

**MWRA Board of Directors Meeting
March 13, 2013
Voting Summary Sheet**

| Item Name | Type | Notes | Vote | Discussion Highlights | Attachments |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------------------|-------------|
| Approval of Minutes | n/a | n/a | Unanimous | | |
| Report of the Chair | n/a | n/a | n/a | * | |
| Report of the Executive Director | n/a | n/a | n/a | * | |
| Final CSO Annual Progress Report | Approval | Board authorized staff to submit the 2012 Combined Sewer Overflow Annual Progress Report to the Federal District Court by March 15 th , 2013 in compliance with Schedule Seven of the Boston Harbor Case. | Unanimous | | |
| Memorandum of Understanding and Financial Assistance Agreement with the City of Cambridge for Implementation of CSO Control Projects, Amendment 9, and MWRA Financial Assistance through September 2013 | Approval | Board authorized Executive Director to execute Amendment 9 to the Memorandum of Understanding and Financial Assistance Agreement with the City of Cambridge for implementation of CSO Control Projects Increasing the Total Award Amount to \$77,302,963 | Unanimous | | |
| PCR Amendments-March 2013 | Approval | Approved the amendments to the Position Control Register, as presented & filed with the records of the meeting. | Unanimous | * | |
| Renewal of Two Employments Contracts, Senior Laboratory Technicians, Department of Laboratory Services | Approval | Approved the renewal of two employment contracts for Senior Laboratory Technicians in the Department of Laboratory Services at Deer Island for a period of one year. | Unanimous | | |
| Energy Advisory Services: LaCapra Associates, Inc., Contract OP-207 | Contract Award | Selected LaCapra Associates, Inc. to provide Energy Advisory Services Execute Contract OP-207 with LaCapra Associates, Inc. Amount not to exceed \$90,000 For a term of three years | Unanimous | * | |
| Purchase of Motorola Radios to Complete Update of MWRA's Radio System from Analog to Digital: Motorola, Inc. | Contract Award | Approved the award of purchase order for 470 mobile and handheld radios under State Contract #ITT40 with Motorola Inc. Amount of \$1,658,393 | Unanimous | * | |
| Replacement of Actuators for the Primary Effluent and Return Sludge Valves at the Deer Island Treatment Plant: Rotork Controls, Inc., Bid WRA-3582 | Contract Award | Approved the award of a purchase order for the replacement of actuators for the primary effluent and return sludge valves at the Deer Island Treatment Plant: Rotork Controls, Inc. Bid Amount of \$673,113 | Unanimous | * | |
| Preferred Service Agreement for the Combustion Turbine Generators, Deer Island Treatment Plant: Pratt & Whitney Power Systems, Inc. | Contract Award | Approved the award of the Preferred Service Agreement to provide technical support, emergency repair services and spare parts for the combustion turbine generators at the Deer Island Treatment Plant to Pratt & Whitney Power Systems, Inc. Amount not to exceed \$427,000 for 3 year term | Unanimous | * | |
| Control of Invasive Aquatic Plants at Stillwater Basin, Wachusett Reservoir: Aqualogic, Inc., WRA-3590 | Contract Award | Approved the award of a purchase order contract for the control of invasive plants at Stillwater Basin in the Wachusett Reservoir under Bid WRA-3590, Aqualogic Inc. Bid Amount of \$397,560 | Unanimous | | |
| Digester Sludge Overflow Piping and Plug Valve Replacement, Deer Island Treatment Plant: Walsh Construction Co., Contract 7055, Change Order 5 | Contract Amendments/Change Orders | Increase Contract No. 7055 with Walsh Construction Company Lump sum amount of \$142,518.85 No increase in Contract Term | Unanimous | | |

