

**MASSACHUSETTS WATER RESOURCES AUTHORITY**

Meeting of the Board of Directors

January 17, 2024

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A meeting of the Massachusetts Water Resources Authority (“MWRA”) Board of Directors was held on January 17, 2024 at MWRA’s Administration Building in Chelsea, and also via remote participation.

Chair Tepper presided from MWRA’s Chelsea Administration Building. Board Members Flanagan, Foti, Peña, Taverna, and Jack Walsh also participated from the Chelsea Administration Building. Board Members Pappastergion, Vitale, White-Hammond and Wolowicz participated remotely. Board Member Patrick Walsh was absent.

MWRA Executive Director Frederick Laskey; General Counsel Carolyn Francisco Murphy; Chief Operating Officer David Coppes; Deputy Chief Operating Officer Rebecca Weidman; Director of Finance Thomas Durkin; Director of Administration Michele Gillen; Special Assistant for Affirmative Action Patterson Riley; Director of Construction Marty McGowan; Construction Coordinator Terrence Flynn; Construction Coordinator Jami Walsh; Chief Engineer Brian Kubaska; Program Manager, Energy and Environmental Management Denise Breitenreicher; Energy Manager Kristen Patneau; Senior Program Manager, Planning, Michael O’Keefe; Budget Director Michael Cole; Deputy Finance Director and Treasurer Matthew Horan; Human Resources Director Wendy Chu; Chief of Staff Katie Ronan; Associate General Counsel Kristen Schuler Scammon; and, Assistant Secretary Kristin MacDougall participated at MWRA’s Chelsea Administration Building.

Vandana Rao, EEA, and Matt Romero, MWRA Advisory Board, also participated at MWRA’s Chelsea Administration Building.

Chair Tepper called the meeting to order at 1:04pm.

**ROLL CALL**

MWRA General Counsel Francisco Murphy took roll call of Board Members in attendance and announced that Board Members Pappastergion and Vitale were participating remotely. The Chair announced that the meeting was being held at MWRA’s Chelsea Administration Building and 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. She also announced that individual roll call votes would be conducted after each motion was made and given an opportunity for discussion.

**APPROVAL OF DECEMBER 13, 2023 MINUTES**

**A motion was duly made and seconded to approve the minutes of the Board of Directors’ meeting of December 13, 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          |           |                |
| Taverna       |           |                |
| Vitale        |           |                |
| J. Walsh      |           |                |

(ref. I)

#### REPORT OF THE CHAIR

Chair Tepper thanked MWRA staff for their diligence and dedication in keeping MWRA systems operating safely during recent high impact storm events. (ref. II)

#### REPORT OF THE EXECUTIVE DIRECTOR

Fred Laskey, MWRA Executive Director, discussed MWRA's response to the high impact storm event of January 13, 2024. He presented the total amount of rainfall (11.1 inches) recorded at MWRA's Ward Street facility from December 11, 2023 through January 13, 2024. He noted that these rain events were exacerbated by challenges such as snow melt, strong winds, storm damage and high tides. He further noted that a controlled release was not required during the recent storms, and presented a graph of high wastewater flows in the South System from January 7 through January 16, 2024. He briefly discussed the timeline of the January 13 storm and commended staff for their hard work and expertise. He also discussed the process of notifying Board Members about the storm.

Next, Mr. Laskey reported that a Quabbin water transfer is underway, prompted by high reservoir levels. He noted that Quabbin transfers typically take place in the spring. He then reported that staff conducted a successful non-union managers' offsite meeting and thanked Chair Tepper for offering words of encouragement and guidance to participants. Mr. Laskey then briefly discussed MWRA's Lunchtime Speaker Series event for January, which featured a screening of the short film "The Old Quabbin Valley," presented by director and producer Lawrence R. Hott. Next, he advised that staff were reviewing and preparing comments on the Healy-Driscoll Administration's *Recommendations for Climate Oriented Forest Management Guidelines*. He then welcomed Board Members to MWRA's newly-remodeled Chelsea Administration Building and described its history. Finally, Mr. Laskey discussed the potential to

hold some future Board meetings in Chelsea.

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

REPORT OF THE CHAIR (Continued)

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

Chair Tepper continued her report.

**Chair Tepper moved designate this January 17, 2024 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 the election of officers. Further, she moved to elect Andrew M. Pappastergion as Vice Chairman of the Board; to appoint Brian Peña as Secretary of the Board and Kristin MacDougall and Katherine Ronan 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 January 17, 2024 Staff Summary presented and filed with the records of this meeting. The Board Officer and Committee appointments will take effect commencing at the next Board Meeting.**

The motion was seconded.

