

**MWRA Board of Directors Meeting
May 13, 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	*
Bond Defeasance of Future Debt Service	Approval	<ul style="list-style-type: none"> Authorized: Redemption and defeasance of principal amount of \$27,525,000 of outstanding MWRA Senior Bonds Reduces debt service requirement by \$31,003,163 in FY16 to FY19 timeframe 	Unanimous	*
PCR Amendment – May 2015	Approval	<ul style="list-style-type: none"> 1 Title/grade change Effective: June 27, 2015 Annual Savings: \$13,865 to \$28,809 	Unanimous	
Extension of Contract Employee, IT Project Support Contractor, MIS	Approval	<ul style="list-style-type: none"> Approved: Mr. Neville Neil Not to exceed: \$51,313.60 – Annual Term: May 23, 2015 to May 22, 2016 	Unanimous	
Appointment of IT Asset and Configuration Manager, MIS	Approval	<ul style="list-style-type: none"> Appointed: Ms. Ana Soto-Martinez Salary: \$93,879.25 Effective: May 16, 2015 	Unanimous	
Appointment of Work Coordination Center Manager, Operations	Approval	<ul style="list-style-type: none"> Appointed: Mr. Scott Winn Salary: \$88,916.58 Effective: May 16, 2015 	Unanimous	
Lead Market Participant Services for Deer Island Treatment Plant	Contract Awards	<ul style="list-style-type: none"> Delegated authority to Executive Director to determine a lead market participant services provider and to execute contract prior to June 1, 2015 Award to entity that will best serve interests of the Authority 	Unanimous	*
Maximo Upgrade Project, Contract 7287 (Three-Party Contract)	Contract Awards	<ul style="list-style-type: none"> Approved: SHI International Corporation and Total Resources Management, Inc. Providing consulting services Not to exceed: \$2,625,904 Term: 26 months from NTP 	Unanimous	
Medical Services for Occupational Health and Regulatory Programs, Contract A598	Contract Awards	<ul style="list-style-type: none"> Approved: AllOne Health Resources Amount: \$93,077.50 Term: 36 months from NTP 	Unanimous	*
Centrifuge Services, Deer Island Treatment Plant, Contract S537	Contract Awards	<ul style="list-style-type: none"> Awarded: Alfa Laval, Inc. Amount: \$600,400 Term: 1,095 calendar days from NTP 	Unanimous	*
Grit and Screenings Hauling and Disposal, Contract S536	Contract Awards	<ul style="list-style-type: none"> Awarded: W.L. French Excavating Corp. Amount: \$2,549,544 Term: 730 calendar days from NTP 	Unanimous	*
Purchase of Firewalls, Intrusion Prevention System, and Related Maintenance and Monitoring Services, WRA-3224, Amendment 3	Contract Amendments /Change Orders	<ul style="list-style-type: none"> NTT Com Security US, Inc. Amendment Amount: \$261,874.75 Term: Extended 12 months to June 30, 2016 	Unanimous	*
Delegated Authority Report – April 2015	Information	<ul style="list-style-type: none"> Please see related staff summary 	n/a	*
Update on Maintenance Program at MWRA	Information	<ul style="list-style-type: none"> Please see related staff summary 	n/a	*
Third Quarter FY15 Orange Notebook	Information	<ul style="list-style-type: none"> Routine maintenance activities were delayed this quarter due to record-breaking winter storms and staff being diverted to snow removal Overtime for the third quarter was \$1.3 million (\$417,000 over budget) March storms resulted in four blending events at Deer Island for a total of just over 36 hours; the required 700 MGD of secondary capacity was available and all secondary permit levels were met at all times 	n/a	

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FY15 Financial Update and Summary as of April 2015	Information	<ul style="list-style-type: none"> • YTD expenses are lower than budget by \$3.9 million or 0.7% due to lower direct expenses of \$3.5 million, lower indirect expenses of \$416,000 and higher total revenues of \$2.3 million or 0.4% for a net variance of \$6.2 million • In April, \$1.8 million was transferred to the defeasance account • YTD defeasance account balance: \$14.1 million 	n/a	*
Change in Recommended Water Fluoridation Dosing	Information	<ul style="list-style-type: none"> • In April 2015, Centers for Disease Control issued recommendation that dosing of water fluoridation be reduced from 1.0 milligrams per liter (mg/L) to 0.7 mg/L • MWRA lowered fluoride dose to 0.7 mg/L on April 29, 2015 • Staff estimates a savings of \$214,000 for a full year at current chemical costs 	n/a	*

