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MWRA Advisory Board Summary
of the
MWRA Board of Directors Meeting
Wednesday, January 17, 2018

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on Wednesday, January 17, 2018, at the Charlestown Navy Yard. Present: Secretary Beaton and Brian Peña, Gubernatorial Appointees; John Carroll, MWRA Advisory Board Representative; Henry Vitale, Kevin L. Cotter, and Austin Blackmon, City of Boston Representatives; John J. Walsh, City of Quincy Representative. Absent: Jennifer Wolowicz, Gubernatorial Representative; Paul Flanagan, Town of Winthrop Representative; Joseph Foti and Andrew Pappastergion, MWRA Advisory Board Representatives.

Report of the Chair

Annual Meeting: Election and Appointment of MWRA Officers and Committee Assignments

The Board voted to: (1) designate the January 17, 2018, meeting as the Annual Meeting which, as provided in the Authority's by-laws, will be deemed a special meeting of the Board for the purpose of election of officers; (2) elect John Carroll as Vice-Chairman of the Board; (3) appoint Andrew Pappastergion as Secretary of the Board and Bonnie Hale and Rosemarie Convery as Assistant Secretaries; Matthew Horan as Treasurer and Robert Belkin and Kathy Soni as Assistant Treasurers and reappoint Thomas Durkin as a member of the MWRA Retirement Board for a three-year term beginning July 1, 2018; and (4) ratify the appoint of Board members to standing Committees, as presented and filed with the records of the meeting. New Committee Chairs will be appointed approximately every two years.

The Executive Director also commented on the Annual Meeting and the consideration of rotating the schedule of the committee meetings.

The Chairman also referred to the storm of a couple of weeks earlier, which served as a stark reminder of a lot of the realities that people are facing today. Acknowledging the work ongoing at the municipal and the state levels, a lot of the work has to do with climate adaptation and resiliency and the storms have put a spotlight on the importance of the issues. Work ongoing at the state and Boston levels have heightened the sense of urgency. He emphasized that there is a lot more work to be done on these efforts in the immediate timeframe and over the long term. Upcoming procurements involving renewable energy together are expected to be the "largest in New England history."

Report of the Executive Director

The Executive Director reported on stormy, snowy weather which resulted in a tragic death of an employee, Mr. Russell, while working on the snow removal effort at the Arlington covered storage tank. A moment of silence was observed.

Regarding other matters, the Executive Director reported that the previous day diversion of water from the Ware River to the Quabbin Reservoir started at the request of the Army Corps of Engineers. The diversion will continue as long as the Army Corps so wishes to provide flood control for the Ware River. He also noted that there have been a number of water main breaks (the result of the severe cold followed by thawing).

The Authority continues to help member communities – the Town of Burlington received assistance over the weekend. While not a water service member, the town did have multiple issues with their water treatment plant. Thanks to a cooperative effort with DEP, the Authority was able to wheel water through Lexington into Burlington.

He reported that Jonathan Yeo has resigned from his job with the Watershed Trust to take a job as the COO with the City of Newton. John Scannell is in an acting capacity until a replacement is hired.

Mr. Laskey recognized Marianne Connolly, Senior Program Manager, who is planning on retirement. He noted that she had played a number of roles at the Authority, including dealing with MEPA. She has been effective as the open space coordinator and advocate, resulting, for example, in having 38 miles of aqueduct trails as well as a magnificent location at Nut Island plus the open space at Deer Island, which is universally recognized as a positive development for the people of Greater Boston. She has also represented the Authority at other organizations and other contributions. In closing, she noted that following doubts expressed by others about whether people would go to a treatment plant to enjoy the open space, once the opportunities are created, people do come and have enjoyed the results.

Mr. Laskey also recognized Pam Heidell who is also retiring. He noted her extensive knowledge about “so much stuff” about system expansion, MEPA, Chapter 91, hydropower, and so on. She thanked the Board and expressed her appreciation for having been able to spend most of her career at the MWRA.

Approvals

Approval of Minutes

The Board voted to approve the minutes of the December 20, 2017, Board of Directors’ meeting, as presented and filed with the records of the meeting.