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          |           |                |
| Taverna       |           |                |
| Vitale        |           |                |
| J. Walsh      |           |                |
| White-Hammond |           |                |

(ref. II.A)

EXECUTIVE SESSION

Chair Tepper requested that the Board move into Executive Session to discuss Real Estate and Litigation, since discussing such in Open Session could have a detrimental effect on the negotiating and litigating positions of the Authority. She announced the planned topics for

discussion in Executive Session were a watershed land acquisition, a litigation update, and Prison Point CSO Facility Improvements Contract 4732. 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 these purposes, 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 other 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 Executive 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          |           |                |
| Taverna       |           |                |
| Vitale        |           |                |
| J. Walsh      |           |                |
| White-Hammond |           |                |

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

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

The meeting entered Executive Session at 1:15pm and adjourned at 1:42pm.

(Board Member Wolowicz joined the meeting during Executive Session.)

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

## WATER POLICY AND OVERSIGHT

### Approvals

First Amendment to Memorandum of Agreement By and Between Massachusetts Water Resources Authority and the City of Newton: Contract 6392, Rehabilitation of Sections 23, 24 and 47 Water Mains **A motion was duly made and seconded to authorize the Executive**

**Director, on behalf of the Authority, to execute the First Amendment to the Memorandum of Agreement by and between the Massachusetts Water Resources Authority and the City of Newton relating to Contract 6392, Rehabilitation of Sections 23, 24 and 47 Water Mains, substantially in the form presented in the January 17, 2024 Staff Summary and filed with the records of the meeting, for the City of Newton to update its certification of appropriation, from \$2,720,400 to \$3,435,428, for costs for City of Newton work including change orders.**

Ms. Francisco Murphy provided background on a Memorandum of Agreement (“MOA”) with the City of Newton that was approved by the Board of Directors in March, 2019. She described the MOA’s scope, including the provision that the City will reimburse the Authority for work performed on a city-owned water main under MWRA Contract 6392, as well as any approved change order work. She explained that proposed Amendment 1 is administrative in nature, and would allow Newton to update its certification of appropriation so that they can release additional funds to MWRA.

Next, Marty McGowan, MWRA Director of Construction, updated Board Members on the contract’s status. He reported that the project is nearing completion; that major pipeline installation for MWRA and the City of Newton was substantially complete in December, 2023; and, that pipeline disinfection is expected to start in February, 2024. He noted that final paving sand site restoration is planned for spring 2024. Next, he presented a review of all approved change order work under the MOA to date, and explained that the change orders were typical of restoration work on 140 year-old cast iron water mains. Finally, Mr. McGowan noted that the MOA with the City of Newton represented a successful partnership between MWRA, the City of Newton and the contractor.

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          |           |                |
|               |           | Taverna        |
| Vitale        |           |                |
| J. Walsh      |           |                |
| White-Hammond |           |                |
| Wolowicz      |           |                |

(ref. V A.1)

Contract Amendments/Change OrdersLow Service Pressure Reducing Valve Improvements - Boston/Medford: RJV Construction Corporation, Contract 7563, Change Order 6

**A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to approve Change Order 6 to Contract 7563, Low Service Pressure Reducing Valve Improvements - Boston/Medford, with RJV Construction Corporation, extending the contract term by 90 calendar days from December 31, 2023 to March 30, 2024, with no increase in contract amount. Further, a motion was duly made and seconded to authorize the Executive Director to approve additional change orders as may be needed to Contract 7563 in an amount not to exceed the aggregate of \$250,000 and to extend the contract term by 180 days in accordance with the Management Policies and Procedures of the Board of Directors.**

Mr. McGowan summarized the reasons for a proposed no-cost time extension for MWRA's Low Service Pressure Reducing Valve Improvements project in Boston and Medford. He explained that the change order was needed due to delays in the installation of dedicated Verizon T-1 lines.

Next, Terrence Flynn, MWRA Construction Coordinator, updated Board Members on the project's status. He reported that Verizon had recently visited the work sites, and that the T-1 line installation was expected to take place in late January, 2024. Finally, he provided a brief overview of the project schedule.

Board Member Jack Walsh requested information about the status of Change Order 5. Mr. Flynn advised that Change Order 5 was executed during the week of January 8, 2024.