MWRA Board of Directors Meeting

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---|---|
| Hultman Interconnections-Final Design, Construction Administration and Tunnel Inspection Services: Jacobs Engineering Group, Inc., Contract 6911, Amendment 4 | Contract Amendments/Change Orders | Approved Amendment No. 4 to extend term of Contract No. 6911 For a period of 15 months No increase in contract amount | Unanimous | | |
| Delegated Authority Report-January and February 2013 | Information | MWRA staff stated that all purchases were either planned or regular renewals; there was only one that was based on critical need. Staff also highlighted that anytime there is a request for sole-source; staff puts it through the test in terms of reaching out to other providers to ensure if that is the correct course of action or the only manufacturer or provider for those particular goods. | n/a | * | |
| Watershed Land Acquisition Program | Information | DCR staff briefed the Board on the Watershed Land Acquisition Program through its history through 2012. A detailed discussion and presentation is attached in the highlights. | n/a | * | * |
| 2012 Annual Update on New Connections to the MWRA System | Information | MWRA staff gave an annual update on the status of new connections to MWRA's system. The report tracks water withdrawals and sewer discharges against approved volumes as set forth in water supply and sewer connection agreements including each entity's compliance with the terms and conditions of its contract governing the connection to the MWRA. | n/a | * | |
| FY13 Financial Update and Summary as of February 2013 | Information | MWRA staff highlighted MWRA's rates management strategy, the Authority is continuing the practice of setting aside favorable Capital Finance variances into the Defeasance Account with the intention of using these funds to defease debt and provide rate relief in future years. | n/a | * | |
| Infiltration and Inflow Local Financial Assistance Program Update | Information | MWRA staff highlighted that this grant and interest free loan program has distributed \$246 million to fund 439 communities' projects. | n/a | * | |
| Update on Mystic River Projects and Water Quality | Information | MWRA staff highlighted the distinction between the river and its watershed as important because the grade that EPA gave the Mystic is really based on the entire watershed, not the river. The grade given by EPA is strictly based on pathogens and pathogen indicators and that is measured by sewage indicator bacteria. | n/a | * | * |
| Local Pipeline and Water System Assistance Program Update | Information | MWRA is working in conjunction with the Advisory Board on a development in the program regarding the City of Medford. Medford is looking for reimbursements on projects already completed. MWRA is not legally impacted by this. | n/a | * | |
| Braintree-Weymouth Replacement Pump Station | Information | Additional item that was added to the Board agenda. Braintree-Weymouth replacement pump station. Staff discovered a large volume of rags clogging the pumps and grinders. Staff is correcting the issue. | n/a | * | * |

Administration and Finance
 Wastewater
 Water
 Personnel
 * Link to Advisory Board position



MWRA Advisory Board Summary
of the
MWRA Board of Directors Meeting
Wednesday, March 13, 2013

- *Please note that this serves to highlight active discussion on agenda items at the Board of Directors meeting.*
- *Language directly from the staff summary is highlighted in grey, while the discussion remains in plain text.*
- *Please see the attached summary sheet for a complete list of Board actions.*
- *PowerPoint presentations made to the Board of Directors have been included in the March Discussion Highlights*

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on March 13, 2013 at the Charlestown Navy Yard. **Present:** Chair Rick Sullivan, Michael Gove and Joel Barrera, Gubernatorial Appointees; John Carroll, Andrew Pappastergion and Joseph Foti, Advisory Board Representatives; Henry Vitale and Brian Swett, City of Boston Representatives; Jack Walsh, City of Quincy Representative; Paul Flanagan, Town of Winthrop Representative. **Absent:** Kevin Cotter, City of Boston Representative.

Report of the Chair

On behalf of the Governor and MWRA Board of Directors, Chairman Rick Sullivan thanked Board member Michael Gove for his service. Mr. Gove is stepping down from the Board this month. Mr. Gove has done the administration proud and has been a great member of the Board with his expertise.

Mr. Sullivan also introduced Jennifer L. Wolowicz who will be taking Mr. Gove's place on the Board and representing the Connecticut River Water Basin. She will be sworn in by the next meeting.

Report of the Executive Director

MWRA Executive Director Fred Laskey stated that when Mr. Gove became a Board member, he and staff were amazed at how quickly he came up to speed with the material and how thorough he was with doing his homework for the meetings. Mr. Gove always came in prepared and not afraid to ask questions. His respect for the staff was always greatly appreciated. A plaque listing all the achievements he was a part of during his time serving on the Board was presented to Mr. Gove.

Board member John Carroll also stated that the first appointee for the Connecticut River Water Basin was Jonathan Souweine who was an incredible human being that did an outstanding job on the Board. Mr. Carroll stated that he put Mr. Gove in the same category as Mr. Souweine, stating that Mr. Gove has not just represented the Connecticut River Water Basin, he has represented the MWRA and all of its ratepayers.

MWRA Advisory Board Executive Director Joseph Favaloro stated that Mr. Gove has made an immense commitment commuting and participating in the Board meetings. Mr. Favaloro presented a certificate of appreciation from the MWRA Advisory Board in honor of his thoughtful representation for the residents of the Connecticut River Water Basin and all MWRA ratepayers.

