

MWRA ADVISORY BOARD

Summary of:

MWRA BOARD OF DIRECTORS' MEETING

October 15, 2003

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on **October 15, 2003** at the Charlestown Navy Yard. **Present:** John Carroll, Andrew Pappastergion and Joseph Foti, Advisory Board Representatives; Lucile Hicks, Gubernatorial Appointee; Antonia Pollak and Kevin Cotter, City of Boston Representatives. **Absent:** Chair Ellen Roy Herzfelder and Donald Mitchell, Gubernatorial Appointees; Vincent Mannering, City of Boston Representative; Joseph MacRitchie, City of Quincy Representative; Marie Turner, Town of Winthrop Representative.

AGENDA

Report of the Chair

In the absence of MWRA Board Chair, Ellen Roy Herzfelder, Vice-Chair John Carroll welcomed Peter Papafio, a Senior Engineer in the Facilities Asset Planning Section of the Water Service in Northern Ireland, who is a participant in the Kennedy School (Harvard) Leaders for Tomorrow Program. MWRA is hosting Mr. Papafio in his quest to learn about change management, leadership, organizational learning, and asset management at the MWRA. Mr. Papafio's organization faces huge changes in the next five years because it must become self-financing (currently funded by UK government) and more efficient (downsizing).

Report of the Executive Director

Fred Laskey, MWRA Executive Director, noted the passing of two current employees in the past week, Bruce Morgan of MIS and Mark Ciampa, a Facilities Specialist.

The latest round of early retirements includes 13 former MDC employees and 90 employees from the MWRA system; however, some employees may have filed as an "insurance policy" to ensure that deadlines were met.

APPROVALS

Forty-fifth Supplemental Bond Authorization

The Board voted to adopt the forty-fifth Supplemental Resolution authorizing the issuance of up to \$165,000,000 of Massachusetts Water Resources Authority Revenue Bonds (2003 Series D subordinate series), and to adopt the supporting issuance resolution.

The \$165 million in fixed rate revenue bonds support the ongoing capital program, including the Blue Hills and Norumbega Covered Storage Facilities, Braintree-Weymouth Relief Facilities, Combined Sewer Overflow Program, other water and wastewater capital projects and retire \$30 million of commercial paper.

The debt service on this borrowing will be approximately \$5,500,000 for FY04. Funds are available in the FY04 CEB for this borrowing. This issue will bring total outstanding debt to within approximately \$75 million of the MWRA's \$5.4 billion debt cap.

Harbor and Outfall Monitoring 2001 – 2006, Battelle Ocean Sciences, Contract S366, Authorization of 2004 Funding

[On November 7, 2001 the Board voted to approve the selection of Battelle Ocean Sciences to carry out the required harbor and outfall monitoring under Contract S366. The term of the contract is from November 7, 2001 to December 31, 2006 with a total contract amount not to exceed \$15,746,031.43; however, the Board approved funding for only the first year of the contract and stipulated that further funding would be subject to its approval on an annual basis. On September 18, 2002, the Board approved funding for the second year; this vote represents the third year of funding for this work, the majority of which is permit required.]

The Board voted to approve funding of Contract S366, Harbor and Outfall Monitoring 2001-2006, with Battelle Ocean Sciences, for deliverables and services to be provided from January 1, 2004 through December 31, 2004, in the amount of \$2,818,123.94, bringing the total approved funding to \$9,705,927.41.

This contract funds environmental monitoring of outfall effects that is required in MWRA's NPDES discharge permit. The requested authorization for CY2004 is \$722,000 less than the \$3,540,000 authorized for CY2003, and is \$821,000 less than the original contract amount for CY2004. The requested amount assumes that changes to the design of the outfall monitoring proposed by MWRA to EPA and DEP will be approved. If the changes are approved by regulators, \$2,089,000 will be saved in Contract S366 over the term of the contract, reducing the total contract cost to approximately \$13,657,000. If some or all of these changes are not approved by regulators, staff will have to return to the Board to request additional funding for CY2004 deliverables of up to \$568,000. Staff are optimistic that the proposed changes will be approved, as all the changes have been reviewed and unanimously approved by the regulatory agencies' Outfall Monitoring Science Advisory Panel.