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          |           |                |
| Taverna       |           |                |
| Vitale        |           |                |
| J. Walsh      |           |                |
| White-Hammond |           |                |
| Wolowicz      |           |                |

(ref. V B.1)

Wachusett Dam Lower Gatehouse Pipe and Boiler Replacement: J.F. White Contracting Company Contract 7380, Change Order 1

**A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to approve Change Order 1 to Contract 7360, Wachusett Dam Lower Gatehouse Pipe and Boiler Replacement, with J.F. White Contracting Company for a not-to-exceed amount of \$1,300,000, increasing the contract amount from \$19,333,573 to \$20,633,573, and extending the contract term by 243 calendar days from August 17, 2024, to April 17, 2025. Further, a motion was duly made and seconded to authorize the Executive Director to approve additional change orders as may be needed to Contract 7360 in an amount not to exceed the aggregate of \$1,000,000 and to extend the contract term by 180 days in accordance with the Management Policies and Procedures of the Board of Directors.**

Staff presented the scope and reasons for a proposed change order for the Wachusett Dam Lower Gatehouse Pipe and Boiler Replacement project. Mr. McGowan began with a discussion of the Lower Gatehouse's location and functions. He then introduced his co-presenter, MWRA Construction Coordinator Jami Walsh, and noted that she had recently worked on a project to replace historic doors and windows at the Gatehouse.

Next, Mr. McGowan presented the Gatehouse's hydraulic profile design, which includes the installation of multi-orifice valves ("MOVs"). He explained that MOVs would reduce hydraulic head of flows from the reservoir and reduce potential damage as water discharges to the Nashua River. He then discussed the status of the Lower Gatehouse's existing valves and the scope of the overall valve replacement project. He presented the new piping configuration and described the operational benefits of MOVs.

Next, Ms. Walsh discussed the reasons for the proposed change order. She described how MOVs work to control flows and how they will increase the flexibility of the Gatehouse's operation. She explained that the contractor had selected a manufacturer that coated the MOV plates with a Teflon material that contains PFAS, an emerging contaminant of concern. She explained that staff's review of the matter had determined that uncoated, stainless steel MOVs would provide the same levels of flexibility and performance as the coated valves, and that using uncoated MOVs would be in the MWRA's best interest. Finally, Ms. Walsh explained that the proposed change order with time extension is needed for this design change and for the manufacture and delivery of the uncoated MOVs.

Board Member Taverna requested more information about how the MOVs would be operated. Ms. Walsh explained that operators would control the MOVs from a remote location within the Gatehouse. There was brief discussion about the number of MOVs to be installed; the plan for operating them; Nashua River release requirements; and the benefits of MOVs at the Gatehouse. Mr. Jack Walsh inquired about the Gatehouse's heating system. Ms. Walsh advised

that staff would discuss a separate contract for the heating system at a future Board meeting.

Hearing no further discussion or questions from the Board, Chair Tepper 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          |           |                |
| Taverna       |           |                |
| Vitale        |           |                |
| J. Walsh      |           |                |
| White-Hammond |           |                |
| Wolowicz      |           |                |

(ref. V B.2)

#### WASTEWATER POLICY AND OVERSIGHT

##### Contract Amendments/Change Orders

##### Second Amendments to Both the Memorandum of Understanding and Financial Assistance Agreement with the Boston Water and Sewer Commission for Implementation of the Fort Point Channel and Mystic/Chelsea Confluence

**A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to execute the Second Amendment to the Memorandum of Understanding and the Second Amendment to the Financial Assistance Agreement by and between Massachusetts Water Resources Authority and Boston Water and Sewer Commission for the Implementation of Fort Point Channel and Mystic/Chelsea Confluence Combined Sewer Overflow Control, substantially as set forth in the January 17, 2024 Staff Summary presented and filed with the records of this meeting, increasing the not-to-exceed amount by \$1,881,274 from \$10,000,000 to \$11,881,274, with no change in term. Further, a motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to approve and execute additional amendments to such Memorandum of Understanding and Financial Assistance Agreement, in an amount not to exceed the aggregate of \$1,000,000 for additional financial assistance in the Executive Director's discretion for construction change order costs that the Executive Director determines is appropriate and should be reimbursed by the Authority; such reimbursement remains otherwise subject to the term and conditions of said Memorandum of Understanding and Financial Assistance Agreement.**

Brian Kubaska, MWRA Chief Engineer, presented the reasons for a proposed Second



Amendment to both the Memorandum of Understanding and Financial Assistance Agreement (“MOU/FAA”) with Boston Water and Sewer Commission (BWSC). He provided background on the MOU/FAA that was originally approved by the MWRA Board of Directors in October, 2022. He explained that under the original MOU/FAA, BWSC had agreed to design and improve four CSO outfalls in support of MWRA’s efforts to meet Long Term CSO Control Plan (“LTCP”) goals requiring specific typical year activation and volume goals, and presented the outfall locations.