Mr. Gove stated that it has been an absolute pleasure working with everyone on the MWRA staff, the Advisory Board and all the Board members. Mr. Gove stated the one thing that everyone impressed on him when he first started on the Board is the reputation of the MWRA. The organization is professional and committed to collaborating with its Board members, Advisory Board and folks out in western Massachusetts. It has been a wonderful experience to be a part of that for the last five years.

Approvals

Final CSO Annual Progress Report for 2012

The Board voted to authorized staff to submit the *Combined Sewer Overflow Annual Progress Report 2012* to the Federal District Court by March 15, 2013, in compliance with Schedule Seven of the Boston Harbor case, as presented and filed with the records of the meeting.

Memorandum of Understanding and Financial Assistance Agreement with the City of Cambridge for Implementation of CSO Control Projects, Amendment 9, and MWRA Financial Assistance through September 2013

The Board voted to authorize the Executive Director, on behalf of the Authority, to execute Amendment 9 to the Memorandum of Understanding and Financial Assistance Agreement with the City of Cambridge for the Implementation of CSO Control Projects, increasing the total award amount by \$17,281,963 from \$60,021,000 to \$77,302,963, and revising the language of the agreement in regard to the use of interest to fund eligible costs.

PCR Amendments-March 2013

The Board voted to approve the amendments to the Position Control Register, as presented and filed with the records of the meeting.

Mr. Vitale asked how many unions the MWRA has and how many non-union employees there are. Staff stated that the MWRA has five unions and there are sixty-two non-union employees in total. Mr. Vitale asked about the status and process of negotiating contracts. Director of Human Resources Robert Donnelly stated the contracts are up within the next year so at the beginning of next year staff will be in the midst of contract negotiations for the July 2014 period. Mr. Vitale asked how staff handles salary increases and if it is benchmarked. Mr. Donnelly stated that staff will collect data locally, and regionally, survey state organizations and authorities as well as gather information from the Boston Water and Sewer Commission to comply with the best regional rates.

Renewal of Two Employment Contracts, Senior Laboratory Technicians, Department of Laboratory Services

The Board voted to approve the renewal of the following two employment contracts for Senior Laboratory Technicians in the Department of Laboratory Services at Deer Island for a period of one year: (1) Ms. Yuan

Jiao Chen, from May 1, 2013 to April 30, 2014, with an increase in hourly rate from \$18.36 to \$18.73, for an annual compensation not to exceed \$38,958; and (2) Ms. Roxann Phelan, from June 25, 2013 to June 24, 2014, with an increase in hourly rate from \$18.00 to \$18.36, for an annual compensation not to exceed \$38,189.

Contract Awards

Energy Advisory Services: LaCapra Associates, Inc., Contract OP-207

The Board voted to approve the recommendation of the Consultant Selection Committee to select LaCapra Associates, Inc. to provide Energy Advisory Services and to authorize the Executive Director, on behalf of the Authority, to execute Contract OP-207 with LaCapra Associates, Inc. in an amount not to exceed \$90,000 for a term of three years from the Notice to Proceed.

Mr. Laskey noted that the strategy for purchasing energy is critical to the MWRA's budget management. This firm has provided staff with up-to-date assessments of where the market is and where it is going.

Purchase of Motorola Radios to Complete Update of MWRA's Radio System from Analog to Digital: Motorola, Inc.

The Board voted to approve the award of a purchase order for 470 mobile and handheld radios under State Contract #ITT40 with Motorola, Inc. to complete the conversion of MWRA's radio inventory to digital transmission, and to authorize the Executive Director, on behalf of the Authority, to execute said purchase order in the amount of \$1,658,393

Board member Jack Walsh stated that the purchase of the radios was a lot of money. He asked how many people would be receiving radios. Director of Operations and Emergency Preparedness Marcis Kempe stated that this communication is essential to emergency preparedness. There are radios in the vehicles and radios assigned to individuals that have to work outside the vehicles. The radios are there for safety and the work itself. There is constant communication between dispatch, supervisors and the work staff. Essentially, the radios are used for any function where there is need for constant flow of information. The radios are also used for staff's backup system in case there is ever a 911 type of event where either landlines or cellular may be down. The monitoring system with smart zoning allows staff to go all over the state. Mr. Kempe stated that he didn't see anything replacing radio functionality with the needs staff has out in the field.

