

**MASSACHUSETTS WATER RESOURCES AUTHORITY**

Meeting of the Board of Directors

May 22, 2024

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A meeting of the Massachusetts Water Resources Authority (“MWRA”) Board of Directors was held on May 22, 2024 at MWRA’s Administration Facility in Chelsea, and via remote participation.

Chair Tepper presided from the MWRA Administration Facility. Board Members Flanagan, Peña, Taverna, and Jack Walsh also participated at the Administration Facility. Board Members Foti and Vitale participated remotely. Board Members Pappastergion, Patrick Walsh, White-Hammond and Wolowicz were 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 Planning and Sustainability Stephen Estes-Smargiassi; Energy Manager Kristen Patneau; Senior Program Manager, Planning Michael O’Keefe; Chief Engineer Brian Kubaska; Construction Director Marty McGowan; Finance Director Thomas Durkin; Risk Manager Paul Whelan; Deputy Finance Director/Treasurer Matthew Horan; Labor Relations Manager Steve Perry; Human Resources Director Wendy Chu; MIS Director Paula Weadick; Asset Management Analyst Michael Curtis; Chief of Staff Katie Ronan; Associate General Counsel Angela Atchue; and, Assistant Secretary Kristin MacDougall participated at MWRA’s Administration Facility.

Vandana Rao, EEA and Matt Romero, MWRA Advisory Board (“Advisory Board”), also participated at the Administration Facility.

Chair Tepper called the meeting to order at 1:50pm.

**ROLL CALL**

MWRA General Counsel Francisco Murphy took roll call of Board Members in attendance and announced that Board Members Foti and Vitale were participating remotely. The Chair announced that the meeting was being held at MWRA’s Chelsea Administration Facility 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 APRIL 17, 2024 MINUTES**

**A motion was duly made and seconded to approve the minutes of the Board of Directors’ meeting of April 17, 2024.**

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		
Peña		
Taverna		
Vitale		
J. Walsh		

(ref. I)

#### REPORT OF THE CHAIR

Secretary Tepper thanked MWRA Advisory Board staff for their helpful presentation for the Committee of the Whole, which met at 1:00pm on May 22, 2024. In reference to a discussion conducted during that meeting, the Chair reiterated that Massachusetts forestry guidelines would be released soon. (ref. II)

#### REPORT OF THE EXECUTIVE DIRECTOR

MWRA Executive Director Fred Laskey invited Board Members to attend a groundbreaking ceremony for the removal of the Quinapoxet Dam, to be held on June 17, 2024. He discussed the importance of the project and its benefits for watershed restoration, and for the return of the Quinapoxet River to its natural conditions. He thanked Secretary Tepper for her contributions to the project.

Secretary Tepper noted that dams and culverts were top priorities for the Healey/Driscoll administration.

Mr. Laskey then reported that MWRA has been notified that it would receive \$8 million from the State Revolving Fund, and a \$20 million grant from the Massachusetts Climate Protection and Mitigation Expendable Trust (“Climate Trust”). He added that a presentation on the projects that MWRA plans to submit to MassDEP (“DEP”) for funding through the Climate Trust is on this meeting’s agenda.

Next, Mr. Laskey announced that MWRA recently received a number of awards, including a certificate of achievement for excellence in financial reporting; the DEP’s 2024 Public Water System Award; and, a National Association of Clean Water Agencies Platinum Peak Performance Award for the Deer Island Treatment Plant (“DITP”) for the 17<sup>th</sup> year running.

Mr. Laksey then reported that MWRA staff competed in the 2024 Run of the Charles, and congratulated the participants. Finally, he noted that MWRA’s water wagons also known as

“Quench Buggies” (portable drinking water fountains) were in high demand for the season, with bookings at community events across the service area. He added that Quench Buggies were an effective way to directly engage with constituents, and thanked the MWRA staff who manage the program.