Administration and Finance
 Wastewater
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MWRA Advisory Board Summary
of the
MWRA Board of Directors Meeting
Wednesday, May 13, 2015

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on May 13, 2015 at the Charlestown Navy Yard. Present: Chairman Matthew Beaton and Jennifer Wolowicz, Gubernatorial Appointees; John Carroll, Andrew Pappastergion and Joseph C. Foti, MWRA Advisory Board Representatives; Henry Vitale, Kevin Cotter and Austin Blackmon, City of Boston Representatives; Jack Walsh, City of Quincy Representative. Absent: Paul Flanagan, Town of Winthrop Representative.

Report of the Chair

Chairman Matthew Beaton congratulated and thanked Board Member Austin Blackmon for his great work this morning at the Metropolitan Boston Climate Preparedness Summit at the University of Massachusetts Boston. The summit addressed climate issues and was hosted by the Metro Mayors Coalition. Mr. Blackmon thanked MWRA Executive Director Fred Laskey for his participation in the summit as well.

Chairman Beaton provided an update on a pipeline project that MWRA is working on with the Department of Fish and Game (DFG) for a fish and wildlife hatchery. He said that he was happy to report that an allocation of \$2 million would be transferred to the MWRA's capital account for this project. The DFG will have a reliable water supply to the fish hatchery with more consistent water temperature, making it easier to maintain. Mr. Laskey noted that the goal for completion of this project is late 2016 or early 2017.

MWRA Advisory Board Executive Director Joseph Favaloro noted that the Advisory Board had been opposed to the fish hatchery project; however, with the announcement of the funding for this project from the Commonwealth, Mr. Favaloro said he could announce the Advisory Board's support for the project.

Report of the Executive Director

MWRA Executive Director Fred Laskey thanked Chairman Beaton for the good news on the fish hatchery – it is a great environmental project on several fronts. It resolves temperature concerns associated with the hatchery's current water source, allows MWRA to construct hydroelectric turbines at the Brutsch facility grounds, and results in supplemental flow to the Swift River downstream of the hatchery by 6 million gallons a day. It is a "win-win" situation.

The Town of Ashland has voted to join the MWRA waterworks system; however, there are still a number of steps to be completed.

There was a major article in the *Boston Globe* on the Mystic River and water quality issues.

The Other Post-Employment Benefits (OPEB) Trust will hold its first meeting tomorrow.

A major upgrade to Deer Island, which will result in staff having to shut down the north system repeatedly for periods of time, has its first major test in the modeling coming up; it is a very difficult project with significant risks.

State law requires that the Board hold an Annual Meeting without staff present, which will be held after Executive Session at this meeting.

Approvals

Bond Defeasance of Future Debt Service

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 \$27,525,000 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, in order to reduce the debt service requirement by approximately \$31,003,163 in the FY16 through FY19 timeframe.

Board Member Henry Vitale asked on total debt outstanding, is there a guideline on how much debt should be outstanding to total variable rate debt? Director of Finance Tom Durkin stated that staff monitors \$450 million in cash money market accounts that is subject to ups and downs. We look at best industry practices. We are at 17% and our goal is 15% of our outstanding debt; we were at 20%. If we go below, do we risk taking on more variable rate debt, which we haven't done in a long time. Mr. Laskey noted that he is variable rate-averse; at some point interest rates will go up and the Authority wants to maximize on locked in rates.

PCR Amendments – May 2015

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

Extension of Contract Employee, IT Project Support Contractor, MIS

The Board voted to approve the extension of an employment contract for Mr. Neville Neil, IT Project Support Contractor, for a period of one year, from May 23, 2015 to May 22, 2016, at the current hourly rate of \$24.67, for an annual compensation amount not to exceed \$51,313.60.

