

**MWRA Board of Directors Meeting
January 18, 2018
Voting Summary Sheet**

| Item Name | Type | Notes | Vote | Discussion Highlights |
|--|---------------------------------|---|-----------|-----------------------|
| Approval of Minutes | n/a | n/a | n/a | |
| Report of the Chair Annual Meeting: Election and Appointment of MWRA Officers and Committee Assignments | n/a | Voted to: (1) designate this January 18, 2017 meeting as the Annual Meeting which, as provided in the Authority's by-laws, will be deemed a special meeting of the Board for the purpose of election of officers; (2) elect John Carroll as Vice-Chairman of the Board; (3) appoint Andrew Pappastergion as Secretary of the Board and Bonnie Hale and Rosemarie Convery as Assistant Secretaries; Matthew Horan as Treasurer and Robert Belkin and Kathy Soni as Assistant Treasurers; and (4) ratify the appointment of Board members to standing Committees, as presented and filed with the records of the meeting. New Committee Chairs will be appointed approximately every two years. | Unanimous | * |
| Report of the Executive Director | n/a | n/a | n/a | * |
| First Amended and Restated Water Supply Continuation Agreement with Town of Wilmington | Approval | <ul style="list-style-type: none"> •Authorized First Amended and Restated Water Supply Continuation Agreement between MWRA and the Town of Wilmington, substantially in the form presented and filed with the records of the meeting. | Unanimous | * |
| PCR Amendments — January 2017 | Approval | <ul style="list-style-type: none"> •Approved the amendments to the Position Control Register, as presented and filed with the records of the meeting. | Unanimous | |
| Appointment, Program Manager, Process Engineering, Deer Island | Approval | <ul style="list-style-type: none"> •Appointed: Timothy Beaulieu •Salary: \$108,599.56 •Effective: Effective on the date designated by the Executive Director. | Unanimous | |
| Audit Services: CliftonLarsonAlien LLP, Contract F242 | Contract Award | <ul style="list-style-type: none"> •Awarded: CliftonLarsonAlien LLP •Amount: \$499,000 •Term: Four years, from April 1, 2017 to March 31, 2021 | Unanimous | * |
| Drug and Alcohol Testing Program: Advantage Drug Testing, Contract A610 | Contract Award | <ul style="list-style-type: none"> •Awarded: Advantage Drug Testing, Contract •Amount: \$32,050 •Term: 36 months from the Notice to Proceed. | Unanimous | * |
| Electrical Equipment Testing, Deer Island Treatment Plant: American Electrical Testing Company, Contract S561 | Contract Award | <ul style="list-style-type: none"> •Awarded: American Electrical Testing Company •Amount: Not to exceed \$1,972,160 •Term: 1,095 calendar days from the Notice to Proceed. | Unanimous | * |
| Settlement Agreement for Various Design Contracts and Hatchery Pipeline and Hydroelectric Project Design, Construction Administration and Resident Inspection Services: Stantec Consulting Services, Inc., Contract 7017A, Amendment 2 | Contract Amendment/Change Order | <ul style="list-style-type: none"> •Authorized agreement with Stantec Consulting Services Inc. in the amount of \$70,000, which represents reimbursement to MWRA for claims associated with designer error and omissions | Unanimous | * |
| Northern Intermediate High Redundant Pipeline Design, Construction Administration and Resident Inspection Services: Stantec Consulting Services, Inc., Contract 6906, Amendment 2 | Contract Amendment/Change Order | <ul style="list-style-type: none"> • Authorized increase of Contract 6906 with Stantec Consulting Services, Inc., in the amount of \$900,854.00 and to extend the term by 39 months to December 23, 2020. | Unanimous | |
| Northern Intermediate High Section 110 - Reading and Woburn: Albanese D&S, Inc., Contract 7471, Change Order 7 | Contract Amendment/Change Order | <ul style="list-style-type: none"> • Authorized increase of Contract 7471 with Albanese D&S, Inc., Northern Intermediate High Section 110 - Reading and Woburn, in an amount not to exceed \$564,239, with no increase in contract term. Further, to authorize the Executive Director to approve additional change orders as may be needed to Contract 7471 in amounts not to exceed the aggregate of \$250,000, in accordance with the Management Policies and Procedures of the Board of Directors. | Unanimous | |
| Delegated Authority Report - December 2016 | Information | <ul style="list-style-type: none"> •Please see related staff summary | n/a | * |
| MWRA Compliance with the Amended Massachusetts Public Records Law | Information | <ul style="list-style-type: none"> •Please see related staff summary | n/a | * |
| FY17 Financial Update and Summary as of December 2016 | Information | <ul style="list-style-type: none"> •Please see related staff summary | n/a | * |

