

**MASSACHUSETTS WATER RESOURCES AUTHORITY**

Meeting of the Board of Directors

February 15, 2023

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A meeting of the Massachusetts Water Resources Authority (“MWRA”) Board of Directors was held on February 15, 2023. The meeting was conducted via remote participation by the Board of Directors pursuant to Chapter 20 of the acts of 2021 and subsequent acts extending certain COVID-19 measures adopted during the state of emergency.

Chair Tepper presided remotely from MWRA headquarters. Also present from the Board were Messrs. Flanagan (remote participation), Foti (remote participation), Pappastergion (remote participation), Peña (remotely from MWRA headquarters), Vitale (remote participation), Jack Walsh (remotely from MWRA headquarters), and Patrick Walsh (remote participation), Rev. White-Hammond (remotely from MWRA headquarters) and, Ms. Wolowicz (remote participation). Mr. Carroll was absent.

MWRA Executive Director Frederick Laskey, General Counsel Carolyn Francisco Murphy, Chief Operating Officer David Coppes, and Assistant Secretary Kristin MacDougall participated remotely from MWRA headquarters. Other MWRA staff in attendance remotely included Carolyn Fiore, Deputy Chief Operating Officer; Thomas Durkin, Director, Finance; Michele Gillen, Director, Administration; Kathy Murtagh, Director, Tunnel Redundancy; Patterson Riley, Special Assistant for Affirmative Action; Paula Weadick, Director, MIS; Ria Convery, MWRA Special Assistant to the Executive Director and Board Assistant Secretary; Stephen Estes-Smargiassi, Director, Planning and Sustainability; Michael O’Keefe, Senior Program Manager, Planning; Rita Mercado, Acting Procurement Director; Michael Cole, Director, Budget; Matthew Horan, Deputy Director of Finance/Treasurer; David Duest, Deer Island Treatment Plant Director; and, John Colbert, Chief Engineer. Vandana Rao, Executive Office of Environmental Affairs (EEA), and Joseph Favaloro, MWRA Advisory Board, participated remotely from MWRA headquarters.

Chair Tepper called the meeting to order at 11:00am.

**ROLL CALL**

MWRA General Counsel Francisco Murphy took roll call of Board Members in attendance. The Chair announced that except for Executive Session, the meeting was open to the public virtually, via a link posted on MWRA’s website. She added that the meeting would be recorded, and that the agenda and meeting materials were available on MWRA’s website. Chair Tepper announced that the meeting would move into Executive Session after the Executive Director’s report, and that the Open Session would resume after the adjournment of Executive Session. She also announced that individual roll call votes would be conducted after each motion was made and given an opportunity for discussion.

**APPROVAL OF JANUARY 18, 2023 MINUTES**

A motion was duly made and seconded to approve the minutes of the Board of Directors’ meeting of January 18, 2023.

Chair Tepper asked if there was any discussion or questions from the Board. Hearing none, she requested a roll call vote in which the members were recorded as follows:

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
		P. Walsh
		Wolowicz

(Mr. Patrick Walsh had technical issues with his audio. Ms. Wolowicz could not be heard.) (ref. I)

#### REPORT OF THE CHAIR

##### ANNUAL MEETING OF THE MWRA BOARD OF DIRECTORS

##### Annual Meeting: Election and Appointment of MWRA Officers, Retirement Board Member and Committee Assignments

Chair Tepper moved to designate the February 15, 2023 meeting as the Annual meeting which, as provided in the Authority's By-Laws, would be deemed a special meeting of the Board for the purpose of election of officers. Further, she moved to elect Andrew M. Pappastergion as Vice Chair of the Board; to appoint Brian Peña as Secretary of the Board and Rose Marie Convery and Kristin MacDougall as Assistant Secretaries; to appoint Matthew Horan as Treasurer; to appoint Matthew Horan as Retirement Board Member; to appoint William Kibaja and Michael Cole as Assistant Treasurers; and, to ratify the appointments of Board members to standing Committees, as set forth in the Staff Summary presented and filed with the records of this meeting. Chair Tepper noted that the Board Officer and Committee appointments would take effect commencing at the next Board Meeting.

The motion was seconded.