Memorandum of Agreement with the Massachusetts Historical Commission and the Southborough Historical Commission for the Demolition of the Oren Nichols Historical Properties

The Board voted to authorize the Executive Director, on behalf of the Authority, to execute a Memorandum of Agreement with the Massachusetts Historical Commission and the Southborough Historical Commission, substantially in the form presented and filed with the records of the meeting, to demolish the Oren Nichols House, barn, and office storage building at MWRA's Western Operations Headquarters in Southborough.

Staff noted that the discussion about the ultimate decision for the buildings has been ongoing for about a dozen years including the possible use of the buildings for a museum. More recently, it was found that the museum proposal was no longer feasible. The Massachusetts Historical Commission has approved the demolition, and allowed for repurposing any items (artifacts or materials) for historical purposes.

Appointment of Program Manager, PICS Control

The Board voted to approve the Executive Director's recommendation to appoint Mr. Mark Donnelly to the position of Program Manager, PICS Control (Systems Applications), Unit 9, Grade 29 at an annual salary of \$110,228.55, commencing on a date to be determined by the Executive Director.

Contract Awards

DeLauri Pumping Station Bar Screen Replacement and Security Upgrades: Daniel O'Connell's Sons, Inc., Contract 7361

The Board voted to approve the award of Contract 7361, DeLauri Pumping Station Bar Screens Replacement and Security Upgrades, to the lowest responsible and eligible bidder, Daniel O'Connell's Sons, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$1,330,000, for a term of 365 days from the Notice to Proceed.

Staff explained that the contract is to replace two bar screens and associated local controls, motors, and sensors, and upgrading the station's security system. Staff also provided a presentation describing the facility and relationship to the local sewer system in Cambridge, Boston, and Somerville and the Chelsea Creek Headworks.

HVAC Systems Maintenance for Western Operations: ENE Systems, Inc., Contract OP-367

The Board voted to award of Contract OP-367, HVAC Systems Maintenance, Various Facilities, to the lowest responsible bidder, ENE Systems, Inc. and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$664,820, for a term of 730 calendar days from the Notice to Proceed.

Staff summarized the purpose of the two-year contract to provide preventative maintenance and repair services for the entire HVAC systems at the Carroll Water Treatment Plant, the Clinton Wastewater Treatment Plant, 33 other locations in Western Operations, and repair services, as needed, at the Chelsea Administration Building. In clarifying the reasons the recommended bidder was the second lowest bidder, staff explained that the low bidder has made a clerical error and had requested that its bid be withdrawn.

Contract Amendments/Change Orders

Maximo Update Project: SHI International Corp. and Total Resources Management, Inc., Contract 7287, Amendment 2

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 2 to extend the term of Contract 7287 with SHI International Corp. and Total Resources Management, Inc., Maximo Update Project, by 328 days to December 28, 2018, with no increase in contract price.

Staff explained the reasons for the additional time extension being requested in Amendment 2, including to allow for upgrades and installation of new modules to add functionality which will improve the efficiency and effectiveness of the staff, both Operations as well as IT, and eliminate multiple systems and replace the IT Help Desk system. Staff described the enhancements that have been accomplished and the benefits received from the upgrades.

Prison Point CSO Facility Improvements Design, CA/RE Services: Arcadis U.S., Inc., Contract 7359, Amendment 1

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment 1 to increase the amount of Contract 7359 with Arcadis U.S., Inc., Resident Engineering by \$302,189 and extend the term by three months to November 11, 2021.

Staff described the building and its location in Cambridge. The facility came on line in 1981; a chemical building came on line in 1999. The amendment will provide additional scope; Arcadis has completed initial design for the project and is completing final design. Project completion is scheduled for November 2021.

Alewife Brook Pump Station Rehabilitation: Stantec Consulting Services, Inc., Contract 7034, 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 7034 with Stantec Consulting Services, Inc., Alewife Brook Pump Station Rehabilitation, by \$195,495.57 and extend the term by 194 days to November 27, 2019.

Staff presented a short slide presentation and explained the updated direction of wastewater flows including replacement of the bypass system. A big part of this job is PCB abatement. In addition, the screen room will be extended to meet code; that work is ongoing. The largest component of the amendment allows for indirect cost rate changes and hourly labor rate escalation (as compared to previously allowed discounted labor rate cost escalations). An additional component of the amendment is for additional hazardous materials abatement oversight services (including PCB and asbestos abatement). The amendment provides a six-month time extension to align with the construction contract (the new substantial completion date is November 2018).

