

MWRA Board of Directors Meeting
April 15, 2015
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 | * |
| Establishment of an Other Post-Employment Benefits Trust (OPEB) | Approval | <ul style="list-style-type: none"> Approved establishment of an Irrevocable OPEB Trust 5-member Board of Trustees – Executive Director, Director of Finance, Treasurer, Budget Director, Director of Human Resources Annual funding reflected in CEB at the discretion of the Board of Directors | Unanimous | * |
| Amendments to General Bond Resolution | Approval | <ul style="list-style-type: none"> Board approved release of \$113.4 million in Reserves \$103.4 million will defease debt \$10 million will be deposited to OPEB Irrevocable Trust | Unanimous | * |
| Approval of Memorandum of Understanding between MWRA and the MA Department of Fish and Game (DFG) | Approval | <ul style="list-style-type: none"> DFG will design and construct fishing pier and 20 pier parking spots at Deer Island 20 additional parking spaces to supplement existing spots will be funded by MWRA MWRA will provide general oversight and monitoring | Unanimous | * |
| Memorandum of Agreement between MWRA and City of Somerville, Contract 7335, Section 4 Webster Ave. Pipe and Utility Bridge Replacement | Approval | <ul style="list-style-type: none"> MWRA's 48" pipe and supporting utility bridge will be replaced with the City of Somerville's main simultaneously Somerville will reimburse MWRA \$100,000 Using same contractor will limit disruptions | Unanimous | * |
| Appointment of Project Manager, Quality Assurance | Approval | <ul style="list-style-type: none"> Appointed: Mr. Don Martel Salary: \$95,364.21 (Unit 9, Grade 25) Effective: April 18, 2015 | Unanimous | |
| Appointment of Project Manager, Engineering and Construction Department | Approval | <ul style="list-style-type: none"> Appointed: Mr. Carmine DeMaria Salary: \$95,364.88 (Unit 9, Grade 25) Effective: April 18, 2015 | Unanimous | |
| PCR Amendments – April 2015 | Approval | <ul style="list-style-type: none"> 1 title/ grade change Estimated Annual Impact: \$3,566 | Unanimous | |
| Integrated Financial, Procurement and Human Resources/Payroll Management System Maintenance and Support | Contract Awards | <ul style="list-style-type: none"> Awarded: Infor Global Solutions Not to exceed: \$358,654.12 Term: June 1, 2015 through May 31, 2016 | Unanimous | |
| Technical Assistance Consulting Services, Hazardous Materials | Contract Awards | <ul style="list-style-type: none"> Awarded: Geosphere Environmental Management, Inc. – Contract 600TA Awarded: Green Seal Environmental, Inc. – Contract 601TA Each not to exceed \$450,000 for 3-yr contract NTP for 1st year not to exceed \$150,000 | Unanimous | |
| Mystic River Streamgages – Joint Funding Agreement, Contract OP-281 | Contract Awards | <ul style="list-style-type: none"> Contract with USGS for installation, maintenance and ongoing operation Cost: \$144,900 From NTP to September 30, 2017 | Unanimous | * |
| Section 4 Webster Avenue Pipe and Utility Bridge Replacement, Contract 7335 | Contract Awards | <ul style="list-style-type: none"> Awarded: NEL Corporation Amount: \$1,759,000 Term: 214 calendar days from the NTP | Unanimous | * |
| Diver Assisted Suction Harvesting of Invasive Plants at Stillwater Basin, Wachusett Reservoir, WRA-1559 | Contract Awards | <ul style="list-style-type: none"> Awarded: AE Commercial Diving Services Amount: \$350,000 Funding will be included in FY16 as well | Unanimous | * |
| Nut Island Headworks Electrical and Conveyors Improvements, Contract 7312, Amendment 4 | Contract Amendments /Change Orders | <ul style="list-style-type: none"> Contractor: Malcolm Pirnie, Inc. Contract increase: \$68,100 (New total: \$1,249,477) Term extended: 376 days to May 19, 2016 | Unanimous | * |
| Spot Pond Water Storage Facility Design/Build Project, Contract 6457, Change Order 14 | Contract Amendments /Change Orders | <ul style="list-style-type: none"> Contractor: Walsh Construction Company Term: Extended 115 calendar days to August 15, 2015 No additional cost | Unanimous | |

