

## MWRA ADVISORY BOARD

*Summary of*

### MWRA BOARD OF DIRECTORS' MEETING

November 10, 2004

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A meeting of the Board of Directors of the MWRA was held on **November 10, 2004** at the Charlestown Navy Yard. **Present:** John Carroll, Andrew Pappastergion and Joseph Foti, Advisory Board Representatives; Lucile Hicks, Gubernatorial Representative; Vincent Mannering, Antonia Pollak and Kevin Cotter, City of Boston Representatives; Joseph MacRitchie, City of Quincy Representative; Marie Turner, Town of Winthrop Representative. **Absent:** Chair Ellen Roy Herzfelder and Donald Mitchell, Gubernatorial Representatives.

### AGENDA

#### **Report of the Chair**

No Report.

#### **Report of the Executive Director**

MWRA Executive Director Fred Laskey reported the first meeting of the Water Supply Protection Trust (Trust) went well. Additionally, the Cap Committee also had a productive meeting.

The Authority had an important meeting with MEMA, State Police and Homeland Security on the railroad situation at the Wachusett Reservoir. MWRA requested an inspection of the rail line by inspectors from National Homeland Security. Because of this inspection, repairs are underway on the bridge.

The Department of Environmental Protection has notified the Authority it will be fined for the power outage and discharge of sewage in April. MWRA staff is in negotiations with the regulatory agency, which has put restrictions on the treatment plant. MWRA staff is concerned that DEP wants to run Deer Island; the fine will be paid, but the keys will not be turned over.

MWRA employee David Gilmartin, a Navy Intelligence Officer, has been called up for active duty for the second time and will serve for six months in Bahrain. He joins MWRA staffer Bruce McMillan who was called to active duty last month.

A 1 MGD leak at the end of the Cosgrove Tunnel in Marlborough was discovered in a connection between Shaft C and the Walnut Hill Water Treatment Plant. The water level was lowered in the tunnel to the lip of the pipe to allow a diver to enter the pipe with a video camera. The diver found the leak in the pipe joint.

To determine that this is a single point of weakness, MWRA must turn that part of the system off to allow inspectors to enter the pipe. The Wachusett Aqueduct will be reactivated and the Cosgrove Tunnel will be brought down. Inspection and repairs could take a matter of weeks to a couple of months. The timeframe cannot be determined until inspectors can get in there.

When the Wachusett Aqueduct was brought up two weeks ago in the middle of the night, a glitch in the system was recognized. As staff brought the Aqueduct up to speed, they realized the Wachusett, in tandem with the MetroWest Tunnel, would not get the Authority to 240 MGD. In addition to the Wachusett, staff decided to activate a portion of the Hultman, from Marlboro to Westborough, in collaboration with the MetroWest Tunnel; if this is not adequate, MWRA is also preparing the activation of the lower Hultman to provide more flow.

Board member Kevin Cotter asked if MWRA or the Contractor is doing the repairs. Mr. Laskey said Barletta has hired a contractor to do the proposed fix. Deputy Chief Operating Officer Michael McBride said the Contractor is proposing the fix to be reviewed by MWRA's Design Engineer.

## APPROVALS

### 2005-2006 Legislative Agenda

The Board voted to adopt a position of support for the following 2005-2006 legislative measures: (1) An Act Relative to the MWRA Bond Cap, (2) An Act to Limit the Liability of the MWRA, (3) Lead Service Replacement (to be submitted by the MWRA), and (4) An Act Relative to the Clinton Wastewater Treatment Plant (to be submitted by the MWRA Advisory Board).

Mr. Laskey stated there has been concern on how watershed land is to be purchased. In conversations with the Secretary of Environmental Affairs' office, EOEA believes the concerns can be resolved administratively, rather than legislatively. Mr. Laskey said traditionally there has been an aversion to MWRA owning the land. MWRA has been working with EOEA to find a mechanism to make these purchases, since there are critical parcels of land coming up for sale that must be purchased before the end of the calendar year.

MWRA Advisory Board Executive Director Joseph Favaloro stated filing legislation does not preclude continuing to find an administrative solution. The land acquisition language before the Board today is the same language that was discussed with DCR, EOEA, Senator Brewer, MWRA and the Advisory Board and everyone was in total agreement. What happened? In taking this language off the table, there is no mechanism to buy land. The reason the Trust was created was because the Commonwealth had a cap and the MWRA could not buy land; now, no one can purchase it.

Further, through the Senate and the House Steering Committee, there was language for a five-member Board of Trustees. Why are we pulling this off the table? The three-member Board did not meet until November. The Advisory Board is concerned. Mr. Laskey stated there has been progress in resolving relationships with the old MDC and DCR. There are issues that need to be resolved. The Secretary believes the issues can be worked out administratively rather than legislatively. If the Board endorses

these proposals, Mr. Laskey wants it on record that he feels negotiations are going well and that he is negotiating in good faith.

