

**MWRA Board of Directors Meeting
September 17, 2014
Voting Summary Sheet**

Item Name	Type	Notes	Vote	Discussion Highlights
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	*
Approval of the Sixty-Eighth Supplemental Resolution	Approval	<ul style="list-style-type: none"> Adopted 68th supplemental resolution authorizing issuance of up to \$315,000,000 of MWRA General Revenue Bonds and MWRA General Revenue Refunding Bonds and the supporting issuance resolution 	Unanimous	*
Recommendation to Rename the Ware Disinfection Facility the William A. Brutsch Water Treatment Facility	Approval	<ul style="list-style-type: none"> Please see related Staff Summary 	Unanimous	*
PCR Amendments – September 2014	Approval	<ul style="list-style-type: none"> 1 New position added – HVAC Specialist Estimated Annual Impact: -\$8,988 - \$8,987 	Unanimous	
Appointment of Superintendent, Clinton Advanced Wastewater Treatment	Approval	<ul style="list-style-type: none"> Appointed: Mr. Robert E. Gorham Salary: \$114,699.25 (Non Union, Grade 12) Effective: September 20, 2014 	Unanimous	
Appointment of Program Manager, Process Monitoring, Deer Island	Approval	<ul style="list-style-type: none"> Appointed: Ms. Lisa L. Wong Salary: \$100,808.66 (Unit 9, Grade 29) Effective: September 20, 2014 	Unanimous	
Appointment of Project Manager, Process Control, Deer Island	Approval	<ul style="list-style-type: none"> Appointed: Mr. Timothy Beaulieu Salary: \$93,955.64 (Unit 9, Grade 25) Effective: September 20, 2014 	Unanimous	
Appointment of Senior Staff Engineer, Structural	Approval	<ul style="list-style-type: none"> Appointed: Ms. Andrea K. Adams Salary: \$93,955.68 (Unit 9, Grade 25) Effective: Date designated by Exec Director 	Unanimous	
Appointment of Project Manager, Environmental Data	Approval	<ul style="list-style-type: none"> Appointed: Ms. Fang Yu Salary: \$86,332.00 (Unit 9, Grade 25) Effective: September 20, 2014 	Unanimous	
Appointment of Manager, Western Maintenance	Approval	<ul style="list-style-type: none"> Appointed: Mr. Eben A. Nash Salary: \$123,252.47 (Non-Union, Grade 14) Effective: September 20, 2014 	Unanimous	
Appointment of Manager, IT Security, Architecture and Engineering	Approval	<ul style="list-style-type: none"> Appointed: Ms. Paula Weadick Salary: \$123,252.00 (Non-Union, Grade 14) Effective: Date designated by Exec Director 	Unanimous	*
eDiscovery Technical Consulting Services, Bid WRA-3869Q, State Blanket Contract ITS53 Cat2b	Contract Award	<ul style="list-style-type: none"> Awarded: PeopleSERVE PRS, Inc. Purchase Order Contract Amount: Not to exceed \$156,160 	Unanimous	*
Struvite, Scum, Sludge and Grit Removal Services at the Deer Island Treatment Plant, Contract WRA-3862	Contract Award	<ul style="list-style-type: none"> Awarded: Moran Environmental Recovery Two-Year Purchase Order Contract Amount: Not to exceed \$929,025 	Unanimous	*
Deer Island Treatment Plant Clarifier Rehabilitation, Phase II, Design/Engineering Services During Construction, Contract 7394	Contract Award	<ul style="list-style-type: none"> Awarded: CDM Smith, Inc. Amount: Not-to-exceed \$2,237,401 Term: 81 months from NTP 	Unanimous	*
Beacon Street Line Water Pipeline Repair, Contract 7474	Contract Award	<ul style="list-style-type: none"> Awarded: Green International Affiliates, Inc. for Design, Construction Administration and Resident Inspection Services Amount: \$425,440 Term: 930 calendar days from NTP 	Unanimous	*
Dental Insurance: Contract A591, Amendment 1	Contract Amendment/Change Order	<ul style="list-style-type: none"> Exercised first option to renew and increase contract with Delta Dental of Massachusetts Amount: \$336,000 Term: Extended 12 months, from January 1, 2015 to December 31, 2015 	Unanimous	*
Agency-Wide Technical Assistance Consulting Services, Fay, Spofford & Thorndike, LLC, Contract 7437, Amendment 1; and Hazen and Sawyer, P.C., Contract 7456, Amendment 1	Contract Amendment/Change Order	<ul style="list-style-type: none"> Approved two separate amendments for Contracts 7437 and 7456 Each contract not to exceed \$550,000 Each contract extended one year 	Unanimous	
Spot Pond Water Storage Facility Design/Build Project, Walsh Construction Co., Contract 6457, Change Order 7	Contract Amendment/Change Order	<ul style="list-style-type: none"> Contract increase in lump sum amount of \$587,630.07 No increase in contract term Additional change orders as may be needed not to exceed \$250,000 	Unanimous	*

