

**MWRA Board of Directors Meeting
March 14, 2012
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	*	
Amendments to Capital Finance Management Policy	Approval	Adopted amendment including the inclusion of a Post Issuance Compliance Guide regarding the Use of Tax-Exempt Bond Financed Property and Proceeds	Unanimous		
Final CSO Annual Progress Report 2011	Approval	Approval by Board to authorize staff to submit CSO Annual Progress Report 2011	Unanimous		
PCR Amendments-March 2012	Approval	Grade and title change = \$1,913	Unanimous		
Extension of Employment Contract, Senior Engineering Aide, Operations Engineering	Approval	1 year extension Hourly rate of \$25.28 Not to exceed annual compensation of \$45,504.00	Unanimous		
Alewife Brook CSO Improvements Design, Construction Administration and Resident Inspection Services: Fay, Spofford & Thorndike, Contract 2952	Contract Award	Not to exceed \$1,456,244.00 for a term of 53 months	Unanimous		
Brookline Overflow Conduit/MWR010 CSO Cleaning: National Water Main Cleaning Company, Contract 7077C	Contract Award	Amount of \$1,134,890.00 Term of 183 calendar days	Unanimous		
Aeration Efficiency Improvement-Clinton Wastewater Treatment Plant: R. H. White Construction Co., Inc. Contract 7278	Contract Award	Bid amount of \$1,840,000.00 Term of 365 calendar days	Unanimous		
Ultraviolet Disinfection Facilities, Carroll Water Treatment Plant: Daniel O'Connell's Sons, Inc., Contract 6924, Change Order 4	Contract Amendments/Change Orders	Increase amount of contract Not to exceed \$91,782.93	Unanimous		
Delegated Authority Report-February 2012	Information	n/a	n/a	*	
2011 Annual Update on New Connections to the MWRA System	Information	More meetings have occurred with Ashland and North Reading, possibility of coming in the MWRA water system	n/a	*	
FY12 Financial Update and Summary as of February 2012	Information	Year-to-date expenses are lower than budgeted by \$2.7 million On CIP side, greater than budgeted spending thru January, however in February, now back on schedule	n/a	*	*
MIS Five Year Strategic Plan	Information	Presentation made on five-year Information Technology Strategic Plan	n/a	*	
I/I Local Financial Assistance Program Update	Information	43 communities participated in MWRA's \$260.75 million Infiltration/Inflow Local Financial Assistance (grant/loan) Program.	n/a	*	
Local Pipeline and Water System Assistance Program Update	Information	37 of 45 communities participated in Program thru March of 2012, \$216 million interest-free loans distributed to finance 258 projects	n/a	*	
Draft Policy and Guidelines for Authorized Public Access to Water Supply Lands under the Care and Control of MWRA	Information	MWRA staff charged with preparing draft guidelines under which such lands could be made available to communities for public use	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, March 14, 2012

- *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.*
- *PowerPoint presentations made to the Board of Directors have been included in the February Discussion Highlights*

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on March 14, 2012 at the Waterworks Museum in Boston. **Present:** Chair Rick Sullivan, Joel Barrera and Michael Gove, Gubernatorial Appointees; John Carroll, Andrew Pappastergion and Joseph Foti, Advisory Board Representatives; Kevin Cotter, James Hunt III, City of Boston Representatives; Jack Walsh, City of Quincy Representative; **Absent:** Vincent Mannering, City of Boston Representative; Marie Turner, Town of Winthrop Representative.

Report of the Chair

Chairman Richard Sullivan stated that he along with others, have been patiently waiting for the report on Forestry by Dr. Barten. Mr. Sullivan admitted that he had hoped that the report would be completed by the March Board meeting but unfortunately, that is not the case. He acknowledged that this report should not be taking this long to be completed. The Chairman stated that he understood that Advisory Board's patience has run thin, as has EOEEA's. He stated that there will be a discussion with Dr. Barten and a plan in place to handle this by the next meeting.