There was brief, general discussion about the Annual Meeting procedures. Chair Tepper asked if there were any other nominations, or further discussion or questions from the Board. Hearing none, she requested a roll call vote in which the members were recorded as follows:

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		

Yes

No

Abstain

P. Walsh

Wolowicz

(Mr. Patrick Walsh had temporary technical issues with his audio.) (ref. II.A)

#### REPORT OF THE EXECUTIVE DIRECTOR

MWRA Executive Director Frederick Laskey reported that staff from MWRA and EEA were planning to conduct a tour of Deer Island with a reporter from WBUR with regards to PFAS. He then advised that some Board Members had expressed interest in resuming Committee meetings, to allow more time for discussion. He briefly described how Committee and Board meetings were conducted in the past. He requested that Board Members consider whether they'd like Committee meetings to resume, and how the meetings could be scheduled and structured.

Board Member Jack Walsh expressed support of resuming Committee meetings. Board Member White-Hammond agreed, and asked if the Committee meetings could be held virtually, for efficiency. Chair Tepper agreed with Rev. White-Hammond. Mr. Laskey affirmed that MWRA has the technology to host hybrid Committee meetings. General Counsel Francisco Murphy added that one possible constraint to holding hybrid meetings would be the March, 2023 expiration of the temporary COVID-19 related measures regarding the Open Meeting Law adopted during the state of emergency, currently under Legislative review. She noted that the Board voted in July, 2022 to adopt the Open Meeting Law remote participation option, and explained certain requirements of the Open Meeting Law for remote participation absent a further extension of the temporary measures. There was general discussion about the quorum requirements. Mr. Laskey suggested waiting until the Legislature makes its decision before deciding on resuming Committee meetings. Ms. Francisco Murphy advised that staff were following the matter closely, would keep Board Members apprised. There was general discussion about in-person meeting logistics.

Board Member Pappastergion expressed his strong preference for returning to in-person meetings. Mr. Flanagan asked where Board meetings would be held after MWRA vacates its CNY headquarters. Mr. Laskey explained that the meetings would be held in the new Board Room at Deer Island and could also be held at MWRA's Chelsea facility. Board Member Wolowicz requested that one meeting be held at the Quabbin Reservoir annually, noting that holding a meeting at Quabbin would be a good opportunity for Board Members to interact with staff. Chair Tepper, Mr. Laskey, Mr. Jack Walsh, Rev. White-Hammond and Mr. Peña agreed. There was general discussion about the benefits of in-person meetings at various sites.

Mr. Laskey resumed his report. He advised that staff continued discussions with the City of Waltham, and that he met with the Mayor to discuss MWRA's project. Next, he briefly reported on MWRA's Diversity, Equity and Inclusion Working Group and Environmental Justice Task Force lunchtime talk series, including an upcoming talk with Biobot Analytics' cofounder and CEO, Dr. Mariana Matus. Mr. Laskey then congratulated Board Member Vitale and Boston Water and Sewer Commission staff for

their participation in a White House ceremony to kick off the Biden-Harris Administration’s “Get the Lead Out” Partnership. Next, Mr. Laskey announced that Cori Barrett was retiring from her position as Director of Construction. He congratulated Ms. Barrett on her upcoming retirement and thanked her for years of dedicated service. Ms. Barrett thanked Board Members and her colleagues for their well wishes. Finally, Mr. Laskey provided an update on Board Member Carroll. Mr. Pappastergion asked for suggestions of appropriate ways to honor Mr. Carroll for his work on the Board of Directors. MWRA Special Assistant to the Executive Director Ria Convery advised that staff was preparing a photo book for Mr. Carroll and his family that documents his many contributions to MWRA.

Chair Tepper noted that Biobot’s Dr. Matus had offered positive feedback about MWRA staff during a recent meeting that she had attended with Governor Healey.

(Rev. White-Hammond joined the meeting during the report.) (ref. III)

#### EXECUTIVE SESSION

Chair Tepper requested that the Board move into Executive Session to discuss Litigation, since Open Session may have a detrimental effect on the litigating position of the Authority. She announced that the planned topics of discussion in Executive Session were updates on the Conservation Law Foundation litigation pending in Federal District Court relating to MWRA’s industrial pretreatment program and the Chelsea Creek Headworks Project settlement negotiations. She announced that the Board would return to Open Session after the conclusion of Executive Session.

A motion was duly made and seconded to enter Executive Session for this purpose, and to resume Open Session after Executive Session adjournment.