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Gillis Pump Station Short Term Improvements: Bay State Regional Contractors, Contract 7260, Change Order 3	Contract Amendment/ Change Order	<ul style="list-style-type: none"> Contract increase not to exceed \$235,933.19 Term: Extended ten days to August 5, 2014 Additional change orders as may be needed not to exceed \$150,000 	Unanimous	*
Internal Audit Department Activities Report	Information	<ul style="list-style-type: none"> Please see related staff summary 	n/a	*
Fourth Quarter FY14 Orange Notebook	Information	<ul style="list-style-type: none"> Please see related staff summary 	n/a	*
Delegated Authority Report – July and August 2014	Information	<ul style="list-style-type: none"> Please see related staff summary 	n/a	*
FY2014 Year-End Financial Update and Summary	Information	<ul style="list-style-type: none"> Year-end expenses higher than budget by \$1 million, revenues greater than budgeted by \$5.2 million; net variance \$4.2 million after using \$26.2 million for June defeasance \$854,000 of FY14 DSA was applied to FY15 debt service to reduce FY15 RRR Remaining \$3.3 million surplus will be deposited to defeasance account 	n/a	*
FY2014 Year-End Capital Improvement Program Spending Report	Information	<ul style="list-style-type: none"> FY14 capital spending totaled \$102.2 million, \$39.9 million or 28.1% lower than budget during first year of five-year \$791.7 million FY14-18 cap Staff managed over 100 design and construction projects Awarded new contracts valued at \$69 million + 	n/a	
Progress of Cambridge-Implemented CSO Projects and Projected Financial Assistance through March 2015	Information	<ul style="list-style-type: none"> Staff will transfer \$7,104,250.75 to Cambridge CSO Account for Oct 2014 to March 2015 MWRA cost share of eligible work Total funds transferred to Cambridge CSO Account = \$71,684,979.98 	n/a	*
Deer Island Energy Update – Existing and Future Combined Heat and Power Systems	Information	<ul style="list-style-type: none"> Renewable generation from all Deer Island's assets provides 62.5% of the Island's electrical and heating requirements for an annual savings of \$20.8 million MWRA utilizes on-site digester gas, hydropower, solar and wind energy 	n/a	*

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

Arlington • Ashland • Bedford • Belmont • Boston • Braintree • Brookline
Dedham • Everett • Framingham • Hingham • Holbrook • Leominster
Medford • Melrose • Milton • Nahant • Natick • Needham • Newton
Revere • Saugus • Somerville • South Hadley • Southborough • Stoneham
Watertown • Wellesley • Weston • Westwood • Weymouth • Wilbraham



Burlington • Cambridge • Canton • Chelsea • Chicopee • Clinton
Lexington • Lynn • Lynnfield • Malden • Marblehead • Marlborough
Northborough • Norwood • Peabody • Quincy • Randolph • Reading
Stoughton • Swampscott • Wakefield • Walpole • Waltham
Wilmington • Winchester • Winthrop • Woburn • Worcester

MWRA Advisory Board Summary
of the
MWRA Board of Directors Meeting
Wednesday, September 17, 2014

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on September 17, 2014 at the Charlestown Navy Yard. Present: Joel Barrera and Jennifer Wolowicz, Gubernatorial Appointees; John Carroll, Andrew Pappastergion and Joseph C. Foti, Advisory Board Representatives; Henry Vitale, Kevin Cotter and Brian Swett, City of Boston Representatives; Jack Walsh, City of Quincy Representative; Paul Flanagan, Town of Winthrop Representative. Absent: Chair Maeve Bartlett, Gubernatorial Appointee.