MWRA Board of Directors Meeting

January 18, 2018

Voting Summary Sheet

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|--|-------------|-----------------------------------|-----|---|
| Cross Harbor Cable Update | Information | •Please see related staff summary | n/a | * |
| Clinton Wastewater Treatment Plant Reissued NPDES Permit | Information | •Please see related staff summary | n/a | * |
| Report on 2016 Water Use Trends and Reservoir/Drought Status | Information | •Please see related staff summary | n/a | * |
| Update on EPA Unregulated Contaminant Monitoring Rule (UCMR) | Information | •Please see related staff summary | n/a | * |

Administration and Finance
 Wastewater
 Water
 Personnel
 *Indicates Highlights



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MWRA Advisory Board Summary
of the
MWRA Board of Directors Meeting
Wednesday, January 18, 2017

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on January 18, 2017, at the Charlestown Navy Yard. Present: Secretary Beaton, Brian Peña, Gubernatorial Appointees; John Carroll, Andrew Pappastergion, and Joseph C. Foti, MWRA Advisory Board Representatives; Henry Vitale, Kevin L. Cotter, and Austin Blackmon, City of Boston Representatives; John J. Walsh, City of Quincy Representative.

Absent: Jennifer Wolowicz, Gubernatorial Appointee; Paul Flanagan, Town of Winthrop Representative

Report of the Chair

Secretary Beaton explained that the administration was robustly moving through the budget season. He reminded the Board that the Governor's State of the Commonwealth address will be next Tuesday. He explained that he felt that the Commonwealth is poised to have a strong budget next year. Secretary Beaton noted that his office has continued to make strides in energy policy since the December Board of Director's meeting.

Board Member, John Carroll, asked the Secretary if he would be open to discussing the topic of mountain biking in the MWRA watershed area in the following Board of Directors meeting. Secretary Beaton stated that he would love for this conversation to take place.

Annual Meeting: Election and Appointment of MWRA Officers and Committee Assignments

The Board voted to: (1) designate this January 18, 2017 meeting as the Annual Meeting which, as provided in the Authority's by-laws, will be deemed a special meeting of the Board for the purpose of election of officers; (2) elect John Carroll as Vice-Chairman of the Board; (3) appoint Andrew Pappastergion as Secretary of the Board and Bonnie Hale and Rosemarie Convery as Assistant Secretaries; Matthew Horan as Treasurer and Robert Belkin and Kathy Soni as Assistant Treasurers; and (4) ratify the appointment of Board members to standing Committees, as presented and filed with the records of the meeting. New Committee Chairs will be appointed approximately every two years.

Report of the Executive Director

Executive Director, Fred Laskey, explained that the Board had recently authorized settlement with Daniel O'Connell's Sons, Inc. This was a long but harmonious dispute over a job at Deer Island.

At the end of December, the fish hatchery at Quabbin was put into use. Water is now flowing through the hatchery and it is expected to have a running generator this summer.

Approvals

Approval of Minutes

The Board voted to approve the minutes from the December 14, 2016 Board of Directors meeting.

First Amended and Restated Water Supply Continuation Agreement with Town of Wilmington

The Board voted to authorize the Executive Director, on behalf of the Authority, to execute the First Amended and Restated Water Supply Continuation Agreement between MWRA and the Town of Wilmington, substantially in the form presented and filed with the records of the meeting.

Policy and Planning Manager, Pam Heidell, explained that as part of the contract renewal process, Stoughton has asked for an adjusted interest rate from 4.34% to 3.9%. The Advisory Board approved the adjustment for Stoughton. Wilmington then requested the same interest rate adjustment and this was also approved by the Advisory Board.

Board Member, Joe Foti, asked for a clarification regarding the last paragraph of the staff summary regarding the adjustment of interest with respect to Wilmington's usage. Ms. Heidell explained that if Wilmington had paid an entrance fee and then increased their usage to an already approved level, there would be no interest on the entrance fee difference.

PCR Amendments — January 2017

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, Process Engineering, Deer Island

The Board voted to approve the Executive Director's recommendation to appoint Mr. Timothy Beaulieu to the position of Project Manager, Process Control (Unit 9, Grade 25) at an annual salary of \$108,599.56, to be effective on the date designated by the Executive Director.

