Communications Ria Convery said media interest has been steady and has not waned.

Board Member Andrew Pappastergion asked what the panel would be commenting on in front of the Legislature. Mr. Laskey said MWRA staff helped put together a PowerPoint presentation for the Legislature showing the site and what staff is looking for. Potential issues will be discussed and the panel will tell the Legislature how the study will be conducted and who the players are. Professor Ballinger has pointed out that there was corrosion on the outside of the bolt but that the inside of the bolt has a brand new break.

Chief Operating Officer Michael Hornbrook added that the Chief Engineer from Denver had seen gaskets cut to install them before but they are usually cut at a 45 degree angle and glued together; the lab will test to see if glue remains are present; staff has not seen a 90 degree angle cut before.

Mr. Laskey said Professor Ballinger had pointed out that it is possible there had been a small leak for quite some time. The Panel had a good discussion on groundwater and buoyancy and what could have happened.

Mr. Hornbrook stated that staff is looking into whether there is a limitation on how big couplings should be made; there is a lot of history of couplings failing across the industry. Mr. Hornbrook noted that Professor Ballinger had a lot of theories – this may be a very large diameter pipe issue. Perhaps the coupling is beyond the capacity.

Mr. Laskey said circumstantial evidence has been pieced together that the problem may be the bolt. He said Mr. Holland from Camp Dresser & McKee has a theory on the location of the next hotspot, even though nothing is showing up on ground penetrating radar.

Board Member John Carroll asked why the contractor (Barletta) is gone. Mr. Laskey said there was a good turning point to move them off the site. Steve Remsberg, MWRA General Counsel, said there was no longer an emergency.

Turning to the recent weather, Mr. Laskey noted that there were massive rains on Saturday and staff is continuing to analyze the data and is looking at flows; a "wall of water" hit the MWRA facilities. MWRA staff also helped the Department of Conservation and Recreation (DCR) and the Department of Transportation with some facilities as well.

Mr. Barrera noted that he heard the City of Somerville was blaming DCR and its management of the dam for the flooding it received. Mr. Laskey said he spoke to Somerville Mayor Joseph Curtatone who said he thought the MWRA performed well. Staff is looking at the dam and trying to look at tributary areas to determine what happened at MWRA's stations during that time. Thus far, the consensus seems to be that the rains were just so overwhelming that it overwhelmed everything at that time. Mr. Hornbrook noted that Allston, Cambridge, etc. received four inches of rain per hour; MWRA's systems are not equipped for that rate.

APPROVALS

JULY PCR AMENDMENTS – FY11

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

The Amendment changes a job title for one filled position at the Deer Island Treatment Plant to address the staffing needs of the Thermal Power Plant for maintaining mandated staffing levels without incurring overtime. There are no associated costs with this change.

EXTENSION OF EMPLOYMENT CONTRACT, SENIOR LABORATORY TECHNICIAN, DEPARTMENT OF LABORATORY SERVICES,

DEER ISLAND

The Board voted to approve the extension of the employment contract for Ms. Nicole Johnson, Senior Laboratory Technician, Department of Laboratory Services, Deer Island, for a period of one year, from September 20, 2010 to September 19, 2011 at the current hourly rate of \$18.00, for an annual compensation not to exceed \$37,440.00.

Ms. Johnson has been a contract employee at MWRA since September 22, 2008 performing lab testing and field sampling. She performs prescribed procedures on water and wastewater samples in addition to assisting scientists, compiling and preparing data, and operating and performing routine maintenance on laboratory equipment. During the past year she has become trained and certified on a variety of chemical tests and remains an integral part of the Laboratory team.

There are sufficient funds available for this position in the Department of Laboratory Services' FY11 CEB.

CONTRACT AWARDS

THERMAL POWER PLANT DUMP CONDENSER REPLACEMENT – DEER ISLAND TREATMENT PLANT: J.F. WHITE

CONTRACTING Co., CONTRACT 7061C

The Board voted to approve the award of Contract No. 7061C, Thermal Power Plant Dump Condenser Replacement – Deer Island Treatment Plant, to the lowest eligible and responsible bidder, J.F. White Contracting Co., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$2,802,613.00 for a term of 545 calendar days from the Notice to Proceed.

Under Contract 7061C, the existing steam dump condenser will be replaced with a more efficient unit capable of operating in a vacuum during the summer months, which means that more energy will be extracted out of the steam system allowing the existing 18-megawatt steam turbine generator to produce more electricity and the reduce the amount of “wasted” energy that currently gets discharged into Deer Island’s effluent.

The Operations Division’s FY11 Capital Improvement Program (CIP) contains \$2,200,000 for Contract 7061C. The FY12 Proposed CIP will be updated to include the additional funds of \$602,613 required based on this contract award.

Board Member Jack Walsh asked if there is an estimate on the payback for this contract. John Vetere, Director of the Deer Island Treatment Plant, stated that this contract is an asset replacement; the plant cannot be operated without it.