Secretary Tepper asked if the Quench Buggies are staffed during events. Katie Ronan, MWRA Chief of Staff, explained that employees usually staff the water wagons to answer questions and provide information. There was discussion and questions and answers about Quench Buggy operations, and a similar program run by the Boston Water and Sewer Commission (“BWSC”). Board Member Taverna noted that MWRA’s water wagon was well received by the attendees of a recent public event in Newton (“Bike Newton Day”). (ref. III)

## WATER POLICY AND OVERSIGHT

### Approvals

#### Approval of Lead Service Line Replacement Grant Program

Stephen Estes-Smargiassi, MWRA Director of Planning and Sustainability, reported that all six MWRA communities that had exceeded the lead Action Level (“AL”) during the fall 2023 sampling round had tested below the AL for the spring 2024 round, and discussed a proposed revision to MWRA’s Lead Service Line Grant Program (“LSLR Program”). He noted that the proposed revision, which was developed in cooperation with the MWRA Advisory Board, is intended to accelerate and encourage community lead service line replacements in advance of upcoming EPA Lead and Copper Rule Improvements (“LCRI”) requirements, effective in October, 2027.

Mr. Estes-Smargiassi presented an overview of the LCRI requirements, including the removal of all lead service lines within 10 years, regardless of sample results; a reduced AL (10 parts per billion, rather than 15 parts per billion), which could increase the frequency of exceedances; and sampling and reporting changes, which could increase the likelihood of exceeding the AL. He added that the LCRI also requires the re-optimization of corrosion control for water systems that exceed the AL. He explained that in MWRA’s case, re-optimization could potentially entail the addition of orthophosphates for drinking water treatment. He noted that the LCRI includes the option to defer corrosion control re-optimization if lead service line removal is completed within five years of the rule coming into effect.

He then presented a graph of MWRA’s system-wide lead sampling results from June 1992 through September 2023 and repeated that MWRA could exceed the AL when the LCRI goes into effect.

Next, Mr. Estes-Smargiassi discussed some potential implications of adding orthophosphates to MWRA’s drinking water if required to re-optimize treatment, such as taste and odor changes, impacts to MWRA’s water and wastewater treatment operations; and increased capital and

operating costs (approximately \$60-80 million). He stressed that MWRA and its customer communities should work to meet LCRI requirements within five years in order to avoid mandatory water treatment re-optimization. He referred Board Members to this agenda item's Staff Summary for a more detailed financial analysis.

Mr. Estes-Smargiassi then discussed lead service lines. He noted that data indicates that homes with lead service lines are much more likely to have lead in their tap water; further, according to MWRA data, 91% of service-area sites that tested over the AL had lead service lines. He noted that working with customer communities to accelerate lead service line replacement within the LCRI's five-year deadline (2032) would net public health benefits and help MWRA avoid the expense of mandatory re-optimization. He added that the biggest impediment to lead service line replacement is property-owners' reluctance to assume the expense of replacing the privately-owned portions of their lines. He highlighted BWSC's successful program to fully fund local lead service line replacements, including the portions located on private property. He reported that BWSC's program had increased the rate of lead service line replacements in Boston, and stressed the importance of removing the entire line.

Next, Mr. Estes-Smargiassi reviewed MWRA's proposed changes to the LSLR Program, including the addition of \$100 million in funding to facilitate private side service line replacements, and a 25% grant for service communities that commit to fully replacing the privately-owned portions of local lead service lines at no cost. He then briefly discussed the next steps for the LSLR Program if the proposed revision is approved by the Board, including incorporation into the proposed final budget for FY2025; and the finalization of program guidelines with the MWRA Advisory Board, with a planned startup in July 2024. Finally, Mr. Estes-Smargiassi noted that the proposed revision demonstrates MWRA's and communities' commitments to resolving the public health crisis of lead service lines as quickly as possible, adding that staff will provide more details on the program at a future Board meeting.

Mr. Laskey urged Board Members to approve the proposed revision. He emphasized the critical importance of replacing lead service lines within the MWRA service area, and meeting the LCRI's aggressive deadlines. He stressed that failure to meet LCRI goals would likely require the addition of orthophosphates to MWRA's drinking water treatment, which would have detrimental effects on both MWRA's water and wastewater systems. He briefly noted that MWRA is seeking funding sources to support the revised LSLR Program.

Mr. Estes-Smargiassi agreed with Mr. Laskey, and added that communities' public commitment to the timely replacement of lead service lines at no cost to property owners would be key to the program's success. He noted that starting in October, 2024, communities will be required to mail notifications to residents with service lines made of lead or unknown materials, as well as reports on the number of local lead service lines. He suggested that including language about

MWRA's LSLR Program in those communications would encourage constituents to replace their lines and foster confidence in their water system.