Report of the Executive Director

Executive Director Fred Laskey introduced and welcomed the new MWRA Public Affairs Director Kevin McCluskey.

Mr. Laskey talked about the new requirements that the Board of Directors found counterintuitive regarding new government requirements coming out of the Crosby Report. MWRA General Counsel Steve Remsberg explained that the initial advice was a little unusual. Mr. Remsberg stated that if the Board wishes, they can ultimately ask management to step out during the management compensation section. The Board has the authority to make that decision. Board member Joel Barrera stated that it has been done differently in prior years. Board member John Carroll did not think it made sense to have everyone present to talk about

executive salaries except the executives. Mr. Remsberg stated that he would look at the statute further to determine if this is the appropriate course of action when discussing executive salaries.

Mr. Laskey also discussed the Charlestown wind turbine. Basically, the turbine has settled and the designer is now trying to determine how to proceed. There was a decision made by the engineers to restart the turbine at a lower wind speed at 25 MPH as soon as today and then a permanent fix will also be determined. A ring will be put around the foundation of the turbine with pilings; this will be a different type of pilings than the ones already there. The turbine is also still under warranty so the Authority is not paying for these repairs. Engineers are conceding that their design has failed.

Board member Andrew Pappastergion asked why they don't wait before the turbine is started up again. Deputy Chief Operating Officer John Vetere explained that starting it up right away will give the Authority more information about the existing conditions. There is a governor that will turn it off at speeds over 25 MPH.

Mr. Laskey explained that there is an ongoing experiment with the iPads that have been handed out to some of the members of the Board of Directors. Mr. Laskey explained that some of the kinks have been worked out and at the next meeting or so, there will be an opportunity offered to the entire Board to use them. There was positive feedback by some of the members on the use of iPads. Mr. Barrera stated that it saves paper by not having to print the entire Board packet.

APPROVALS

Amendments to Capital Finance Management Policy

The Board voted to adopt the amendments to the Capital Finance Management Policy, in compliance with the Finance Advisory Board's regulations (976 CMR 2.04), including a Post Issuance Compliance Guide Regarding the Use of Tax-Exempt Bond Financed Property and Proceeds, substantially in the form presented and filed with the records of the meeting.

Final CSO Annual Progress Report 2011

The Board voted to authorize staff to submit the Combined Sewer Overflow Annual Progress Report 2011, as presented and filed with records of the meeting, to the Federal District Court by March 15, 2012, in compliance with Schedule Seven of the Boston Harbor Case.

Draft Policy and Guidelines for Authorized Public Access to Water Supply Lands under the Care and Control of MWRA

The Board voted to approve the draft Policy and Guidelines for Authorized Public Access to Water Supply Lands under the Care and Control of MWRA, as presented and filed with the records of the meeting and subsequently amended, for the purpose of authorizing the Executive Director and/or designee to enter into revocable agreements with local communities, public agencies and/or designee to enter into revocable agreements with local communities, public agencies and/or non-profits to allow certain limited public access activities to be permitted on MWRA-controlled water supply lands, consistent with good water supply practices, subject to the conditions as to each such permit granted that: (i) the permittee submit a plan of intended uses, (ii) the permit impose no costs upon MWRA-all such costs, in any, to be borne by the

permittee, and (iii) MWRA retains reasonable control and oversight of any and all activities of permittee, including advance notice of and approval of any activities which could affect MWRA's exposure to legal liability and/or its responsibilities for care, custody and control of the premises, including clearing of trees.

PCR Amendments-March 2012

The Board voted to approve an amendment to the Position Control Register, as presented and filed with the records of the meeting.

Extension of Employment Contract, Senior Engineering Aide, Operations Engineering

The Board voted to approve the extension of the employment contract for Mr. William Slavin, Senior Engineering Aide, Operations Engineering, for a period of one year, from March 16, 2012 to March 15, 2013 at the current hourly rate of \$25.28, for an annual compensation not to exceed \$45,504.00.

