

MWRA ADVISORY BOARD
Summary of the
MWRA BOARD OF DIRECTORS' MEETING

November 3, 1999

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on November 3, 1999 at the Authority Headquarters in Charlestown. **Present:** John Carroll, Norman Jacques and Andrew Pappastergion, Advisory Board Representatives; Lucile Hicks, Gubernatorial Representative; Vincent Mannering, City of Boston Representative; Joseph MacRitchie, City of Quincy Representative. Andrea d'Amato, City of Boston Representative attended the retreat. **Absent:** Chairman Robert Durand, Gubernatorial Representative; Robert Spinney, City of Boston Representative; Donald Mitchell, Gubernatorial Representative; Marie Turner, Town of Winthrop Representative.

AGENDA

Report of the Chair

No Report.

Report of the Executive Director

Douglas B. MacDonald, Executive Director of the MWRA, informed the Board that John Fitzgerald, Director - Sewerage Division, has announced his departure from the MWRA. Mr. MacDonald acknowledged the contributions that Mr. Fitzgerald has made to the Authority and stated that Mr. Fitzgerald will remain at the Authority for two to three months.

APPROVALS

Extension of Contract Employee, Support Services

The Board voted to extend the employment contract of Matthew Ossen, Technical Support Analyst, MIS Department, Support Services Division, from November 3, 1999 to June 30, 2000 at an hourly rate of \$17 and an annualized compensation not to exceed \$21,675.

Mr. Ossen has been a contract employee since November 1998 assisting the MIS Department with a range of spreadsheet and Microsoft Access databases. He has completed all Year 2000 assigned testing and remediation work, and is currently assisting the Waterworks and Sewerage applications group with a variety of projects due to two staff being on maternity leave.

CONTRACT AWARDS

Bus Transportation System Phase II: Paul Revere Transportation, LLC, Contract 6353

The Board voted to approve the award of Contract No. 6353 for Bus Transportation System Phase II (2000-2001) to the lowest responsive bidder, Paul Revere Transportation, LLC, and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$1,579,029 for a period of 731 calendar days from the date of the Notice to Proceed.

Staff anticipates that bus transportation services will be required at a reduced level through December 2001. During the last twelve months, an average of eight buses have been used per day to transport Boston Harbor Project (BHP) personnel from Suffolk Downs to Deer Island. Staff anticipates that seven buses per day will be required from January through April 2000. Thereafter, the number of buses will be gradually reduced to reflect the declining workforce levels through December 2001.

Medical Services for Occupational Health Programs: Health Resources Corporation

The Board voted to approve the recommendation of the Consultant Selection Panel to selection Health Resources Corporation to provide Medical Services for Occupational Health Programs and to authorize the Executive Director, on behalf of the Authority, to execute a contract with Health Resources Corporation in an amount not to exceed \$102,690 for the three-year period of December 1, 1999 to November 30, 2002.

Medical services such as medical evaluations, physicals and controlled substance testing are an important component in MWRA's ability to comply with occupational safety and health standards and Department of Transportation regulations. Medical services are also needed to determine that MWRA employees are fully able to perform the essential functions of their jobs to minimize health or safety risks.

CONTRACT AMENDMENTS/CHANGE ORDERS

MetroWest Water Supply Tunnel, Western Tunnel Segment (CP-1): MetroWest Tunnelers, JV, Contract 6054, Change Order 11

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 11 to increase the contract price on Contract No. 6054 with MetroWest Tunnelers, JV, MetroWest Water Supply Tunnel Project, Western Tunnel Segment, in the lump sum amount of \$647,406.00. The original contract price was \$144,537,000.00, with cumulative Change Orders of \$2,304,747.51 (1.6% of the contract), totaling \$146,841,747.51, with no extension to the Contract Time. Further, to authorize the Executive Director to approve additional change orders as may be needed to Contract No. 6054 in amounts not to exceed the aggregate of \$250,000.00.