Contract Awards

Audit Services: CliftonLarsonAllen LLP, Contract F242

The Board voted to approve the recommendation of the Consultant Selection Committee to select CliftonLarsonAllen LLP to provide Audit Services to the Authority, and to authorize the Executive Director, on behalf of the Authority, to execute and deliver Contract F242 with CliftonLarsonAllen LLP in an amount not to exceed \$499,000 for a term of four years, from April 1, 2017 to March 31, 2021.

Finance Director, Tom Durkin, and Controller, Rob Belkin, gave a brief history of the MWRA's auditing protocols. The Authority has used KPMG LLP for auditing for the past 22 years. For the upcoming fiscal year, the Authority would like to take the bid of ClintonLarsonAllen LLP.

Mr. Belkin explained that selection committee reviewed four proposals and were unanimous in selecting CliftonLarsonAllen for auditing services, concluding the firm offered the best value. The bids were all grouped very closely together.

Drug and Alcohol Testing Program: Advantage Drug Testing, Contract A610

The Board voted to approve the recommendation of the Consultant Selection Committee to select Advantage Drug Testing LLC for the provision of Drug and Alcohol Testing Services, and to authorize the Executive Director, on behalf of the Authority, to execute Contract A610 with Advantage Drug Testing LLC in an amount not to exceed \$32,050 for a term of 36 months from the Notice to Proceed.

Director of Administration, Michelle Gillen, and Human Resources Manager, Steve Perry, gave a brief overview of the solicitation and procurement process. Seven firms were solicited, with three submitting proposals for the contract. The incumbent holder of the contract, Advantage Drug Testing, was selected. The Authority has been very satisfied with the services of Advantage Drug Testing.

Board Member, Jack Walsh, asked how many tests were regularly done in comparison to how many employees were eligible for testing. Ms. Gillen added that about 50% of the Authority's 100 CDL drivers are sampled. Additionally, random testing is done based on probable cause or accidents among the Authority's employee pool of over 1,140 employees.

Board Member, Brian Peña, asked what the cost per each test was. Mr. Perry explained that the cost per drug test was a fixed rate of \$60 and the cost per alcohol blood test was a fixed rate of \$40.

Electrical Equipment Testing, Deer Island Treatment Plant: American Electrical Testing Company, Contract S561

The Board voted to approve the award of Contract S561, Electrical Equipment Testing - Deer Island Treatment Plant, to the lowest eligible and responsible bidder, American Electrical Testing Company, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver Contract S561 in an amount not to exceed \$1,972,160, for a term of 1,095 calendar days from the Notice to Proceed.

Deer Island Wastewater Treatment Plant Director, David Duest, and Senior Program Manager, David Kubiak, gave a brief summary of the need for the contract, explaining that the equipment involved in the large electrical distribution system of Deer Island has to be continuously tested. The Deer Island electrical system is similar to that of a large town, only more complex. There is a limitation in the amount of companies that are qualified and available to do this type of testing.

Board Member, Brian Peña, asked if the Authority has a practice of verifying that the employees of the contractor have the proper certifications. Mr. Duest confirmed that the Authority makes a practice of this.

Contract Amendments/Change Orders

Settlement Agreement for Various Design Contracts and Hatchery Pipeline and Hydroelectric Project Design, Construction Administration and Resident Inspection Services: Stantec Consulting Services, Inc., Contract 701A, Amendment 2

The Board voted to authorize the Executive Director, on behalf of the Authority, to execute a settlement agreement with Stantec Consulting Services Inc. in the amount of \$70,000, which represents reimbursement to MWRA for claims associated with designer error and omissions in the following Stantec design contracts: Contract 6854, Lynnfield/Saugus Pipelines Project; Contract 7259, North Dorchester Bay Ventilation Building; and Contract 7085A, Installation of Second Gaseous Oxygen Line at the John J. Carroll Water Treatment Plant. Further, to authorize the Executive Director, on behalf of the Authority, to approve Amendment 2 to extend the term of Contract 7017A with Stantec Consulting Services Inc., Hatchery Pipeline and Hydroelectric Design, Construction Administration and Resident Inspection Services, by three months to September 1, 2018 with no increase in the contract amount.

Deputy Chief Operating Officer, John Vetere; Chief Engineer, Anandan Navanandan; and Program Manager, Maureen McAvoy gave a presentation on the proposed contract amendment. The staff noted that this was a particularly unusual staff summary. The contacts listed in this action item were backlogged for time due to error omissions and in need of finalization. A negotiated settlement was reached on work that was done, work that needed to be redone, and premium payments.