General Counsel Francisco Murphy reminded Board members that under the Open Meeting Law members who were participating remotely in Executive Session must state that no person is present or able to hear the discussion at their remote location. A response of “yes” to the Roll Call to enter Executive Session when their name was called would also be deemed their statement that no other person was present or able to hear the session discussion.

Upon a motion duly made and seconded, a roll call vote was taken in which the members were recorded as follows:

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		

Yes                      No                      Abstain  
White-Hammond  
Wolowicz

Voted: to enter Executive Session, and to resume Open Session after Executive Session adjournment.

The Board moved to Executive Session to discuss Litigation since discussing such in Open Session could have a detrimental effect on the litigating position of the Authority.

\*\*\* EXECUTIVE SESSION \*\*\*

The meeting entered Executive Session at 11:24am and adjourned at 11:58am.

\*\*\* CONTINUATION OF OPEN SESSION \*\*\*

#### ADMINISTRATION, FINANCE AND AUDIT

##### Information

##### Update on Space Consolidation Project

Ms. Convery presented an update on MWRA's Space Consolidation project. The presentation included an overview of prior consolidations, and the reasons for vacating MWRA's Charlestown Navy Yard offices. She explained that Navy Yard staff would relocate to Chelsea and Deer Island, where some staff workspaces will be shared. She then described the renovations at the Chelsea and Deer Island facilities. She noted that existing oak furniture will be refurbished in-house. Finally, she reviewed the two-phased project schedule. She advised that Phase One was expected to be complete in late February or early March, with Phase Two expected to be complete in late April or early May.

Mr. Pappastergion requested more details about Phase Two activities. Ms. Convery described the planned work, including the renovation of the Chelsea facility's west side and Deer Island's pump station building and Board Room areas. She noted that Deer Island is located within City of Boston limits. She further noted that materials for Phase Two were already ordered, so that phase should move ahead more quickly than the first.

Mr. Jack Walsh asked staff to provide a breakdown of the Chelsea facility's annual budget. MWRA Finance Director Thomas Durkin explained that the capital lease payment for MWRA's Chelsea facility was \$3.2 million, and that other operational costs such as maintenance, maintenance contractors and supplies brought the total budget to approximately \$5.3 million. Mr. Durkin noted that the cost of the lease payments was locked in for a number of years. Mr. Walsh asked about tax payments for the facility. Mr. Durkin explained that the taxes were paid in addition to the rent, through the Current Expense Budget. He advised that the City of Chelsea had recently raised the taxes nearly \$1 million, due to the property's increased Chelsea Assessor's value.

Board Member Vitale asked if MWRA parking was available at Chelsea and Deer Island. Ms. Convery responded in the affirmative, adding that parking would be free for staff. Mr. Vitale then asked which MBTA stations were closest to Deer Island and the Chelsea facility. Ms. Convery advised that Orient Heights was the closest MBTA station to Deer Island. Mr. Vitale asked how far the Orient Heights station was from Deer Island. Ms. Convery advised that the station was several miles away, and that a transportation survey would be conducted to identify how many staff members planned to commute to Deer Island via public transportation. She noted that MWRA would probably run a shuttle from Chelsea to Deer Island with stops along the route, and that the MBTA had discontinued its bus route to Deer Island. Mr. Laskey added that the MBTA's Silver Line runs to the Chelsea facility. Mr. Vitale asked if MWRA offers an MBTA pass discount to staff. Ms. Convery explained that staff do not receive a discount but they can purchase MBTA passes through a pre-tax payroll program. Rev. White-Hammond recommended that MWRA consider providing an MBTA pass subsidy to encourage staff to commute via public transportation.

Chair Tepper requested information about MWRA's fleet of electric vehicles (EV) and charging stations at Deer Island and Chelsea. MWRA Deputy Chief Operating Officer Carolyn Fiore explained that MWRA maintains a growing fleet of approximately 17 EVs, and that staff was participating in Eversource's Make Ready Program for EV charging infrastructure installation at Chelsea and Deer Island. She further explained that MWRA had an agreement with Eversource to install 15 EV chargers at the Chelsea facility for staff and MWRA vehicle use, and that Eversource had recently conducted a site visit to identify appropriate locations for EV chargers at Deer Island. She noted that chargers for Chelsea had been purchased, with the Deer Island purchase pending. Finally, Ms. Fiore explained that EV charger construction at both sites was expected to be complete in Fiscal Year FY24.