Report of the Chair

In the absence of MWRA Board Chair Maeve Bartlett, Vice-Chair John Carroll presided over the meeting. Mr. Carroll noted that Secretary Bartlett was out of the country on a trade mission.

Report of the Executive Director

MWRA Executive Director Fred Laskey congratulated Board Member Kevin Cotter on his retirement as the Business Manager and Financial Secretary-Treasurer for the Plumbers and Gasfitters Local 12, noting that a spectacular retirement testimonial was given.

Staff continues to work on co-digestion. A series of encouraging discussions were held with the Executive Office of Energy and Environmental Affairs and the Department of Environmental Protection; staff believes that the discussions are heading in the right direction as a group effort.

Ultraviolet (UV) testing at the Ware facility has passed the 30-day mark and has been successful in meeting federal requirements. Staff expects to hold a dedication in the near future.

Mr. Laskey noted that he and MWRA Advisory Board Executive Director Joseph Favaloro have been out on the road meeting with communities in regard to system expansion. The Holbrook Board of Selectmen has sent a letter to the MWRA seeking to become a waterworks customer. Discussions have been held with Southfield, Ashland and North Reading; additionally, the Dedham-Westwood Water District has asked to expand its use of MWRA water.

Staff continues to work cooperatively with the Pan Am Railroad and the Department of Conservation and Recreation on ways to improve the safety and security of the railroad while it is near the water supply.

There is a statewide effort to gain funding for an appeal on the NPDES permit of the Charles River Pollution Control District, which includes "co-permittee" language. If co-permittees are issued in the MWRA's NPDES permit, it would put the MWRA in an enforcement role. The MWRA Advisory Board has voted to provide

financial support for the appeal of this NPDES permit. The MWRA will need to decide if it should offer financial support as well.

Board Member Joel Barrera asked if staff could provide some background information to the Board in regard to the potential legal case. It deserves a full hearing and he would like to understand the topic better.

Board Member Brian Swett noted that the Charles River got its first “A-” in the history of the rankings. It shows what a concerted effort over time can accomplish. Mr. Laskey added that Brookline has been recognized with a national award for its part in this accomplishment.

As required, the FY14 audit of the MWRA’s financials has been completed successfully without a finding.

Mr. Laskey noted that he would be speaking at the Advisory Board’s September meeting on the MWRA’s challenges for FY15.

An “Annual Meeting” of the MWRA Board of Directors must be scheduled for October to meet state requirements.

Approvals

Approval of the Sixty-Eighth Supplemental Resolution

The Board voted to adopt the Sixty-Eighth Supplemental Resolution authorizing the issuance of up to \$315,000,000 of Massachusetts Water Resources Authority General Revenue Bonds and Massachusetts Water Resources Authority General Revenue Refunding Bonds and the supporting Issuance Resolution.

Board Member Henry Vitale asked how much of the mix will be deposited into the reserve account. Treasurer Tom Durkin stated that 10% of the \$85 million in new money (\$8.5 million) will be deposited into the reserve.

Mr. Vitale questioned why the MWRA is seeking bids for the new money and refunding transactions; why is this a competitive process? Mr. Durkin responded that the MWRA has tried, at each bond deal, to be as transparent as possible. For negotiated deals, MWRA had an open bid process and selected five underwriters, which were used in succession and went through that rotation.

MWRA Advisory Board Executive Director Joseph Favaloro stated that he supports the Authority’s refundings for interest savings. He also mentioned that with this issuance, the Authority will be on the verge of being able to release some of its reserves. These reserves are another tool in managing our rates. We need to reassemble the Rates Management Committee on how best to use these funds. The good news is that the MWRA is refinancing to save money; the better news is that we are closer to the release of the reserves.

Director of Administration and Finance Rachel Madden noted that the release of the debt service reserves has already been budgeted. There is \$45 million in cash reserves for which the Committee can work to make decisions.