Chair Tepper expressed support for the LSR revision, and discussed her recent visit to Malden to celebrate federal funding for local lead service line replacements. She noted that the City of Malden had conducted a survey to identify the neighborhoods with the most children, and planned to prioritize lead service line replacements in those areas.

In response to a question from Board Member Jack Walsh regarding MWRA communities that have already replaced all of their lead service lines, Mr. Estes-Smargiassi explained that the communities that have completed replacements now benefit from their worthwhile investments in public health. He further explained that the LSLR Program revision is intended to help accelerate the replacement of all lead service lines in MWRA's service area, including those located in communities that are lagging behind. He advised that every customer community will incur added costs for required water treatment optimization if all lead service lines within the MWRA system are not replaced expeditiously.

Mr. Taverna noted that adding orthophosphates to MWRA's drinking water would also impact storm water, and that Newton and other Lower Charles River communities are under an EPA mandate to reduce phosphorous from the storm water system. There was brief discussion with questions and answers about how the LCRI's definition of 100% completion of lead service line replacement could be interpreted.

Board Member Peña asked if MWRA staff had considered offering grants to communities on a sliding scale for affordability. Mr. Estes-Smargiassi explained that the LSLR Program, including the proposed revision, is designed to maximize efficiency and make the application process as simple and quick as possible for communities. He added that staff may propose further LSR Program revisions in the future if needed.

**A motion was duly made and seconded to approve a revision to the Lead Service Line Replacement Program to provide an additional \$100 million in funding, and to provide for a 25 percent grant portion on the revised program balance for communities which fully fund replacement of the portion on private property, to encourage and accelerate community lead removal efforts, as further set forth in the May 22, 2024 Staff Summary presented and filed with the records of this meeting.**

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		

Yes                      No                      Abstain

Foti

Peña

Taverna

Vitale

J. Walsh

(ref. IV A.1)

## ADMINISTRATION, FINANCE AND AUDIT

### Information

#### MWRA Climate Mitigation Projects Update

Kristen Patneaude, MWRA Energy Manager, discussed the Massachusetts Department of Environmental Protection (DEP)'s recent notification to MWRA of its intent to make a \$20 million Best Value Grant Award through their Climate Trust. She explained that funds from the Trust can be used to support programs or projects to reduce greenhouse gas emissions and mitigate the impacts of climate change. She then presented highlights of projects that MWRA intends to propose for this funding.

Ms. Patneaude provided background on MWRA's ongoing measures to mitigate greenhouse gasses from its operations, in support of the Commonwealth's leadership and 2050 Net Zero greenhouse gas targets.

She then presented data on MWRA's progress toward meeting Net Zero targets. She reported that MWRA achieved a 41% reduction in emissions from the 2006 baseline in 2022, attributable to energy efficiency, renewable energy and electrification, as well as the greening of the grid. She noted that MWRA has met the state's 2025 reduction target (33%) and is on track to meet the 2030 target (50%).

Ms. Patneaude then presented an overview of MWRA's growing portfolio of clean energy projects and planned additional renewable energy developments, including solar parking lot canopies and roofs at DITP, and a large ground mount system at the Norumbega Covered Storage facility. She added that staff will assess the economic feasibility and benefits of incorporating storage into these projects.

Next, Ms. Patneaude discussed MWRA's wind turbines at DITP and the DeLauri Pump Station. She noted that opportunities for additional large-scale wind projects are limited due to high development density, height restrictions and low wind resources at MWRA facilities. She reported that staff are planning a new turbine to replace a DITP turbine that was taken offline after its catastrophic failure in 2023. She noted that on-site renewable energy generation allows MWRA to reduce its reliance on grid electricity and reduce emissions, and that exporting

unused power to the grid helps to reduce emissions statewide.

Ms. Patneau then updated Board Members on MWRA's building electrification initiatives, with a goal of heating MWRA facilities without fossil fuels. She explained that staff are studying the feasibility of replacing fuel oil heat with air- or water-sourced heat pumps. She discussed the geothermal heat pump system installed at the Wachusett Pump Station, and water sourced pumps at the Spot Pond Pump Station. She noted that these projects will serve as a guide for further building electrification, and briefly discussed future heat pump projects at various MWRA facilities.

