

**MWRA Board of Directors Meeting
November 12, 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	*
Assignment and Assumption of Contract 595TA, Technical Assistance Consulting Services, Hazardous Materials, from EnviroSense, Inc. to EnSafe, Inc.	Approval	<ul style="list-style-type: none"> EnviroSense has been acquired by EnSafe, Inc. Contract expires April 2015 No budgetary impact 	Unanimous	
MOU and Financial Assistance Agreement with BWSC for Implementation of CSO Control Projects, Amendment 15, and Progress of BWSC Implemented CSO Projects and Projected Financial Assistance through June 2015	Approval	<ul style="list-style-type: none"> Increase: \$3,710,388.72 New total award to BWSC = \$296,305,787.00 BWSC is responsible for 9 of the 35 projects in MWRA's Long-Term CSO Control Plan Most projects are complete; remaining work is related to Reserved Channel sewer separation 	Unanimous	
Revision to MWRA Policy #OP.10, "Admission of New Community to MWRA Waterworks System"	Approval	<ul style="list-style-type: none"> Approved modification to "Entrance Fee" section to reflect up to a 25-year, interest-free payment plan, consistent with recommendation approved by the MWRA Advisory Board 25-year option allows for a 3-year grace period 	Unanimous	*
PCR Amendments – November 2014	Approval	<ul style="list-style-type: none"> 1 title/location change Budgetary impact: -\$22,020 to \$0 To meet staffing needs in communications 	Unanimous	
Appointment of Program Manager, Environmental Quality	Approval	<ul style="list-style-type: none"> Appointed: Ms. Elizabeth Steele Homa, Ph.D. Salary: \$92,959.45 Effective: Date designated by Exec. Director 	Unanimous	
Appointment of Program Manager, Engineering and Construction	Approval	<ul style="list-style-type: none"> Appointed: Ms. Ester N. Lwebuga, P.E. Salary: \$100,808.66 Effective: November 15, 2014 	Unanimous	
Appointment of Program Manager, Engineering and Construction	Approval	<ul style="list-style-type: none"> Appointed: Mr. Patrick Smith, P.E. Salary: \$100,808.66 Effective: November 15, 2014 	Unanimous	
Insurance Consultant Services, Contract F232	Contract Award	<ul style="list-style-type: none"> Awarded: Kevin F. Donoghue Insurance Advisors, Inc. Amount: Not to exceed \$150,000 Contract Term: 3 years from NTP 	Unanimous	
Supply and Delivery of Ferric Chloride to the Deer Island Treatment Plant and the Clinton Advanced Wastewater Treatment Plant, WRA-3927	Contract Award	<ul style="list-style-type: none"> Awarded: Kemira Water Solutions, Inc. Amount: Not to exceed \$1,166,625 Contract Term: Jan 1, 2015 to Dec 31, 2015 	Unanimous	
Valve and Piping Replacement at Various Facilities, Deer Island Treatment Plant, Engineering Services During Construction and Resident Engineering and Inspection Services, Contract 6598	Contract Award	<ul style="list-style-type: none"> Awarded: AECOM Technical Services, Inc. Amount: Not to exceed \$2,299,946 Contract Term: 46 months from NTP 	Unanimous	
Refurbishment of Secondary Reactor Aerator and Mixer Gearboxes at the Deer Island Treatment Plant, WRA-3907	Contract Award	<ul style="list-style-type: none"> Awarded: SPX Process Equipment, Lightnin Operations Amount: Not to exceed \$1,193,295 Approx. 6 to 10 gearboxes will require refurbishment each year for next 4 years 	Unanimous	*
North System Hydraulic System, Contract 6930, Amendment 3	Contract Amendments /Change Orders	<ul style="list-style-type: none"> Approved: AECOM No increase in contract amount Term: Extended 6 months to June 5, 2015 	Unanimous	*
Spot Pond Water Storage Facility Design/Build Project, Contract 6457, Change Order 9	Contract Amendments /Change Orders	<ul style="list-style-type: none"> Approved: Walsh Construction Company Amount: Not to exceed \$757,370.56 Contract Term: Extended 144 calendar days to April 22, 2015 	Unanimous	*
Delegated Authority Report – October 2014	Information	<ul style="list-style-type: none"> Please see related staff summary 	n/a	*
FY15 Financial Update and Summary as of October 2014	Information	<ul style="list-style-type: none"> YTD expenses under budget by \$3.5 million (1.6%) Revenues higher than budget by \$640,000 (0.3%) YTD FY15 CIP spending: \$22.1 million, \$7.2 million or 24.5% lower than budget 	n/a	*