CONTRACT AWARDS

Alewife Brook CSO Improvements Design, Construction Administration and Resident Inspection Services: Fay, Spofford & Thorndike, LLC, Contract 6952

The Board voted to approve the recommendation of the Consultant Selection Committee to select Fay, Spofford & Thorndike, LLC to provide design, construction administration and resident engineering services for the Alewife Brook CSO Improvements, and to authorize the Executive Director, on behalf of the Authority, to execute Contract 6952 with Fay, Spofford & Thorndike, LLC in an amount not to exceed \$1,456,244.00 for a term of 53 months from the Notice of Proceed.

Brookline Overflow Conduit/MWR010 CSO Cleaning: National Water Main Cleaning Company, Contract 7077C

The Board voted to approve the award of Contract No. 7077C, Brookline Overflow Conduit/MWR010 CSO Cleaning, to the lowest eligible and responsible bidder, National Water Main Cleaning Company, and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$1,134,890.70 for a term of 183 calendar days from the Notice to Proceed.

Aeration Efficiency Improvement-Clinton Wastewater Treatment Plant: R.H. White Construction Co., Inc., Contract 7278

The Board voted to approve the award of Contract No. 7278, Aeration Efficiency Improvement – Clinton Wastewater Treatment Plant, to the lowest eligible and responsible bidder, R.H. White Construction Co., Inc., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$1,840,000.00 for a term of 365 calendar days from the Notice to Proceed.

Upper Hultman Aqueduct Interconnections: Barletta Engineering Corp., Contract 6205

The Board voted to approve the award of Contract 6205, Hultman Aqueduct Interconnections, to the lowest responsible and eligible bidder, Barletta Engineering Corp., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$5,763,850, with a contract term of 440 calendar days from the Notice to Proceed.

CONTRACT AMENDMENTS/CHANGE ORDERS

Ultraviolet Disinfection Facilities, Carroll Water Treatment Plant: Daniel O'Connell's Sons, Inc., Contract 6924, Change Order 4 (ref. W D. 1)

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 4 to increase the amount of Contract No. 6924 with Daniel O'Connell's Sons, Inc., Ultraviolet Disinfection Facilities, Carroll Water Treatment Plant, in an amount not to exceed \$91,782.93; and to authorize the Executive Director to approve additional change orders as may be needed to Contract No. 6924 in amounts not to exceed the aggregate of \$250,000.00, accordance with the Management Policies of the Board of Directors.

INFORMATION

Delegated Authority Report-February 2012

Mr. Laskey explained that the security equipment through the metropolitan area is critical for water and wastewater in an answer to a contract with security equipment maintenance and repair securities. This includes intrusion alarms, motion detectors, surveillance cameras, etc. Mr. Laskey explained that there are cameras at all MWRA facilities. Chief Operating Officer Michael Hornbrook explained that some of the older facilities have recently been renovated and the cameras will be updated.

Mr. Barrera asked if the Authority ever received federal dollars for this. Mr. Laskey explained that the Authority received federal money for the new entrance at Deer Island Treatment Plant. It was noted that the Authority did get federal homeland security funds for the installation of equipment, but this contract is for maintenance. Budget Director Kathy Soni explained that there were funds for mobile lab equipment. Mr. Barrera stated that he knew there was money out there so that is why he was asking the question.

2011 Annual Update on New Connections to the MWRA System

Manager of Policy and Planning Pam Heidell stated that 2011 was uneventful and she hoped the new year would be more eventful with regard to system expansion. There will be a request next month to the Board for a sewer connection. There is new land for a new building that is being renovated. On the water side, hoping there will be more to report with Ashland and North Reading. These two towns have been engaged in conversation with the MWRA in order to determine how their communities might possibly come into the system. The towns are working with adjacent communities and MWRA staff on it. Ms. Heidell also explained that there continues to be communication with the Tri-Town area. Staff is providing whatever information they need with the hope they will come on board.