Remaining costs for this contract will be incurred in the FY04 through FY07 CEB. The funding approved in this request covers costs for activities scheduled in CY2004, which will be incurred in FY04 and FY05 (45% in FY04 and 55% in FY05). The FY04 budget for this contract (\$3,319,819) incorporated most of the proposed reductions that will affect contract costs in January – June 2004; current projections are within \$35,000 of the amount budgeted.

Joe Favaloro stated that it is no surprise that this is one area that the Advisory Board has strong concerns for; however, the Advisory Board would like to compliment the Authority staff for finding ways to reduce costs. The Advisory Board hopes that MWRA staff will continue its efforts to lower costs.

Walnut Hill Water Treatment Plant – Owner-Controlled Insurance Program, Insurance Broker Services: Assignment of Contract 6494A from Sheppard Riley Coughlin to Hilb, Rogal and Hamilton Insurance Company

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve the assignment of Contract 6494A, Walnut Hill Water Treatment Plant – Owner-Controlled Insurance Program, from Sheppard Riley Coughlin Insurance Agency to Hilb, Rogal and Hamilton Company and its wholly owned subsidiary Hilb, Rogal and Hamilton Insurance Agency of Massachusetts, LLC, d/b/a Sheppard Riley Coughlin Insurance Agency, with no change in contract amount or term.

On March 19, 2003, Sheppard Riley Coughlin Insurance Agency notified MWRA that its agency, including its contract with MWRA, had been acquired by Hilb, Rogal and Hamilton Company of Virginia. The acquisition was effective as of March 1, 2003. This assignment will result in no change in key personnel nor will it impact the level of service provided to MWRA. Hilb, Rogal and Hamilton Insurance Agency of Massachusetts, LLC d/b/a Sheppard Riley Coughlin Insurance Agency is a subsidiary of Hilb, Rogal and Hamilton Company of Virginia, which is the seventh largest insurance brokerage firm in the world with 80 offices located throughout the United States. Sheppard Riley Coughlin personnel working on MWRA's contract have agreed to continue to work for Hilb, Rogal and Hamilton and there has been no break in the services being provided since the corporate transfer. This assignment will have no budgetary impact.

October PCR Amendments – FY04

The Board voted to approve one amendment to the Position Control Register: to change a WTP Maintenance Tech to a M & O Specialist, which would change the position's salary range from (\$8,196) to \$4,939 in support of the new Walnut Hill Water Treatment Plant. Other changes were voted on by the Personnel Committee.

CONTRACT AWARDS

Wastewater Meter Replacement Project: RJN Group, Inc., Contract 6793

The Board voted to approve the recommendation of the Consultant Selection Panel to select RJN Group, Inc. to replace meter equipment, hardware and software, and to provide training and product support for the Wastewater Meter Replacement Project, and to authorize the Executive Director, on behalf of the Authority, to execute a contract with RJN Group, Inc. in an amount not to exceed \$5,154,979 for a term of 78 months from the Notice to Proceed.

Contract 6793 will provide for the replacement of MWRA's wastewater metering equipment and will include: 1) the installation of 196 replacement meters and 24 replacement Remote Terminal Units; 2) an upgrade of all data handling and communications capabilities (including wireless phone communication to allow for faster data reporting to communities and future on-line access to data); 3) a three-year fixed-price unconditional product support agreement, which includes replacement of faulty monitors, sensors, antennas, wiring and installation hardware at no cost to MWRA (such that maintenance expenses during the first three years on the contract should be limited to battery replacements); and 4) operations and maintenance training for MWRA staff and the development of complete system O & M and diagnostics manuals. Meter installations will begin in early 2004.

The FY04-06 CIP includes a budget of \$5,300,000 for Contract 6793. Estimated maintenance costs for years four through seven will be funded through future current expense budgets.