MWRA Board of Directors Meeting

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Update on Lead and Copper Rule Compliance	Information	<ul style="list-style-type: none">• MWRA under lead action level for 19 consecutive rounds of sampling• System-wide 90th percentile value for calendar year 2014 is 5.4 parts per billion• MWRA continues to meet copper standard	n/a	*
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Administration and Finance Wastewater Water Personnel * Advisory Board position



MWRA Advisory Board Summary
of the
MWRA Board of Directors Meeting
Wednesday, November 12, 2014

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on November 12, 2014 at the Quabbin Visitors Center. Present: Chair Maeve Bartlett, Joel Barrera and Jennifer Wolowicz, Gubernatorial Appointees; John Carroll and Andrew Pappastergion, 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: Joseph C. Foti, Advisory Board Representative.

Report of the Chair

Chair Maeve Bartlett noted that the meeting was being held with the beautiful backdrop of the Quabbin Reservoir, which is such a monument to all the good work that all of the folks at MWRA and the Division of Water Supply Protection do because the water is vital to the health and well-being of the Commonwealth.

Staffs of the Executive Office of Energy and Environmental Affairs (EOEEA) and the Department of Environmental Protection (DEP) continue to talk to MWRA staff about funding and the proposal around the anaerobic digestion plan. Those discussions are ongoing and will be discussed at great length at a future Board meeting.

Report of the Executive Director

MWRA Executive Director Fred Laskey said on a similar note, MWRA staff recently had a meeting with the Winthrop Citizens Advisory Committee to brief them on the status of co-digestion. Staff reiterated the MWRA's intent not to go forward with the trucking option, but rather to move forward only with barging. Discussions continue with the Secretary's staff and Waste Management and staff hopes to come back before the Board in December for approval or perhaps ratification of a financial deal if an agreement can be reached. There are issues with Waste Management that need to be resolved but staff continues to work on it aggressively.

The Ebola situation, which has dominated the press, has also been of concern to the Authority, particularly with employees who work in the wastewater transport area and some other areas within the department. MWRA staff is in the basement of hospitals doing testing and field crews are out in the lines and headworks. To put it into perspective, within 20 minutes of a toilet being flushed at Beth Israel, the waste is entering the Ward Street headworks. The Authority has been grateful for the advice given by the Department of Public Health. Staff has also been involved in a number of regular discussions nationally with the various associations and the Centers for Disease Control to ensure that the MWRA is in the right position to protect staff going

forward. The whole industry nationally has the same concerns. Staff already has extensive personal protection gear.

The MWRA will be submitting the Harbor Monitoring Report to EPA in November. The report's annual results are good and the Board will be briefed at either the December or January meeting.

The Authority took advantage of low fuel prices to "top off" tanks at Deer Island. Diesel fuel was purchased for \$2.70 per gallon. Police will escort 200,000 gallons of fuel through the Town of Winthrop to Deer Island within the next week or so.

The dedication of the William A. Brutsch Water Treatment Facility will take place at the conclusion of this meeting as a tribute to this wonderful gentleman.

Approvals

Assignment and Assumption of Contract 595TA, Technical Assistance Consulting Services, Hazardous Materials, from EnviroSense, Inc. to EnSafe, Inc.

The Board voted to approve the assignment and assumption of Contract 595TA, Technical Assistance Consulting Services, Hazardous Materials, from EnviroSense, Inc. to EnSafe, Inc., with no increase in price or contract term.