Board member Andrew Pappastergion said everyone sat at the table and agreed to a strategy, what changed? Mr. Laskey stated the General Counsel at EOEI believe these issues can be resolved administratively. Board member Jay MacRitchie noted MWRA can have a late file bill.

Board member John Carroll suggested that Mr. Laskey ask Secretary Herzfelder for a discussion on her reasons at the next meeting and the Board can decide if it wants to overrule her.

Board member Lucile Hicks questioned if the Lead Service Replacement bill is to assist cities and towns or individuals along with cities and towns. Director of Public Affairs Michael Ralph stated there are two versions. The Lead Service Replacement initiative must be state wide and requests \$200 million, with \$70 million for the Authority. It would be modeled on Title 5 as a tax credit.

Mr. Favaloro noted last session the Board of Directors supported the Advisory Board's legislation regarding *An Act Relative to the Massachusetts Water Resources Authority*, which exempts MWRA from the "fringe benefit rate" assessment that is added to the costs of the Division of Watershed Management – now billed to MWRA for reimbursement to the state. It requires MWRA to pay 'actual' costs of health insurance and retirement for DWM employees, less the employee's contribution. Currently, the MWRA is billed a percentage of the personnel line item. There is no relationship to actual costs of health insurance. Mr. Laskey stated MWRA is in negotiations with the Department of Conservation and Recreation on the fringe rate, therefore, he did not want to take a position on this initiative. Mr. Laskey noted that the Advisory Board's proposal on the fringe rate issue is "on the money" and the billing needs to reflect what the services actually are; however, he did not want to negotiate in bad faith. Mr. MacRitchie said if negotiations break down, the Board can endorse the language later.

Board member Marie Turner noted, for the record, that the Board is not against the Advisory Board's legislation regarding *An Act Relative to the Massachusetts Water Resources Authority (fringe rate)* and *An Act Relative to the Dedham/Westwood Water*, but simply chooses to take no stand at this time. These initiatives may be considered in the future.

**November PCR Amendments – FY2005**

With Messrs. Foti and Mannering opposed and Ms. Turner abstaining, the Board voted to approve amendments to the Position Control Register. The annualized budget impact of these changes would be \$13,942. Those that make up the financial impact are as follows:

<b>Current Title</b>	<b>Amended Title</b>	<b>Financial Impact</b>
Computer Operator I	Computer Operator II	\$3,060
Assistant District Supervisor	District Supervisor	\$5,236
District Supervisor	Chief Pipeline Maintenance	\$5,646

Board member Joe Foti questioned a PCR Amendment that made a District Supervisor a Chief of Pipeline Maintenance. Chief Operating Officer Michael Hornbrook stated before MWRA consolidated at Chelsea, there were District Supervisors, North and South. The Chief of Pipeline Maintenance is now the overall manager. His workload doubled with the consolidation. The Assistant District Supervisor has been

acting as the District Supervisor and has been on call 24/7. In Mr. Hornbrook's opinion, these employees' responsibilities have doubled.

Board member Vincent Mannering noted these are union positions that could have been negotiated as part of the recently agreed to contract. Mr. Hornbrook stated this is not an update to a title; it reflects increases in responsibility for two individuals.

Mr. MacRitchie made a Motion to move further discussion to Executive Session. It was seconded and approved unanimously.

**Appointment of Project Manager – Mechanical, Deer Island**

The Board voted to approve the Executive Director's recommendation to appoint Martin McGowan to the position of Project Manager, Mechanical, Plant Engineering Department, Deer Island, Grade 25, at an annual salary of \$65,459.00, effective October 25, 2004.

The Project Manager, Mechanical, will provide mechanical and technical engineering assistance for various Deer Island capital and maintenance projects. This position requires a high level of skill in mechanical engineering in the construction field, and the ability to design and manage mechanical engineering projects geared toward the maintenance and operation of a complex wastewater treatment plant. Mr. McGowan has more than ten years of mechanical and resident engineering experience, all of which was gained through working on two of MWRA's largest construction projects, the Boston Harbor Project and the Walnut Hill Water Treatment Plant. His vast experience with MWRA construction practices and projects will significantly reduce his learning curve, establishing him as a uniquely qualified candidate.

*(An offer was made to Mr. McGowan prior to Board approval and he began work on October 25. Staff expressed its regret for the error to the Board.)*

Mr. Mannering said this is a violation of MWRA Policy and has now happened twice. If it happens a third time, Mr. Mannering will suggest that the position in question be deleted.

**Appointment of Project Manager - Electrical, Deer Island**

The Board voted to approve the Executive Director's recommendation to appoint Kevin Wong to the position of Project Manager, Electrical, Plant Engineering Department, Deer Island, Grade 25, at an annual salary of \$65,459.00, to be effective on the date designated by the Executive Director.