Ms. Hicks noted that the current metering equipment is 11 years old. Will MWRA have to replace meters again in ten years? Rick Trubiano responded that the life of the technology and equipment is about ten years. The environment that the meters are in is tough on the equipment.

Mr. Pappastergion noted that the staff summary indicates that MWRA will provide updates to communities as the installation progresses through the Advisory Board Operations Committee and requested that the Board of Directors receive monthly updates as well.

Deer Island Ancillary Modifications 3-1: Barletta Engineering Corp., Contract 6537

The Board voted to approve the award of Contract 6537, Deer Island Ancillary Modifications 3-1, to the lowest responsive bidder, Barletta Engineering Corp., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$3,174,000, for a term of 540 calendar days from the Notice to Proceed.

During the start-up and turnover of the Boston Harbor Project, Deer Island Plant staff identified certain modifications to the original design that would optimize the performance of the facilities. In some cases, there was sufficient time to incorporate these improvements into the original design; in other instances, the design was too far advanced for such incorporation. It was agreed at that time that the proposed enhancements should be reevaluated following some experience with actual operation of the facilities. As a result of the reevaluation, a series of Ancillary Modification contracts have been developed. This contract, Ancillary Modifications 3-1 (AM-3) includes a number of items that are design enhancements that were included in the contract for Secondary Battery C, but were not included in the original design of Secondary Batteries A and B.

Following a few years of operation of Battery C, the most beneficial of these features were packaged into a new design effort, AM-3.

The FY04-06 CIP contains \$3,007,000 for Contract 6537. The contract award is \$3,174,000, or \$157,000 over budget. The difference will be covered in the five-year CIP spending cap.

Southern Spine Water Mains Rehabilitation – Section 22 South: P. Caliacco Corp., Contract 6885

The Board voted to approve the award of Contract 6885, Southern Spine Water Main Rehabilitation – Section 22 South, to the lowest responsive bidder, P. Caliacco Corp., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$2,733,250, for a term of 365 calendar days from the Notice to Proceed.

Contract 6885 includes rehabilitation by cleaning and lining of Section 22, south from the intersection of Adams Street and Furnace Brook Parkway to the intersection of Copeland Street and Furnace Brook Parkway, a distance of 4,500 feet. Also included is the removal and replacement of an existing revenue meter and the installation of one new revenue meter serving the City of Quincy.

The FY04-06 CIP includes a budget of \$3,235,000 for Contract 6885.

Mr. Pappastergion asked how P. Caliacco Corp.'s performance was on other contracts. Kevin O'Brien of MWRA staff responded that P. Caliacco Corp. has performed well.

Workers' Compensation Claims Administration Services: Buckler, Irvin and Graf, Inc.

The Board voted to approve the recommendation of the Consultant Selection Panel to select Buckler, Irvin and Graf, Inc. to provide Workers' Compensation Claims Administration Services and to authorize the Executive Director, on behalf of the Authority, to execute a contract with Buckler, Irvin and Graf, Inc. in the amount of \$95,000 for the period January 1, 2004 through December 31, 2004, and further that the Board authorize the Executive Director to exercise the options to approve two additional one-year contracts.

Buckler, Irvin and Graf, Inc. is the current third party administrator for the MWRA and has been providing claims administration services since January 1, 1998. The company provides services to over 300 public entities in the Commonwealth, has been providing Workers' Compensation third-party administration services for over 60 years and possesses an in-depth understanding of the needs of self-insurers in a unionized environment. Buckler, Irvin and Graf, Inc. is familiar with the risk profile of the MWRA based on more than five years of previous experience handling MWRA claims.

The FY04 budget includes \$95,000 for Workers' Compensation claims administration. Funds for the remainder of the contract, if authorized, will be included in future year CEB requests.

Medical Services for Occupational Health and Regulatory Programs: Health Resources Corporation

The Board voted to approve the recommendation of the Consultant Selection Panel to select Health Resources Corporation to provide Medical Services for Occupational Health and Regulatory Programs and to authorize the Executive Director, on behalf of the Authority, to execute a three-year contract with Health Resources Corporation in the amount of \$98,646 for the period December 1, 2003 to November 30, 2006.