Memorandum of Understanding and Financial Assistance Agreement with BWSC for Implementation of CSO Control Projects, Amendment 15, and Progress of BWSC Implemented CSO Projects and Projected Financial Assistance through June 2015

The Board voted to authorize the Executive Director, on behalf of the Authority, to execute Amendment 15 to the Memorandum of Understanding and the Financial Assistance Agreement with Boston Water and Sewer Commission for Implementation of CSO Control Projects, increasing the award amount by \$3,710,388.72 from \$292,595,398.28 to \$296,305,787.00.

Revision to MWRA Policy #OP.10, "Admission of New Community to MWRA Waterworks System"

The Board voted to approve a modification to the "Entrance Fees" section of MWRA's Policy #OP.10, *Admission of New Community to MWRA Waterworks System*, to incorporate the specific wording provided on pages 2 and 3 of the staff summary presented and filed with the records of the meeting to reflect up to a 25-year, interest-free payment plan for the entrance fee, consistent with a policy recommendation approved by the MWRA Advisory Board. The policy revision will become effective as of the date of Board approval.

Policy and Planning Manager Pam Heidell noted at the last Board meeting, it was remarked that although the Advisory Board had adopted a policy recommendation in 2012 that the entrance fee be paid over a multi-year, interest-free payment plan up to 25 years, with a three-year grace period, the MWRA has not adopted this

policy. The Board asked MWRA and Advisory Board staff to meet regarding this policy to come up with a recommendation to the Board.

The recommendation is to adopt the Advisory Board's recommendation for an entrance fee payment plan of up to 25 years, with a three-year grace period. Communities can still pay in lump sum form should they choose to do so. The policy is subject to Board review every five years. The volume of water for communities considering joining the waterworks system totals about 9.5 million gallons per day, with an entrance fee of about \$45 million if all of those communities were to join. It also results in annual revenue of \$11 million. This may provide incentives to communities that are evaluating other water suppliers, their own local sources, or whether to construct a well or treatment plant.

Staff has proposed that this recommendation apply to new communities and communities that have entered the waterworks system since 2002. From 1897 to 2002, communities were admitted to the water system with firm limits on withdrawals.

Ms. Heidell also referred the Board to a [video](#) on the MWRA Advisory Board's website that walks through the whole history of the MWRA and contract communities.

Mr. Barrera offered his compliments to the Advisory Board on thinking through ways to build the system for the long-term. He stated that it has been his overall position that the cost was more of a hindrance than the regulatory piece; however, staff shouldn't lose sight of the regulatory piece and should get back to that at some point next year. He stated that this policy is important and he is glad to support it. It is a piece of the puzzle; another piece is the water infrastructure bill that passed last year that includes, in theory, a 50% connection subsidy. Those two pieces go together and hopefully over the next three or four years there will be some actual movement.

Secretary Bartlett asked if it is staff's sense that communities will opt for 25 years or will there be a range. Ms. Heidell stated that she assumes that most communities would go for the 25 years.

Mr. Laskey stated that he believes this is a thoughtful proposal that staff made to the Board and is consistent with what our member communities have approved and should help us attract some of those people that might be on the fence. Ms. Heidell noted that Ashland has a Town Meeting vote next week.

Board Member Andrew Pappastergion asked if this policy would also apply to communities that want to amend or increase their water withdrawals. Ms. Heidell said it would apply to any community that has been admitted since 2002. These communities include the Dedham-Westwood Water District, Reading, Stoughton, and Wilmington, which (except Dedham-Westwood) are all below their allowed water-use.

Mr. Barrera said it is important that communities not be allowed to "lowball" the amount they are going to use. Mr. Laskey agreed. He noted that Reading has already paid its entrance fee and there would not be any refund; however, if they wanted more water, they could use this option to pay for new water over 25 years.

Mr. Barrera asked about negotiations with Tri-Town (Braintree, Holbrook and Randolph). Secretary Bartlett stated that she has met with representatives of Tri-Town and they said they are still pursuing both options of having their own treatment plant and taking advantage of the MWRA system. They are continuing to talk to

DEP about their water levels and a meeting is being set up to continue discussions with Tri-Town for Mr. Laskey and the Secretary.

Mr. Laskey stated that the Mayor of Braintree continues to request a cap on any future rate increases, which the MWRA cannot do. Since these discussions started, the rate projections have continued to come down as the Authority defeases debt and refinances bonds. Their initial concerns were the big rate increases that were coming of 8% to 10% but those are now gone. Staff is continuing to negotiate with them.