Chair Tepper asked if MWRA was constructing new parking lots at Deer Island for the EV chargers. Ms. Convery explained that the chargers would be installed in existing lots. Chair Tepper asked if MWRA had solar infrastructure installed in Deer Island's parking lots. Mr. Laskey explained that MWRA had three solar farms at Deer Island, but none in the parking lots, though it was being discussed. Chair Tepper noted that every parking lot is an opportunity for green energy.

Hearing no further discussion or questions from the Board, Committee Chair Foti moved to the next Information item. (ref. V A.1)

#### FY2023 Second Quarter Orange Notebook

MWRA Senior Program Manager for Planning Michael O'Keefe presented an overview of performance indicators measured in the Orange Notebook. He noted that MWRA also prepares an internal, monthly Yellow Notebook, with similar metrics. Next, he described topics covered in the Orange Notebook, including Operations and Maintenance, Construction Programs, Drinking Water Quality and Supply, Wastewater Quality, Community Flows and Programs, Business Services, and Other Management. Mr. Jack Walsh requested more information about MWRA's career paths and promotional opportunities for staff retention. Mr. Laskey explained that MWRA works to provide career paths, training, certifications and promotional opportunities for internal candidates. There was general discussion

about current recruitment and retention challenges. MWRA Director of Administration Michele Gillen provided examples of MWRA's ongoing recruitment and retention initiatives such as a robust training program, a mentorship program, and the promotion of Diversity, Equity and Inclusion and Environmental Justice principles. Mr. Laskey noted that Deer Island staff had recently offered positive feedback on MWRA's new shadowing program, which provides on-the-job training in a variety of disciplines for entry level staff. He added that this program may be expanded and that he would provide a more detailed updates to Board members in the future.

Rev. White-Hammond described steps being taken to promote staff retention and advancement within her cabinet at the City of Boston, including conversations with staff about the goals they'd like to develop, and the identification of professional growth opportunities. Ms. Gillen added that MWRA had recently reinstated performance evaluations for some employees to encourage more interaction between supervisors and staff.

Chair Tepper added that she would be interested in having a more detailed discussion about staffing issues, solutions and best practices in the near future. Ms. Gillen noted that Mr. Laskey had recently asked staff to develop tools to measure the success of its recruitment and retention initiatives, and that staff welcomed the opportunity for further discussion.

Mr. Laskey thanked Personnel and Compensation Committee Chair Wolowicz for her hard work, accessibility and advice on personnel matters.

Ms. Wolowicz noted that in her view MWRA has consistently endeavored to provide a supportive, inclusive working environment for a diverse workforce, and stressed the importance of coaching, training and building a work culture where the principles of Diversity, Equity and Inclusion are consistently put into practice.

Mr. Vitale asked if MWRA has seen a rise in positive marijuana (THC) test results for job applicants as related to Massachusetts' legalization of recreational marijuana. Ms. Gillen explained that MWRA has not seen significant changes in positive test results for potential employees, but has seen a slight uptick of THC positives from federally-required random drug and alcohol screenings. She noted that some staff could potentially underreport vehicle accidents to avoid THC testing, and that the tests have further implications with regards to CDL licenses.

There was general discussion about challenges related to THC testing, which can detect traces after one month of use.

Mr. Vitale asked if the Orange Notebook was distributed to external parties such as rating agencies and bond holders. Mr. Durkin explained that staff direct external inquires about Key Performance Indicators to MWRA's website, where the Orange Notebook is posted. He noted that staff have received positive feedback on the Orange Notebook. Mr. Estes-Smargiassi added that staff frequently share the Orange Notebook in response to constituents' questions about MWRA operations.

Mr. Vitale asked for the forecasted fiscal year end variance for actual total interest income versus the amount budgeted, as well as the forecasted variance for actual versus budgeted interest expenses for variable rate debt. Mr. Durkin explained that if interest rates remained stable, staff expect money market investment income to nearly double by the end of the fiscal year.

Hearing no further discussion or questions from the Board, Mr. Foti moved to the next Information item. (ref. V A.2)

#### Delegated Authority Report – January 2023

Committee Chair Foti invited questions for staff.