MWRA Chief Operating Officer Michael Hornbrook stated that there will be about 350 handheld units and there are about 300 vehicle units. The handhelds are used by all the field crews on a day-to-day basis and it avoids other issues like staff using their personal cell phones so there is constant communication. The use of radios has been very effective on the day-to-day operations. Staff has done an inventory and needs assessment and that number has actually come down from what staff had in the past.

Board member Paul Flanagan asked if all of the radios would be intrinsically safe due to the hazardous conditions that staff is working in. Deputy Chief Operating Officer John Vetere stated that staff has intrinsically safe units, especially on Deer Island. Staff has also installed leaky coaxial cable all through the island galleries for just the use of communication.

Mr. Flanagan asked about the whole radio plan for the state, does staff have the ability to talk to other agencies through these radios. Mr. Vetere stated yes. Mr. Kempe noted that staff worked this through with

MEMA. At one point staff had the state police as a channel but it was discontinued at their request. Staff is trying to stay in step with what the rest of the state is doing regarding this change.

Board member Joseph Foti asked if every vehicle had a radio in it. Mr. Kempe stated that the majority of vehicles have a radio, but not every single vehicle.

Replacement of Actuators for the Primary Effluent and Return Sludge Valves at the Deer Island Treatment Plant: Rotork Controls, Inc., Bid WRA-3582

The Board voted to approve the award of a purchase order for the replacement of actuators for the primary effluent and return sludge valves at the Deer Island Treatment Plant to the lowest eligible and responsible bidder under Bid WRA-3582, Rotork Controls, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute said purchase order in the bid amount of \$673,113.

Mr. Walsh stated that it seems like most of these control systems are controlled by wire instead of hydraulics. Staff stated that part of the issue with the electric actuators, which is most of what the MWRA has is gear driven. The gears wear over time; with the hydraulic system, there is no gearing so the components won't wear over time.

Preferred Service Agreement for the Combustion Turbine Generators, Deer Island Treatment Plant: Pratt & Whitney Power System, Inc.

The Board voted to approve the award of the Preferred Service Agreement to provide technical support, emergency repair services and spare parts for the combustion turbine generators at the Deer Island Treatment Plant to the original equipment manufacturer, Pratt & Whitney Power Systems, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in an amount not to exceed \$427,000 for a period of three years.

Mr. Laskey noted that after a power failure & sanitary sewer overflow (SSO) at Nut Island about five years ago; an emergency outfall was opened. The MWRA now has a policy where if flows get to a certain level and wind speeds are predicted above a certain level, staff will run the generators parallel with the grid in case there is a power failure so that service is not lost.

Control of Invasive Aquatic Plants at Stillwater Basin, Wachusett Reservoir: Aqualogic, Inc., WRA-3590

The Board voted to approve the award of a purchase order contract for the control of invasive plants at Stillwater Basin in the Wachusett Reservoir to the lowest eligible and responsible bidder under Bid WRA-3590, Aqualogic, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute said purchase order contract in the bid amount of \$397,560.

Contract Amendments/Change Orders

Digester Sludge Overflow Piping and Plug Valve Replacement, Deer Island Treatment Plant: Walsh Construction Co., Contract 7055, Change Order 5

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order to Contract 7055, Digester Sludge Overflow Piping and Plug Valve Replacement-Deer Island Treatment

Plant, with Walsh Construction Company, for a lump sum amount of \$142,518.85, increasing the contract amount from \$6,163,428.45 to \$6,305,947.30, with no increase in contract term.

Hultman Interconnections-Final Design, Construction Administration and Tunnel Inspection Services: Jacobs Engineering Group, Inc., Contract 6911, Amendment 4

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 4 to extend the term of Contract No. 6911 with Jacobs Engineering Group, Inc., Hultman Interconnections-Final Design, Construction Administration and Tunnel Inspection Services, by 15 months to July 2, 2014, with no increase in contract amount.

Information

Delegated Authority Report-January and February 2013

Mr. Laskey stated that staff is moving more and more of its procurements electronically. Director of Administration and Finance Rachel Madden stated that in the spring, staff will be able to provide the Board with an overview of the program and a demonstration on how it will work. Ms. Madden stated that to date, the construction industry is pleased with the progress staff is making and the format that is being taken. That will be a big step in getting away from the paper intensive process.

Board member Andrew Pappastergion stated that there were a lot of credits this month. Ms. Madden stated that there were relatively large credits, particularly on the valve replacements.