Secretary Bartlett noted that Tri-Town is well aware of the 50% match and she has said if they are interested in going that route, she would do everything in her brief tenure to try to identify funds under that provision.

PCR Amendments – November 2014

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

Appointment of Program Manager, Environmental Quality

The Board voted to approve the Executive Director's recommendation to appoint Ms. Elizabeth Steele Homa, Ph.D. to the position of Program Manager, Data Management, in the Environmental Quality Department, (Unit 9, Grade 29) at an annual salary of \$92,959.45 to be effective on the date designated by the Executive Director.

Appointment of Program Manager, Engineering and Construction

The Board voted to approve the Executive Director's recommendation to appoint Ms. Ester N. Lwebuga, P.E., Project Manager (Unit 9, Grade 25) to the position of Program Manager in the Engineering and Construction Department (Unit 9, Grade 29) at an annual salary of \$100,808.66 to be effective November 15, 2014.

Appointment of Program Manager, Engineering and Construction

The Board voted to approve the Executive Director's recommendation to appoint Mr. Patrick Smith, P.E., Project Manager (Unit 9, Grade 25) to the position of Program Manager in the Engineering and Construction Department (Unit 9, Grade 29), at an annual salary of \$100,808.66 to be effective November 15, 2014.

Contract Awards

Insurance Consultant Services: Kevin F. Donoghue Insurance Advisors, Inc., Contract F232

The Board voted to approve the recommendation of the Consultant Selection Committee to select Kevin F. Donoghue Insurance Advisors, Inc. to provide Insurance Consultant Services and to authorize the Executive Director, on behalf of the Authority, to execute Contract F232 with Kevin F. Donoghue Insurance Advisors, Inc. in an amount not to exceed \$150,000 for a term of three years from the Notice to Proceed.

Supply and Delivery of Ferric Chloride to the Deer Island Treatment Plant and the Clinton Advanced Wastewater Treatment Plant: Kemira Water Solutions, Inc., WRA-3927

The Board voted to approve the award of a contract for the Supply and Delivery of Ferric Chloride to the Deer Island Treatment Plant and the Clinton Advanced Wastewater Treatment Plant to the lowest eligible and responsible bidder, Kemira Water Solutions, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount \$1,166,625.00 for the period January 1, 2015 to December 31, 2015.

Valve and Piping Replacement at Various Facilities, Deer Island Treatment Plant, Engineering Services During Construction and Resident Engineering and Inspection Services: AECOM Technical Services, Inc., Contract 6598

The Board voted to approve the recommendation of the Consultant Selection Committee to select AECOM Technical Services, Inc. to provide Engineering Services During Construction and Resident Engineering and Inspection Services for the Valve and Piping Replacement at Various Facilities at the Deer Island Treatment Plant project and to authorize the Executive Director, on behalf of the Authority, to execute Contract 6598 with AECOM Technical Services, Inc. in an amount not to exceed \$2,299,946 for a term of 46 months from the Notice to Proceed.

Refurbishment of Secondary Reactor Aerator and Mixer Gearboxes at the Deer Island Treatment Plant: SPX Process Equipment, Lightnin Operations, WRA-3907

The Board voted to approve the award of a four-year contract for the Refurbishment of Secondary Reactor Aerator and Mixer Gearboxes at the Deer Island Treatment Plant, to the lowest eligible and responsible bidder, SPX Process Equipment, Lightnin Operations, and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in an amount not to exceed \$1,193,295.

Mr. Walsh asked about the life of the gearboxes. Chief Operating Officer Michael Hornbrook stated that the gearboxes being replaced are 11 years old and that is about the average service life of this equipment. Deer Island Director David Duest stated that this contract will maintain the 12 year replacement schedule. He noted that the secondary facility has been online since 1997 to 2001, depending on which battery. There are 72 gearboxes in total, with 24 replacements being planned for this contract. The value of the equipment is about \$3.4 million and this refurbishment will bring it back to “like new” condition.