Northern Intermediate High Redundant Pipeline Design, Construction Administration and Resident Inspection Services: Stantec Consulting Services, Inc., Contract 6906, Amendment 2

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 2 to increase the amount of Contract 6906 with Stantec Consulting Services, Inc., Northern Intermediate High Redundant Pipeline Design, Construction Administration and Resident Inspection Services, in the amount of \$900,854.00 and to extend the term by 39 months to December 23, 2020.

Northern Intermediate High Section 110 - Reading and Woburn: Albanese D&S, Inc., Contract 7471, 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 7471 with Albanese D&S, Inc., Northern Intermediate High Section 110 - Reading and Woburn, in an amount not to exceed \$564,239, with no increase in contract term. Further, to authorize the Executive Director to approve additional change orders as may be needed to Contract 7471 in amounts not to exceed the aggregate of \$250,000, in accordance with the Management Policies and Procedures of the Board of Directors.

Information

Delegated Authority Report - December 2016

Director of Administration, Michelle Gillen, and Director of Procurement, Carolyn Francisco-Murphy, opened the presentation up to any questions the Board may have.

Board Member, Jack Walsh, requested more information on the valve and piping replacement listed on items C-11. Chief Operating Officer, Michael Hornbrook, explained that the Authority reviews the procedures and testing used in the

manufacturing of particular valves because there have been previous failures of the valve coatings. The review process ensures that the lining is installed correctly and that there are no defects in the lining system of these valves. Mr. Walsh was concerned that the Authority was unsure of the specifications provided by valve manufacturers if it was sending staff to review the manufacturing process. Authority staff explained that the inspection process was for extra verification. It is critically important for the valves to be at top standard at installation as they are very difficult to access after installation.

MWRA Compliance with the Amended Massachusetts Public Records Law

General Counsel, Stephen Remsberg, and Senior Manager, Lori Allen, explained that one of the highlights of the amended public records statute was the requirement of records access officers to be appointed in various areas of the Authority. These officers troubleshoot and expedite records requests as they come into the Authority, especially when the requestor is not completely sure what he or she is looking for. There are seven officers throughout the Authority. Another key change is the use of an online database for every request that comes into the Authority. Previously, the agency would only keep very formal requests that ended in the law division.

Board Member, Kevin Cotter, asked for a clarification on the seven records access officers, asking if the positions existed before the statute was amended. Ms. Allen confirmed that the positions had already existed. Executive Director, Fred Laskey, noted that many of the new records requirements did not require protocol changes from the Authority because of the transparent nature of the agency and its habit of posting so much documentation onto the website regularly.

FY17 Financial Update and Summary as of December 2016

Budget Director, Kathy Soni, Finance Director, Tom Durkin, and Budget Manager, Louise Miller, lead a presentation to the Board updating the financial progress of Fiscal Year 2017 through December 2016.

Mr. Durkin noted that the Authority is now halfway through the fiscal year. The budget continues to progress as anticipated. Expenses were \$8.9 million (2.6%) less than budgeted. This was made up of \$2.2 million in direct expenses, \$124 thousand in indirect expenses, and \$6.4 million in debt service. Revenue is \$ 1.3 million (0.4%) higher than budgeted. The overall budget variance through December 2016 is \$10.2 million.

Ms. Soni noted that this staff summary had the first estimates regarding the cost of the EverSource/HEEC cross harbor cable evaluation. The project is expected to have two phases with a total of \$1 to \$1.2 million in the current fiscal year and \$3.5 to \$4.5 million in the next fiscal year. Advisory Board Executive Director, Joe Favaloro, explained that he expects that the Authority will be reimbursed for every dollar spent on the project by EverSource/HEEC.

Ms. Soni also commented on the additional non-rate revenue as a result of the drought conditions of 2017 as well as a project agreement with the city of Cambridge. There is an estimated total of \$6 million in non-budgeted, miscellaneous revenue.

Board Member, Joe Foti, asked for more information on interest rate projections. Mr. Durkin explained that the Authority used 3.25% as an assumed rate and December closed out just at 1%. He went on to say that the Authority expects interest rates to increase and staff has been discussing what a higher assumed rate would be. Mr. Durkin noted that while staff has not determined a new assumed rate yet, he expects the budgeted rate in FY18 to be higher than the

current 3.25%. The Advisory Board has been supportive of the use of defeasance account strategy up to this point, but noted that the Advisory Board is prepared to battle on the levels of interest rate assumptions.