Ms. Madden also highlighted that all of the purchases were either planned or regular renewals that were budgeted for accordingly; there was only one purchase that was based on a critical need.

Watershed Land Acquisition Program

Department of Conservation and Recreation Director of the Division of Water Supply Protection (DWSP) Jonathan Yeo and DCR/DWSP Land Acquisition Coordinator Jim French gave a presentation on where the Watershed Land Acquisition Program is now and where it's going in the future.

Mr. Barrera noted that MWRA pays for the land or the conservation restriction, as well as PILOT payments, but the state owns the land. How does the program work? Mr. Yeo explained that DCR makes PILOT payments on the state-owned lands and by statute, MWRA reimburses DCR for the PILOT, which is now \$7.6 million per year. If the PILOT payments go up every year, it is more related to the formula that is in place. Staff has also been focusing on Watershed Preservation Restriction (WPR) acquisitions, where the DWSP enters into an agreement for permanent protection of the land but is not paying PILOT on that land, the landowner is.

Mr. Barrera stated that MWRA pays the highest rate of property taxes in the state within the area. Mr. Yeo stated that is correct. Mr. Barrera stated that it has been a source of friction in the past; part of the rationale for land acquisitions would be to prioritize the highest priority parcels and focus on WPR acquisitions because there wouldn't be PILOT payments.

Mr. Yeo explained that the watersheds are protected as follows: 45% in the Wachusett, 49% in the Ware River, 73% in the Quabbin and the total for the whole system is 58%. It is a pretty strong showing in terms of where we were in the past.

Mr. Carroll asked how staff handles property that has an impervious section on it. Mr. Yeo stated that staff is largely buying land that is under-developed so we don't have to do too much with it. Staff is in the process of buying an old well drilling company that has a large parking lot. In that case, staff has plans over the next several years to take up the pavement, plant trees and return it to a natural state.

Staff now has over a hundred different WPR's across the watershed and is trying to use non-MWRA funds wherever possible to leverage projects. Sometimes land owners gift their land to the state to get federal deductions or state tax credits or benefits. Staff is collaborating with non-profits and municipalities to buy land and working with the United States Department of Agriculture (USDA) forest legacy program. Staff is working with 23 landowners in seven towns, along with four land trusts to try locking up about 3,200 acres of land across all three watersheds (Quabbin, Ware and Wachusett). This is primarily through WPR's. Staff is waiting for Congress to get its funding together to make this project a reality.

Mr. Barrera asked if someone is going to donate land through conservation restriction, would they get extra credit through the watershed lands. Mr. French stated that the criteria used in order to be eligible for some of these credits include water supply protection so that gives them points along with such things as wildlife habitat, scenic views, etc. The fact that they are within an active water supply area helps them with their application for a credit.

Mr. Yeo stated some of the milestones that have been reached with the program, include 500 parcels that have been acquired, 50,000 acres protected, and 5,500 acres of WPR land. The Wachusett Watershed Acquisition played a large role in the successful avoidance of filtration on a decision by the Federal Courts. The program has been a national model. Mr. Yeo stated that going forward, from FY14 to FY18, staff is hoping that MWRA can allocate \$1 million annually for that period. If there are any additional opportunities, staff would come to the MWRA Board to discuss it. Staff will also continue to focus on WPR acquisitions and will continue to use science-based methods at the Wachusett to find highly rated parcels.

Mr. Laskey stated that Mr. Yeo has the MWRA's commitment that if there is something worthwhile that presents itself, it will be brought before the Board as an amendment to the budget if necessary in order to purchase a parcel that would be of great value.

Mr. Foti asked if staff would have the discretion to spend the \$1 million on purchases independently or would it need to come back to the Board for each purchase. Mr. Yeo stated that staff will come back to the Board to discuss every purchase that they will be making.

Mr. Favaloro noted that a significant amount of revenue is expended on PILOT payments. The MWRA is the only entity in the Commonwealth that pays 100% of assessed value. The MWRA also pays an additional payment for five communities as a result of a special piece of legislation, which adds another \$500,000 to the \$700,000 dollars in PILOT payments. Mr. Laskey indicated that the land acquisition funds can be replenished by the Board. When there is a discussion on the Capital Budget in May or June, you will hear from the Authority's staff how tight the cap number is going to be over the next five years and will also be looking at the Advisory Board on how to tweak it. This may be one of the areas that is worthy of discussion. Mr. Favaloro stated that he thinks the Division of Water Supply Protection has done an incredible job but he believes there is a point where staff may be able to pinhole a few parcels that it really wants, as opposed to allocating \$5 million over a period of time.

