

**MWRA Board of Directors Meeting
December 14, 2011
Voting Summary Sheet**

Item Name	Type	Notes	Vote	Discussion Highlights	Attachments
Approval of Minutes	n/a	n/a	Unanimous		
Report of the Chair	n/a	n/a	n/a	*	
Report of the Executive Director	n/a	n/a	n/a	*	
Transmittal of Proposed Fiscal Year 2013 CIP to MWRA Advisory Board	Approval	Approved transmittal of Fiscal year 2013 CIP to the MWRA Advisory Board for 60-day review & comment period	Unanimous	*	
Appointment of Proxy for the Fore River Railroad Corporation	Approval	Approved Budget Director Kathy Soni as proxy MWRA Board of Directors approved the proxy to elect board members	Unanimous		
Appointment of Sr. Program Manager, Electrical, Deer Island Treatment Plant, Operations Division	Approval	Approved appointment of Christopher Mini at an annual salary of \$104,997.25	Unanimous		
Extension of Employment Contract, Maximo System Administrator	Approval	Approved the extension contract for Donna Smith Approved for a period of 1 year Not to exceed \$89,252.80	Unanimous		
Bond Counsel Services: McCarter & English, LLP, Contract F216	Contract Award	Approved the counsel services of McCarter & English Not to exceed \$1,495,500.00 for a term of 4 years	Unanimous	*	
Modeling Massachusetts Bay Water Quality (2011-2013): University of Massachusetts/Dartmouth, Contract S507	Contract Award	Approved Contract S507 Approved Contract amount of \$180,000 (to be matched by \$465,000 and in-kind services from UMass/Dartmouth for a term of 3 years	Unanimous		
Cooperative Research Project to Monitor Water Quality in Cape Cod Bay: Provincetown Center for Coastal, Contract S508	Contract Award	Approved Contract S508 in the amount of \$173,112 (match by 69,000 and in-kind services by Provincetown Center for Coastal studies for a term of 2 years	Unanimous		
North Dorchester Bay Pump Station & Force Main: Walsh Construction of IL, Contract 6245, Change Order 15	Contract Award/Change Orders	Approved the increase of Contract No. 6245 in the amount of \$346,639.69	Unanimous		
North Dorchester Bay Ventilation Building: P. Gioioso And Sons, Inc., Contract 7259, Change Order 3	Contract Award/Change Orders	Approved the increase of Contract No. 7259 for a lump sum amount of \$52,800.43	Unanimous		
Hultman Aqueduct Interconnections: Barletta Heavy Division, Inc., Contract 6975, Change Order 19	Contract Award/Change Orders	Approved the increase of Contract 6975 in an Amount not to exceed \$504,427 Decrease the term by 304 calendar days	Unanimous	*	
Delegated Authority	Information	N/A	N/A		
FY12 Financial Update and Summary as of November 2011	Information	Staff acknowledged that favorable financial trends have continued	N/A	*	
Progress of BWSC-Implemented CSO Project and Projected Financial Assistance through June 2012	Information	Staff plans a transfer of \$8,478,536.66 for BWSC CSO account	N/A	*	
Northern Intermediate High, Stoneham-Reading Connection: Albanese D&S, Inc., Contract 7261	Information	Discussion on excess pay for police details MWRA protested higher rates per hour but can't challenge it due to collective bargaining rights Construction at 75% completion	N/A	*	

■ Administration and Finance
 ■ Wastewater
 ■ Water
 ■ Personnel
 * Link to Advisory Board position



MWRA Advisory Board Discussion Highlights
of the
MWRA Board of Directors Meeting
Wednesday, December 14, 2011

- *Please note that this serves to highlight active discussion on agenda items at the Board of Directors meeting.*
- *Language directly from the staff summary is highlighted in grey, while discussion remains in plain text*
- *Please see the attached summary sheet for a complete list of Board actions.*
- *Detailed background information on each agenda item can be found in the Board of Directors packet available on our website at: www.mwraadvisoryboard.com.*

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on December 14, 2011 at the Charlestown Navy Yard. **Present:** Chair Rick Sullivan, Joel Barrera and Michael Gove, Gubernatorial Appointees; Andrew Pappastergion and Joseph Foti, Advisory Board Representatives; James Hunt III, Vincent Mannering and Kevin Cotter, City of Boston Representatives; Jack Walsh, City of Quincy Representative; Marie Turner, Town of Winthrop Representative. **Absent:** John Carroll, Advisory Board Representative

Report of the Chair

Chairman Rick Sullivan recognized John Vetere who received an award from the Commissioners Council, Inc. Mr. Vetere was recognized for his outstanding contributions, both professional and personal during his career at the MDC and MWRA. Mr. Sullivan congratulated him on this achievement.