The Project Manager, Electrical, will provide electrical and instrumentation/control field inspection services and technical engineering assistance for various Deer Island capital and maintenance projects. This position requires a high level of skill in electrical engineering, experience in the construction field, and the ability to design complex wastewater treatment projects. Mr. Wong has fourteen years of electrical engineering and construction management experience.

**Appointment of Project Manager, Laboratory Services**

The Board voted to approve the Executive Director's recommendation to appoint Dr. Yong Lao to the position of Project Manager, Laboratory Services, Deer Island, Grade 25, at an annual salary of \$65,459.00, to be effective on the date designated by the Executive Director.

Dr. Lao will coordinate sampling and analysis for a number of internal and external clients, advise clients on how to most effectively interpret and use their testing results, and procure and manage work sent to outside laboratories. The Project Manager also acts as the primary point of contact with the Environmental Quality Department for the Harbor and Outfall Monitoring Program. This task requires significant levels of technical ability and administrative skill.

Dr. Lao holds a PhD in Marine Chemistry from Columbia University and has been employed by MWRA as a Chemist III since October 2001.

## **CONTRACT AMENDMENTS/CHANGE ORDERS**

### **Cummingsville Branch Replacement Sewer: FS&T, Contract 6092, Amendment 4**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 4 to increase the amount of Contract No. 6092 with Fay, Spofford & Thorndike, Inc., Design and Construction Services for the Cummingsville Branch Replacement Sewer, in an amount not to exceed \$298,000.00 and to extend the time for completion by 211 calendar days to September 1, 2007.

Mr. Pappastergion expressed concern that Contract 6092 has gone from \$1.3 million to \$2.3 million. Staff noted most of the increases are due to Winchester's lawsuit to require an Environmental Impact Report and delays caused by the project being put on hold for four years. A Settlement Agreement to design and construct the relocation of the Section 113 downstream siphon chamber to alleviate the historical constriction across the Aberjona River was reached, ending the litigation matter.

The FY05 CIP includes a budget of \$2,005,000 for Contract 6092. The cumulative value of changes is \$980,455.32, added to the original contract amount of \$1,319,746.60, for an adjusted sub-phase total of \$2,300,201.92 or \$295,201.92 over budget. This amount will be covered in the five-year spending cap.

### **Union Park Detention/Treatment Facility: Barletta Engineering Corp., Contract 6265, Change Orders 17 and 18**

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order No. 17 (for an amount not to exceed \$125,727.00) and Change Order No. 18 (for a lump sum amount of \$67,688.17) to increase the amount of Contract No. 6265 with Barletta Engineering Corp., Union Park Detention/Treatment Facility, in a combined total amount not to exceed \$193,415.17 and to extend the time for completion by 102 calendar days to January 9, 2006.

Change Order 17 addresses the installation of an oxidation catalyst/exhaust silencer on the new turbine exhaust system per DEP requirements and is 100% reimbursable by BWSC. MWRA will be responsible for Change Order 18, relating to other direct costs associated with a 102-day contract extension relating to Change Orders 3 and 4.

The cumulative value of all change orders to this contract total \$2,771,896.22, or 7.45% of the original contract amount of \$37,224,444.00. The adjusted contract total is \$39,996,340.22. Of this amount, \$433,884.10 (Change Orders 10, 11, 13, 15, 16 and 17) or approximately 1.2% of the original contract amount is for BWSC-initiated changes to the work, which will be fully reimbursed to MWRA.

The FY05 CIP includes a budget of \$40,638,000.00 for Contract 6265. BWSC will pay 11.55% of the contract award amount plus any change orders that result from BWSC improvements. MWRA's cost is 88.45% of the contract award plus any remaining change orders. Work on this contract is approximately 46.1% complete.

## INFORMATION

### **Delegated Authority Report – September and October**

A report was given on Authority actions that took place through delegated authority in amounts over \$25,000 for the period of September 1, 2004 through October 31, 2004.

Mr. MacRitchie asked how old the Residuals Operations Center roof was that was replaced through delegated authority. Mr. Hornbrook stated the roof was over ten years old, which is the maximum timeframe for warranty on the new roof and is included in that price.

Mr. MacRitchie questioned if ten years is the life cycle. Mr. Hornbrook responded in the affirmative.

### **Master Planning Update: Fall 2004**

Ms. Orfeo stated staff has committed to producing a Master Plan. The Authority needs to build, rehabilitate facilities and replace what is old. It is a balancing act that poses a lot of challenges. This work was prompted by the Advisory Board's *Comments and Recommendations* during the budget process advocating to see the big picture of rates management and a reaffirmation of priority.