Next, Mr. Kubaska discussed the First Amendments to the MOU/FAA approved by the Board in December, 2023. He explained that Amendment 1 included the addition of a fifth BWSC outfall for improvement (BOS013 in East Boston) to the MOU/FAA.

He then reported that BWSC had received bids for construction work at the five BWSC outfall sites, and advised that the lowest bid was approximately 42% higher than the estimate prepared by BWSC’s consultant. Mr. Kubaska explained that staff are confident that the recommended, lowest bidder’s cost was appropriate because the three low bids received were close in value. He then noted that BWSC stands to incur a total of approximately \$11.9 million in costs, including an existing \$1.5 million design contract, for CSO improvement work at the five outfalls.

Finally, Mr. Kubaska requested Board approval of a Second Amendment to the MOU/FAA, which includes a cost increase that reflects the higher-than-expected bid price, as well as the addition of delegated authority in an amount not to exceed \$1 million for potential change order costs.

There was brief, general discussion about differences in the scope and costs of the original MOU/FAA and Amendments 1 and 2; MWRA’s design review; the construction contract estimate evaluation process; and, project financing.

Board Member Vitale noted that BWSC staff had diligently reviewed the construction bids received for accuracy and found the costs to be reasonable. He also discussed some factors that contributed to the higher bid price, including inflation and work in areas with high traffic volumes. Finally, on behalf of Mayor Wu, the BWSC Commissioners and BWSC staff, Mr. Vitale thanked MWRA staff for their evaluation and support, and advised that the CSO improvement work will greatly benefit MWRA’s and BWSC’s efforts to meet LTCP goals.

(Ms. Wolowicz left the meeting during the discussion.)

Hearing no further discussion or questions from the Board, Chair Tepper requested a roll call vote in which the members were recorded as follows:

|            |           |                |
|------------|-----------|----------------|
| <u>Yes</u> | <u>No</u> | <u>Abstain</u> |
| Tepper     |           |                |

| <u>Yes</u>    | <u>No</u> | <u>Abstain</u> |
|---------------|-----------|----------------|
| Flanagan      |           |                |
| Foti          |           |                |
| Pappastergion |           |                |
| Peña          |           |                |
| Taverna       |           |                |
| Vitale        |           |                |
| J. Walsh      |           |                |
| White-Hammond |           |                |

(ref. VI A.1)

#### ADMINISTRATION, FINANCE AND AUDIT

##### Information

##### Delegated Authority Report – December 2023

Michele Gillen, MWRA Director of Administration, invited questions from Board members.

Mr. Jack Walsh requested more information about the cost of Item P-9: *Critical Need Purchase Order for the Rental and Installation of a Temporary Air Handling System for the Columbus Park Headworks*. David Coppes, MWRA Chief Operating Officer, explained that the Item P-9 represented a specialized, major air handling unit with associated heat coils. He noted that the unit was necessary for staff safety and that it was available for rapid installation at a reasonable cost. Mr. Coppes advised that the temporary air handling system will be used until a permanent replacement is installed, and briefly discussed the procurement schedule for the permanent unit. There was general discussion about the uses and costs of temporary air handling systems.

Mr. Taverna requested a status update on *Item C-1: Section 101 Pipeline Extension (Waltham)*. Mr. McGowan explained that the contractor had completed the first phase of the contract in December, 2023. He added that phase two work began during the week of January 15, 2024 and is expected to continue through the construction season.

Mr. Vitale noted that in his view the costs for Items P-1: *Purchase Order for Professional Services for the Implementation of Microsoft Azure AD Integration with Okta - State Contract ITS60* and P-4: *One-Year Purchase Order Contract for Maintenance and Support of SAP Business Objects' Business Intelligence Suite* were competitive.

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

##### FY21-25 Strategic Business Plan: Annual Update for FY23

Denise Breiteneicher, MWRA Program Manager, Energy and Environmental Management,

presented an annual update on MWRA's FY21-25 Strategic Business Plan ("Business Plan") for FY2023. She began with an overview of the Business Plan's purpose. She noted that the Business Plan is reviewed by staff annually, and is a component of a broader suite of management tools, such as the Capital Improvement Plan, Current Expense Budget, and the Key Indicators of MWRA Performance report. She added that the Business Plan is posted on MWRA's website for public review. She discussed guiding principles of the Business Plan and described the Plan's structure.