Mr. Barrera asked for clarification on the second piece that related to PILOT payments. Mr. Favaloro explained that legislation filed many years ago allows for certain communities within the watershed area, not only receive their PILOT payments once but also get an additional payment on top of that for the same services. Mr. Yeo explained that these are towns that picked up land from the four disincorporated

communities underneath the Quabbin Reservoir; through legislation, these communities were given a supplemental amount of money per year. Going forward, staff's focus is on WPRs but the drivers for the cost of the program are essentially unrelated to acquisition. It's something that the agencies have talked to the Department of Revenue and others about reforming. Mr. Laskey stated it is an issue that is continuing to be worked on and the PILOT payments are out of MWRA's control.

If you are interested in viewing the Land Acquisition presentation that was made at the MWRA Board of Directors meeting, please click [here](#).

2012 Annual Update and New Connections to the MWRA System

MWRA Policy and Planning Manager Pam Heidell stated that there are three elements to the report. The first is a list of formal system expansion requests that have occurred in the last year. There were no new connections and, there was one request to increase the volume of wastewater discharge that was permitted for a connection that was approved in 2004. The land use had changed so the volume of discharge was increasing so staff wanted to have a new agreement that would require additional mitigation for the wastewater being discharged. Staff imposed new inflow requirements, increased the entrance fee and entered into a new agreement.

A second element of the report is tracking of water withdrawals and sewer discharges against the approved volumes in the water and sewer agreements that MWRA has entered into for other recent entrants into the system. On the water side, with the exception of the Dedham-Westwood Water District, all of the communities and straddle connections were well below the volume stipulated in the water supply agreements. Dedham-Westwood was the exception this year. When reaching out to those communities, they attributed it to an error in their SCADA system, which was not properly recording things. The towns assured staff that it would not happen again.

On the sewer side, all the entities charges were all below their limits.

The third element of the report is an update on Tri-Town, which includes the communities of Braintree, Randolph and Holbrook. Tri-Town is looking at MWRA as an option as well as a local option, which would include building a new treatment plant and a dredging program. MWRA approached Tri-Town several times in 2012 but there is no news to report at this time.

The community of North Reading filed an Environmental Notification Form (ENF) this past year indicating its intent to join the MWRA as a fully served water community at about 1.5 MGD. The ENF also addressed wastewater so it will be a little bit of time before staff sees an application from North Reading to join the system, at least until 2014 since their schedule requires them to submit an Environmental Impact Report (EIR) by the end of 2013.

The Southfield developers (The Former Naval Weymouth Naval Air Base site) had previously identified MWRA as its preferred water supply option. However, they are now going back and looking at local supply options. Staff believes that MWRA is the best choice for them.

Ms. Heidell stated that she came before the Board in the fall of 2012 and explained that Ashland Town Meeting would decide whether or not Ashland would be joining the MWRA. Between then and now, Ashland's DPW Director, the Town Manager and Assistant Town Manager have left. As a result, that put water supply on the back burner. Ms. Heidell reached out to the new DPW Director and he said it will be on their radar screen in the next couple of months.

On the sewer side, communities have been dissuaded after learning the inflow mitigation requirements.

Mr. Carroll asked if there was any way to determine what every 100MGD of water would mean to ratepayers. Ms. Heidell stated that it could definitely be done. Mr. Laskey also stated that there was an analysis done on the payback on different levels. The whole debate is what the entrance fee is and who is going to pay for the connections? Staff has a cost benefit analysis that shows the payback.

FY13 Financial Update and Summary as of February 2013

Ms. Madden gave a quick overview of the finances through the end of February.

Board member Andrew Pappastergion asked if the projected surplus was \$15 million. Ms. Madden stated it was \$15.6 million on the variable rate side. There is also going to be another \$1.9 million on debt service. Mr. Pappastergion asked what the total projected surplus is. Ms. Madden stated that it was \$23 million, which is inclusive of the defeasance account. Mr. Pappastergion asked what the year-end surplus was last year. MWRA Budget Director Kathy Soni stated that it was in excess of \$30 million. There was a significant defeasance of about \$24 million, with about \$7 million left, which was deposited into the pension fund per the Board's approval.

Mr. Laskey stated that staff has plans to come to the Board in May or June with a proposal to defease more debt or to take other steps to smooth out future rate increases.