SAFETY INSPECTIONS OF MWRA/DCR SIGNIFICANT AND HIGH HAZARD DAMS: LENARD ENGINEERING, INC., CONTRACT OP-127

The Board voted to approve the recommendation of the Consultant Selection Committee to select Lenard Engineering, Inc. to provide dam safety inspection services and to authorize the Executive Director, on behalf of the Authority, to execute a contract with Lenard Engineering, Inc. in an amount not to exceed \$43,724.00 for a term of two years from the Notice to Proceed.

Contract OP-127 is for the next round of Phase I dam inspections as required by the Office of Dam Safety. The Selection Committee was initially concerned about the ability of the apparent low bidder to complete the scope of services for the proposed cost. Staff met with Lenard Engineering personnel who explained that the firm was aggressive in developing its cost proposal and was motivated to do so primarily by its strong interest in establishing a business relationship with MWRA, successfully demonstrating its capabilities, and adding MWRA to its client history. Lenard personnel assured staff that the firm understood the full scope of work, can successfully complete the work for the proposed price, and is committed to meeting MWRA’s requirements. The contract compensation is on a “lump sum” basis and no price increases will be granted for completing the original scope of services.

References were checked and found to be favorable. Staff has determined that Lenard Engineering’s proposal meets all of the requirements of the specifications and the company is qualified to perform the work under this contract.

Funding for the first year of this contract is included in the Field Operations’ FY11 Current Expense Budget (CEB) under Reservoir Operations; appropriate funding will be included in the Proposed FY12 CEB for the remaining term of the contract.

PURCHASE OF 18 CONTAMINANT WARNING STATIONS AND ASSOCIATED HARDWARE AND SOFTWARE: ADS ENVIRONMENTAL SERVICES, BID WRA-3090

The Board voted to approve the award of a purchase order contract for 18 contaminant warning stations and associated hardware and software for MWRA’s water distribution system to the lowest eligible and responsible bidder, ADS Environmental Services, a division of ADS LLC, and to authorize the Director of Administration and Finance, on behalf of the Authority, to execute and deliver said purchase order contract in an amount not to exceed \$1,180,631.00.

Building on the lessons learned from the deployment of MWRA’s first-generation monitoring system and the need for a more comprehensive contaminant monitoring network with automated event detection capabilities, staff commenced the detailed process of developing a specification that, consistent with EPA’s guidance, would incorporate monitoring for potential organic contaminants in conjunction with a conventional sensor analyzer array.

After researching available technologies and analyzing MWRA’s water distribution system, staff determined that to ensure maximum protection, MWRA’s system should be an 18-station, stand-alone system with complete data collection and data processing capabilities, and event detection software. The specified system should also be capable of expansion to include additional MWRA location in the future, if necessary. The recommended system will increase by eight the number of stations currently monitored. Staff plan to distribute

these additional stations among the major water pressure service zones and will choose from existing MWRA facilities served by municipal water systems to the extent possible.

The FY11 CIP budget includes \$6.2 million for security equipment and installation, with a balance remaining of \$1.5 million. There are adequate funds remaining to support this contract. The work is expected to be completed in FY12.

Mr. Laskey stated that this is a significant program for the MWRA in the post-9/11 era. The Working Group has been working on this for an extended period of time.

INFORMATION

DELEGATED AUTHORITY REPORT – JUNE 2010

Staff presented a listing of actions taken by the Executive Director under delegated authority for the period June 1 through June 30, 2010.

Mr. Laskey said the expenditures in this category are partly for the “annual catch up” and the other part is that there is a tight budget this year. Mr. Laskey directed staff to buy items at the end of the year to help ease the burden in FY11.

Board Member James Hunt III noted that one item is the rebuild of a “Muffin Monster”; what is that? Mr. Hornbrook said a Muffin Monster is a grinder used in a wastewater pump station that grinds solid materials and puts it back into the flow.

Mr. Walsh asked about another item purchased – an HP Blade System. Acting MIS Director Joseph Barrett said the HP Blade System helps to reduce the number of servers needed and can run multiple applications off of the same server; it is a way to “virtualize” machines by taking key mission systems and putting them all on one machine.

Mr. Hunt asked about the award of an Aquatic Invasive Species (AIS) Macrophyte Survey Update. Mr. Hornbrook stated that this award is a continuation of previous surveys established in 2006/2007 to see if there is a continuation of AIS, such as the water chestnut issue and the Sudbury Reservoir annual control program for milfoil and fanwort. This update will give staff a baseline to know if the MWRA is winning or losing the war on AIS.

Mr. Barrera asked if the Quabbin Program was a success. Mr. Hornbrook replied in the affirmative; no boats have tried to get into the Quabbin with broken tags – the fishermen have accepted the program. There are 600+ boats that are Quabbin only.

Mr. Hornbrook stated that DCR has contracted with a couple of privately owned car washes; some MWRA staff audit the process.

Mr. Barrera asked if any new tags issued will be at the boat owner’s expense. Mr. Hornbrook said yes. Mr. Laskey said other than an outright ban, the program has been working well.