Finally, Ms. Breiteneicher presented some Business Plan progress highlights for FY23, including participation in studies on key issues; the completion of 248 lead and copper tests from 66 schools and childcare facilities in 31 communities; substantial movement on the design of upgrades for major wastewater facilities including decarbonization; the submittal of the Metropolitan Water Tunnel Program Environmental Impact Report; the completion of an Environmental Justice Strategy; participation in the "EV Make Ready" charging infrastructure program; and, the receipt of a DEP grant to pilot the installation of heat pumps at two pump stations.

Mr. Vitale noted that BWSC uses MWRA's Business Plan to develop of its own Plan, and complimented MWRA staff on their work. Chair Tepper added that she found the MWRA Business Plan to be a useful objective and goal document. Board Member Foti asked staff for an update on the number of electric vehicles (EVs) in MWRA's fleet. Ms. Gillen advised that MWRA's fleet of approximately 500 vehicles includes 22 EVs and six hybrids. Kristen Patneau, MWRA Energy Manager, noted that the delivery of two EV pickups was expected this winter. Mr. Foti asked if MWRA's 22 EVs were passenger vehicles. Ms. Gillen responded in the affirmative. She noted that MWRA's fleet policy is currently under review, and that staff expect to increase the policy's EV requirements.

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

#### MWRA Greenhouse Gas Inventory for 2022

Staff presented MWRA's Greenhouse Gas ("GHG") Emissions Inventory for 2022. Michael O'Keefe, MWRA Senior Program Manager, Planning, described MWRA's long-standing commitment to energy savings and emissions reduction, which has resulted in cost savings and significant reductions in GHG emissions. He noted that MWRA received the Commonwealth's Leading by Example Award for 2023. He then provided background on MWRA's GHG Inventory program, which began in 2006 and is guided by state climate goals.

Next, Mr. O'Keefe presented MWRA's progress in meeting state GHG emissions targets. He reported that MWRA has achieved a 41% reduction in emissions since 2006; has already met

the state's 2025 emissions reduction target of 33%; and, is working to meet the 2030 target. He then explained that MWRA's energy use and GHG emissions are tied to fluctuations in precipitation and wastewater flows, and provided examples of high-energy use storm events.

Mr. O'Keefe then discussed the four main sources of MWRA's GHG emissions: electricity (44%); natural gas (20%); process and fugitive (16%); diesel and fuel oil (13%); and, other, such as fleet and digester gas combustion (8%). He briefly described how the GHG sources are typically used for MWRA operations, and presented a graph showing MWRA's reduced use of the four main GHG sources since 2006.

Next, Mr. O'Keefe advised that 84% of MWRA's GHG reductions are from electricity, driven by energy efficiency, renewables, and a greener electric grid. He noted that since 2006 MWRA has reduced its electricity purchases by 15%, which, combined with the impact of a greener electric grid, has resulted in a 57% reduction in GHG emissions. He added that MWRA's GHG emissions will reduce further as the electric grid becomes greener over time, and as staff continue progress on electrification.

He then presented the rates of emissions reductions for MWRA's other main GHG sources: natural gas (-18%), mostly due to increased efficiencies at the Pellet Plant; diesel and fuel oil (-28%) attributable to conversion from oil and reduced emergency generator use; and process and fugitive (+1.4%). Mr. O'Keefe advised that process and fugitive emission levels have remained static since 2006 because they are based on biochemical reactions of the degradation of wastewater, and that staff are investigating ways to potentially reduce these emissions. He noted that the Commonwealth's Decarbonization Roadmap acknowledges that there are no clear pathways for process and fugitive emissions reductions.

Next, Mr. O'Keefe discussed the development of MWRA's renewable energy portfolio, including hydropower, wind, solar and Deer Island steam turbine digester gas combustion. He noted that 66% of the renewable energy produced by MWRA is used onsite, mostly at Deer Island. He further noted that the Deer Island steam turbine generates 52% of MWRA's renewable energy, and that it avoided 15,000 metric tons of carbon dioxide emissions in 2022, and 5 million gallons of fuel oil. He then explained that 34% of the renewable energy that MWRA produces is sold back to the grid.

Mr. O'Keefe then presented some of MWRA's successful GHG emission reduction initiatives, including energy efficiency improvements; shifts to electric heat pumps for space heating; a growing electrified fleet; changes to internal processes to ensure that energy efficient products are incorporated into projects when feasible; and the implementation of social cost of carbon analysis. He highlighted MWRA's plan to update Deer Island's Combined Heat and Power ("CHP") facility, and noted that design is expected to begin later in 2024. He advised that the new CHP facility will nearly double MWRA's electricity production; save 300,000 gallons of fuel

oil; and, reduce overall GHG emissions by 15%. He added that staff are also exploring additional emissions reductions through battery storage and wastewater heat recovery programs.