Next, Ms. Patneau explained that MWRA is working with Eversource and National Grid, and performing heat pump-specific site audits at facilities that still use fossil fuel heat, adding that staff will keep Board Members updated on the audit recommendations. She noted that any new project for MWRA facility construction, renovation, or HVAC replacement/upgrade will include a heat pump evaluation, and presented some examples of heat pump technology. Finally, Ms. Patneau thanked Secretary Tepper, as well as EEA and DEP staff, for considering MWRA for the grant opportunity.

Chair Tepper acknowledged DEP Commissioner Heiple and her team for their work on the grant program. She also thanked MWRA staff for their ongoing work on climate change mitigation, and noted that she is looking forward to the replacement of the DITP wind turbine.

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

#### FY2024 Third Quarter Orange Notebook

Michael O'Keefe, MWRA Senior Program Manager, Planning, presented key FY2024 Third Quarter ("Q3") Orange Notebook highlights. He began with a discussion of staffing levels. He noted that external hiring accelerated in Q3, and that total staffing levels slightly decreased due to separations. He noted that FY2024 saw a net increase of approximately six positions overall, and that MWRA was making progress toward filling a large number of vacancies due to separations in FY2022.

Next, Mr. O'Keefe discussed the impacts of lower staffing on some MWRA operations metrics, including valve line exercises; pipeline cleaning; Deer Island maintenance; and, on-time lab results. He explained that the Deer Island maintenance metric remained within the industry standard during Q3 despite the staffing challenges, and that neither critical operations nor regulatory compliance have been negatively impacted.

Mr. O'Keefe then reported that precipitation levels were nearly double the average during Q3, with peaks in January and March 2024, resulting in Deer Island flows that were 28% above average, including a January peak flow rate of 1.3 billion gallons per day. He noted that the

regional trend of higher rain amounts during the winter months is expected to continue, due to climate change.

Next, Mr. O'Keefe presented data on the Q3 impacts of precipitation at DITP, including increases in total power use; total electricity purchased; and, the amount of power generated by MWRA's combustion turbine generators. He also discussed the impacts of precipitation on MWRA's water supply. He noted a high percentage increase in the Quabbin Reservoir water supply, which reached over 100% capacity during Q3. He also described increases in water system yields; transfers and diversions; and, river releases. Mr. O'Keefe then noted that the Quabbin Reservoir was no longer at 100% capacity for the fourth quarter of FY2024, attributable in part to early water transfers. He also reported a reduction in river releases for Q4.

Finally, Mr. O'Keefe highlighted some metrics that had shown improvement in FY2024, including significant improvement Toxic Reduction and Control (TRAC) permit issuance rates, attributable to increased staffing levels, and personal computer system update compliance.

Mr. Peña asked if increased Quabbin transfers impact water quality or chemical use. David Coppes, MWRA Chief Operating Officer, responded in the affirmative and explained that the transfers have increased organic matter levels in the Wachusett Reservoir, requiring additional treatment.

In response to a question from Mr. Taverna about whether MWRA changes operations metrics from year to year, Mr. O'Keefe explained that in his experience, most targets have remained steady over time.

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

#### Delegated Authority Report – April 2024

Mr. Foti invited Board Members' questions on the Delegated Authority Report. Hearing none, he moved to the next Information item. (ref. V A.3)

#### Change Orders and Amendments Update No. 3

Brian Kubaska, MWRA Chief Engineer and Marty McGowan, MWRA Construction Director, presented an annual update on Amendments and Change Orders.

Mr. Kubaska briefly explained the purpose of professional services design contracts and typical reasons for time and cost amendments, including MWRA's programmatic changes such as decarbonization, environmental justice initiatives; added efforts required to address such factors as hazardous materials or code issues found during design; additional scope due to new regulatory requirements; further design efforts due to new community requirements or



permitting restraints; additional services during construction to address more submittals and information requests than anticipated; and, continued services beyond the expected end date.

Mr. Kubaska noted that staff have performed 10-year contract amendment and change order evaluations annually since 2022, and presented amendment statistics. He reported that over 25 of the 61 total design contacts had amendments during the 2024 reporting period, including seven time-only, no cost amendments. He also reported an overall amendment percentage of 7.5%, with 8.1% for Chapter 30 projects, such as pipeline installations or rehabilitations, and 7.1% for Chapter 149 projects, such a vertical construction rehabilitations or new facilities. He noted that the overall amendment percentage was 9.1% in 2022 and 5.5% in 2023, and explained that staff added a new median amendment percentage metric for 2023's analysis, which was 0.0% for all design amendments.

