

MWRA ADVISORY BOARD

Summary of

MWRA BOARD OF DIRECTORS' MEETING

March 7, 2007

A meeting of the Board of Directors of the MWRA was held on March 7, 2007 at the Charlestown Navy Yard. Present: John Carroll, Andrew Pappastergion and Joseph Foti, Advisory Board Representatives; Lucile Hicks and Rudolph Banks, Gubernatorial Appointees; Vincent Mannering, Kevin Cotter and James Hunt III, City of Boston Representatives; Joseph MacRitchie, City of Quincy Representative. Absent: Chair Ian Bowles, Gubernatorial Appointee; Marie Turner, Town of Winthrop Representative.

AGENDA

Report of the Chair

No Report.

Report of the Executive Director

MWRA Executive Director Fred Laskey reported that water in the City of Woburn tested positive for e-coli, which was tied to a water tank that had birds in it. The tank was quickly isolated and the MWRA provided substantial assistance to Woburn with mobile disinfection units and staff help with questions from the press.

The Board received a letter from the American Council of Engineering Companies regarding the procurement process and cost as a factor. They may seek an audience with Board members to propose a method of procurement that would pick the best firm and then negotiate the price. The Authority's model indicates that price needs to be a factor in the procurement process.

The Water Resources Commission held two hearings last week on the Town of Wilmington's admission to the Waterworks system; one meeting was held at the Quabbin, with testimony provided by Eileen Simonson of the Water Supply Citizens Advisory Committee, and the other meeting was held in the Town of Wilmington, with testimony from a representative of the League of Women Voters, which was supportive of Wilmington's application. Staff anticipates that Wilmington will be before the Board of Directors for a vote in the summer or fall.

Mr. Laskey indicated that the change in dates for daylight savings time to begin has become a "mini Y2K". The MIS Department is moving forward with patches to correct the computer systems throughout the Authority.

Finally, Mr. Laskey reported that Treasurer Ralph Wallace has taken a position with the Massachusetts School Building Authority. For the past 12 ½ years, every important thing that has occurred at the Authority, Ralph Wallace has been in the forefront or behind the scenes providing his wisdom. From the CSO Program,

energy purchases, major restructuring and construction of Deer Island, Ralph was a key part of it; he has been invaluable. We wish him well.

Mr. Wallace stated over the past 12½ years he has had the opportunity to work with the staff and leadership of the Authority; he stated that he would like to think, in some small way, he helped to achieve the great things the Authority has done and expressed thanks for the opportunities given to him.

APPROVALS

Transmittal of Proposed FY08 Current Expense Budget

Mr. Laskey noted there are new accounting rules for future health benefits for retirees. The Authority's liability is higher than expected; staff had included \$4.5 million for this item but it may be twice that amount. An adjustment will be made to the budget that will be sent to the Advisory Board.

Surplus of Sudbury River, South Basin Watershed Lands

Withdrawn. Mr. Laskey stated the Authority pays PILOT payments on land not used for watershed protection in 50 or more years. Timing an impact to communities. Gave communities added notice, didn't work out.

Mr. Mannering said there are 390,000 reasons for us to rush. Mr. Laskey said gatehouses, previous

Board member Andrew Pappastergion said this is based on \$15 million in Debt Service Assistance, what is it based on \$25 million. Still 4.6? Budget Director Rachel Madden said yes. Mr. Laskey said we do worst case. Goal to work with the Advisory Board to get that down even more.

Board member Cile Hicks asked if staff anticipates surplus on Sudbury River. When do you anticipate issues to work out? Mr. Hornbrook said back next month.

Adoption of Executive Order #481 Concerning Undocumented Workers on State Contracts

The Board voted to adopt and implement Executive Order #481, "Order Prohibiting Use of Undocumented Workers on State Contracts," as a new component of MWRA's existing procurement policies.

Final CSO Annual Report 2006

Mr. Laskey stated this is period of time that projects are coming online. Trying to find way for public recognition. Have to find way to get public notoriety to these completed projects.

Memorandum of Understanding with the City of Boston Fire Department, North Dorchester Bay CSO Tunnel Rescue and Emergency Response Services, Contract 7103

No discussion. Approved.

Memorandum of Agreement with the City of Boston Parks and Recreation Department Regarding the Union Park Detention/Treatment Facility, Amendment 2

Approved.

Mr. Pappastergion asked what is going on with the wrought iron fence. Director of Construction Frank DePaola said it is ornamental iron. Job was bid with chain link fence. Subsequent meetings, after approval, in the South End neighborhood requested an upgrade. The Boston Parks and Recreation Department will install the fence when the park is completed. The Parks Department will pay up to \$25,000 and the MWRA will pay up to \$50,000, based on the bid unit price.

Appointment of Project Manager, Inspections, TRAC

No discussion. Approved.

CONTRACT AWARDS

Deer Island Wastewater Treatment Plant (DIWTP), Landscape and Gardening Services: UNICCO Service Company, Contract S433

Jay asked “all documented workers?” Mr. Vetere said yes. (Don’t put in.) No discussion. Approved.

Maintenance Services for the Continuous Emissions Monitoring Systems Thermal Power Plant, Deer Island Wastewater Treatment Plant: Precision Preventive Maintenance Company, Inc., Contract S436

No discussion. Approved.