PCR Amendments – September 2014

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

Appointment of Superintendent, Clinton Advanced Wastewater Treatment Plant

The Board voted to approve the Executive Director's recommendation to appoint Mr. Robert E. Gorham, Area Manager (Unit 6, Grade 12), Clinton Advanced Wastewater Treatment Plant, to the position of Superintendent, Clinton Advanced Wastewater Treatment Plant (Non-Union, Grade 14), at an annual salary of \$114,699.25, commencing on September 20, 2014.

Appointment of Program Manager, Process Monitoring, Deer Island

The Board voted to approve the Executive Director's recommendation to appoint Ms. Lisa L. Wong, Project Manager, Process Monitoring (Unit 9, Grade 25) to the position of Program Manager, Process Monitoring (Unit 9, Grade 29), at an annual salary of \$100,808.66, commencing on September 20, 2014.

Appointment of Project Manager, Process Control, Deer Island

The Board voted to approve the Executive Director's recommendation to appoint Mr. Timothy Beaulieu, Project Manager, Meter Data (Unit 6, Grade 11) to the position of Project Manager, Process Control (Unit 9, Grade 25), at an annual salary of \$93,955.64, commencing on September 20, 2014.

Appointment of Senior Staff Engineer, Structural

The Board voted to approve the Executive Director's recommendation to appoint Ms. Andrea K. Adams to the position of Senior Staff Engineer, Structural (Unit 9, Grade 25), at an annual salary of \$93,955.68, to be effective on the date designated by the Executive Director.

Appointment of Project Manager, Environmental Data

The Board voted to approve the Executive Director's recommendation to appoint Ms. Fang Yu (Program Analyst II, Unit 6, Grade 9) to the position of Project Manager, Environmental Data, ENQUAD Department (Unit 9, Grade 25), at an annual salary of \$86,332, commencing on September 20, 2014.

Appointment of Manager, Western Maintenance

The Board voted to approve the Executive Director's recommendation to appoint Mr. Eben A. Nash, Sr. Program Manager, Western Maintenance (Unit 9, Grade 30), to the position of Manager, Western Maintenance (Non-Union, Grade 14), at an annual salary of \$123,252.47, commencing on September 20, 2014.

Appointment of Manager, IT Security, Architecture and Engineering

The Board voted to approve the Executive Director’s recommendation to appoint Ms. Paula Weadick to the position of Manager, IT Security, Architecture & Engineering, MIS Department (Non-Union, Grade 14), at an annual salary of \$123,252.00, to be effective on the date designated by the Executive Director.

Mr. Vitale asked what the process was to hire for this position. Director of Finance and Administration Rachel Madden stated that the position was posted internally and externally, with a two- interview process.

Mr. Vitale asked how many applications were received. MIS Director Russell Murray stated that there were nine applicants and seven interviews conducted. There were four second interviews to get to the selected individual.

Recommendation to Rename the Ware Disinfection Facility to the William A. Brutsch Water Treatment Facility

Whereas, William A. Brutsch graduated from Worcester Polytechnic Institute in 1962 with a BS in Mechanical Engineering; and

Whereas, Mr. Brutsch began his career with the Metropolitan District Commission in 1970 as a Mechanical Engineer, after serving in the Air Force for four years. He became a Professional Engineer in 1978 and was promoted to Assistant to the Chief Engineer. In 1982, he became Acting Director of the Water Division and Chief Water Supply Engineer; and

Whereas, in 1981 Mr. Brutsch became MDC’s Director of Program Management in the Water Division; and

Whereas, after the creation of the MWRA, Mr. Brutsch was appointed as Director of the Waterworks Division in 1986; and

Whereas, Mr. Brutsch spearheaded a water conservation program in the early 1990s, which eliminated the need for new source development, which has resulted in a water use reduction of over 120 million gallons per day; and

Whereas, Mr. Brutsch also began the automation of critical water system operations and the development of a strong maintenance program, which lead to the development of a skilled and dedicated work force; and

Whereas, under Mr. Brutsch’s steadfast leadership, planning and construction of a \$2 billion program to modernize the region’s water system was begun to ensure clean, safe and reliable drinking water for over 2.3 million people in 51 communities for generations to come; and

Whereas, in May 2000, Mr. Brutsch was appointed as MWRA's first Deputy Chief Operating Officer until his retirement in 2002; and

Whereas, Mr. Brutsch essentially headed the Metropolitan Water System for over 30 years, leaving an indelible mark on the water system and the enduring respect and gratitude of the entire MWRA staff; and

Whereas, Mr. Brutsch performed his public service with the utmost professionalism and integrity; and

Now, therefore, the Board of Directors of the Massachusetts Water Resources Authority votes to name the water treatment facility in Ware, Massachusetts the "William A. Brutsch Water Treatment Facility."