Cross Harbor Cable Update

Chief Operating Officer, Mike Hornbrook, gave a brief presentation on the anticipated cross harbor cable project. There are two phases of the project, the first part is currently underway.

In the first phase, a robot was used to determine where the cable was below the harbor. During the search, Deer Island was powered through combustion turbine generator (CTG) energy. There are 3 strands to the cable, the first phase determined that there might have been some separation of the strands.

The second phase of the cable, during the summer of 2017 would involve harbor dredging and the placement of a concrete barrier over the cable. At this time, Deer Island would be operated through 24/7 CTG power. The MWRA has worked with EverSource/HEEC to establish a protocol for an emergency recharge of Deer Island through the electric cable if needed.

Board Member, Andy Pappastergion, asked if there was a cost difference between covering the cable with a protective barrier versus relocating the cable to a deeper part of the harbor. Mr. Hornbrook noted that the barrier option was being prioritized by EverSource/HEEC because relocating the cable would not be done by the project deadline in September.

Clinton Wastewater Treatment Plant Reissued NPDES Permit

Chief Operating Officer, Mr. Hornbrook, Deputy Chief Operating Officer, Carolyn Fiore, Environmental Quality Director, Betsy Reilly, and Senior Program Manager, Wendy Leo highlighted the permit, explaining the roles and responsibilities of the co-permittees (which are the MWRA, Clinton, and Lancaster Sewer District).

The permit includes the expected changes regarding phosphorus limits. Adjustments to the Clinton phosphorus treatment process are scheduled to be completed in September of 2017. The new permit requires the co-permittees to meet the phosphorus limits beginning in April of 2019. The Authority is confident that optimization of the phosphorus removal process will be achieved in compliance with the permit.

MWRA had also commented on the flow limit of 3.01 MGD which was determined by the flow of the Nashua river. This flow limit is exceeded from time to time although the overall flow requirements are always met. The Authority had asked for a flow increase and this was not granted in the new permit.

As the Authority reviews the permit, the possible language that could be used in the next Deer Island permit is considered. Like the Clinton permit, the current Deer Island permit expired in 2005.

Board Member, Jack Walsh, brought up a concern with there being no direct accountability towards each specific co-permittee. He asked how the Authority would have to respond if one of the co-permittees was not complying with the permit. Mr. Hornbrook commented that the permit broadly notes that Clinton and Lancaster are responsible for meeting the operation and maintenance of their collection systems under the permit and that the MWRA is responsible for the Clinton facility and collection interceptor. Mr. Hornbrook explained that the Advisory Board frequently brings up this concern, noting that the defined responsibilities of the permit are not intricate enough.

Report on 2016 Water Use Trends and Reservoir/Drought Status

Planning and Sustainability Director, Steve Estes-Smargiassi, Waterworks Director, Dave Coppes, and Program Manager, Daniel Nvule, gave the annual presentation of water use trends and the status of the reservoir levels and the drought in the Commonwealth.

Board Member, Joe Foti, commented on ratepayer pricing concerns. He explained that a common concern with ratepayers is water pricing continuing to increase despite water consumption typically decreasing.

Board Member, John Carroll, asked how the Authority calculated outdoor water usage per household. Mr. Estes-Smargiassi explained that this figure was not based on metering, but rather it is based on the seasonal use with the base demand being deducted.

Board Member, Austin Blackmon, asked for more information regarding the increase of partially supplied water communities since 2003. Mr. Blackmon questioned if the Authority could be in a tough situation in future drought conditions if an abundance of partially supplied communities would be preventing the reservoirs from maintaining safe supply yields. Mr. Coppes explained that it is a very large reservoir and it takes longer to get to poor levels, but it takes longer to recover. Mr. Estes-Smargiassi added that when new customers are evaluated, these types of predictions are considered.

Update on EPA Unregulated Contaminant Monitoring Rule (UCMR)

Planning and Sustainability Director, Steve Estes-Smargiassi, and Program Manager Joshua Das, explained that EPA puts out an unregulated contaminant rule every five years as required by the Safe Drinking Water Act. The purpose of the rule is to help water regulators consider contaminants that may need to be regulated. Water systems around the country must test a list of thirty contaminants each time the rule is issued. Regulations may change based on the results. This rule affects all communities and the Authority works to assist communities in this test process. The process is expected to cost approximately \$450 thousand over the next four fiscal years.

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