Mr. Laskey explained that there were meetings with the tri-town communities, and our position as of late is that we could end up in a disagreement about costs on dredging, resources, etc. We could get into a public debate of who is right on this topic. That could possibly put us in a better position. Mr. Laskey stated that we must let the chips fall where they may. The other piece is the South Weymouth Air force is looking for water and economic development opportunities. There are discussions that are continuing to unfold. There is also the situation up in North Reading and a discussion with North Andover as well. There is a strong possibility for the North Reading sewer connection which will help with a corridor up Route 93 to North Andover for economic development opportunities. The other piece to the puzzle, Ashland does not have a direct connection to us. Ashland believes that the fee they are being charged is being prohibited. That is an issue that may arise.

FY12 Financial Update and Summary as of February 2012

Director of Administration and Finance Rachel Madden explained that the total year-to-date expenses are lower than budgeted by \$2.7 million, mainly due to lower direct expenses of \$2.2 million, indirect expenses of \$505,000, and higher total non-rate revenues of \$1.4 million for a net variance of \$4.1 million. Ms. Madden highlighted that on the CIP side, there had been greater than budgeted spending through January, however, as of the month of February, we are now back on schedule.

Mr. Carroll stated that on attachment number four of the Financial Update and Summary, there was a projection of a deficit, not a surplus. Ms. Madden explained that the bottom number of the attachment explains a surplus. The total expenses are expected to be associated with under spending, which is a surplus.

Mr. Barrera stated that assuming these trends continue, what staff is planning to do regarding retiree health coverage benefits. Ms. Madden explained that staff has put OPEB into the pension fund to pay down that liability. Staff is also recommending that the Board increase the size of the defeasance to prepare for the more troublesome years in FY15, FY16, etc. Mr. Barrera asked if that is what the Long-Term Rates Management Committee is going to look at. Ms. Madden responded in the affirmative. Board member Joseph Foti asked what is going on at Deer Island regarding auxiliaries. Mr. Hornbrook explained it is a capital project and meters are being installed to get a reading so it can get fixed faster. Mr. Vetere explained that the water is not clean enough to bury lubricants; the bearings would be replaced a lot quicker if processed water was used.

MIS Five-Year Strategic Plan

Staff made a presentation on the five-year Information Technology (IT) Strategic Plan. The consultant explained that one of the recommendations was to reorganize and realign the MIS department to provide better service and efficiency to the entire agency. Mr. Carroll asked what the problem is with trying to solve realignment because it was not shown adequately in the presentation. Ms. Madden apologized and stated that this is just a preliminary look at what would be recommended from the consultant's point of view, not a comparison of the structure of the department as it exists, or staff's final recommendation to the Board. Mr. Laskey agreed that the consultants gave this recommendation to us as an independent look. Mr. Carroll asked if this realignment means that something would be changed. He stated that he did not understand what is being done. Ms. Madden explained that staff wanted MIS to provide the best services and based on observation, staff thought this would work best at handling it. Mr. Carroll stated that if an RFP was done, he believed this would work but the information provided states something had been done incorrectly in the past. Ms. Madden stated that staff was not as efficient as it should have been, coordinating is huge and that is something staff will work on.

Mr. Barrera stated that the bottom line is that this has not been an area of strength for the MWRA in the past. He explained that he did find the final report useful. Mr. Barrera stated that he knew that managing a 60-person agency is difficult so he can imagine how difficult it is with the number of employees the Authority has when it comes to an MIS issue. Ms. Madden explained that this is setting a path for us so staff will have a strategy going forward. Board member Andrew Pappastergion stated that members want to see how the consultants interface with this and what needs to be done going forward. Ms. Madden responded that staff definitely needs to come back to the Board and make a recommendation to move forward.