Two differing site conditions were encountered while excavating the tunnel. The Geotechnical Design Summary Report (GDSR) did not anticipate fault zones within Subreaches C or E, but a fault zone was located in Subreach E and soft, soil-like material was located within fracture zones of Subreach C. These conditions were not noted until the tunnel boring machine tunneled through, requiring hand mining of the material, and the installation of additional ground support.

Mr. Jacques asked if this was the last change order anticipated. Mr. MacDonald responded, "Throughout the 75% of the tunnel which has been completed, developing site conditions have resulted in claims on this contract. With 25% of the tunnel to go, there will probably be problems."

Ms. Hicks asked, "The Contractor's estimate is \$3 to \$5 million in claims. Is that all he anticipates?" Mike McBride replied, "The Contractor anticipates making an additional claim for work over the last five to six weeks because of the differing site conditions in the Bloody Bluff Fault Zone."

Walnut Hill Water Treatment Plant, Site Work and Storage Tank Facility: Barletta Heavy Division, Inc., Contract 6488, Change Order 6

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 6 to increase the contract price on Contract No. 6488 with Barletta Heavy Division, Inc., Walnut Hill Water Treatment Plant: Site Work and Storage Tank Facility, in the amount of \$150,000.00, with no extension to the Contract Time. The original contract price was \$62,344,400.00, with cumulative Change Orders of \$608,094.84 (0.98%), for a total adjusted contract price of \$62,952,494.84. This Change Order also authorizes the Executive Director to approve additional change orders as may be needed to Contract No. 6488 in amounts not to exceed the aggregate of \$250,000.00.

The Contract Documents require the installation of erosion control measures that include silt fencing, collector trenching and sedimentation basins surrounding the Walnut Hill site. Erosion control measures are installed to settle suspended solids from site groundwater run-off prior to being discharged off-site into Crane Meadow Swamp and the Wachusett Aqueduct lower channel, which ultimately flows into the Sudbury Reservoir, one of MWRA's back-up water supply reservoirs.

Two rainstorms during September 1999 caused flooding and breached erosion control measures permitting run off with suspended solids to enter an adjacent wetland and stream. Erosion control measures were repaired, but subsequent rain events have revealed the need for a more extensive system to protect the adjacent wetlands.

The inadequacies of the existing erosion control measures have been discussed with DEP and the Northborough, Southborough and Marlborough Conservation Commissions, concluding that in order to prevent a reoccurrence of run-off with suspended solids from entering the adjacent wetland and stream, and to comply with the Order of Conditions, it is proposed that three multi-cell additional sedimentation basins be installed. Additional diversion trenching and site stabilization will be done, also. These basins will add detention time and be sub-divided to allow the suspended solids to settle in the first cell and then flow through clean prior to being discharged into the Wachusett Aqueduct lower channel. This work will be performed on a time and materials basis due to the necessity to immediately implement these improvements. A long-term solution is being developed, which may include collection and treatment of site run-off in the basins using polymer.

INFORMATION REPORTS

Report on Chestnut Hill Disposition Workshop

[Last April, the Board of Directors approved funds for a workshop to be conducted by the Boston Preservation Alliance and Historic Massachusetts, Inc. on the subject of re-use options

for the High and Low Service Pumping Stations at Chestnut Hill. The workshop was conducted in June and the report is now being prepared for printing and publication in mid-November.]

Albert Rex, Executive Director of the Boston Preservation Alliance, stated that the workshop built a good working relationship with staff of the MWRA, good will within the community, put the disposition on the political radar screen and a number of developers have expressed interest in the site.

Julie Raymond, Project Manager, stated that the workshop identified key issues that people agreed on, such as: the site needs to be disposed of quickly (buildings are deteriorating) and that it is important that the site needs to be respected. Developers and the community agreed that the historic equipment should remain, and that new development on the site should produce an income in order to save the high and low service buildings. The workshop concluded that one developer should develop the whole site, including uses that allow public access and public benefit.