Medical services such as medical evaluations, pre-placement physicals and controlled substance random testing are important components in MWRA's compliance with occupational safety and health standards and Department of Transportation regulations. Medical services are also used to ensure that MWRA employees are fully capable of performing the essential functions of their jobs and to assess health or safety risks to MWRA employees.

There are sufficient funds in the FY04 CEB to cover the first seven months of this contract, through June 30, 2004. Funds for the remainder of the contract will be included in future year CEB requests.

CONTRACT AMENDMENTS/CHANGE ORDERS

Expansion Joint Caulking Repair Evaluation and Design: Simpson, Gumpertz & Heger, Inc., Contract 6668, Amendment 4

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 4 to increase the amount of Contract 6668 with Simpson, Gumpertz & Heger, Inc., Expansion Joint Caulking Repair Evaluation and Design, in an amount not to exceed \$27,000.

On March 3, 1999, the Board of Directors approved the award of Contract 6668 to evaluate the condition of the expansion joints on the top concrete deck of Primary Clarifiers A, B, C & D and on Secondary Reactors A & B, provide remedial design drawings and specifications, provide MWRA with assistance during the bidding process, determine inspection and quality control requirements, and provide engineering services during construction. The Consultant completed the evaluation of the expansion joints and deck and contract drawings and specifications were developed.

Construction Contract 6669 was awarded to Western Waterproofing Co., d/b/a Brisk Waterproofing Co., to perform the required construction work. During the course of construction, various field issues arose that required input and advice from the Consultant. In addition, the construction contractor raised some concerns about potential claims on the project. These concerns led to a series of extended meetings in August and September with the contractor, the Consultant and MWRA staff. Also, due to some unforeseen conditions, additional Consultant time was needed to locate imbedded electrical conduit that was interfering with the construction contractor's work. In an effort to avoid a costly delay, since the construction contractor was already mobilized, the Consultant was directed to provide an additional level of effort on MWRA's behalf.

The FY04-06 CIP contains a budget of \$140,332 for Contract 6668. The cumulative value of Amendments to Contract 6668 is \$60,655.80, added to the original contract amount of \$99,874.20, for an adjusted contract amount of \$160,530.80, or \$20,198.80 over budget. This amount will be covered within the five-year CIP spending cap.

East Boston Branch Sewer Rehabilitation: D'Allessandro Corp., Contract 6840, Change Order 2

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order 2 to increase the amount of Contract 6840 with D'Allessandro Corp., East Boston Branch Sewer Rehabilitation, in an amount not to exceed \$304,000. Further, to authorize the Executive Director to approve additional change orders as may be needed to Contract 6840 in amounts not to exceed the aggregate of \$250,000.

The award of Contract 6840 was approved by the Board of Directors on March 12, 2003 and a Notice to Proceed was issued on March 31, 2003. The contract includes the rehabilitation of 5,341 feet of the existing East Boston Branch Sewer main trunk by cured-in-place lining method and installation of floatable controls at one outfall. This change order consists of three items: 1) the removal of CSO related flow obstructions near influent to Caruso Pumping Station; 2) installation of additional temporary bypass piping, fittings and joint fusing; and 3) furnish, install and design additional bypass pumping set and piping per BWSC.

The FY04-06 CIP includes a budget of \$5,142,000 for Contract 6840. The cumulative value of all change orders to this contract is \$325,604.52, or 6.3% of the original contract amount of \$5,142,125.00, for an adjusted contract total of \$5,467,729.52, or \$325,729.52 over budget. This amount will be covered within the five-year CIP spending cap.