Report of the Executive Director

MWRA Executive Director Fred Laskey recognized Board member John Carroll who was not present at the December meeting. Mr. Laskey and the Board acknowledged that Mr. Carroll had received a lifetime achievement award from The Boston Harbor Association.

Mr. Laskey explained that there has been some press regarding Mass Highway. The MWRA is in discussions with the Massachusetts Department of Transportation about a number of issues, including regulations. The one item that the MWRA is currently looking at is what impacts leaks and removal have on CSOs when it comes to compliance. The Authority is going to join the City of Boston pace program, which provides incentives through NSTAR and National Grid. The Authority will also be meeting with MAPC to discuss a program for utilization of open space.

APPROVALS

Transmittal of Proposed Fiscal Year 2013 Capital Improvement Program to MWRA Advisory Board

The Board voted to approve the transmittal of the Fiscal Year 2013 Capital Improvement Program to the MWRA Advisory Board for its 60-day review and comment period.

Budget Director Kathy Soni gave a presentation on the FY2012 Capital Improvement Program. Board member Joel Barrera stated that there have been band-aid approaches regarding the Tri-Town alternative. Chief Operating Officer Michael Hornbrook explained that this option would bring in a line near the South Shore Plaza and near the existing treatment plant and will give a nice loop of redundancy. However, this is an expensive alternative and dependent on the Tri-Town communities coming into the system. Mr. Laskey stated the loop of redundancy would provide strength in that area.

Mr. Hornbrook noted this would be an attraction to the Tri-Town as well as the former naval base area. Mr. Laskey stated that staff is in the process of setting up a meeting with Tri-Town communities to get a sense of what they want to do. Mr. Hornbrook stated that the Town of Braintree will be the biggest driver on this item. Mr. Barrera stated that Braintree is the town that wants to have their own system. Mr. Hornbrook explained that there is more risk with the single line but he expected great prices on construction costs at the present time. Board member Andrew Pappastergion asked if a single tank or multiple tanks would be needed with regard to the Tri-Town alternative. Mr. Hornbrook explained that the needs can be met with the larger tank but more capacity is needed down into the service system. Mr. Hornbrook stated that some of the options but staff will come back to the Board with more details after the Tri-town meeting.

Mr. Hornbrook explained that the Northern Intermediate High Redundancy alternative is a line that poses some risk; the towns would be without water for two hours if the line is lost. This is part of the Spot Pond Storage Tank that was going to be part of the larger plan in case of emergency. Mr. Laskey explained that this is also a driven by the discussion on mitigation. Mr. Hornbrook explained that the cost of the Headworks project has skyrocketed in the last few years. Basically, everything inside the shells of these buildings is outdated and needs to be replaced. The issue is whether or not to do all the work at once or sequence the work. Sequencing the project would enable the Authority to have lessons learned from the first upgrade in case something did not go as planned. There will probably be operational impacts during this project. Staff will be back with recommendations and also a site visit. Mr. Laskey also mentioned that this item has been transmitted to the Advisory Board for its review.

Appointment of Proxy for the Fore River Railroad Corporation

The Board, as holder of all voting rights of all the issued and outstanding shares of stock of the Fore River Railroad Corporation, voted to appoint Kathy Soni, with the power of substitution, to vote as proxy at the next annual meeting and any special meeting of the stockholders for the Fore River Railroad Corporation in accordance with the form of proxy presented and filed with the records of this meeting. In addition, the MWRA Board of Directors directs the proxy to elect the following Board members.

Frederick A. Laskey
Michael J. Hornbrook
Elizabeth A. Murray
Lisa R. Grollman

John J. Walsh
Rachel C. Madden
John P. Vetere

Joel A. Barrera
Michele S. Gillen
Steven A. Remsberg

Appointment of Sr. Program Manager, Electrical, Deer Island Treatment Plant, Operations Division

The Board voted to approve the Executive Director's recommendation to appoint Mr. Christopher Mini to the position of Sr. Program Manager, Electrical, Deer Island Treatment Plant, Operations Division (Grade 30, Unit 9) at an annual salary of \$104,997.25 to be effective on the date designated by the Executive Director.