Mr. Jack Walsh requested more information about item C-8, the John Carroll Water Treatment Plant Corrosion Control Optimization Study. MWRA Chief Operating Officer David Coppes explained that the purpose of the study was to test the efficacy of various water corrosion and control treatments, in anticipation of Lead and Copper Rule changes. He added that under this delegated authority item, a consultant would provide guidance, and perform data collection and analysis. There was brief discussion about the cost and importance of the study.

Mr. Vitale asked for the hourly pay rate for Item P-9, Data Reporting Analyst (Report Writer) Consultant. MWRA MIS Director Paula Weadick advised that she would provide that information as soon as possible. (The question was answered later in this discussion.)

Mr. Jack Walsh requested the quantity provided under item P-15, Purchase for Supply and Delivery of Allen Bradley Programmable Logic Controller Components. Mr. Coppes explained that the purpose of the purchase was to increase MWRA's inventory during the current chip shortage. He advised that he would provide more details about the number purchased at a later date.

MWRA Acting Director of Procurement Rita Mercado responded to Mr. Vitale's earlier question regarding the hourly rate for a Data Reporting Analyst (Report Writer) Consultant. She advised that the pay rate was \$86.23 per hour.

Hearing no further discussion or questions from the Board, Mr. Foti moved to the next Information item. (ref. V A.3)

#### FY23 Financial Update and Summary through January 2023

Mr. Durkin provided a financial update and summary through January 2023. He reported that direct expenses were 4.5% under budget, mostly attributable to underspending for wages and salaries (-10.7%). He advised that reduced spending on wages and salaries was offset by overspending for chemicals (+13.2%) and utilities (+6.6%). He noted that electricity and natural gas were 9.2% and 24.4% over budget, respectively. Mr. Durkin then reported that total direct expenses were \$7.2 million (-4.5%) under budget, and that indirect expenses were at budget (-1.1%). Next, he reported that there was a zero variance on the Capitol Finance budget, attributable to the transfer of savings from variable rate



bonds to the defeasance account. He noted that staff would present recommendations regarding bond defeasance and the use of budgetary savings to the Board at a future meeting. Mr. Durkin then reported on income activity. He advised that fixed investments were at budget while variable investments such as money market accounts were yielding approximately \$4 million more than budgeted due to rapidly rising interest rates. He added that the addition of income from Cambridge water sales and other sources brought MWRA's revenue to approximately \$11.2 million over estimate, total. Finally, Mr. Durkin reported that MWRA was \$18.7 million under budget overall.

Mr. Jack Walsh asked why was staff was proposing a budget increase for overtime. Mr. Durkin explained that the overtime budget increase was necessary to fund adequate coverage for any potential wet weather events or other emergencies.

Hearing no further discussion or questions from the Board, Mr. Foti moved to the next Information item. (ref. V A.4)

#### Preliminary FY24 Water and Sewer Assessments

Staff summarized the proposed Preliminary Water and Sewer Assessments for FY2024. Mr. Durkin began by providing an overview of MWRA's budgetary process and multi-year rate strategy. He advised that staff were proposing a 3.4% combined rate increase for FY24, and that MWRA staff would communicate the preliminary assessments to water and sewer service communities upon Board approval.

Mr. Jack Walsh asked if water purchases from the City of Cambridge were factored into MWRA assessments. Mr. Durkin explained that water sales to Cambridge were revenue income and not part of the rate base.

Hearing no further discussion or questions from the Board, Mr. Foti moved to Approvals. (ref. V A.5)

#### Approvals

##### Transmittal of the FY24 Proposed Current Expense Budget

A motion was duly made and seconded to approve transmittal of the FY24 Proposed Current Expense Budget to the MWRA Advisory Board for its 60 day review and comment period.

Staff presented an overview of MWRA's FY24 Proposed Current Expense Budget (CEB). Mr. Durkin briefly provided background on the CEB's preparation, review, comment and approval processes.

Next, MWRA Budget Director Michael Cole presented a comparison of the CEB as approved for FY23 and proposed for FY24, and noted that the most significant change was a proposed \$36.3 million (13.3%) increase for direct expenses for FY24. He explained that wages and salaries were the biggest component of the direct expense budget (40%) and that staff proposed an increase of \$4.1 million (3.5%) for FY24. He noted that the budget funds 1,168 FTEs, including 1,152 core FTEs and 16 for the Metropolitan Water Tunnel Program. He also noted that the proposed FY24 CEB includes a vacancy adjustment of \$2.7 million, consistent with FY23. Next, Mr. Cole presented budgetary areas driven by inflation, such as

chemicals, (\$13.3 million, or 89% increase proposed for FY24), and electricity (\$2.4 million or 10% proposed increase.) He advised that electricity usage has remained stable, but the cost per kilowatt hour jumped significantly in FY23. He further advised that the proposed budget for sludge pelletization was increased by \$9.9 million (58%) for FY24, driven by inflation and potential PFAS-related landfill costs.