Finally, Mr. O’Keefe advised that staff will continue efforts to reduce GHG emissions through energy efficiency, electrification and renewables; explore innovative reduction strategies; and, develop pathways to meeting the Commonwealth’s 85% reduction/net zero goal by 2050.

Chair Tepper requested more information about MWRA’s process for selling renewable energy back to the grid. Ms. Patneau explained that the exported power for solar, wind and small hydro is paid through net-metered rates; that the older large hydro facilities are compensated as qualified facilities; and, MWRA sells the associated renewable energy certificates (RECs) for these assets. Chair Tepper then asked which dollar amount MWRA uses for social cost of carbon analysis. Mr. O’Keefe explained that MWRA uses a value of \$125.00 per ton and briefly described the methodology for analysis.

There was brief, general discussion about the positive impacts of a greener electrical grid, energy efficiency, and shifts to renewable sources on MWRA’s GHG emissions.

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

#### FY2024 Financial Update and Summary through December 2023

Thomas Durkin, MWRA Director of Finance, provided a financial update and summary through December 2023. He reported that direct, indirect and capital finance expenditures were 3% lower than budgeted overall. He noted that wages and salaries were under budget by 12% due to ongoing staffing challenges, and that chemicals expenditures were 14% under budget, attributable to stabilizing prices. He then advised that the Consumer Price Index had risen 3.4% for the 12 months ending in December, significantly lower than staff’s budget projection and the high of 9.0%. Next, Mr. Durkin reported that the Watershed Reimbursement line item was \$1.3 million (13.4%) below budget through December, and noted that this indirect expense is seasonally variable. He then reported that revenue and income were \$3.9 million (0.9%) over budget estimates, driven by higher-than-expected returns on money market investments. He advised that staff are monitoring interest rates and geopolitical events for any potential budgetary impacts. Finally, Mr. Durkin reported that the budget is doing well overall and will keep Board members updated as the fiscal year progresses.

There was general discussion about the U.S. interest rate and inflation forecast, and the impacts of interest rates and inflation on MWRA’s budgets.

Hearing no further questions or comments from the Board, Committee Chair Foti moved to the next Information item. (ref. VII A.4)

## Approvals

### Transmittal of the FY25 Proposed Capital Improvement Program to the MWRA Advisory Board

**A motion was duly made and seconded to approve the transmittal of the FY25 Proposed Capital Improvement Program to the MWRA Advisory Board for its 60-day review and comment period.**

Staff presented the proposed FY25 Capital Improvement Program (“CIP”) for transmittal to the MWRA Advisory Board for review and comment. Mr. Durkin noted that FY25 represents the second year of the current five-year Spending Cap, and that the proposed FY25 CIP includes adjustments that reflect Engineering and Construction staff input.

Next, Michael Cole, MWRA Budget Director, presented a comparison of the FY24-FY28 Baseline Cap as approved by the Board of Directors in June 2023 vs. the proposed FY25 Spending Cap. He noted the proposed FY25 Cap (\$1,364,100) was very close to the approved FY24-28 baseline Cap (\$1,364,200).

He then discussed the FY25 Proposed CIP’s top ten projects with regards to spending, and noted that they collectively account for approximately 33% of the proposed FY25 CIP spending.

Next, Mr. Coppes presented a summary of new projects in the FY25 Proposed CIP, including the Shaft L Interconnection Project and the design and construction of a new DCR field office in New Salem to replace a facility that was destroyed by a fire.

Mr. Foti noted that the Massachusetts Department of Transportation now leases customized modular depots on a temporary basis at a substantial cost savings vs. building comparable new facilities, and added that the depots may be suitable for longer-term use. There was brief discussion about the cost, general specifications and flexibility of the leased modular depots. Mr. Foti advised that he would forward more information to MWRA staff.

Mr. Durkin then discussed MWRA’s financial relationship with the DCR per a longstanding MOA. He noted that MWRA’s financial obligations include reimbursement for DCR watershed operations such as wages and salaries; a capital commitment with the DCR Watershed Protection division for various projects that MWRA plans to capitalize as assets, such as the previously-discussed New Salem field office; and, other major projects, such as large equipment, tractors and boats, which are included in the Current Expense Budget (CEB) rather than the CIP because they cannot be capitalized. There was brief, general discussion about the DCR project evaluation and funding process, and other DCR projects financed by MWRA, such as dam maintenance.

Mr. Coppes resumed his presentation of new projects in the proposed CIP, including new the restoration of a culvert in Quincy. Mr. Jack Walsh asked for more information about the culvert’s location. Mr. Coppes explained that the location is near the Braintree-Weymouth

Pump Station.