Mr. Carroll stated there is no chance the Authority is going to replace the MetroWest Tunnel or the nine-mile outfall in the next 200 years. Is the replacement value included in the master planning replacement values? Ms. Orfeo stated the water system assets with the greatest value (\$4.3 billion or 68% of the total replacement cost) are the large tunnels, aqueducts and dams, with 80 to 150-year industry benchmark useful lives. While MWRA does not anticipate replacing the tunnels and dams, major inspection and maintenance will likely be required every 30 to 50 years.

Ms. Orfeo noted the biggest challenge to deal with is equipment replacement at Deer Island, with \$1 billion of equipment that will reach the end of its useful life in the ten-year period after this ten-year period. The headworks also need work in that a lot of equipment must be replaced. The Authority has a CIP cap and will prioritize this work.

Mr. Mannering questioned why one-third of the Deer Island Wastewater Treatment Plant's useful life ends in the next ten-year period. Budget Manager Phil Moffitt stated around \$1 billion reflects assets with a useful life of 20 to 25 years, including electrical equipment.

Ms. Hicks asked if Master Planning takes into account a cushion for an unforeseen catastrophic event. Ms. Orfeo replied in terms of Master Planning estimates, no. Laura Guadagno noted the Authority does have a replenishment fund and an insurance program that covers catastrophic events. Mr. Cotter asked if insurance would cover damage to underground tunnels. Staff said no.

### **FY05 Financial Update and Summary as of September 2004**

Through September 2004, total revenue was \$121 million, \$1.5 million or 1.2% less than budgeted. Total expenses were \$115 million, \$5.9 million or 4.9% less than budgeted. The variance for revenue, and a portion of the variance for debt service, is due to the adjustment for the anticipated

receipt of Debt Service Assistance (DSA). Subsequent to MWRA's approval of its budget, the Legislature overrode the veto for DSA. MWRA has reduced the bills (revenue) to the member communities to reflect its expected share of the statewide appropriation. The MWRA anticipates receiving DSA from the Massachusetts Department of Revenue in early spring 2005.

**Wastewater Meter Replacement Update, RJN Group, Contract 6793**

Staff provided the Board with a monthly update on the progress of the Wastewater Metering Replacement Project. Through the week ending November 7, the total number of installed meters is 170 and the total accepted meters is 94. The meter acceptance rate has increased; however, the percent of meters accepted with greater than +/- 10% initial flow measurements versus the old system has also increased. Meter installations and acceptances must continue at high rates in order to meet the project start-up date of March 2005. Staff would now like to complete the acceptance process by January 2005 (versus February 2005) and will apply even more diligence and efficiency in the overall review process.

**Wastewater Transport SCADA Implementation Program Update**

Staff provided the Board with an overview of progress made toward wastewater transport Supervisory Control and Data Acquisition (SCADA) implementation and defined what will be included in the first of three construction packages, anticipated for advertisement in January 2005.

**Update on Framingham Extension Sewer Corrosion and Odor Control Program**

Staff provided the Board with an update on the status of the corrosion and odor problems, and the work being done to resolve these problems, in the Framingham Extension Sewer, Framingham Extension Relief Sewer and downstream interceptors.

Mr. Carroll asked for an explanation in rating changes for Ashland and Nyacol. Carolyn Fiore, Toxic Reduction and Control (TRAC) Manager, stated Ashland has had more violations than previous years. When staff first did evaluations, Nyacol was adding chemicals on behalf of Ashland. With changes in town management, Nyacol stopped adding chemicals as the town tried a different method. Ashland has installed backup units through a Grease Control Program to address grease issues to minimize BOD in the sewer system, but has not had success. Nyacol still produces a lot of sulfate. The problem in the system is BOD and sulfate. Ashland does recognize they have a number of problems and has developed the ability to add chemicals at two pump stations and, beginning next spring, has agreed to start adding chemicals to minimize or eliminate the sulfide violations.

MWRA has been in communication with Nyacol to get their violations down. Nyacol is currently in compliance with their schedule; however, they have appealed and are in litigation. Ms. Fiore noted that Nyacol has a right to an independent hearing. MWRA has issued a permit that directs Nyacol to be in compliance by 2006.

**Update on Lead and Copper Rule Compliance**

Steve Estes Smargiassi stated MWRA expects to report to DEP later this month that system-wide lead levels in the September 2004 sampling round were below the lead action level of 15 parts per billion. As this is the second round of sampling with levels below the action level, certain mandatory activities, including lead education and community lead service replacement, are expected to return to voluntary programs.

**Organizational Changes in MIS Department**

There are 72 positions in the MIS Department, of which eight are vacant due to early retirement, internal promotions and staff resignations. By fiscal year end, staff proposes filling five and eliminating a total of four positions (three currently vacant and one additional position after an internal backfill). The plan can be accomplished without exceeding early retirement backfill authority. The estimated annual savings of eliminating the proposed MIS positions is \$265,000.

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*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 additional information.*