Mr. Carroll agreed with the motion read by Board Member Andrew Pappastergion, stating that Mr. Brutsch did a great job.

Mr. Laskey stated that this is an appropriate location because Mr. Brutsch loved the Quabbin and is buried in the cemetery down the street from this location.

Contract Awards

eDiscovery Technical Consulting Services: PeopleSERVE PRS, Inc., WRA-3869Q, State Blanket Contract ITS53 Cat2b

The Board voted to approve the award of a purchase order contract for technical consulting services to implement eDiscovery Solution, Symantec Enterprise Vault File System Archiving and Clearwell Identification and Collection Services to the lowest eligible and responsible bidder under Bid WRA-3869Q, PeopleSERVE PRS, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said purchase order contract in an amount not to exceed \$156,160 under State Blanket Contract ITS53 Cat2b.

Mr. Vitale asked when the MWRA procures services on a state contract, is there a minimum number of bids required. Ms. Madden stated that there is a recommendation to get three bids; however, the Authority received only two bids this time.

Board Member Jack Walsh asked if the licenses were purchased for this software. MIS Director Russell Murray stated that the cost covers the software, perpetual license costs and an annual maintenance cost.

Struvite, Scum, Sludge and Grit Removal Services at the Deer Island Treatment Plant: Moran Environmental Recovery, Contract WRA-3862

The Board voted to approve the award of a two-year purchase order contract to provide struvite, scum, sludge and grit removal services at the Deer Island Treatment Plant to the lowest eligible and responsible bidder, Moran Environmental Recovery, and to authorize the Director of Administration and Finance, on behalf of the Authority, to execute and deliver said purchase order in an amount not to exceed \$929,025.

Director of the Deer Island Treatment Plant David Duest provided the Board with a [presentation](#) on struvite, scum, sludge and grit removal services at the Deer Island Treatment Plant.

Mr. Walsh asked who the current contractor is. Mr. Duest stated that this is the fourth incarnation of this contract and Green Harbor had the contract for three years.

Deer Island Treatment Plant Clarifier Rehabilitation, Phase II, Design/Engineering Services During Construction: CDM Smith, Inc., Contract 7394

The Board voted to approve the recommendation of the Consultant Selection Committee to select CDM Smith, Inc. to provide preliminary design, final design, and engineering services during construction, for the Deer Island Treatment Plant Clarifier Rehabilitation, Phase II project and to authorize the Executive Director, on behalf of the Authority, to execute Contract 7394 with CDM Smith, Inc. in an amount not to exceed \$2,237,401, for a term of 81 months from the Notice to Proceed.

Staff provided a [PowerPoint](#) presentation to the Board on this project.

Mr. Vitale noted that there was a significant difference in hours between the top two bidders. Richard Adams, Manager, Engineering Services, stated that the two lower bidders were engaged in the first phase of this project and staff believes that is the root cause of the difference.

Beacon Street Line Water Pipeline Repair: Green International Affiliates, Inc., Contract 7474

The Board voted to approve the recommendation of the Consultant Selection Committee to select Green International Affiliates, Inc. to provide Design, Construction Administration and Resident Inspection Services for the Beacon Street Line Water Pipeline Repair project and to authorize the Executive Director, on behalf of the Authority, to execute Contract 7474 with Green International Affiliates, Inc. in the amount of \$425,440, for a term of 930 calendar days from the Notice to Proceed.

Staff provided the Board with a [presentation](#) on the Beacon Street Line Water Pipeline Repair.

Mr. Carroll congratulated Board Member Andrew Pappastergion on the Town of Brookline's sewer separation project being named a *2014 Public Works Project of the Year* by the American Public Work Association (APWA), and Brookline also received a *Silver Award for Engineering Excellence* from the American Council of Engineering Companies/Massachusetts (ACEC/MA) and a *2014 Merit Award* from Engineering News Record New England (ENR/NE).