Contract Amendments/Change Orders

North System Hydraulic System: AECOM, Contract 6930, Amendment 3

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 3 to extend the term of Contract No. 6930 with AECOM, North System Hydraulic System, by six months to June 5, 2015, with no overall increase in contract amount.

Mr. Walsh noted that in the past there was a debate over extending this contract by one year; now we are going to extend it another six months. Are they going to make it? Mr. Hornbrook said yes; this was a difficult modeling process and AECOM has extended the contract with no cost to the MWRA.

In regard to previous performance issues with AECOM, staff has been going through the three biggest projects that we have talked about in the past, reviewing all change orders and whether there was damage or no damage to the MWRA in these changes. That has started preliminary discussions with AECOM and we will be reporting back to the Board on the progress of cost-recovery on those.

Mr. Laskey also noted that as staff “pokes” around other wastewater utilities, they have found that this modeling is a very difficult science. This project has clearly been a challenge for the Authority and AECOM to make sure they get it right. If we can get to the bottom of what is going on in the north system to fine tune it to prevent or reduce sanitary sewer overflows in the long-run, it is a good investment, but it is a difficult task.

Spot Pond Water Storage Facility Design/Build Project: Walsh Construction Company, Contract 6457, Change Order 9

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 9 to increase the amount of Contract No. 6457 with Walsh Construction Company, Spot Pond Water Storage Facility Design/Build Project, in an amount not to exceed \$757,370.56 and to extend the term by 144 calendar days to April 22, 2015; and to authorize the Executive Director to approve additional change orders as may be needed to Contract No. 6457 in amounts not to exceed the aggregate of \$250,000 and 180 days, in accordance with the Management Policies of the Board of Directors.

Mr. Laskey noted that there was an issue with how much cooperation there was between the MWRA and the developer. It was to the MWRA’s advantage to pull back and just take care of itself. It was a strategic decision that led to a cascading effect.

Director of Construction Corinne Barrett stated that there have been some instrumentation and security changes. The water stop that was used in the construction turned out in 100% design was not approved by DEP. The same water stop has been used at other facilities in the past, so it was a surprise to staff.

Board Member Andrew Pappastergion stated when it is under design, there are reviews at various points. Didn’t DEP have those plans at those points? Ms. Barrett said staff did 30% and 60% reviews and had talks with DEP but the water stop wasn’t really looked at. Mr. Pappastergion said they waited until 100% design to comment about the water stops? When was the 100% design reviewed and approved? A staff member said DEP reviewed the design at 100% (in November 2012) and that is when they raised this issue. Mr. Pappastergion asked if DEP reviewed the design prior to 100%. Staff said DEP did not review it prior to 100%; there were some meetings with them but they didn’t do a detailed review until it was 100% in 2012.

Mr. Pappastergion said DEP reviewed this two years ago and we are just finding out about the change to NSF61 now? Ms. Barrett said no, we did the change, but argued with the contractor back and forth over whether, in the MWRA’s belief, he owned it initially. MWRA was going to treat it as a claim; however, after

looking at other covered storage facilities staff realized that the Authority was able to use the typical PVC water stop and the contractor asked how they were supposed to know differently since it has been used on previous jobs. The reason for the delay in the change order was the bickering back and forth.

Board Member John Carroll asked who the designer was for this project. Ms. Barrett said the designer was Hayes and Sawyer on the contractor's team. Mr. Carroll said this is almost unconscionable to have a change order this large and that it wasn't foreseen during design. Ms. Barrett said this is a design/build contract.

Mr. Carroll said when they design/build, don't they guarantee a price? Ms. Barrett said it is based on what the MWRA specifies. Staff did not get into the "knitty gritty" on construction joints. Mr. Carroll asked who was supposed to get into the "knitty gritty?" Ms. Barrett stated that the design engineer did but when DEP reviewed it at 100%, it came out that the PVC that had been acceptable on other projects was not acceptable for this project. Mr. Carroll said somebody overlooked something and whoever it is should be held responsible for that. Mr. Pappastergion stated that it sounded to him that DEP changed its standard.