Appointment of IT Asset and Configuration Manager, MIS

The Board voted to approve the Executive Director's recommendation to appoint Ms. Ana Soto-Martinez to the position of IT Asset and Configuration Manager in the MIS Department (Unit 6, Grade 12), at an annual salary of \$93,879.25, to be effective May 16, 2015.

Appointment of Work Coordination Center Manager, Operations

The Board voted to approve the Executive Director's recommendation to appoint Mr. Scott A. Winn (Unit 2, Grade 20) to the position of Work Coordination Center Manager (Unit 6, Grade 12), at the recommended salary of \$88,916.58, to be effective on May 16, 2015.

Contract Awards

Lead Market Participant Services for Deer Island Treatment Plant: Direct Energy Business Marketing, LLC

The Board voted to delegate to the Executive Director the authority to take such actions as will allow staff to identify, in accordance with existing procurement practices, other providers, if any, of Lead Market Participant energy services competitive with the proposal of Direct Energy Business Marketing LLC, but without excluding Direct as a candidate, and to award and execute a contract for such services prior to June 1, 2015 with the entity that will best serve the interests of the Authority.

After some discussion regarding the availability of providers of lead market participant services for Deer Island, the Board voted to authorize Mr. Laskey, under delegated authority, to determine a lead market participant service provider.

Mr. Blackmon encouraged Mr. Laskey to determine the best course of action before the deadline so that the MWRA doesn't lose out on an opportunity to remain in the market.

Maximo Upgrade Project: SHI International Corporation and Total Resources Management, Inc., Contract 7287

The Board voted to approve the recommendation of the Consultant Selection Committee to select the team of SHI International Corporation and Total Resources Management, Inc. to provide consulting services to the Authority for the Maximo Upgrade Project and to authorize the Executive Director, on behalf of the Authority, to execute said three-party Contract No. 7287 in an amount not to exceed \$2,625,904 for a term of 26 months from the Notice to Proceed.

Medical Services for Occupational Health and Regulatory Programs: AllOne Health Resources, Contract A598

The Board voted to approve the recommendation of the Consultant Selection Committee to select AllOne Health Resources for the provision of medical services and consultation for occupational health and regulatory programs and to authorize the Executive Director, on behalf of the Authority, to execute Contract A598 with AllOne Health Resources in the amount of \$93,077.50 for a term of 36 months from the Notice to Proceed.

Board Member Jennifer Wolowicz asked if this contract will cover workers' compensation physicals as well. Director of Human Resources Karen Gay Valente stated that this contract does not cover workers' compensation physicals. This contract is for pre-employment physicals and fitness for duty in regard to Department of Transportation regulations.

Board Member Kevin Cotter asked if this is a renewal contract. Ms. Gay Valente stated that the Authority has utilized this vendor for 20 years; however, they have a new name.

Centrifuge Services, Deer Island Treatment Plant: Alfa Laval, Inc., Contract S537

The Board voted to approve the award of Contract S537, Centrifuge Services, Deer Island Treatment Plant, to the lowest eligible and responsible bidder, Alfa Laval, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$600,400, for a term of 1,095 calendar days from the Notice to Proceed.

Board Member Jack Walsh questioned the need for more extensive overhauls of the [centrifuges](#) after 25,000 runtime hours since the machines receive extensive maintenance. Deer Island Treatment Plant Director David Duest noted that the maintenance has extended the life of the equipment and it would cost more than \$1 million to replace it.

Grit and Screenings Hauling and Disposal: W. L. French Excavating Corp., Contract S536

The Board voted to approve the award of Contract S536, Grit and Screenings Hauling and Disposal, to W.L. French Excavating Corporation, and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$2,549,544, for a term of 730 calendar days from the Notice to Proceed.

Mr. Walsh stated that he would like to have seen more than one bid for this project. Chief Operating Officer Michael Hornbrook noted that staff contacted three other contractors that received copies of the bid documents and they listed reasons why they did not bid, including that a two-year payback was not sufficient.