Contract Amendments/Change Orders

Dental Insurance: Delta Dental of Massachusetts, Contract A591, Amendment 1

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 1 to exercise the first option to renew and increase the amount of Contract A591 with Delta Dental of

Massachusetts, Dental Insurance, in the amount of \$336,000 and to extend the term for twelve months from January 1, 2015 to December 31, 2015.

Mr. Vitale asked how the premium payments break down between the Authority and the employee. Human Resources Director Robert Donnelly stated that the Authority pays for 90% and the employee pays for 10% of the dental benefits.

Mr. Vitale asked how much the annual benefit is. Mr. Donnelly stated that the dental benefit is \$1,250 per year.

Agency-Wide Technical Assistance Consulting Services: Fay, Spofford & Thorndike, LLC, Contract 7437, Amendment 1; and Hazen and Sawyer, P.C., Contract 7456, Amendment 1

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve two separate Amendments No. 1 to increase the amount of Contract No. 7437 with Fay, Spofford & Thorndike, LLC; and Contract 7456 with Hazen and Sawyer, P.C., Technical Assistance Consulting Services, each in an amount not to exceed \$550,000, and to extend each contract term by one year, as follows: Contract 7437 from January 28, 2015 to January 25, 2016; and Contract 7456 from February 25, 2015 to February 25, 2016.

Spot Pond Water Storage Facility Design/Build Project: Walsh Construction Co., Contract 6457, Change Order 7

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order 7 to increase the amount of Contract 6457 with Walsh Construction Co, Spot Pond Water Storage Facility Design/Build Project, for a lump sum amount of \$587,630.07, with no increase in contract term. Further, to authorize the Executive Director to approve additional change orders as may be needed to Contract 6457 in amounts not to exceed the aggregate of \$250,000, in accordance with the Management Policies and Procedures of the Board of Directors.

Staff provided a [presentation](#) on the Spot Pond Water Storage Facility Design/Build Project.

Gillis Pump Station Short Term Improvements: Bay State Regional Contractors, Contract 7260, Change Order 3

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order 3 to increase the amount of Contract 7260 with Bay Station Regional Contractors, Inc., Gillis Pump Station Short-Term Improvements, in an amount not to exceed \$235,933.19, and to extend the contract term by 10 calendar days from July 26, 2014 to August 5, 2014. Further, to authorize the Executive Director to approve additional change orders as may be needed to Contract 7260 in amounts not to exceed the aggregate of \$150,000 in accordance with the Management Policies and Procedures of the Board of Directors.

Staff provided an update on the [Gillis Pump Station](#).

Mr. Walsh asked why the contractor did not agree with the amount and timeframe on some of these change orders. Corinne Barrett, Director, Construction, stated that the contractor feels that he is due additional time for this work. The MWRA only entertains time extensions for critical bid items; this is not driving the schedule. Construction Coordinator Lisa Hamilton added that there was one ten-day time extension for one item.

Mr. Vitale asked if the MWRA analyses the change orders to see if, when added to the original bid, it is under or over the next responsive bidder. Mr. Laskey said that staff has had internal audit do an analysis. It is done on a case-by-case basis.

Mr. Laskey noted that the Advisory Board took a tour of the Gillis Pump Station, along with other facilities, during its annual August field trip.

Information

Internal Audit Department Activities Report

John Mahoney, Director of Internal Audit, provided the Board with an annual report on the results of completed assignments and objectives and the status of active and planned assignments.

Mr. Walsh noted that he remembered a figure of \$65,000 being the maximum cost relating to the Fore River Railroad. Mr. Mahoney stated that the MWRA will reimburse the operator for anything above that number in a given year.

Mr. Walsh stated that the \$65,000 amount was talked about at length; is the operator taking advantage? Deputy Treasurer Matthew Horan stated that there were items that the MWRA would have paid for but had the operator do instead and reimbursed the operator. In essence, the MWRA increased the job that it had wanted the operator to do.

Fourth Quarter FY14 Orange Notebook

MWRA Chief Operating Officer Michael Hornbrook highlighted information from the MWRA's [Fourth Quarter FY14 Orange Notebook](#).