Next, Mr. Cole discussed the Metropolitan Water Tunnel Program (“MWTP”). He noted that the MWTP’s projected cost rose from \$1.8 billion in the FY24 CIP to \$2.1 billion for FY25. He explained that the change was primarily attributable to the preliminary design’s updated construction costs. Mr. Cole added that the majority of MWTP spending will take place during the FY29-FY33 cap period, and that staff plans to present a full update at the March 2024 Board meeting. There was further general discussion about the MWTP’s FY25 cost. Mr. Foti noted that in his view, a \$300 million cost difference was not unprecedented for a project of this scale.

Board Member Vitale requested the five-year average of the under-budget spending variance. Mr. Cole explained that the underspending average for the past five years was 35%, mainly attributable to COVID-related supply chain disruptions. He noted that MWRA’s underspending averaged approximately 25% over the past 20 years.

Mr. Cole then described the upcoming steps of the MWRA budget process. Next, Mr. Durkin noted that a key factor of MWRA’s budgets is the rate of change to community assessments on a combined basis, and described some CIP financing tools, such as bond issuances and debt service. Finally, Mr. Durkin stressed that predictable, affordable rates is a top priority for MWRA budgets. Mr. Laskey agreed.

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          |           |                |
| Taverna       |           |                |
| Vitale        |           |                |
| J. Walsh      |           |                |
| White-Hammond |           |                |

(ref. VII B.1)

(Rev. White-Hammond left the meeting after Roll Call.)

#### Bond Defeasance of Future Debt Service

**A motion was duly made and seconded to authorize the Executive Director or his designee,**



**on behalf of the Authority, to enter into, execute and deliver all necessary agreements and other instruments and to take such other actions necessary to effectuate the redemption and defeasance of an aggregate principal amount of \$11,350,000 of outstanding MWRA senior bonds including to cause the escrow of cash and/or securities in an amount necessary to fund such redemption and defeasance, in order to reduce the debt service requirement by approximately \$13.0 million in the FY25 through FY28 timeframe.**

Matthew Horan, MWRA Deputy Finance Director and Treasurer, requested Board approval to use \$12.4 million of FY23 funds available after the receipt of SWAP termination payments to defease debt between FY24 and FY28. He explained that the proposed defeasance would be applied to manage rates, with a particular focus on FY25-FY27 water rates.

Mr. Vitale requested more information about MWRA's investment strategies with regards to government securities purchased for escrow, and the projected yield. Mr. Horan explained that staff planned a yield restriction of 2.2%, and to purchase state and local securities from the Treasury. Mr. Jack Walsh asked staff to clarify the terms of a proposed bond defeasance (Series 2016C, August 1, 2025-August 1, 2028). Mr. Horan explained that some of the bonds proposed for defeasance will be paid on their call date and will have been paid off earlier than scheduled, resulting in \$587,500 in interest savings.

(Chair Tepper temporarily left the meeting during the discussion.)

Hearing no further discussion or questions from the Board, Vice Chair Pappastergion requested a roll call vote in which the members were recorded as follows:

| <u>Yes</u>    | <u>No</u> | <u>Abstain</u> |
|---------------|-----------|----------------|
| Flanagan      |           |                |
| Foti          |           |                |
| Pappastergion |           |                |
| Peña          |           |                |
| Taverna       |           |                |
| Vitale        |           |                |
| J. Walsh      |           |                |

(ref. VII B.2)

### Contract Awards

#### Bond Counsel Services: Greenberg Traurig, LLP, Contract F273

**A motion was duly made and seconded to approve the recommendation of the Consultant Selection Committee to award Contract F273 to Greenberg Traurig, LLP for Bond Counsel Services and to authorize the Executive Director, on behalf of the Authority, to execute Contract F273 in an amount not to exceed \$1,566,960 and for a term of four years from the**



**Notice to Proceed.**

Mr. Horan summarized the selection process for a proposed Bond Counsel Services consultant. He discussed the scope of the contract and the qualifications of the recommended firm, Greenberg Traurig, LLP.

(Chair Tepper returned to the meeting during the summary.)

Mr. Jack Walsh requested more information about the previous Bond Counsel contract. Mr. Horan explained that Greenberg Traurig, LLP was the incumbent contractor. He noted that the retirement of the lead partner and the lower hourly rate of the new partner were factors in the proposed contract's lower cost.