Walnut Hill Water Treatment Plant – Ozonation Treatment Facilities: Barletta-Shea, JV, Contract 6489, Change Order 54

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order 54 to increase the amount of Contract 6489 with Barletta-Shea, JV, Walnut Hill Water Treatment Plant – Ozonation Treatment Facilities, in the amount of \$413,000. Further, to authorize the Executive Director to approve additional change orders as may be needed to Contract 6489 in amounts not to exceed the aggregate of \$250,000.

As part of the contract sequence start-up in November 2003, the Cosgrove Tunnel will be shut down for the first time since it was constructed in 1965 to permit the connection of the tunnel to the new Walnut Hill Water Treatment Plant. The tunnel is scheduled to be shut down for six months while the tie-in is completed. This tunnel has been the primary transmission line that supplies water for the metropolitan area; therefore, it could not be shut down for periodic inspection in the past and staff recommends that a comprehensive inspection of the entire tunnel be conducted.

Staff evaluated two methods to inspect the tunnel. The first was to drain and physically walk through the tunnel; the second was to use underwater video equipment. Staff had two concerns regarding the first option. If the tunnel was drained and entered, it would have to be fully disinfected prior to being placed back into service. Also, if the tunnel was drained, the relieving of the interior water pressure could create a failure of the tunnel. Based on these concerns, a plan for a video inspection was developed to assist in identifying and locating any irregularities in the tunnel lining or debris piles in the tunnel invert. If major deficiencies are found during the inspection, necessary repairs would be designed and scheduled for one of the next low-demand periods from November to April.

The cumulative value of all change orders to this contract is \$10,666,129, or 9.1% of the original contract amount of \$116,844,000, for an adjusted contract total of \$127,510,129. The FY04-06 CIP contains a budget of \$128,003,000 for Contract 6489. Work on this contract is approximately 76% complete.

Disinfection of MetroWest Water Supply Tunnel: Barletta Heavy Division, Inc., Contract 6204, Change Order 2

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order 2 to increase the amount of Contract 6204 with Barletta Heavy Division, Inc., Disinfection of MetroWest Water Supply Tunnel, in the amount of \$220,000. Further, to authorize the Executive Director to approve additional change orders as may be needed to Contract 6204 in amounts not to exceed the aggregate of \$250,000.

Prior to placing the MetroWest Water Supply Tunnel (MWWST) and any related facilities in service, the entire pipeline system must be disinfected. The work of this change order will cover a revision of the disinfection method. It was determined that the slug disinfection method was not maintaining the minimum chlorine concentration pursuant to the AWWA standard. To protect public health, avoid delays and meet the schedule for completion of the disinfection and start-up of the MWWST and other critical milestones, Operations staff and the Design Engineer recommended an increase in chlorine injection using the alternative disinfection method of continuous feed.

Additionally, the contract documents require the Contractor to furnish and install a dechlorination plant at Shaft 5A and provide monitoring during the disinfection process of the MWWST.

The cumulative total of change orders to Contract 6204 is \$249,088, or 7.35% of the original contract amount of \$3,384,444, for an adjusted Contract amount of \$3,633,532, or \$249,532 over budget. The FY04-06 CIP includes a budget of \$3,384,000 for Contract 6204. The overage will be covered within the five-year CIP spending cap. Work on this contract is approximately 85% complete.

MetroWest Water Supply Tunnel Project – Construction Management Services: Stone & Webster, Contract 5284, Amendment 7

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 7 to increase the amount of Contract 5284 with Stone & Webster Massachusetts, Inc. (with the Shaw Group, Inc. as guarantor), MetroWest Water Supply Tunnel, Construction Management and Resident Inspection Services, in the amount of \$746,215.

The progress of punchlist and contract closeout of the major contracts is largely dependent on the construction activities and pace. To date, completion of punchlist items and contract closeout has taken longer than estimated by MWRA and has required inspection at more sites than expected and anticipated in the construction manager's budget. Although the contracts were declared substantially complete in April 2003, the value of the work on the punchlist for the last two tunnel contracts represented more than \$4 million and was spread out across 17 miles at 11 sites. The areas where the budget has been impacted include: 1) resident engineer inspection; 2) quality assurance; 3) project support; 4) project specific professional liability; 5) start-up support; and 6) safety.