Ms. Madden highlighted that the proposed FY14 budget that was brought before the Board last month and anticipated the use of a portion of that defeasance, which was built into the budget. Staff is hoping that it will be higher. Staff will come back with a true defeasance proposal, which shall provide additional rate relief than the amount that's already embedded in the FY14 proposal.

Mr. Pappastergion asked if the balance of the surplus ends up in the rate stabilization account. Ms. Madden stated that staff will come back with options as they have in prior years and seek direction from the Board as to whether it should be put into rate stabilization funds, pay an additional pension payment, or do a supplemental defeasance, which staff did last year.

Mr. Foti stated that he was concerned about the CIP budget spending to date, which lists the business and operations support having more than doubled. Ms. Madden stated that \$2 million of that is related to IT spending. Staff was working off the recommendation of a consultant and built it into the budget to make sure the funding was there. It is a matter of timing.

Mr. Foti stated on the wastewater side, staff is \$15 million over. Ms. Madden stated that it was mostly on the I/I program. There is some offsetting and underspending on that side as well. It is an unusual trend. Ms. Madden stated that she anticipates that it will be underspent. One community requested \$21 million I/I grant that staff didn't anticipate. The community had the authorization for it but it was unusual to draw the account down so quickly. That is not a pattern staff expects to be repeated.

Mr. Carroll stated that a lot of the overspending was delays in projects; is that going to happen again in the next fiscal year? Ms. Madden stated it is a common trend in the CIP program that a project gets pushed off to the next fiscal year. That trend often carries into the next fiscal year as things shift. It is not an exact science what the capital program will be.

Mr. Hornbrook also noted that when staff prepared the draft for the FY14 CIP, staff looked at how it was currently doing in the FY13 CIP. Staff saw some delays and tried to plan for some more realistic schedules

in the FY14 budget. Staff has taken lessons learned from this year and put it into the next year and the year after for the capital budget. There will be a lower spending amount in the next CIP cap period.

Mr. Laskey also noted that permitting and procurement all take longer than staff expects.

Mr. Vitale stated he was impressed with the MWRA finance team for a very successful bond transaction. It was certainly in the best interest of the ratepayers.

Ms. Madden gave the Board an update on staff completing a \$170 million refunding, with a present value savings of \$13.1 million.

Mr. Vitale asked what the projection is going forward on variable rate debt. Ms. Madden believed the projections will stay where they are. Staff will come to the Board for what it has incorporated in FY14 and it will stay in the 3% range, around 3.25% is really where they would like to stay. Ms. Madden reminded the Board that you cannot budget for what you are experiencing today, the pendulum can swing in the other direction at any point.

Infiltration and Inflow Local Financial Assistance Program Update

Manager of the Community Support Program Carl Leone explained that the goal of this program is to help the local communities rehabilitate and upgrade their sewer systems so it will reduce or minimize the amount of clean water coming into the Authority's system. The program is a 45% grant and 55% interest free loan program. The loans are repaid over five years. The program started in 1993 and the Authority has distributed \$246 million to fund 439 local communities' projects through the program. Over 20 years, it's an average of about \$12 million a year in distributions. Currently, there is \$55 million remaining that has been approved by the Board for distribution through FY21.

Mr. Hornbrook noted that with the new NPDES permits, the regulators are going to require I/I plans and require I/I removal.

Mr. Carroll asked how many times a year the MWRA exceeds the 1.3 million capacity at Deer Island. Director of Deer Island Dan O'Brien stated that it has been exceeded about four times. Mr. Hornbrook stated that staff has CSO activation that will go off before it reaches capacity at Deer Island just because of the local restrictions. The regulatory agencies are apt to be going after the SSO's as well and forcing more sewage into the system that used to go out through unknown sources to the rivers and the streams. There are conflicting goals going on. Mr. Leone explained that when the program started the hope in time was that the flows would go down. The goal at the beginning was that staff could not let flows go up because of the fixed capacity at Deer Island. The base line is to hold the line and see that come down slowly.

Update on Mystic River Projects and Water Quality

Mr. Laskey stated that recently the Boston Globe ran a front page story on the water quality of the Mystic River versus the Charles River. The theme of the article was the Mystic River was a neglected river within the MWRA system. Staff thought it would be important to put together the results of MWRA water quality tests and present it to the Board.