Mr. Durkin then presented an overview of proposed FY24 indirect expenses related to the Retirement System. He provided background on the Retirement System's funding schedule, actuarial valuation process and budget requirements. He advised that staff proposed applying \$1.9 million in savings from the funding schedule of MWRA's Other Post-Employment Benefits (OPEB) actuarial valuation to the required \$14 million Retirement System funding in order to partly amortize an estimated \$140 million shortfall due to economic factors impacting retirement funds across the Commonwealth.

Next, MWRA Deputy Finance Director and Treasurer Matthew Horan reported that the proposed FY24 CEB included \$501.3 million in capital financing costs, a slight decrease over prior years. He explained that rising interest rates have presented a potential opportunity for MWRA to participate in a bond buyback. Mr. Horan then presented an overview of historical and Data Money Market Data (MMD) and taxable interest rates, and noted that staff anticipated a surplus of approximately \$2.2 million associated with variable interest rates for FY23 on the debt and \$11.7 million in surplus by the end of FY23 for investment income.

Mr. Durkin then presented a summary of MWRA's combined historical and projected rate revenue changes for FY19 through FY28, including a 3.9% increase for water assessments, and a 3.1% increase for sewer assessments for FY24. Finally, he briefly described the next steps in the CEB process pending Board approval, including transmittal to the MWRA Advisory Board for review, two public hearings, and the presentation the FY24 Draft Final CEB in May for its anticipated adoption in June 2023.

Mr. Vitale requested clarification on the projected cost increase for health insurance. Mr. Durkin explained that the proposed CEB includes a 6% increase for existing health insurance plans. There was brief discussion about whether employee deductibles would increase. Mr. Vitale asked staff for the status of MWRA's OPEB Trust funding level, and if staff expected a major change over FY23. Mr. Durkin advised that OPEB was approximately 60% funded, and did not forecast a significant change through the current fiscal year.

Chair Tepper asked if there was further discussion or questions from the Board. Hearing none, she requested a roll call vote in which the members were recorded as follows:

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Foti		
Pappastergion		
Peña		

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Vitale		
J. Walsh		
P. Walsh		
White-Hammond		
Wolowicz		

(ref. V B.1)

#### Approval of the Eighty-Sixth Supplemental Resolution

A motion was duly made and seconded to adopt the Eighty-Sixth Supplemental Resolution authorizing the issuance of up to \$650,000,000 of Massachusetts Water Resources Authority Tax-Exempt General Revenue Bonds and General Revenue Refunding Bonds and the supporting Issuance Resolution.

Mr. Durkin explained that staff were seeking Board approval to issue bonds through the public market, and to approve the issuance of refunding bonds that will replace existing bonds and provide budgetary savings.

Mr. Horan then invited questions from Board Members. Mr. Jack Walsh asked staff for their confidence levels regarding the bond tendering. Mr. Horan advised that staff identified approximately \$1 billion worth of bonds on the market to be tendered and estimated that only 20%-30% of bondholders would be interested in placing the bonds back. He noted that the sale was sensitive to interest rates, and added that staff determined that the potential cost savings to MWRA made this a worthwhile endeavor. Mr. Walsh asked how much staff expected to discount the bonds for the tendering. Mr. Horan explained that staff estimated that the bonds would be discounted one to three basis points above market rate, which is well below the face value of the bond. There was brief, general discussion about the logistics of the proposal.

Mr. Vitale asked if MWRA had tendered bonds in the past. Mr. Horan advised that MWRA had tendered bonds once, in 2000. Mr. Vitale requested a copy of the Staff Summary regarding the 2000 bond tendering. Mr. Horan confirmed he would forward the Staff Summary as soon as possible. Mr. Vitale asked for the amount of MWRA's total outstanding bond debt related to Green Bonds. Mr. Horan advised that the outstanding debt was approximately \$2.4 million. Mr. Vitale noted that MWRA was a leader in Green Bonds. Mr. Horan added that MWRA, along with the Commonwealth of Massachusetts, is a top ten issuer of Green Bonds in the United States.