The FY04-06 CIP includes a budget of \$38,666,000 for Contract 5284. The cumulative value of all Amendments to this Contract is \$7,519,508, added to the original contract amount of \$31,593,033, for an adjusted contract amount of \$39,112,541, or \$446,541 over budget. This amount will be covered within the five-year CIP spending cap.

Ms. Hicks asked if there is more than one resident engineer. Mr. DePaola stated that currently there are two resident engineers for Contracts 1 and 2. The resident engineer of subcontract 3 left when the contract was complete.

Ms. Hicks asked about claims that have been submitted. Mr. DePaola stated that a claim was submitted regarding extra work for ground water in the lining process two years ago.

East/West Spot Pond Supply Mains Rehabilitation Project: MWH Americas, Inc., Contract 6223, Amendment 4

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 4 to increase the amount of Contract 6223 with MWH Americas, Inc., East/West Spot Pond Supply Mains Rehabilitation Project, in an amount not to exceed \$543,959.

The East/West Spot Pond Supply Mains are the principal transmission mains of the Northern Low Service Area serving Boston, Cambridge, Charlestown, East Boston, Everett, Malden, Medford and Somerville. Constructed a century ago, they begin at the Chestnut Hill Low Service Pump Station and originally carried water from Chestnut Hill Reservoir to Spot Pond in Stoneham. Since the Chestnut Hill and Spot Pond Reservoirs are no longer in active service, the mains currently receive water reduced in pressure from the City Tunnel Extension via Shafts 7B, 8, 9 and 9A. After rehabilitation the mains will be supplied with water from the new Loring Road Covered Reservoir by way of the rehabilitated Weston Aqueduct Supply Mains. The Spot Pond Bypass Pipeline connects the East and West Spot Pond Supply Mains at their northern terminus and Sections 57 and 67 in Medford and Somerville also connect the two mains providing flexibility in the distribution of water to thirty Low Service community meters. These pipelines also support the rehabilitated Gillis Pump Station in Stoneham as emergency backup to the recently constructed Spot Pond Suction Main (Section 99), which came online in 1997.

The cumulative value of Amendments to Contract 6223 is \$1,470,246, added to the original contract amount of \$9,404,000, for an adjusted contract amount of \$10,874,246. The FY04-06 CIP contains a budget of \$13,490,287 for Contract 6223.

Basics of Lubrication Training: National Tribology Services, Inc., Contract A436, Amendment 2

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 2 to extend the time for completion of Contract A436 with National Tribology Services, Inc., Basics of Lubrication Training, by four months to January 10, 2004.

This contract provides multiple sessions of a one-day class on the Basics of Lubrication. These classes have been used exclusively to meet training requirements for the Productivity Improvement Program (PIP) required by stipulated agreements with the National Association of Government Employees, Local R1-168 (NAGE-Unit 3) and the American Federation of State, County and Municipal Employees, Local 1242 (AFSCME Unit 2).

Since the initial round of classes ended, the Authority has hired and will be hiring a number of new employees into positions, which have the PIP training requirement. In addition, some employees did not complete all of their PIP requirements. Staff estimates that two additional classes will be necessary to accommodate the projected enrollment requirements.

Contract A436 was funded for \$25,000 over a twelve-month period ending March 10, 2003. Amendment 1 extended this contract to September 10, 2003. Of the initial \$25,000 in the contract, a balance of \$6,450 remains. No FY04 expenditures have been incurred to date. Sufficient funds for this contract are included in the FY04 Human Resources Current Expense Budget.

INFORMATION

Update on South Boston CSO Reassessment

In response to MWRA's September 15, 2003 court report, the Conservation Law Foundation (CLF) stated that at least one North Dorchester Bay beach was closed on 16 days or 20% of the days during the 2003 swimming season. CLF is technically correct, but over simplifies the water quality problem. Water quality at beaches along North Dorchester Bay is generally very good for beach areas. During the 2003 swimming season, 93% of the water quality samples met the swimming standard.