Board Member Joseph Foti noted that if a contractor had to buy new vehicles, three years isn't enough time to recoup their money.

Contract Amendments/Change Orders

Purchase of Firewalls, Intrusion Prevention System, and Related Maintenance and Monitoring Services: NTT Com Security US, Inc., WRA-3224, Amendment 3

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 3 to increase the amount of Contract WRA-3224 with NTT Com Security US, Inc., Firewall, Intrusion Prevention System and Related Maintenance and Monitoring Services, in the amount of \$261,874.75 and to extend the term by 12 months to June 30, 2016.

Mr. Carroll asked what the difference is between what the Authority is buying here and companies like T.J. Maxx that are being breached. MIS Director Russell Murray stated that these are similar technologies but the companies didn't pay attention to the alarms; the MWRA does pay attention. Staff watches and reacts to

alarms. Ms. Gillen added that the threat level is constantly moving. Staff will provide more information to the Board in Executive Session on steps being taken.

Mr. Walsh said this is an outside company and they will monitor the screens all day. Mr. Murray said this company will monitor our systems 24 hours per day, seven days per week.

Mr. Walsh asked why the MWRA doesn't monitor these systems itself. Ms. Gillen said the Authority staff does some monitoring. There are some companies that just monitor from 9 am to 5 pm. Part of our request is to find the right balance versus the risk.

Mr. Laskey noted that Homeland Security did an assessment of the MWRA's SCADA system that went well. It is almost a constant that people are working around the systems you put in place.

Information

Delegated Authority Report – April 2015

Director of Administration Michele Gillen highlighted delegated authority purchases for April 2015.

Mr. Walsh noted that \$47,400 seems expensive for a circuit breaker to have on hand as a replacement. Ms. Gillen said there were three bids; staff believes it is a fair market price. Mr. Duest noted that the breaker is for Deer Island and it has 480 volts and 1,600 amps.

Update on Maintenance Program at MWRA

MWRA Chief Operating Officer Michael Hornbrook and Deputy Chief Operating Officer John Vetere gave an [update](#) on maintenance.

Mr. Carroll asked why MAXIMO is not being supported. Mr. Murray stated that IBM does not support this version anymore. The Authority has stretched the life of this system as far as it could and now must upgrade the system.

Third Quarter FY15 Orange Notebook

Mr. Hornbrook provided the Board with a presentation on the Third Quarter FY15 Orange Notebook.

FY15 Financial Update and Summary as of April 2015

Director of Finance Tom Durkin and Budget Director Kathy Soni provided the Board with an FY15 Financial Update as of April 2015.

Board Member Andrew Pappastergion said that staff was using the term "filled positions" and is now using "Full-Time Equivalents (FTEs)". Mr. Durkin said staff would adjust for part-time. The average year-to-date

FTEs were 1,144, which is 21 positions lower than the 1,165 budgeted. There is also a salary differential between staff retiring at higher rates and new hires coming on board at lower rates.

Change in Recommended Water Fluoridation Dosing

Director of Planning and Sustainability Steve Estes-Smargiassi stated that the Center for Disease Control (CDC) has made a recommendation to lower the water fluoridation dosage to 0.7 milligrams per liter (mg/L), down from the 1.0 mg/L currently in place. The MWRA has followed the CDC's advice.

All of the health benefits from fluoridation can be achieved with the lower dose. The lower dosage will save the Authority \$214,000 per year.

Mr. Estes-Smargiassi said the CDC are the experts and the MWRA will follow their recommendation.

Authority Accountability and Transparency Act Compliance

After the conclusion of Executive Session, the meeting was reopened in order to conduct the annual meeting of the Personnel and Compensation Committee under the requirements of the Accountability and Transparency Act.

As required by the 2011 Authority Accountability and Transparency Act, the Personnel and Compensation Committee must meet independently of management (with no MWRA staff present) at least once a year to establish and evaluate compensation, and analyze and assess comparable compensation for positions with similar functions and responsibilities at state agencies and authorities, and for-profit and non-profit private sector employers. Analyses of [comparable salaries](#) were attached to facilitate the Committee's review.

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.