Chair Tepper asked if there was further discussion or questions from the Board. Hearing none, she requested a roll call vote in which the members were recorded as follows:

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Foti		
Pappastergion		

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Peña		
Vitale		
J. Walsh		
P. Walsh		
White-Hammond		
Wolowicz		

(ref. V B.2)

Chair Tepper advised that some outstanding agenda items would be postponed due to time constraints. There was brief, general discussion about the postponements.

Delegation of Authority to Execute Contracts for the Purchase and Supply of Electric Energy and Voluntary Renewable Energy Certificates for the MWRA Interval Accounts

A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to execute a contract for the supply of electric power to the Interval Accounts, consisting of the Carroll Water Treatment Plant and the larger Field Operations and Facility Management Accounts, and a contract to purchase additional Renewable Energy Certificates to voluntarily increase the percentage of the energy supply for the Interval Accounts to be 100% renewable, with the lowest responsive and responsible bidder(s) for the period and pricing structure selected, as determined by staff to be in MWRA's best interest, and for a contract supply term not to exceed 36 months. This delegation of authority is necessary because MWRA will be required to notify the selected bidders within a few hours of bid submittal to lock in the bid prices in a constantly changing market.

Ms. Fiore presented the proportion of MWRA's electricity usage by contract, noting that the interval account usage was 30% of the total. She then invited questions from Board members.

Chair Tepper asked if there was any discussion or questions from the Board. Hearing none, she requested a roll call vote in which the members were recorded as follows:

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		
White-Hammond		
Wolowicz		

(ref. V.B.3)

WASTEWATER POLICY AND OVERSIGHTContract AwardsDeer Island Treatment Plant Clarifier Rehabilitation, Phase II: Walsh Construction Company II, LLC, Contract 7395

A motion was duly made and seconded to approve the award of Contract 7395, Clarifier Rehabilitation, Phase II at the Deer Island Treatment Plant, to the lowest responsible and eligible bidder, Walsh Construction Company II, LLC and to authorize the Executive Director, on behalf of the Authority, to execute said contract in the bid amount of \$289,359,690, for a contract term of 1620 calendar days from the Notice to Proceed.

MWRA Deer Island Treatment Plant Director David Duest presented an overview of the Deer Island Treatment Plant (DITP) primary and secondary clarifiers' functions, and explained that they were critical to the plant's operations and MWRA's compliance with its NPDES permit. He then provided background on past Deer Island clarifier rehabilitation projects to address unanticipated corrosion and increase equipment life. He advised that the proposed contract does not repeat prior work and will rehabilitate equipment that has been in continuous operation since DITP startup. Next, Mr. Duest explained that the proposed contract's scope was complex and required confined space entry. He further explained that the clarifiers must remain operational during construction to meet design flows in compliance with the NPDES permit. He then presented the current conditions of the clarifiers and described the scope of work. Mr. Duest then advised that the bid for this project was complicated, and that one Division of Capital Asset Management and Maintenance (DCAMM) certified firm had submitted a bid that was 26.7% higher than the Engineer's Estimate. He explained that the three major line item variances from the Engineer's Estimate were costs of mechanical equipment and materials; concrete remediation and coating; and, labor insurance, safety and quality control, due to the contract's general conditions.

Next, Ms. Gillen described the contract's procurement process. She noted staff's concerns about the lack of competition for bidders, and described steps taken to increase competition. Ms. Gillen then advised that staff met with the Inspector General's (IG) office, during which MWRA staff provided a project and procurement overview, as well as an explanation for the difference between the bid price and the Engineers Estimate. She further advised that based on this discussion and follow-up communications, the IG indicated no concerns regarding this procurement. She noted that staff had spoken with DCAMM about the competitive limitations to large, industry-specific projects posed by some of their certification limits, adding that DCAMM was amendable to future conversations about ways to potentially increase competition.

MWRA Special Assistant for Affirmative Action Patterson Riley then briefed Board Members on D/MBE and D/WBE matters related to the project. He advised that Walsh Construction Company, II, LLC ("Walsh") had requested a partial waiver of D/WBE participation requirements. He noted that MWRA takes M/WBE participation seriously, and explained that staff believed that Walsh had submitted the waiver request in good faith. He noted that only a very limited number of D/WBE subcontractors were certified to perform this project's scope of work, and stressed MWRA's continued commitment to providing opportunities for D/MBE and D/WBEs to perform work for the Authority.