Water quality at urban beaches is complex. Violations occur in damp and even dry weather conditions and these violations may not be eliminated even with massive investments in CSO or stormwater control. More than three-quarters of high bacteria counts at South Boston beaches occur when CSOs are not likely to have discharged. Water quality at South Boston beaches is as good or better than at other Boston Harbor beaches. Constitution Beach had seven days of exceedences, and Wollaston 14 days, and there are no CSOs on those beaches, which shows the complexities in obtaining 100% fishable and swimmable in urban areas. The goal should be elimination in beach areas, but there are many factors impacting water quality. MWRA is currently installing meters in South Boston to provide real time data.

MWRA is also moving forward with CSO options consisting of interceptor relief with storage using a phased approach. This will be a very public issue and will be the most expensive CSO project MWRA will have at \$200 million for Phase 1 and \$50 to \$200 million for Phase 2.

MWRA Industrial Waste Report Number 19: Industrial Pretreatment Program Annual Report to EPA for FY03

MWRA is required by its NPDES Permits and EPA regulations [40CFR 403.12(i)] to submit an annual report to EPA by October 31 each year that describes the activities and accomplishments of MWRA's Industrial Pretreatment Program. Staff will be submitting the FY03 Annual Report (Industrial Waste Report #19) to EPA on October 31, 2003, which details MWRA's ongoing efforts to control current permitted sewer users. The TRAC program currently oversees approximately 1,465 permitted sewer users, of which 254 met EPA's definition of Significant Industrial User during FY03. Staff estimates that approximately 3% of the total flow to the treatment plants come from permitted facilities.

Ms. Pollak asked if there is any company or entity that is not in compliance. Carolyn Fiore responded that MWRA is in discussions with two entities; however, for the most part people are cooperative. MWRA does have an escalating scale of enforcement that could include revoking a permit or a penalty phase.

Braintree-Weymouth Relief Facilities Update

MWRA had previously taken by eminent domain from Idlewell certain temporary and permanent easements necessary for the construction of the Fore River Siphons. However, MWRA and its contractor were unable to access the site due to the presence of construction trailers and equipment owned by Raytheon Corporation, Idlewell's contractor. On September 17, 2003, staff requested and received authorization from the Board of Directors to make entry and take possession of the temporary and permanent construction easements through a warrant issued by the Sheriff of Norfolk County. Staff now believe that the warrant will not be necessary because Raytheon has finally removed a majority of the trailers and continues to move trailers and equipment off the site. With the electrical disconnection of the trailers, the Mass Electric transformers in MWRA's easement area can now also be removed. It is anticipated that the majority of MWRA's easement area will be cleared by November 1, 2003.

Memorandum of Understanding between MWRA and the Department of Conservation and Recreation

MWRA is pursuing two tracks to maintain and enhance watershed protection programs and oversight. One track, as authorized by the Board of Directors in November 2002, is the support of Senate Bill 1259 to transfer watershed management responsibility from the former MDC Division of Watershed Management (DWM) to MWRA. The second track is the development of a new Memorandum of Understanding (MOU) between MWRA and the Department of Conservation and Recreation (DCR) to replace the previous, and now outdated, MOU between DWM and MWRA. The MOU will set forth the commitments of MWRA and DCR to manage the watersheds, operate the reservoir system, maintain and improve the watershed system infrastructure, and enhance the security of the water supply. Even if the term of the MOU is only for an interim period, should enactment of Senate Bill 1259 occur, a new MOU is necessary to codify existing practices that have evolved since the MOU was last revised (1992) to ensure accountability and to respond to new challenges and priorities.

Mr. Foti stated that the MOU is a step in the right direction; however, staff must realize that the Board supports the Advisory Board's transfer legislation and the MOU must not lighten support for Senate 1259.