Mr. Barrera stated that staff should sketch out how the MWRA could be better at performance management. MIS Director Russell Murray explained that a lot of what you get for information is on paper and more automated tools can be used to compile the raw data. Mr. Barrera stated that he did not see a lot of maps in board packets and wondered what MWRA's GIS capability is. Mr. Murray explained that there was an opportunity for improvement in the level of use, not technical capabilities. The other thing that staff noticed is that existing capabilities have the ability to pull the reports needed. Mr. Murray explained the MWRA's use of GIS has state of the art capabilities and that is why maps are not as big a part of the Board pack. Lastly, the mobile component is something to be given to every employee in order to do their job wherever they are.

Mr. Foti acknowledged that staff has worked on this for quite some time and wondered based on their analysis, by taking out the schedule on this, does staff agree with this 100%. Mr. Murray stated no, not 100%. Mr. Foti stated that we have to rely on Mr. Murray for that, we are not there every day and neither are the consultants. Mr. Murray stated that if this was approved, the processes are in place. Staff has gone through an extensive process in order to make all of this happen. Staff is going to try to accomplish as much as possible over the next five years and acknowledges that it will be a challenge. This is not just an IT issue; this plan has been commissioned and managed by the MWRA. Mr. Murray believed it is a realistic plan if this is the direction the Board wants to take. Mr. Carroll asked which of the three applications is an industry leader. Why look at GIS or any one of them? Mr. Murray explained some are doable in five years. Mr. Carroll asked if the MWRA should be the leader in everything. Mr. Murray responded no but that the Board ultimately determines that. Staff summarized the strategic plan in details, what the strategies are, etc. Staff then came back and went through a ranking process based on that; if the MWRA does what is being proposed, then this project will move far. Mr. Carroll stated that he assumed there was a dollar value to every one of these improvements. Mr. Murray responded yes. He stated that investments have already been made in some of these areas to that level in order to achieve industry standards.

If you are interested in viewing the MIS PowerPoint presentation in its entirety, please click [here](#).

I/I Local Financial Assistance Program Update

Mr. Hornbrook explained that all 43 sewer communities have participated in MWRA's \$260.75 million Infiltration/Inflow Local Financial Assistance (grant/loan) Program. Through the February 2012 distribution, a total of \$214 million has been distributed to member communities to fund 420 local sewer rehabilitation projects. Community loans are repaid to MWRA over a five-year period. All scheduled community loan repayments have been made, a total of nearly \$110 million. Fifteen communities have received their entire funding allocation.

Mr. Hornbrook stated that there are \$22 million in loans and \$18 million in grants. The sunset provision was recommended by the MWRA Advisory Board and approved by the Board of Directors. Staff is looking very closely at those communities in danger of losing funding due to this sunset provision to make sure they do not lose this opportunity. When Phase VIII comes up, staff will extend it an additional three years.

Local Pipeline and Water System Assistance Program Update

Mr. Hornbrook explained that 37 of the 45 eligible member water communities have participated in MWRA's \$467 million Local Water Pipeline and Water System Assistance Program. Through March 2012, \$216 million in interest-free loans has been distributed to member communities to finance 258 projects that will help maintain high water quality in local distribution systems. These community loans are repaid over a period of ten years.

Mr. Laskey stated that the MWRA and Advisory Board staff have had meet and greets with the new mayors in the MWRA service area communities. All of these communities had second phase funds. In phase 2, there is a small expansion of eligibility, allowing funds to be spent on things like meters and booster stations. Everything in phase 1 is primarily a cleaning and lining of pipe phase.

Draft Policy and Guidelines for Authorized Public Access to Water Supply Lands under the Care and Control of MWRA

Mr. Hornbrook explained that at the November 16, 2011 Board of Directors meeting, Secretary Sullivan announced the formation of a Public Access Committee to review the possibility of opening up certain Water Supply Lands, particularly along aqueducts no longer in active service, for public use as trails. Board members Joel Barrera, James Hunt and Jack Walsh volunteered to participate on the committee, with participation from Executive Office of Energy and Environmental Affairs and MWRA staff.

MWRA staff was charged with preparing draft guidelines under which such lands could be made available to neighboring communities for public use, while ensuring the continued protection of these lands.