Extension of Employment Contract, Maximo System Administrator, MIS Department, Administration & Finance Division

The Board voted to approve the extension of the employment contract for Ms. Donna Smith, Maximo System Administrator, MIS Department, Administration & Finance Division, for a period of one year at the current hourly rate of \$42.91, for an annual compensation not to exceed \$89,252.80.

CONTRACT AWARDS

Bond Counsel Services: McCarter & English, LLP, Contract F216

The Board voted to approve the recommendation of the Consultant Selection Committee to select McCarter & English, LLP to provide Bond Counsel services and to authorize the Executive Director, on behalf of the Authority, to execute Contract F216 with McCarter & English, LLP in an amount not to exceed \$1,495,500.00 for a term of four years from the Notice to Proceed.

Mr. Barrera asked why McCarter & English was charging a higher price than the other firms. Director of Administration and Finance Rachel Madden explained that it was very important to have the best and the brightest working on this with staff. While the total dollar value is slightly higher, the Authority is getting a higher percentage of partner time at approximately 66%. There is a higher caliber of attorneys working on this and the level of effort is greater. The MWRA knows that the staff the firm assigns; have dedicated the appropriate level of tax counsel and partner time. The MWRA is getting a much better value for its dollar. Given the level of need coming up for the MWRA in years ahead, it is worth it.

Board member Vincent Mannering asked if this amount will be exceeded. Ms. Madden explained that the costs are fixed and there is not any room for negotiation. Ms. Madden stated that part of the risk with hiring other firms is that the hourly rate is much more significant. It was going to take partner time and it would take a significantly higher rate for this work.

Board member Joseph Foti was concerned about the amount of hours it would take to complete this item; he asked how many hours would be involved. Ms. Madden explained that there was a benchmark set and staff made it very clear that tax counsel would need to be included. The firm was ultimately chosen based on its experience and how complex the task would be.

Modeling Massachusetts Bay Water Quality (2011-2013): University of Massachusetts /Dartmouth, Contract S507

The Board voted to approve the award of Contract No. S507, a sole source cooperative research contract with the University of Massachusetts/Dartmouth to conduct computer modeling of water quality in

Massachusetts Bay, and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the amount of \$180,000.00 (to be matched by \$465,000.00 in funding and in-kind services from UMass/Dartmouth) for a term of three years from the Notice to Proceed.

Cooperative Research Project to Monitor Water Quality in Cape Cod Bay: Provincetown Center for Coastal Studies, Contract S508

The Board voted to approve the award of Contract No. S508, a sole source cooperative research contract with the Provincetown Center for Coastal Studies to conduct water quality monitoring in Cape Cod Bay, and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the amount of \$173,112.00 (to be matched by \$69,000.00 in funding and in-kind services from the Provincetown Center for Coastal Studies) for a term of two years from the Notice to Proceed.

CONTRACT AMENDMENTS/CHANGE ORDERS

North Dorchester Bay Pump Station and Sewers: Walsh Construction Co., Contract 6245, 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. 6245 with Walsh Construction Co., North Dorchester Bay Pump Station and Sewers, for a net lump sum amount of \$346,639.69.

North Dorchester Bay Ventilation Building: P. Gioioso & Sons, Inc., Contract 7259, 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. 7259 with P. Gioioso & Sons, Inc., North Dorchester Bay Ventilation Building, for a net lump sum amount of \$52,800.43.

Hultman Aqueduct Interconnections: Barletta Heavy Division, Inc., Contract 6975, Change Order 19

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 19 to increase the amount of Contract No. 6975 with Barletta Heavy Division, Inc., Hultman Aqueduct Interconnections, in an amount not to exceed \$504,427.00 and decrease the term by 304 calendar days to May 31, 2013; and, further, to authorize the Executive Director to approve additional change orders as may be needed to Contract No. 6975 in amounts not to exceed the aggregate of \$250,000.00, in accordance with the Management Policies of the Board of Directors.

Mr. Hornbrook explained that there has been great progress made on this project and there is a change order seeking \$60,000 to avoid having the Hultman shut down during the summer in the Metro West system.