Ms. Pollak asked if the MDC has performance standards for maintenance that are part of the MOU. Steve Estes Smargiassi stated that MDC does have guidelines, but they are not part of the MOU. Mr. Laskey noted that the Watershed Management Plan requires reporting. Ms. Pollak stated that the MOU should have a reference on standards. Mr. Hornbrook stated that the MOU does include a reference to the Watershed Protection Act, which outlines their responsibility.

Mr. Carroll stated that an MOU may be meaningless. Mr. Laskey stated that MWRA would be given clear responsibilities. The issue of whether DCR would be properly funded is the question; with the latest round of early retirements, will DCR be allowed to backfill? Staff met with DCR yesterday and these issues still remain.

Mr. Pappastergion noted that the existing MOU with MDC didn't work. An MOU may be good while the transfer is pursued to get control of the watershed division.

Mr. Laskey stated that the Advisory Board has reviewed the proposals for the MOU and incorporated their views; however, the Advisory Board questions the whole premise of the MOU because of statewide limits.

Joe Favaloro, MWRA Advisory Board Executive Director, stated that the MOU isn't worth the paper it is written on. As an interim step, it needs to be carried forward. Everyday conditions at the DWM get worse and staffing is now down to 122 employees. Maintenance in the watershed is not occurring. The Administration has eliminated funding for land purchases, which will limit DCR's capacity to protect sensitive areas. There is

only one solution. DCR watershed protection has to be taken from state government, with all of its arbitrary caps and freezes, and given to the organization that has the track record and resources to maintain it. If the MWRA is forced to build a (conservatively estimated) \$180 million filtration plant, the implications are significant for communities.

Mr. Carroll stated that the Board of Directors ought to be at the meetings for the MOU process.

Ms. Hicks stated that the Board may be making a tactical mistake. If MWRA signs off on an MOU, it may pull the rug out from Senate Bill 1259. The MOU doesn't make anything enforceable. Ms. Hicks stated that she would rather put all efforts into gaining the support of key people in the Legislature.

Ms. Pollak asked, since the merger of the two agencies, what is the reporting relationship now. Mr. Laskey noted that the agencies have been in a state of limbo because there was no Commissioner. A Commissioner has been named and will begin in the next couple of weeks. Communications have been the same; not much has changed.

Eileen Simonson of WSCAC noted that Senator Brewer is depending on the MOU to satisfy his concerns that land doesn't transfer to anything that is not under the Legislature to protect access and recreation. The Advisory Board addressed these concerns in its Amendments to the legislation.

Integrated Water Improvement Program Update

[Prior to the November Board meeting a significant milestone for the Integrated Water Supply Improvement Program will be achieved during the week of October 27-31, 2003, when the MetroWest Water Supply Tunnel, Wachusett Aqueduct and two of the three storage cells of the Norumbega Covered Storage Facility will be brought into service. This will mark the first time that these new or rehabilitated facilities will directly serve MWRA's greater Boston metropolitan area customers. On November 3, 2003, the Cosgrove Tunnel will be taken out of service for the first time since 1964 and the critical work associated with modifying Shaft C will begin.]

The core components of the Integrated Water Supply Improvement Program consist of the MetroWest Water Supply Tunnel (MWWST), Norumbega Covered Storage Project and the Walnut Hill Water Treatment Plant (WHWTP) Project. Within these projects, there are fifteen ongoing or planned design, construction and construction management contracts. Eight of the contracts have now reached substantial completion. Together, the fifteen contracts represent more than \$1.0 billion of capital spending. The combined physical progress of the major components has reached the 94% complete threshold and remains slightly ahead of planned progress. Program-wide change order percentages represent a 2.6% increase over the original award value of the construction and are well within project goals, despite higher than anticipated change order activity on the rehabilitation of the Wachusett and Cosgrove Intakes contract. The Final FY04-06 CIP contains \$1.124 billion for these three projects, a reduction of approximately \$300 million (in FY04 dollars) from the FY98 budget estimate. The budget reduction is partially attributable to the elimination of the filtration portion of the WHWTP, coupled with tight controls on change orders, amendments, scope revisions and project progress.

Mr. Carroll praised the efforts of MWRA staff.

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.