MWRA Board of Directors Meeting

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|---|------------------------------------|--|-----------|---|
| Preliminary Design and Owner's Representative Services for Spot Pond Storage Facility, Contract 7233, Amendment 2 | Contract Amendments /Change Orders | <ul style="list-style-type: none"> • Camp Dresser & McKee, Inc. • Contract increase: \$142,000 (New total: \$3,034,096) • Term: extended by 9 months to August 15, 2017 | Unanimous | |
| Northern Intermediate High, West Street Transmission Main – Reading, Contract 7066, Change Order 4 | Contract Amendments /Change Orders | <ul style="list-style-type: none"> • Contractor: P. Caliacco Corp. • Not to exceed: \$200,000 (New total: \$1,926,369.46) • No increase in contract term. | Unanimous | |
| Delegated Authority Report – March 2015 | Information | <ul style="list-style-type: none"> • Please see related staff summary | n/a | * |
| 2014 Annual Update on New Connections to the MWRA System | Information | <ul style="list-style-type: none"> • Please see related staff summary | n/a | |
| FY15 Financial Update and Summary as of March 2015 | Information | <ul style="list-style-type: none"> • YTD expenses are \$3.5 million, or 0.7%, lower than budgeted • \$1.6 million was transferred to Defeasance Account in March • YTD (through Mar) balance of Defeasance Account is \$12.3 million; Defeasance Account projected to be at \$25 million by year end • FY15 CIP – YTD spending is \$78.6 million, \$13.1 million or 14.3% lower than budget. • Removing programs not directly under MWRA's control (i.e. I/I program, LWSAP, community managed CSOs), under-spending is \$21.2 million or 32.4% | n/a | * |
| Infiltration/Inflow Local Financial Assistance Program Annual Update | Information | <ul style="list-style-type: none"> • \$10.7 million in new Phase 9 funds have been distributed to 9 communities for local projects • Staff anticipates an additional \$4.5 million in Phase 9 funds will be distributed in May • \$160 million allocated for Phases 9 and 10 | n/a | * |
| Local Pipeline and Water System Assistance Program Annual Update | Information | <ul style="list-style-type: none"> • 38 of 45 eligible member water communities have participated in \$432 million LWSAP • Through February, \$299 million interest-free loans have been distributed for 345 projects | n/a | * |

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MWRA Advisory Board Summary
of the
MWRA Board of Directors Meeting
Wednesday, April 15, 2015

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on April 15, 2015 at the Charlestown Navy Yard. Present: Jennifer Wolowicz, Gubernatorial Appointee; John Carroll and Joseph C. Foti, MWRA Advisory Board Representatives; Henry Vitale and Austin Blackmon, City of Boston Representatives; Jack Walsh, City of Quincy Representative. Absent: Chair Matthew Beaton, Gubernatorial Appointee; Andrew Pappastergion, MWRA Advisory Board Representative; Kevin Cotter, City of Boston Representative; Paul Flanagan, Town of Winthrop Representative.

Report of the Chair

In the absence of Chairman Matthew Beaton, Vice Chairman John Carroll chaired the meeting.

Board Member Henry Vitale stated that Mayor Walsh has asked that those of us who work or live in the City actively participate in One Boston Day. One Boston Day is an idea conceived by the survivors of the Marathon Bombing and their families to inspire positive action among Boston's people. Mayor Walsh has announced that April 15 will be permanently established as a special day to encourage kindness and good will saying, "One Boston Day will inspire all of us to come together as the community we are and share the spirit of Boston by giving back. April 15 is a date that has come to stand for our city's deepest values. I hope everyone can mark this day in a way that is appropriate and inclusive for each of our experiences."

Report of the Executive Director

MWRA Executive Director Fred Laskey mentioned that the Quabbin is spilling over the spillway this morning.

The MWRA has been notified by DEP that it will be receiving a public water system award in May.

Mr. Laskey stated that by statute, the MWRA is required to provide the Governor and the Legislature with a five-year progress report. The Citizens Review Panel includes Vivienne Li and Robert Varney (environmental perspective), Marcis Kempe (engineering), the Honorable Michael McGlynn, Mayor of Medford, and Charles Lyons (public management), and the Honorable Steve Brewer, retired Senator (legislative). The Advisory Board members have approved this panel.

In May, a major contract will be awarded for the MAXIMO system.

The MWRA's Draft Business Plan is available for the Board to review.

Mr. Laskey noted that in May, as a requirement of state law, there will be a separate meeting held to review the compensation levels of managers at the MWRA without staff present. The Board will be provided with a staff summary with information regarding agencies around the country.