INFORMATION

Delegated Authority

No Discussion

FY12 Financial Update and Summary as of November 2011

Director of Administration and Finance Rachel Madden explained that favorable trends have continued to date. It was noted that debt service is \$6.3 million under budget, making up the larger portion of the Authority's surplus to date. One item staff flagged was the optional pension payment of \$1.9 million. Last year, the Authority had budgeted and planned to make an optional payment to the pension, however that was not achieved for FY11. In order to ensure a strong message in FY2012, it was included in the budget again. Also, as part of the January Board items, staff will come out with its first round of projections.

Board member Joseph Foti suggested it would be helpful for the Board to see what the year end will be, including defeasance. Advisory Board Executive Director Joseph Favaloro added that a surplus is misnamed. The Authority really doesn't have a surplus; there is a commitment to utilize funds to defease debt.

Ms. Madden explained that staff will not have this achieved until the next Board meeting. Ms. Madden also addressed some questions from the Board regarding overtime. There were significant events like wet weather, which contributed to more overtime pay. It was a very wet month in October and mostly at night. Mr. Hornbrook noted that the amount of tree damage in central Massachusetts was immense and specifically contributed to overtime.

Progress of BWSC –Implemented CSO Projects and Projected Financial Assistance through June 2012

Staff gave an overview of the Long-Term Combined Sewer Overflow (CSO) Control Plan that is funded by the MWRA and put forth by Boston Water and Sewer Commission (BWSC). Staff plans to transfer \$8,478,536.66 into the BWSC CSO account for anticipated eligible costs through June 2012.

Northern Intermediate High, Stoneham-Reading Connection: Albanese D&S, Inc., Contract 7261

Deputy Chief Operating Officer John Vetere discussed some of the issues with the Town of Stoneham. There was a contract awarded to Albanese Inc. for installing a short segment of pipe in Section 89. Albanese Inc. was allotted a certain amount of funds per hour for police details to handle the job. Once the contractor started the job, there were local police officers assigned to work the detail. This included officers from Stoneham, Reading and Wakefield. Under normal circumstances, there would be a \$47 overtime rate. There would be a 10% fee added to their pay plus an additional amount on top of that depending on the officer's rank and title. In addition, if the officer worked past midnight, they would be paid even more. The Contractor included the State Police rate of \$40/hour, and anything more in terms of working hours would be the MWRA's responsibility to cover the difference. The Town of Wakefield police officers were not being charged at the higher rate. However, there has now been some

conversation between the officers in other towns working on the detail and the Wakefield police are now having some higher ranking officers work in order to get compensated at the higher rate. By doing this, these higher ranking officers are taking home \$89.50 an hour.

Board member Joel Barrera suggested that the Board inform the Governor's office about this and put State Police on the job in order to teach these cities and towns a lesson. Mr. Barrera believed the Governor would not be pleased knowing that these officers are making almost \$90.00 an hour for signaling. Mr. Hornbrook explained that blasting is going on during this time, and the local police have historically had jurisdiction over this area so that is why local officers are needed.

Board member Andrew Pappastergion stated that if you have so many patrolmen and some are sergeants or lieutenants, they should be getting paid at the patrolman rate for this type of work. Mr. Hornbrook explained that these officers have collective bargaining rights that control their hourly rates. Mr. Hornbrook stated that the Authority went on record and protested the higher rates being attained by the towns; however, the Authority can't challenge it. Mr. Vetere explained that the job is 75% complete. General Counsel Steven Remsberg explained that there is a statute that towns can't assess a 10% bump on top of the rates for state work. Towns have an incentive to keep the rates down but not really that much when it comes to private details. The rates for that detail are the same for a public entity like the Authority.

Mr. Hornbrook explained that in addition to the police issue, there have been a significant number of change orders, which is now up to \$1 million dollars. Mr. Vetere stated that the primary location along Route 28 was once the main cap for traffic. Staff has found numerous utilities marked incorrectly on the document. Staff has also discovered much more rock and has had to do more blasting. This is a \$2.1 million job. Other issues that have come up regarding Route 28 have been asbestos and finding concrete that wasn't on the plan so this increased costs. Additionally, gas lines have been discovered in an area that they were not supposed to be and it was much more expensive as a result. This project provides redundancy to Stoneham and Reading. The change orders will be presented in January and will cost about \$1 million and then an additional \$250,000 for police details.