Staff noted that there are a number of inert materials like PVC water stop that cost money to have it certified by NSF64 or 61, so it might be that it is okay to use but in this case DEP is saying that it wants that certification. In the past, the certification has not been required. It could be that what was originally specified would be fine if someone would spend the money to have it certified. It is really a matter of DEP coming after the fact to demand this certification.

Board Member Brian Swett asked if there was a change in guidance and is this the first time that we are aware of this? Mr. Hornbrook stated that it is the first time that DEP has required this. On previous storage tanks, the same water stop has been approved by DEP.

Mr. Carroll said this job has already been awarded as a design/build contract. How can DEP change this? Secretary Bartlett said she had not heard of this issue until this very moment. She said she would be more than happy to look into it but it sounds to her that it is more a question of identifying an appropriate timeframe for DEP to look at plans. She stated that she accepts that the MWRA wouldn't have raised this issue because it had not been an issue in the past but perhaps when you have a large construction project where you need a DEP permit, a more detailed review at the 60 to 75% range is the way to make sure that everyone is having these discussions. DEP has a lot on its plate and they do a great job. Mr. Carroll stated that he is not blaming DEP; he thinks someone else is at fault here. Something like this should have been picked up a long time before it went out to bid.

Mr. Swett asked if it is normal for a design requirement of a regulatory agency to be viewed as an unforeseen condition. Mr. Hornbrook said yes, because in past practices the water stop that was specified by the contractor/designer had been approved previously. Mr. Hornbrook said this is a design/build contract. For the bid, staff put out at about a 25% design with a preliminary design report. After the design/build contract was awarded, they then advanced it to 100% design and then smaller details were discussed in the design process that are not in the 25 to 30% design range. The 100% design documents then went to DEP and DEP said for they wanted a different material for this particular project. That is the sequencing of how it happened. There was no re-work done, nothing had to be ripped out. The reason it is just coming to the

Board now is that there was a lot of discussions with the contractor. The MWRA's engineering, law and procurement divisions were involved as well. The concurrence from these divisions is that the project did change and the contractor should be compensated for that change.

Mr. Hornbrook noted when MWRA did design/build at Norumbega, staff did try to estimate what percentage of change orders on design/build tanks would be and at that time it was around 3 to 5%. This contract, with a pump station, has a high degree of complexity compared to the other two underground tanks. Staff believes the change order rate is very good for this type of design/build contract.

Mr. Laskey noted that even if this had been picked up earlier, it still would have had an added cost to have it certified. Either way, the cost would be about the same. There has been no re-work but the water stop is more expensive. Whether it was picked up at 25% or 100%, MWRA would have paid extra for this water stop. Ms. Barrett noted that the contractor proceeded with the DEP preferred water stop and staff argued over the money after the fact.

Mr. Swett asked if there are more projects in the pipeline where this new guidance is relevant that we should address now. I assume this is going to be a standard requirement. Deputy Chief Operating Officer John Vetere said staff will certainly go back and look at that; however, at this point staff does not believe there are any more projects that would be affected.

Mr. Carroll said the first change order here was after Christmas two years ago for \$240,000. Why are we looking at a \$750,000 change order at the end of the job? Ms. Barrett stated that the retaining wall issue was a back and forth discussion and a number of design reiterations were done before the approval. That was something that took time back and forth. The instrumentation changes came to a head this past summer. Again, because there is a pump station involved, the control strategy became more apparent. As the facility is coming together from an operational standpoint is when things have been coming to a head.

Mr. Vetere added that one of the things done under instrumentation and control, when we got the design at 100% less than 12 months ago, staff looked at that and found that they may have met the contract of having a safe operating system, but there were other items that needed to be protected. Downstream pipelines, because of over pressurization, and other items needed to be examined. This is a not-to-exceed \$250,000, which is important, for the safe operation of that plant.

Mr. Laskey noted that these are items that we, as a staff, asked them to add. There were upgrades in the security technology. Mr. Carroll said we should have been doing that before the contract was awarded. Mr. Laskey said arguably Mr. Carroll is right. These are things that the MWRA wanted that would have been in at the 25% or 100% design range. His view is that the MWRA would have paid for it one way or the other. It is something the Authority wanted.