Approvals

Establishment of an OPEB Trust

The Board voted to establish an irrevocable trust for the sole purpose of accounting for funding of the Net Other Post-Employment Benefits (OPEB) Obligation. Annual funding will be reflected in the Current Expense Budget and determined at the discretion of the Board of Directors. Further, to adopt the declaration of trust, substantially as presented and filed with the records of this meeting, creating and establishing the Massachusetts Water Resources Authority Irrevocable OPEB Trust, and to appoint a five-member Board of Trustees to administer the Trust, including the Executive Director, the Director of Finance, the Treasurer, the Budget Director and the Director of Human Resources.

Board Member John Carroll stated that there have always been OPEB; why is it now required to fund them ahead of time? Director of Finance Tom Durkin said the Authority is not required to fund OPEB; however, the Governmental Accounting Standards Board issued Statement No. 45 (GASB45) requiring the liability to be reported on the balance sheet.

Mr. Carroll asked how GASB has the Authority over the Town of Norwood, for example. Controller Rob Belkin stated that it is the government/industry standards recognized Board that addresses accounting issues. The MWRA has to follow their standards. Mr. Laskey noted that if the MWRA were not in compliance with these standards, it could affect the Authority's bond rating.

Board Member Henry Vitale stated that the City of Boston has its irrevocable trust set up. If the Authority does not follow the GASB45 standard, it would be detrimental.

Mr. Carroll asked what the advantages of an irrevocable trust are. Mr. Vitale stated that liabilities continue to grow. Setting up the irrevocable trust allows for the ability to invest in the stock market and maintain pace with the liabilities. The MWRA needs to demonstrate to the rating agencies that it is addressing this liability; the Authority would not receive credit for doing this without an irrevocable trust.

MWRA Advisory Board Executive Director Joseph Favaloro stated that this is a snapshot on the relationship between the Authority and the Advisory Board; today is a result of seven years of back and forth between the MWRA and the Advisory Board. Seven years ago, the Advisory Board objected to an irrevocable trust for many reasons. From these discussions, a plan was developed to look at the pension and OPEB liabilities as one, with the focus on pension. Additional payments were made to the pension fund, which is now nearly fully funded. Through the work of the Long-Term Rates Management Committee, the Advisory Board is now standing up in support of an irrevocable trust. It was also determined that the irrevocable trust would not be subject to the one-sixth requirement of the Operating Reserve. Moving forward with the irrevocable trust is the right step.

Mr. Laskey thanked Mr. Vitale for providing the Boston Water and Sewer Commission's template for the irrevocable trust. It is a good quality product that provides a great framework.

Mr. Carroll asked how the money gets from the trust to fund the OPEB. Mr. Durkin stated that the Board of Trustees would approve the expenditures.

Amendments to General Bond Resolution

The Board voted to authorize the Executive Director or his designee, on behalf of the Authority, to enter into, execute and deliver all necessary agreements and other instruments and to take such other actions necessary to effectuate the redemption and defeasance of an aggregate principal amount of approximately \$92,105,000 of outstanding MWRA senior bonds including to cause the escrow of cash and/or securities in an amount necessary to fund such redemption and defeasance and to deposit \$10 million into an Irrevocable OPEB Trust utilizing reserve funds made available as a result of the amendments to the General Bond Resolution.

Mr. Laskey stated that this is a major initiative recommended by the Advisory Board to release reserves that are no longer required because the Authority has proven to be a stable organization.

Mr. Durkin noted that the release of these reserves allows for a rate increase of 3.9% through 2021; prior to this release, that would not have been possible. Mr. Laskey added that the Advisory Board's mantra has been "four no more," and this leaves the MWRA in a great position to achieve that goal. The funds are targeted to provide rate relief to ratepayers of the MWRA.

Approval of Memorandum of Understanding between the Massachusetts Department of Fish and Game and the Massachusetts Water Resources Authority for a Public Access Fishing Pier at Deer Island

The Board voted to authorize the Executive Director, on behalf of the Authority, to execute and enter into a Memorandum of Understanding with the Massachusetts Department of Fish and Game and other fisheries offices, substantially in the form presented and filed with the records of the meeting, authorizing the Department to undertake and fund the permitting, design and construction of a fishing pier and associated 20 pier parking spaces within the public access portion of Deer Island. Further, to authorize the Authority to fund 20 additional parking spaces to supplement existing parking spots for general public access use, and to provide general oversight and monitoring of the use of the fishing pier and parking areas.

David Duest, Director of the Deer Island Treatment Plant, provided the Board with a [presentation](#) on the Public Access Fishing Pier at Deer Island.