Referring to the Staff Summary for this agenda item, Mr. Vitale asked if there was a written opinion supporting Mintz, Levin, Cohn, Ferris, Glovsky, and Popeo, P.C. ("Mintz Levin")'s indication that they were unable to provide a proposal due to a potential conflict of interest. General Counsel Francisco Murphy invited Mr. Horan to provide some background. Mr. Horan explained that during the prior Bond Counsel procurement, a review committee identified a potential conflict of interest if Mintz Levin served as both program and bond counsel for the Massachusetts Clean Water Trust and bond counsel for MWRA. He added that the Massachusetts Clean Water Trust had made a similar determination; however, MWRA staff do not know the current status of that opinion.

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          |           |                |
| Taverna       |           |                |
| Vitale        |           |                |
| J. Walsh      |           |                |

(ref. VII C.1)

**PERSONNEL AND COMPENATION****Approvals****January 2024 PCR Amendments**

**A motion was duly made and seconded to approve amendments to the Position Control**

**Register (PCR) as presented and filed with the records of this meeting.**

Wendy Chu, MWRA Human Resources Director, summarized five proposed PCR amendments, including a grade change to a vacant Library Supervisor position due to an increase in responsibilities with regards to MWRA's content management system, and salary adjustments to four filled Deer Island Area Manager positions to address a pay equity issue.

Mr. Vitale asked if bargaining union approval was required for changes or upgrades to union staff positions. Ms. Chu explained that changes in union members' classifications or compensation rates are negotiated with unions prior to any recommendations to the Board. There was brief, general discussion about the negotiations process, and the use of side agreements.

Hearing no further discussion or questions from the Board, Chair Tepper 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          |           |                |
| Taverna       |           |                |
| Vitale        |           |                |
| J. Walsh      |           |                |

(ref. VIII A.1)

**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   |           |                |
| Foti       |           |                |

Yes                      No                      Abstain  
Pappastergion  
Peña  
Taverna  
Vitale  
J. Walsh  
(ref. XI)

The meeting adjourned at 3:08pm.

Approved:      February 21, 2024

Attest:                      *Krishin MacDonnell* for  
Brian Peña, Secretary

#### LIST OF DOCUMENTS AND EXHIBITS USED

- Draft Minutes of November 15, 2023 MWRA Board of Directors' Meeting (ref. I)
- Presentation – Report of the Executive Director (ref. III)
- January 17, 2024 Staff Summary – Annual Meeting: Election and Appointment of MWRA Officers, Retirement Board Member and Committee Assignments (ref. II.A)
- January 17, 2024 Staff Summary – First Amendment to the Memorandum of Agreement By and Between Massachusetts Water Resources Authority and the City of Newton Relating to Contract 6392 – Rehabilitation of Sections 23, 24 and 47 Water Mains (ref. V A.1)
- January 17, 2024 Staff Summary – Low Service Pressure Reducing Valve Improvements - Boston/Medford: RJV Construction Corporation, Contract 7563, Change Order 6 (ref. V B.1)
- January 17, 2024 Staff Summary and Presentation – Wachusett Lower Gatehouse Pipe and Boiler Replacement: J.F. White Contracting Co., Contract 7380, Change Order 1 (ref. V B.2)
- January 17, 2024 Staff Summary and Presentation – Second Amendments to Both the Memorandum of Understanding and Financial Assistance Agreement with the Boston Water and Sewer Commission for Implementation of the Fort Point Channel and Mystic/Chelsea Confluence Combined Sewer Overflow Control Projects (ref. VI A.1)
- January 17, 2024 Staff Summary – Delegated Authority Report – December 2023 (ref. VII A.1)
- January 17, 2024 Staff Summary and Presentation – FY2021-FY2025 Strategic Business

Plan Annual Update for FY23 (ref. VII A.2)

- January 17, 2024 Staff Summary and Presentation – MWRA Greenhouse Gas Inventory for 2022 (ref. VII A.3)
- January 17, 2024 Staff Summary – FY2024 Financial Update and Summary through December 2023 (ref. VII A.4)
- January 17, 2024 Staff Summary and Presentation – Transmittal of the FY25 Proposed Capital Improvement Program to the MWRA Advisory Board (ref. VII B.1)
- January 17, 2024 Staff Summary – Bond Defeasance of Future Debt Service (ref. VII B.2)
- January 17, 2024 Staff Summary – Bond Counsel Services: Greenberg Traurig, LLP, Contract F273 (ref VII C.1)
- January 17, 2024 Staff Summary – January 2024 PCR Amendments (ref. VIII A.1)

Documents used for this meeting and cited in these minutes, including the documents and exhibits referenced above, are posted on MWRA's website:

<https://www.mwra.com/02org/html/bodmtg.htm>