Mr. Vitale asked for information about the cost of State Revolving Fund (SRF) loans for this project. Mr. Durkin explained that the cost for the SRF loans was 2.15%, versus the 3.3% expected with MWRA bonds. Mr. Vitale complimented MWRA staff for securing the SRF funding and thanked them for providing ongoing assistance with SRF funding processes for Boston Water and Sewer Commission projects.

On behalf of the MWRA Advisory Board Chair, Board Member Foti asked why this project was advertised under Chapter 149, rather than Chapter 30. Ms. Mercado advised that the project's infrastructure qualifies this clarifier rehabilitation work as a Chapter 149 project, and further, that similar DITP projects had been advertised as Chapter 149 projects. Mr. Foti asked if staff believed that more bids would have been received if the project was advertised under Chapter 30. Ms. Mercado advised that staff could not speculate on that, and further, staff believed that due to the project's complex nature, only a limited number of contractors would have been qualified to bid under Chapter 30 with respect to bonding capacity. She explained that a benefit of Chapter 149 advertisements was access to DCAMM-certified contractors that are bondable and pre-qualified to perform the work required. She noted that DCAMM certifies the contractors annually.

(Rev. White-Hammond left the meeting during the presentation.)

Chair Tepper asked if there was further discussion or questions from the Board. Hearing none, she requested a roll call vote in which the members were recorded as follows:

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		
		Wolowicz

(Ms. Wolowicz had temporary technical issues with her audio, and Mr. Foti left the meeting after the roll call vote.) (ref. VI A.1)

## WATER POLICY AND OVERSIGHT

### Information

#### Report on 2022 Water Use Trends and Reservoir Status

Item postponed due to time constraints. (ref. VII A.1)

Update on Invasive Aquatic Plants Management at MWRA Source and Emergency Reservoirs

Item postponed due to time constraints. (ref. VII A.2)

Public Outreach Plan for Temporary Fluoride Shutdown

Item postponed due to time constraints. (ref. VII A.3)

Contract Amendments/Change OrdersSection 56 Replacement of Saugus River Crossing, Design Engineering Services During Construction: AECOM Technical Services, Inc. Contract 7454, Amendment 1

A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to approve Amendment 1 to Contract 7454, Section 56 Replacement of Saugus River Crossing Design Engineering Services During Construction, with AECOM Technical Services, Inc., increasing the contract amount by \$999,993, from \$3,345,887, to \$4,345,880, and extending the contract term by 27 months from 51 months to 78 months.

MWRA Chief Engineer John Colbert presented the reasons for the proposed Amendment to the Section 56 Saugus River Crossing project. He explained that the amendment was needed to accommodate permitting and geotechnical evaluation challenges.

Mr. Jack Walsh asked work could take place under the existing bridge. Mr. Colbert explained that this was not possible because the bridge was 87 years old, and further, MassDOT was planning to move it south of its existing location. Mr. Walsh requested an update on the project's status. Mr. Colbert explained that the project is in preliminary design, and presented staff's proposed access alternatives and recommended alignment. He noted that final design would start after the completion of permitting activities. Mr. Walsh asked if the project would provide water system redundancy. Mr. Colbert explained that the project would restore water redundancy and improve system reliability for sections of Lynn and Revere.

Chair Tepper asked if there was further discussion or questions from the Board. Hearing none, she requested a roll call vote in which the members were recorded as follows:

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		
Wolowicz		

(ref. VII B.1)

PERSONNEL AND COMPENSATION

Approvals

Approval of the 2023 Affirmative Action Plan

Item postponed due to time constraints. (ref. VIII A.1)

PCR Amendments - February 2023

Item postponed due to time constraints. (ref. VIII A.2)

CORRESPONDENCE TO THE BOARD

There was no Correspondence to the Board. (ref. IX)

OTHER BUSINESS

There was no Other Business. (ref. X)

ADJOURNMENT

A motion was duly made and seconded to adjourn the meeting.


A roll call vote was taken in which the members were recorded as follows:

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		
Wolowicz		

The meeting adjourned at 1:28pm.

Approved: March 15, 2023

Attest:

 for  
 Brian Peña, Secretary