Board Member Jack Walsh asked if the Winthrop representative to the Board, Paul Flanagan, was comfortable with these plans. Mr. Laskey responded in the affirmative.

Board Member Austin Blackmon asked who owns the land. Mr. Duest stated that the land is in the care and custody of the MWRA.

Mr. Walsh asked if there is a ladder to get people out of the water should someone fall in. Mr. Duest said he would mention this to the design team. Mr. Laskey noted that he did not want to encourage swimming in this area.

Memorandum of Agreement between the Massachusetts Water Resources Authority and the City of Somerville – Contract 7335, Section 4 Webster Avenue Pipe and Utility Bridge Replacement

The Board voted to authorize the Executive Director, on behalf of the Authority, to execute a Memorandum of Agreement with the City of Somerville, substantially in the form presented and filed with the records of the meeting, related to reimbursement to the Authority for construction costs associated with the replacement of Somerville’s 20-inch-diameter water main.

Board Member Joseph Foti noted that he was previously the Director of Public Works in Somerville and there was nothing but problems with these lines. The bridge has been offline since 2009.

Appointment of Project Manager, Quality Assurance

The Board voted to approve the Executive Director’s recommendation to appoint Mr. Don Martel (Unit 6, Grade 10) to the position of Project Manager, Quality Assurance (Unit 9, Grade 25), at an annual salary of \$95,364.21, to be effective April 18, 2015.

Appointment of Project Manager, Engineering and Construction Department

The Board voted to approve the Executive Director’s recommendation to appoint Mr. Carmine DeMaria, Sr. Engineer (Unit 9, Grade 23), to the position of Project Manager in the Engineering and Construction Department (Unit 9, Grade 25), at an annual salary of \$95,364.88, to be effective April 18, 2015.

PCR Amendments – April 2015

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

Contract Awards

Integrated Financial, Procurement and Human Resources/Payroll Management System Maintenance and Support: Infor Global Solutions

The Board voted to approve the award of a sole source purchase order contract for the annual maintenance and support of the integrated financial, procurement and human resources/payroll management system to Infor Global Solutions (formerly Lawson Associates, 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 \$358,654.12 for a period of one year, from June 1, 2015 through May 31, 2016.

Technical Assistance Consulting Services, Hazardous Materials: Geosphere Environmental Management, Inc., Contract 600TA; and Green Seal Environmental, Inc., Contract 601TA

The Board voted to approve the recommendation of the Consultant Selection Committee to select Geosphere Environmental Management, Inc. and Green Seal Environmental, Inc. to provide Technical Assistance Consulting Services in the category of Hazardous Materials, and to authorize the Executive Director, on behalf of the Authority, to execute Contract 600TA with Geosphere Environmental Management, Inc., and Contract 601TA with Green Seal Environmental, Inc., each in an amount not to exceed \$450,000, for a term of three years, and to authorize a Notice to Proceed for the first year of each contract in an amount not to exceed \$150,000. Further, to authorize the Executive Director to approve separate Notices to Proceed, if recommended by staff, to commence the second and third year terms of each contract, for the same yearly not to exceed amounts.

Mystic River Streamgages – Joint Funding Agreement: U.S. Geological Survey, Contract OP-281

The Board voted to authorize the Executive Director to enter into a multi-year, Joint Funding Agreement (Contract OP-281) with the United States Geological Survey for the installation, maintenance, and ongoing operation of three streamgages in the Mystic River Watershed at a cost of \$144,900, from the date of the Notice to Proceed to September 30, 2017.

Lise Marx, Senior Program Manager, Planning, provided the Board with a [presentation](#) on the Mystic River Streamgages Joint Funding Agreement.

MWRA Chief Operating Officer Michael Hornbrook noted that staff will continue to push for more funding.

Section 4 Webster Avenue Pipe and Utility Bridge Replacement: NEL Corporation, Contract 7335

The Board voted to approve the award of Contract 7335, Section 4 Webster Avenue Pipe and Utility Bridge Replacement, to the lowest responsible and eligible bidder, NEL Corporation, and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$1,759,000, for a term of 214 calendar days from the Notice to Proceed.

Staff provided the Board with a presentation on the [Section 4 Webster Avenue Pipe and Utility Bridge Replacement](#).

Diver Assisted Suction Harvesting of Invasive Plants at Stillwater Basin, Wachusett Reservoir: AE Commercial Diving Services, WRA-1559

The Board voted to approve the award of a purchase order contract for the control of invasive plants at Stillwater Basin in the Wachusett Reservoir to the lowest eligible and responsible bidder under Bid WRA-1559, AE Commercial Diving Services, and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said purchase order contract in the bid amount of \$350,000.