Next, Mr. Kubaska presented a graph of total amendment percentages by start date, including six professional services contracts with amendments over 20%, and 36 contracts with no amendments.

Mr. Kubaska then highlighted some significant outliers, such as the Combined Sewer Overflow ("CSO") post construction monitoring and performance plan, which had the highest amendment percentage over award value. He explained that this project is very complex, with challenging regulatory requirements, and noted that MWRA and its partner communities are working diligently to develop an updated CSO Control Plan. He explained that staff expect further amendments to the CSO contract once a new variance, which is expected to include additional requirements, is issued. Finally, Mr. Kubaska reported that five of the 61 contracts with amendments represented amounts over \$1 million, while the remaining projects had amendments totaling less than \$500,000, including 12 contracts with amendments under \$300,000.

Next, Mr. McGowan presented an annual update on change orders. He began with a summary of change order statistics for 142 construction jobs, totaling over \$1 billion. He noted that the recently-awarded DITP Clarifier Rehabilitation Phase II Project has skewed the 10-year reporting period data somewhat because it is relatively high value (\$289 million), with no change orders to date. He explained that the 10-year change order total of 4.7% would be approximately 6.5% if the DITP Clarifier Project were omitted from the analysis, noting that 2023's 10-year change order total was 5.9%. He reported that new median change order percentage metric was 2.5% for this reporting period.

Mr. McGowan then presented a graph of total change order percentages by start date. He reported that no new projects with outliers have been added since last year's update, and noted that most projects fell within MWRA's standard range for change orders. He then showed data for total change orders by cost. He reported that three projects had over \$1

million in change orders since the 2023 report: Nut Island Headworks Odor Control and HVAC; the Northern Intermediate High Section 89 Replacement Pipeline; and, the Wachusett Dam Lower Gatehouse Pipe and Boiler Replacement. He noted that these are three of MWRA's largest projects to date and fall within MWRA's standard range in terms of percentages.

Mr. McGowan then presented examples of common change order categories, including supply chain issues. He noted that MWRA typically handles supply chain-related change orders by providing additional time at no additional cost. He reported that supply chain issues have reduced slightly since the last reporting period; however, they are not yet at pre-pandemic levels. He continued to discuss change order categories, such as adjustments to work hours or construction start dates to reduce impacts to project host communities; and other unforeseen conditions such as ledges; and soil quantity exceedances.

Next, Mr. McGowan presented a brief review of some ongoing projects, including the Northern Intermediate High Section 89 Pipeline; WASM3 Rehabilitation; Sections 24 and 25 Rehabilitation; Wachusett Lower Gate House Pipe and Boiler Replacement; Carroll Water Treatment Plant SCADA System Improvements; Southborough Headquarter Electrical System Upgrades; Nut Island Odor Control and HVAC Improvements; Braintree-Weymouth Pump Station Improvements; and, Prison Point CSO Discharge Piping Rehabilitation. Finally, Mr. McGowan invited questions from Board members.

Mr. Jack Walsh recommended that staff continue to monitor change orders and amendments, and expressed concern that change orders and amendments could potentially inflate contractors' profits. Mr. McGowan explained that staff are working to improve the quality of contracts before they go out to bid, and that contract terms dictate the amount of money that contractors are entitled to for work performed and accepted by the Authority.

Mr. Peña asked if it was fair to say that change order costs for the removal of unforeseen ledge and excess soil quantities would be similar to costs for the same work if ledge and soil conditions were known prior to contract award. Messrs. Kubaska and McGowan responded in the affirmative.

Board Member Vitale requested that staff forward a comparative list of change order and amendment allocations categorized by contractor. Mr. Kubaska noted that staff will provide this information at a later date.