Chelsea Creek Headworks Upgrade BHD/BEC 2015: A Joint Venture, Contract 7161, Change Order 7

The Board voted to authorize the Executive Director, on behalf of the Authority, to approve Change Order 7 to increase the amount of Contract 7161 with BHD/BEC 2015, A Joint Venture, Chelsea Creek Headworks Upgrade, in an amount not to exceed \$1,400,320.00 with no increase in contract term; and to authorize the Executive Director to approve additional change orders as may be needed to Contract 7161 in amounts not to exceed the aggregate of \$250,000, in accordance with the Management Policies and Procedures of the Board of Directors.

Staff explained that the change order entails replacing old, deteriorated plumbing systems and bringing the entire facility up to plumbing code. The work will also involve disposal of additional asbestos materials that have been discovered on site during the abatement process. Staff also anticipate that another change order will be coming to the Board again regarding the painting of the project.

Information

Delegated Authority Report – December 2017

Staff provided information in response to questions from members of the Board. The first question was in regard to the Ogin wind turbine, and the award of a contract for the removal of the turbine. Staff explained that the contract was needed as a result of the bankruptcy of the firm that had originally installed the turbine. The low-bid subcontractor was the company that was involved in the original installation and is capable of the demolition of the structure. Staff noted that there are other creditors ahead of the Authority; at the same time the Authority's primary interest is in bringing the facility down for safety reasons. Staff also provided explanation for other delegated authority items, including an organic sample extract concentrator unit and the purchase of a remotely operated (underwater) vehicle (for use in the reservoirs).

FY 2018 Financial Update and Summary as of December 2017

The report covers the first half of the fiscal year, as of December 2017. Expenses are \$8.4 million less than budgeted. The variance is attributable in large part to the variable rate debt. The interest that was budgeted was higher than the interest that is being experienced for a lower debt service cost of \$4 million. Direct Expenses -- which include Wages and Salaries, Maintenance and Workers' Compensation, Chemicals and other expenses -- total \$3.9 million (3.5% of the variance). In response to another question with regard to Overtime, staff reported that much of the greater than budgeted amount was the result of lower than budgeted staff availability for Overtime-related responsibilities in Southborough (due, in part, to staff out on IA, on temporary leave).

FY 2018 Mid-Year Capital Project Spending Report

Staff reported that capital spending for the first half of the year is \$89.1 million compared to a budgeted amount of \$81.2 million -- \$7.9 million or 9.7% greater than budget. The projected spending for the year (using updates from the numbers prepared for the proposed capital budget for FY 2019) is estimated at

\$179.5 million as compared to the budget of \$174.5 million or \$5.0 million (2.9%) higher than budget. The number is much closer to budget than has been the case in recent years.

Report on 2017 Water Use Trends

Staff reported on the previous year's water use and reservoir status. Data shows the increase in consumption in the last couple of years, due to the drought conditions (2015-2016) and the drop-down as normal conditions returned throughout most of the service area. Most noteworthy was that the average day, at 183 mgd of sales, is at the lowest seen since the 1950s. Staff also reported on daily system demand. The maximum day was on July 21 (the date varies each year and is not always in July; last year was at 274.6 mgd). It is notable in that it used to be at that level for the average day, so the maximum is now lower than what the average used to be. The lowest day is almost always Christmas Day. This year, the lowest day was at 151 mgd, which is not the lowest that has been seen (last year was lower, but still a "quiet day").

The long-term trend for both of those numbers is downward. Water use in Boston, in particular, has been more or less stable over the last several years, at 63 mgd. Consumption is lower than it was a century ago and a couple of decades ago. It was the mid 1890s when we saw water use lower than it is now for the same geographic area, despite a lot more people and a lot more employment in Boston. So, water is being used a lot more efficiently.

In response to a question regarding recent high tides, staff indicated that all indications are that we will see slightly higher elevations (a small amount every year but increasing over time). Future contract awards will reflect making buildings more flood resistant over time.

(For more details, see the power point presentation and the Staff Summary in the package of Board materials.)

This summary does not include every item discussed by the Board, nor the full extent of the discussions. Please contact the Advisory Board office with questions, comments or requests for more information.