Director of Waterworks David Coppes made a presentation on the Diver Assisted Suction Harvesting of [Invasive Plants](#) at Stillwater Basin, Wachusett Reservoir.

Contract Amendments/Change Orders

Nut Island Headworks Electrical and Conveyors Improvements: Malcolm Pirnie, Inc., Contract 7312, Amendment 4

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 4 to increase the amount of Contract 7312 with Malcolm Pirnie, Inc., Nut Island Headworks Electrical and Conveyors Improvements, in the amount of \$68,100 and to extend the term by 376 days, from May 6, 2015 to May 19, 2016.

Mr. Walsh questioned whether this would have been part of the regular engineering costs if it came in on time. Hasn't the MWRA already paid for this? Program Manager David Pottle responded if the contract hadn't been extended it would have been paid for; however, the resident engineer was there on the job for a longer period of time overseeing the contractor's work.

Spot Pond Water Storage Facility Design/Build Project: Walsh Construction Co., Contract 6457, Change Order 14

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 14 to extend the term of Contract 6457 with Walsh Construction Company, Spot Pond Water Storage Facility Design/Build Project, by 115 calendar days to August 15, 2015, at no additional cost to the Authority; and 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, and 180 days in accordance with the Management Policies of the Board of Directors.

Preliminary Design and Owner's Representative Services for Spot Pond Storage Facility: Camp Dresser & McKee, Inc., Contract 7233, Amendment 2

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 2 to increase the amount of Contract 7233 with Camp Dresser & McKee, Inc., Preliminary Design and Owner's Representative Services for Spot Pond Storage Facility, by \$142,000 and to extend the term by nine months to August 15, 2017.

Northern Intermediate High, West Street Transmission Main – Reading: P. Caliacco Corp., Contract 7066, Change Order 4

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 7066 with P. Caliacco Corp., Northern Intermediate High, West Street Transmission Main – Reading, for an amount not to exceed \$200,000, with no increase in contract term; and to authorize the Executive Director to approve additional change orders as may be needed to Contract 7066,

in amounts not to exceed the aggregate of \$250,000 and 180 days, in accordance with the Management Policies of the Board of Directors.

Information

Delegated Authority Report – March 2015

Director of Administration Michele Gillen highlighted delegated authority purchases for March 2015. Ms. Gillen noted that there were 15 planned purchases, 1 amendment and 4 change orders.

Mr. Laskey noted that all of these actions have paper trails on how the procurement was done; staff was trying not to flood the Board with paperwork. At some point, staff will be coming forward with a recommendation to change the threshold for delegated authority that has been in place for more than a decade. In May or June, the Authority would like to streamline the use of our managers' time.

2014 Annual Update on New Connections to the MWRA System

Manager of Policy and Planning Pam Heidell provided an overview on potential new connections to the MWRA system. (Please see staff summary.)

FY15 Financial Update and Summary as of March 2015

Mr. Laskey told the Board that staff would be coming before them next month regarding a defeasance with a goal of controlling multi-year rate increases to keep them below 4% as recommended by the communities through the Advisory Board. It is good news and is consistent with the long-term plan.

Infiltration/Inflow Local Financial Assistance Program Annual Update

Mr. Laskey noted that the Infiltration/Inflow (I/I) Program has been favorably received by the member communities. He noted that he and Mr. Favaloro had been out to the communities of Newton and Waltham to present them with their Phase 9 funding for their I/I work.

Mr. Walsh asked why a community wouldn't use all of its funding. Senior Program Manager Carl Leone stated that the Authority was successful in getting the communities to use the first five phases of funding; they have until 2018 to utilize the funds from Phase 6.

Mr. Blackmon asked how often these funds are allocated. Mr. Leone stated that generally each phase lasts about three years. Previous allocations had been at \$40 million but Phases 9 and 10 each have an \$80 million allocation.

Mr. Blackmon stated that he hoped that there would be an opportunity to reallocate unused funds to communities that could use them, or that are at greater risk, to improve the system as a whole.

Local Pipeline and Water System Assistance Program Annual Update

Mr. Carroll noted that Marblehead has not utilized this program. Mr. Leone stated that Marblehead has not taken advantage of this program because they pay for projects on a cash basis. They do not bond for these projects.

This summary does not include every item discussed by the Board, nor the full extent of the discussions. Please contact Mary Ann McClellan at the Advisory Board office with questions, comments or requests for more information.