Director of ENQUAD Andrea Rex made a presentation before the Board. Ms. Rex has a long and thorough history with the Mystic River; she explained that a lot of the article was true and brought up valid points; however a lot of data was missing from the analysis that was done by EPA and the Mystic River Watershed Association.

The presentation focused on the monitoring the MWRA has done in the Mystic River. Ms. Rex highlighted the distinction between the river and its watershed is important because the grade that EPA gave the Mystic is really based on the entire watershed not the river. The grade that EPA gave the river is strictly based on pathogens and pathogen indicators and that is measured by sewage indicator bacteria.

Staff has done a number of projects to improve water quality in the Mystic basin. To date, the MWRA and its ratepayers have spent almost \$175 million on CSO projects that are in the Mystic River Watershed. The majority of MWRA's spending on the Mystic River Basin is in the Alewife Brook and today the Board approved an amendment for another \$17 million for the Cambridge sewer separation project. Staff also anticipates spending an additional \$90 million between the MWRA and Cambridge completing this sewer separation work. The bulk of the funds have been designated because staff saw that the water quality in the Alewife Brook was the worst. This was also the area where the most active and heavy volume of CSOs are. This work will be completed by 2015 as part of the court ordered project.

Mr. Barrera asked if there is any state or federal policies or lawsuits that are pending that reflect this. Mr. Laskey stated that MWRA is under the court order for the CSO schedule and that construction will finish in 2015. There will also be a moratorium and assessment period under the court order. Mr. Laskey stated that MWRA has SSOs to prevent the flooding of the stations or the neighborhoods. That is technically a violation of Federal law; however it is reported like staff does for its other SSOs for the communities. The regulators know about them. There is not an easy solution but the Board approved a hydraulic study of the north system.

If you are interested in viewing the presentation on the Mystic River made at the Board of Directors meeting, please click [here](#).

Local Pipeline and Water System Assistance Program Update

Mr. Laskey stated there was a development in the program in the last several weeks. This may be something the Board may consider revising or clarifying. Staff is working in conjunction with the Advisory Board on this. This program is in place to provide financial assistance to member communities in order to improve water systems to maintain high quality water as it passes from MWRA's facilities through local pipelines to customers' taps.

The City of Medford filled out an application and they were looking for reimbursement for projects that they had already completed. There are restrictions dating back to a 1914 case on how and when a community can be reimbursed for work that is already done. There is a limitation on the retroactivity that communities need to be aware of.

MWRA General Counsel Steven Remsberg stated that the case explains that you need to have advanced borrowing authorization. If a community completed a project and paid for it and does not have the bond authorization prior to that payment, then the city or town cannot after the fact seek bond authorization. There is no impact legally for the Authority.

Braintree-Weymouth Replacement Pump Station

There was an update by Mr. Hornbrook given on the Braintree-Weymouth replacement pump station. Due to one of the last rain events and snow melt, there was deterioration of the pump station capacity. There are three pumps located in this facility that are rated at around 14 MGD each and the capacity during the last storm was at 17 MGD and then backing up the system. This location has a large tributary pump station that

serves the area. The problem is that staff discovered there was a large volume of rags in the wet well and in the pumps. The difference with these rags is that they are longer and thicker and not easily disposable and as a result is clogging the submersible pumps and grinders.

Mr. Laskey noted that staff sees a lot of rag type material but this type is an industrial type of rag or cloth coming in that is different than what staff sees from day to day. Mr. Vetere noted that this type of rag is usually seen during high flow conditions.

Mr. Hornbrook stated that pumps that staff bought a few years back that have 10 MGD and were brought in to supplement the three pumps that were inside the station that were degraded and could not reach its capacity. This allowed staff to keep pumping the flow that was coming into the station during the snowmelt. There has been four to five feet of snowmelt in the last 21 days from the last two storms on the south shore.

Staff also looked at the Town of Weymouth; it was very clean and was not a source of the rags.

Mr. Hornbrook stated that staff wants a visual inspection done on everything that comes out of those septic trucks and onto those receiving areas to verify there are no rags of this nature coming in. It will also lead to a broader public education effort on staff's part to its member communities on what is allowed.

MWRA Director of the TRAC program Carolyn Fiore stated that there is enforcement authority up to \$10,000 per violation per day. If the source is found, staff can issue penalties for that and also charge all the costs for responding to this. Any additional costs that are associated with the people that were on call or working over-time can also be charged for, based on MWRA's regulations.

If you are interested in viewing the Braintree-Weymouth pump station presentation made at the Board of Directors meeting, please click [here](#).