ATTACHMENT 1

	February 2012 Year-to-Date					
	Period 8 YTD Budget	Period 8 YTD Actual	Period 8 YTD Variance	%	FY12 Approved	% Expended
EXPENSES						
WAGES AND SALARIES	\$ 57,211,336	\$ 56,792,220	\$ (419,116)	-0.7%	\$ 90,319,013	62.9%
OVERTIME	2,335,804	2,302,908	(32,896)	-1.4%	3,508,630	65.6%
FRINGE BENEFITS	11,891,105	11,751,332	(139,773)	-1.2%	17,954,076	65.5%
WORKERS' COMPENSATION	1,400,000	939,790	(460,210)	-32.9%	2,100,000	44.8%
CHEMICALS	6,074,329	6,029,828	(44,501)	-0.7%	9,047,275	66.6%
ENERGY AND UTILITIES	14,868,248	15,209,803	341,555	2.3%	22,654,931	67.1%
MAINTENANCE	17,637,503	16,281,588	(1,355,915)	-7.7%	29,470,020	55.2%
TRAINING AND MEETINGS	121,744	75,222	(46,522)	-38.2%	251,550	29.9%
PROFESSIONAL SERVICES	3,598,814	3,337,647	(261,167)	-7.3%	5,892,441	56.6%
OTHER MATERIALS	2,190,179	2,151,833	(38,346)	-1.8%	4,765,483	45.2%
OTHER SERVICES	15,001,242	15,231,068	229,826	1.5%	23,323,074	65.3%
TOTAL DIRECT EXPENSES	\$ 132,330,304	\$ 130,103,239	\$ (2,227,064)	-1.7%	\$ 209,286,493	62.2%
INSURANCE	\$ 1,538,566	\$ 1,304,568	\$ (233,998)	-15.2%	\$ 2,285,870	57.1%
WATERSHED/PILOT	17,214,800	17,080,223	(134,577)	-0.8%	25,576,274	66.8%
BECo PAYMENT	2,529,835	2,393,770	(136,065)	-5.4%	3,965,500	60.4%
MITIGATION	1,028,933	1,005,967	(22,966)	-2.2%	1,528,700	65.8%
ADDITIONS TO RESERVES	131,564	131,564	-	0.0%	195,467	67.3%
RETIREMENT FUND	7,340,438	7,363,170	22,732	0.3%	7,340,438	100.3%
POST EMPLOYEE BENEFITS	-	-	-	---	-	---
TOTAL INDIRECT EXPENSES	\$ 29,784,136	\$ 29,279,262	\$ (504,874)	-1.7%	\$ 40,892,249	71.6%
DEBT SERVICE	\$ 242,029,241	\$ 242,029,241	\$ -	0.0%	\$ 367,979,918	65.8%
DEBT SERVICE ASSISTANCE	(235,577)	(235,577)	-	0.0%	-	---
TOTAL DEBT SERVICE	\$ 241,793,664	\$ 241,793,664	\$ -	0.0%	\$ 367,979,918	65.8%
TOTAL EXPENSES	\$ 403,908,104	\$ 401,176,165	\$ (2,731,939)	-0.7%	\$ 618,158,660	64.9%
REVENUE & INCOME						
RATE REVENUE	\$ 396,913,461	\$ 396,913,461	\$ -	0.0%	\$ 589,700,000	67.3%
OTHER USER CHARGES	4,793,168	4,899,782	106,614	2.2%	7,142,495	68.6%
OTHER REVENUE	3,433,192	4,202,432	769,240	22.4%	4,872,342	86.3%
RATE STABILIZATION	734,852	734,852	-	0.0%	1,091,780	67.3%
INVESTMENT INCOME	10,087,527	10,627,263	539,736	5.4%	15,352,043	69.2%
TOTAL REVENUE & INCOME	\$ 415,962,200	\$ 417,377,791	\$ 1,415,591	0.3%	\$ 618,158,660	67.5%