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

#### FY24 Financial Update and Summary through April 2024

Thomas Durkin, MWRA Finance Director, provided a financial update and summary through April 2024. He noted that FY2024's expenditure patterns continue and that the budget is

progressing well. He then reported that staff are projecting a \$51.7 million positive budget variance, which is generally in line with prior years. Mr. Durkin stressed that the use of budget variances for defeasances is a critical and effective strategy for managing rates and assessments. He briefly described the defeasance process, and explained that conservative budgeting is beneficial because it has shown to result in positive variances. He then reported that chemical costs are stabilizing, and that electricity costs were higher in FY2024, attributable in part to notably higher rainfall amounts. Finally, Mr. Durkin noted that the budget is expected to remain stable throughout May and June, 2024.

Mr. Jack Walsh asked if it were possible to pay more for expenses as they are incurred. Mr. Durkin explained that it's important to strike a balance; however, using current revenue for capital expenditures has a real impact on rates and assessments, and that MWRA's strategy is aligned with the principle of generational equity. He further explained that staff budget approximately \$20 million for capital, and borrow the remainder. In response to a question from Mr. Jack Walsh, there was brief, general discussion about MWRA's bond defeasances and the budgetary impacts of inflation.

Mr. Vitale requested more information about the Other Services spending variance line item for sludge pelletization as reported in the Staff Summary. Mr. Durkin explained that during the FY2024 budget preparation process, staff factored in the potential that the pellets would need to be landfilled, rather than distributed for beneficial use. He noted that this variance reflects a cost estimate for at least six months of landfilling.

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

### Approvals

#### MWRA FY25 Insurance Program Renewal

**A motion was duly made and seconded to approve awards to the lowest eligible and responsive proposers for insurance policies, bonds, and related broker services for MWRA's FY25 Insurance Program, and to authorize the Executive Director, on behalf of the Authority, to execute contracts for broker services, for the terms, premiums, and fees, all as described in the May 22, 2024 Staff Summary presented and filed with the records of the meeting, and incorporated by reference for the record, resulting in a total program amount not to exceed \$4,099,073 for FY25.**

Paul Whelan, MWRA Risk Manager, explained that MWRA's Insurance Program is advertised for competitive bid annually, and referred Board Members to the Staff Summary for detailed information about the proposers and costs. Mr. Whelan reported that the overall net result for FY2025's Insurance Program represented a 9.6% increase over FY2024. He noted that the bid results for FY2025 were in line with staff's expectations with regard to the current marketplace

and the responses received. Next, Mr. Whelan explained that MWRA is entitled to a \$545,000 credit from its property insurer, FM Global, a mutual company. He noted that this credit would be applied to MWRA's FY2025 policy. He further noted that these credits are based on FM Global's performance and are not guaranteed every year; therefore, this policy's cost could potentially increase in future years.

Next, Mr. Whelan discussed MWRA's general liability coverage. He noted that market conditions are such that liability insurers are limiting the amount of coverage offered; increasing premiums; and, lowering limits. He explained that the incumbent liability carrier submitted a bid with a coverage limit of \$5 million for FY2025, versus its \$10 million FY2024 limit. He further explained that in order to match the current \$10 million of coverage, MWRA has engaged with a second carrier to provide an additional \$5 million in excess coverage, and that the use of two general liability insurers has increased overall costs.

Chair Tepper asked if insurers' lower coverage limits and higher premiums could be related to climate change concerns. Mr. Whelan responded in the affirmative, citing an increase of claims nationwide due to events such as major storms, floods and wildfires. He added that this trend is expected to continue. There was brief, general discussion about rising insurance costs due to extreme weather events.

Mr. Vitale requested more information about the frequency of MWRA's insurance program procurements. Mr. Whelan briefly described the procurement process. He then explained that staff solicit multi-year policies; however, these policies are uncommon in the current market. He added that most available multi-year policies now include a prohibitive number of subjectives.

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		
Peña		
Taverna		
Vitale		
J. Walsh		

(ref. V B.1)

Contract AwardsAccounts Payable and Payroll Depository Services: Webster Bank, N.A. and Citizens Bank, N.A., Contract F278 and F278A

**A motion was duly made and seconded to approve the recommendation of the Consultant Selection Committee to award Contract F278 to Webster Bank, N.A., to provide accounts payable services and Contract F278A to Citizens Bank, N.A. to provide payroll depository services and to authorize the Executive Director, on behalf of the Authority, (i) to execute Contract F278 with Webster Bank, N.A., with no annual fees to the Authority, and with an interest rate payable to MWRA at the top end of the Federal Funds range plus 4 basis points and for a term of 5-years from July 1, 2024 to June 30, 2029 and (ii) to execute Contract F278A with Citizens Bank, N.A. at a not-to-exceed amount of \$78,425, and with an interest rate payable to MWRA at the top end of the Federal Funds range minus 25 basis points and for a term of 5-years from July 1, 2024 to June 30, 2029.**