Mr. Pappastergion said basically it is all part of the design/build process. Mr. Carroll said he thinks it was sloppily handled.

Board Member Henry Vitale asked when the contract was first awarded in November 2011, how many bids were received for this contract. What was the total amount of the bid? Mr. Laskey said the bid came in low. Staff said the Authority short-listed three firms to submit pricing on this contract. This was the lowest of the three firms. Chief Engineer Anandan Navanandan said there was \$5 million between this contractor and the second bidder.

Mr. Carroll asked what staff thinks about design/build after this contract. Mr. Laskey stated the other cases worked very well. In the overall scheme for this project, we are still doing well because we are still within 3.5% change orders and competitive with the other bidders. Perhaps we should have been on this earlier and brought it to the Board in piece meal. Are there some things we could have done better? Yes. Is it horribly bad? No, in the overall scheme this is going to be okay.

Secretary Bartlett stated that she thinks it does make it difficult when there are continuing legal disputes because it is impossible to say what the exact number is going to be if the legal dispute is still going on. It could dramatically change what that figure is so it puts staff in a difficult position in coming forward because they do not know what the impacts are going to be.

Mr. Carroll stated that one of the best changes in the municipal contracting process is the owner's project manager (OPM) because any project over \$1 million has to have an OPM. This is somebody looking over the designer's work continually from day one. That kind of a process would have saved a lot of trouble here.

Information

Delegated Authority Report – October 2014

Director of Finance and Administration Rachel Madden highlighted the October 2014 delegated authority purchases. There were five planned purchases, five recurring contracts and one amendment.

Board Member Jack Walsh asked, in regard to the simple payback calculations, did we add the rebates in? Ms. Madden responded in the affirmative and said that is actually where you will see the greatest savings.

Mr. Walsh noted that 14 vehicles were purchased at close to \$50,000 per vehicle; do those have GPS and the radios already installed or will it be installed after the purchase. Staff stated that these items are installed after the purchase.

FY15 Financial Update and Summary as of October 2014

Staff provided the Board with a financial update and summary as of October 2014.

Board Member Joel Barrera noted that the staff summary mentioned lower watershed reimbursements of \$119,000 due to an FY14 over-accrual; can staff explain what that means? Budget Manager Kathy Soni stated that it is strictly a timing issue; MWRA closes its books in June and the Department of Conservation and

Recreation doesn't close its books until September so there will always be an estimate. At the end of the day, it was lower, so that is an accrual that was carried from last year.

Ms. Madden stated that the MWRA is going to reap a significant benefit from the bond transaction that Mr. Laskey referenced. Treasurer Thomas Durkin noted on Thursday, in the past week, the MWRA took competitive bids for new money to be deposited into the construction fund for short and large refundings. There were between 8 to 12 bids for each. The budgetary savings in dollars will be \$56 million between this year and the final maturity of the refunded bond, which was 2041.

In the near term, between FY15 and FY20, the MWRA will save \$23 million from paying interest on the new bonds rather than the old bonds. The construction fund is being managed well and this was a very advantageous deal for the MWRA.

The MWRA goes between negotiated sales and competitive sales, which each have their advantages. Staff thought this would be a good time to do a competitive deal and it was well received in the market place. Staff heard from some of the bidders that it was very advantageous given the volatility through the markets in the last couple of weeks so it worked out well for the Authority. Staff will be closing the deal in a few weeks.

Update on Lead and Copper Rule Compliance

Joshua Das, Project Manager, Public Health, stated that the MWRA has now been under the lead action level for nineteen straight rounds. The latest round was 5.4 parts per billion, which is the second lowest level since the MWRA began testing. Only one community, Malden, was over the action level. Two of their 15 samples were over the action level; they have been notified and they will have to do lead education.

Of the 56 schools and daycares that were sampled, only three of those had one sample that was over the action level, so the results are very good.

The next sampling round for everyone except Malden will be in September 2015.

Director of Planning and Sustainability Steve Estes-Smargiassi is in Washington DC working on new lead and copper rules, which will likely go into effect in 2019.

Mr. Laskey added that there would be some burdensome changes if the changes being considered come to fruition.

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