CONTRACT AMENDMENTS/CHANGE ORDERS

Upper Neponset Valley Replacement Sewer, Sections 685 and 686: P. Gioioso & Sons, Inc., Contract 6191, Change Order 10

The Board approved, with Mr. Pappastergion opposed,

Police details required to work in the daytime. Mr. Pappastergion asked why three cruisers are needed at one intersection. Construction Coordinator Isidoro Perez stated the Authority spent nine months to have the ability to work days. To accommodate traffic in peak times, local access is a big issue. State Police required having two crews to work quicker. Two major schools had to be maintained by local police. Many people sought alternate route to avoid us. 700 cars per hour in the afternoon and 500 per hour in the morning. Will need for LaGrange Street. To work during the day, much traffic and many complaints need police out there.

Mr. Pappastergion asked who decides how many details are needed. Mr. Perez said the Authority has a traffic plan that is approved, advice maintain amount of police, ultimately the police decide. Mr. DePaola said we started with a traffic plan and the Veteran’s Administration Hospital complained their workers and patients could not get out. Side street residents complained and we added to the traffic plan. Deputy Chief Operating Officer Charles Button stated noise and traffic complaints. Worked days to reduce noise and made traffic complaints rise.

Rehabilitation of Water Pumping Stations: Barletta Engineering Corporation, Contract 6375, Change Order 1

Approved.

Ms. Hicks asked is this a design problem again. Mr. DePaola said during bid phase, bidders could only get quote for generator from one. Created proprietary problem. All level playing field. Ms. Hicks said so you knew you would have to do this. Mr. DePaola said yes.

INFORMATION

Adoption of Governor’s Order Concerning Undocumented Workers on State Contracts

Feeley out. John Sabino filling in.

Mr. Laskey stated Governor Patrick issued active order that government contractors require employees to have immigration papers. It is the practice of the Authority to adopt these Executive Orders. Implementing the order as described by the Governor.

Mr. Mannering asked if a Board vote was necessary. MWRA General Counsel Steven A. Remsberg said it can be done without a Board vote.

Ms. Hicks suggested a vote could be a statement that the Board can make.

Update on Holden-Rutland Sewer O&M Fees

Annual Report on New Connections to the MWRA System

Delegated Authority Report – February

No discussion.

FY07 Second Quarter Orange Notebook

FY07 Mid-Year Capital Program Performance Report (PPR)

Mr. Hornbrook explained underspending. (See staff summary). Compared to FY06, doing better. 21 awarded last year. This year to date (six months), 16 projects awarded. \$56 million last year, \$304 million this year. In summary, current underspending is greater than we would like to see but doing better than FY06. \$360 million value of contract awards for the year.

Mr. Mannering asked if there were arbitrage issues. Staff said no.

Ms. Hicks asked about watershed land acquisitions. What is happening there? Given them the okay to go ahead with some purchases? Mr. Hornbrook said the Department of Conservation and Recreation is in high gear on land acquisitions. Have come in with last two. Anticipated \$3.7 million more in spending. We budgeted \$8 million. Ms. Madden added year-to-date spending is under \$1 million.

FY07 Financial Update and Summary as of January 2007

Mr. Carroll asked who does the Authority buy electricity from. Mr. Wallace stated there are three variable rate contracts. Field operations uses Constellation Energy; Deer Island uses Constellation Energy and new energy; and the John J. Carroll Water Treatment Plant has.... Buy every day. Ralph Wallace said yes. Rachel Madden predominantly pricing. Mr. Wallace said includes price of electricity and cost to supply.

John Carroll said if we were to do it ourselves, how many people would we need. Mr. Wallace stated we are not allowed to buy electricity. Has to be from a licensed supplier. Would make no sense to do, don't have capacity to do that. It would be quite expensive. Municipal light department has more flexibility than we do.

Rate Basis Data Adjustments Affecting FY08 Assessments

No discussion.

Preliminary FY08 Water and Sewer Assessments

Mr. Pappastergion asked if the numbers presented included numbers from previous staff summaries. Staff said yes.

Mr. Mannering asked about three-year averaging. Do we do that? Assistant Rates, Revenue and Finance Manager Leo Norton said current year 06, one year basis on the water side.

Alternate Use of MWRA Pellets, New England Fertilizer Company, Contract S345

Dan O'Brien reported Lehigh ??? Positive development. Another market for the pellets. An eight year agreement was entered, concurrent with Nefco's agreement with the Authority. This is a model to see if it is beneficial to both companies. New source of pellets for them. Doing one year or so recently using ours.

Ms. Hicks asked if they are the same pellets used for fertilizer. Mr. O'Brien said yes, there were no other changes.

Mr. MacRitchie, prefacing his statement that he is in favor of getting rid of pellets and bulk of inventory. The process we currently use came out of EIR, MEPA,... Current court order calls for pellets used as

I/I Local Financial Assistance Program Update

No discussion. (Carl Leone)

Upper Neponset Valley Replacement Sewer Project Update

Local Pipeline Assistance Program Update

This Summary does not include every item discussed by the Board, nor the full extent of the discussions. Please contact Christine Hevelone-Byler at the Advisory Board office with questions, comments or requests for additional information.