The Disposition Workshop developed and critiqued specific proposals for uses in such areas as hospitality/hotels, non-profit/institutions and museum/cultural facilities.

Conclusions drawn from the workshop and included in the report are that the disposition process should not be handled by MWRA and that the most appropriate disposition course probably lies through the Division of Capital Asset Management (DCAM).

Ms. Raymond noted that a public meeting would be held on November 16 at Newbury College to release the report to the community.

Mr. Pappastergion asked, "Why do we need legislative approval to turn the building over to DCAM?" Ms. Raymond replied, "DCAM needs a directive from the Legislature to receive the property."

MWRA BOARD OF DIRECTORS
CAPITAL PROGRAM AND RATES MANAGEMENT RETREAT

In the absence of Chairman Robert Durand, Vice-Chairman John Carroll welcomed Executive Committee members Joseph Foti, Katherine Haynes Dunphy, Phillip Farrington, Peter Hersey, Stanley Stanzin, Jay Fink and Advisory Board staff to the Board Retreat.

Barbara Gottschalk, MWRA Director of Finance, offered a presentation that grew out of a special subcommittee talking about the Capital Improvement Program (CIP) with the potential of establishing a cap.

Mr. MacRitchie asked, "Who makes the determination on which projects are included in the CIP?" Ms. Gottschalk stated that the Budget Department reviews submitted projects. If the project meets the test criteria, to contribute to improved public health, provide environmental benefits, fulfill a regulatory requirement, extend current asset life or result in a net reduction in operating costs, it is included in the CIP.

Mr. MacRitchie asked, “When do you say it’s a good project, but we can’t do it now?” Ms. Gottschalk replied, “The decision process that goes on now does not include a test on what rate impacts will be.”

Mr. Carroll asked, “What are the potential ways we can affect rates in a positive way?” Mr. Jacques stated that this generation of ratepayers should not have to pay for the entire projects now because the assets are going to last 100 years. He suggested refinancing. Mr. MacRitchie stated, “We have done that with recent debt. This presentation tells us that without any more spending, debt will increase because of the way it has been structured. Eventually, it has to be paid.”

Joe Favaloro, Executive Director of the MWRA Advisory Board, stated, “With all the uncertainties, that is the number one reason why you need to aggressively manage the projects in the CIP now. Before you put further CSO programs in place, we should ask, is this the right time to do it?” Ms. Gottschalk responded, “That is why we gave the Board the opportunity to review projects in advance.” Mr. Favaloro emphasized, “You must go back to the courts [to reconsider project schedules].”

Katherine Haynes Dunphy stated, “Social Security increases vary from 1.3% to 2.3%. I don’t think their increase will be 7% in the next seven years. Urban clerical workers will not have pay increases of 7%. Communities have environmental and health issues and overlapping debt as we try to borrow – debt levels are higher than ever due to the debt owed to the MWRA. Approach the court and ask. CSO projects should take their place among all the other projects. Communities and the MWRA have to work as partners to look at a combination of solutions.”

Mr. Carroll stated, “The Advisory Board has outlined most of the issues raised here. Could the Board get a simplified list from the MWRA so that we can develop some sort of policy or menu of options for managing rates?” Mr. Jacques suggested that the Advisory Board and MWRA staff work together to develop a policy. Ms. Hicks felt that the creation of the policy should be a Board activity.

Mr. Pappastergion offered, “Maybe one of the solutions is to review the criteria used to put projects into the CIP and provide a cost benefit analyses on select capital projects. If we did develop new criteria for projects, couldn’t we put unassigned contracts to the test?” Mr. MacDonald stated, “Are we doing the right thing investing \$126 million in WASM’s? DPW directors know better than anyone.”

Mr. MacDonald stated that staff will develop a menu and share it with the Advisory Board. MWRA staff agreed to make a presentation for the November 18, 1999 Advisory Board meeting.

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 and requests for additional information.