In regard to the MWRA not meeting its target on miles surveyed for leaks in the water distribution system pipelines, Mr. Pappastergion asked if the MWRA's target may have been unreasonable based on the resources it had available. Mr. Hornbrook responded that since there were new people working on this leak detection, the target should have been lowered.

Delegated Authority Report – July and August 2014

Director of Finance and Administration Rachel Madden highlighted the July and August 2014 delegated authority purchases. There were six construction-related items, as well as 21 planned purchases and one amendment. There were no critical need purchases made; all purchases were planned and budgeted.

Mr. Vitale asked when the MWRA makes the decision to replace vehicles, what is the policy? Mr. Hornbrook stated that the vehicle's age, mileage, maintenance of the vehicle and how it is used are considered.

Mr. Vitale asked what the next step would be with older vehicles. Mr. Hornbrook stated that staff would first look internally to determine if any other department may need the vehicle; if not, then it would go into a pool. Deputy Director of Administration and Finance Michele Gillen stated that the MWRA has been using online auctions to surplus its vehicles and generate more revenue. Some vehicles are sold as scrap.

FY2014 Year-End Financial Update and Summary

Staff provided the Board with an FY2014 year-end financial update and summary.

Mr. Vitale noted that investments were \$500,000 more than budgeted. Mr. Durkin stated that the forecast was based on an interest-rate assumption 18 months in the future. Staff makes the assumption that anything higher than 3.25% would be called. Staff found one that was not called and remained at the higher interest rate. It was under because staff did not recognize a gain.

Mr. Vitale asked why it was not called. Mr. Durkin responded that the call date was the first anniversary. Many of the MWRA's holdings are quarterly. Interest rates dipped and it was not advantageous or too onerous to call them to their chagrin, but to the MWRA's benefit.

FY2014 Year-End Capital Improvement Program Spending Report

Staff provided the Board with a recap of the Capital Improvement Program, with more detailed explanations of variances than those provided in monthly Financials.

Progress of Cambridge-Implemented CSO Projects and Projected Financial Assistance through March 2015

Senior Program Manager David Kubiak provided the Board with an update on the progress of the Cambridge-implemented CSO projects and projected financial assistance through March 2015.

Staff noted that the City of Cambridge's Alewife stormwater wetland was named a *2014 Public Works Project of the Year* by APWA and *Best Water/Environment Project* in ENR/NE's 2014 Best Projects Competition. It also received a *National Recognition Award* in the ACEC/MA 2014 Engineering Excellence Awards competition.

Mr. Carroll stated that Cambridge's CSO program is almost done; where do we stand with Boston? Mr. Kubiak noted that the construction of the Reserved Sewer Channel is 90% done and must be completed by December 2015. Mr. Hornbrook added that after the work is complete in December 2015, staff must develop a metering and monitoring program to determine over the next five years if the CSO program achieved its goals.

Mr. Carroll asked what MWRA's total share in these projects amounted to. Mr. Kubiak responded that MWRA provided \$300 million to the Boston Water and Sewer Commission, \$92 million to Cambridge, \$25 million to Brookline and smaller amounts to Chelsea and Somerville.

Deer Island Energy Update – Existing and Future Combined Heat and Power Systems

Director and Deputy Director of the Deer Island Wastewater Treatment Plant, David Duest and John Colbert, provided the Board with a Deer Island energy [update](#).

Mr. Carroll noted that the cost-benefit analysis that staff provides should include debt service; you need to show interest in the simple payback period. How much more time would be added if interest were included? Mr. Vetere said the payback would be more like eight years rather than six years.

Mr. Carroll said he has never seen anything on payback that doesn't include debt service. Mr. Vitale said you would include the interest on present value and staff is probably planning on grants. Ms. Madden said staff would work with Operations to fine tune these numbers.

Mr. Swett stated that simple payback is not unusual at this stage. Return on investment will be reassessed.

Mr. Laskey noted that 80% of electrical and heating requirements are within reach for the Authority. He stated that he would have to be convinced not to go forward.

Mr. Swett said that he believes there is a tremendous amount of value in increasing energy.

Mr. Vetere stated that he believes the plan will be beneficial to the Authority.

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