Mr. Pappastergion asked how the MWRA can justify using surplus funds to make year-end purchases if they were not budgeted for. Wouldn’t the MWRA be better off putting it into rate stabilization funds? Mr. Laskey said the purchases were scheduled for this year or next year. Director of Administration and Finance Rachel Madden said the majority of the purchases were scheduled for FY10.

Board Member Joseph Foti said he objects to this type of spending in his community, stating that his philosophy is that you don’t spend money just to spend it; it looks bad.

Mr. Pappastergion said some of these purchases cannot be last minute decisions. Ms. Madden said there were some unique circumstances this year that distracted staff from getting these purchases done. Mr. Laskey said it is a point well taken because it creates a perception; however, these purchases were planned.

UPDATE ON STAFFING AND RETIREMENTS

Director of Human Resources Robert Donnelly said in September 2009 the Board approved participation in the Commonwealth's Healthcare Contribution Program, which afforded eligible employees the ability to maintain their share of health care premiums at 15%. As reported in February, this program resulted in a total of 20 retirements. A total of 11 positions vacated and will not be backfilled. A total of seven positions have been backfilled while two positions are in the process of recruitment and selection. Management continues to review and monitor all vacancies to ensure the Authority effectively manages its vacancies to the FY11 target of 1,216. It is anticipated that current postings will bring the headcount to the FY11 target of 1,216. The current headcount stands at 1,208.

Estimated annual savings resulting from this program now total \$961,706.

Mr. Barrera said taking out the monetary payment and including the healthcare payment saved nearly \$1 million.

Mr. Carroll asked if there has been any forward movement on the Personnel Study suggested by the Advisory Board's three representatives to the Board. Mr. Donnelly said he has a team working on the scope of the study and will be selecting a Selection Committee. Mr. Laskey added that a sub-committee will get together at some point in August to go over staff's recommendations. Staff will "rough out" what it believes the Board wants.

Board Member Vincent Mannering said once a year the Boston Water and Sewer Commission sends out a letter to its employees showing their actual compensation package, including the benefits package they receive. Does the MWRA do anything similar? Mr. Donnelly replied in the negative. Mr. Laskey added that the Group Insurance Commission sends a letter once a year detailing what their insurance costs and the benefits they receive. Mr. Barrera said a letter that notifies employees of their total compensation package is a good idea.

CORRESPONDENCE TO THE BOARD

LETTER FROM THE SERVICE EMPLOYEES INTERNATIONAL UNION

The Board of Directors received a letter from Local 615 of the Service Employees International Union (SEIU) requesting to speak to the Board in regard to a bid for security services at the MWRA's Charlestown headquarters, Deer Island, and water treatment facilities in Chelsea and Clinton. Mr. Hunt noted that this item has been tabled.

Mr. Laskey stated that the current vendor providing security services has agreed to extend the contract through September, or perhaps December, while decisions are made. Ms. Madden added that the low-bidder has agreed to hold prices for six months.

Mr. Hunt said his recollection was that the item would be tabled until information was received from the Secretary of Labor; this should be an administration decision.

Mr. Foti asked how long the MWRA is allowed to extend a contract for under the bidding laws. Board Member Michael Gove said there is an option to extend for two years. Mr. Foti said the MWRA went out to bid because it could get better pricing. Mr. Gove said it is not an even comparison because there are changes to the services provided.

Mr. Carroll said the Board authorizes the Executive Director to respond to this letter.

Mr. Hornbrook said staff is scheduled to meet with SEIU next week.

Mr. Laskey stated that the MWRA put out a Request for Proposals and received a letter from the SEIU with a list of companies and said that we should require health benefits. Four union companies responded to the bid and qualified for second level. The low bidder provides health benefits; however, the SEIU says those health benefits are not good enough. Now a special commission is looking at whether it should be policy under a greater state umbrella to include health insurance.

Mr. Barrera stated that he agreed with SEIU's position; this Board could override and do so. MWRA did not want to be on the cutting edge of setting or not setting this policy. Mr. Laskey said the MWRA was front and center on the flagger issue; this is another potential hot button issue.

Mr. Hunt asked if MWRA has an implicit perception that the health insurance provided by the lowest bidder doesn't meet minimum standards of health insurance. Mr. Laskey said it is a tiered health plan with minimum coverage. Ms. Madden said the plan provides a certain threshold and then employees can buy blocks a la carte; the range in coverage is from \$23 per month to \$43 per month per individual. There is no such thing as you don't get any coverage until you get over \$10,000; once you exceeded that amount on your own, unless you buy higher coverage options.

Mr. Hunt asked how it would measure up with state law requirements – would they have to pay a fine or does it meet the requirements? Ms. Madden said they do meet the requirements in providers and insurers are certified by the Division of Insurance. It does meet the specifications of the law.

Mr. Barrera said that is the critical question; SEIU's argument is that they don't meet the minimum standard. Mr. Hunt said there have been a lot of inquiries and advocacy on this issue; while the implication is there, I don't think that SEIU has that knowledge.

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.