Matthew Horan, MWRA Deputy Finance Director/Treasurer, noted that staff historically sought one bank to provide both accounts payable and payroll depository services, and that staff now recommend approval for two banks: Webster Bank, N.A., and Citizens Bank, N.A., to provide these services. He explained that engaging in separate banks for each service is in keeping with industry best practices given the failure of some regional banks in 2023. He added that splitting the deposits between two financial institutions will help to minimize MWRA's exposure to a potential economic or operational problem at one of the banks; further, in the event of a problem at one of the banks MWRA would be able to process payroll and accounts payable at the other bank, minimizing any disruption to MWRA's employees or vendors. Finally, he briefly described the vendor selection process.

Mr. Vitale asked if staff had known of any major bank failures in 2024. Mr. Horan briefly described the failure of one smaller bank in the Midwest. He noted that Webster Bank is actively monitoring its portfolios, and that in his view, potential drops in interest rates could improve the outlook on banking.

Mr. Vitale then relayed that he had intended to ask staff questions concerning earlier presentations, and then proceeded to ask staff when the MWRA website was last updated. Paula Weadick, MWRA MIS Director, explained that the website was last updated over 20 years ago, and that a website redesign is currently underway, with an anticipated launch in fall 2024. She noted that the April 2024 Delegated Authority report included information about a task order for additional work on the new website. Next, Mr. Vitale requested more information about the date of the highest recorded daily water system withdrawal in 2023. Mr. Estes-Smargiassi offered to provide that information at a later date.

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		
Peña		
Taverna		
Vitale		
J. Walsh		

(ref. V C.1)

MWRA Uniform Services, Action Apparel, LLC, Contract A639

**A motion was duly made and seconded to approve the recommendation of the Selection Committee to award Contract A639, MWRA Uniform Services, to Action Apparel, LLC, to provide MWRA logoed uniforms to eligible employees as described herein, and to authorize the Executive Director, on behalf of the Authority, to execute said contract for a contract term of thirty eight months from the Notice to Proceed, with two options to renew for a period of twelve months each.**

Steve Perry, MWRA Labor Relations Manager, noted that MWRA's current web-based uniform program is administered by ServiceWear Apparel, Inc., and that staff had expressed concerns about the quality of the clothing and delivery services provided. He explained union members were included in the process of selecting a new vendor for this contract cycle, and had the opportunity to assess bidders' available clothing options. He described MWRA's uniform program, which includes three categories: full; fire rated; and partial. Finally, Mr. Perry requested Board approval for a new uniform contract with Action Apparel, LLC.

Chair Tepper asked if staff were satisfied with the clothing provided by Action Apparel, LLC. Mr. Perry explained that staff were optimistic that the new uniforms would be satisfactory.

Mr. Peña relayed a positive experience with the clothing provided by Action Apparel, LLC in the recent past for DPW staff in his community.

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		
Peña		

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Taverna		
Vitale		
J. Walsh		

(ref. V C.2)

## PERSONNEL AND COMPENSATION

### Approvals

#### Mau 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, noted that staff were seeking approval for six Position Control Register (PCR) amendments, and invited Board members' questions.

Hearing no 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		
Peña		
Taverna		
Vitale		
J. Walsh		

(ref. VI A.1)

## CORRESPONDENCE TO THE BOARD

There was no correspondence to the Board (ref. VII)

## OTHER BUSINESS

There was no Other Business. (ref. VIII)

## 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		

Yes                      No                      Abstain

Foti

Peña

Taverna

Vitale

J. Walsh

(ref. IX)

The meeting adjourned at 3:05pm.

Approved:     June 26, 2024

Attest:

*Kristin MacDougall* for

\_\_\_\_\_  
Brian Peña, Secretary

LIST OF DOCUMENTS AND EXHIBITS USED

- Draft Minutes of the April 17, 2024 MWRA Board of Directors' Meeting (ref. I)
- Quinapoxet Dam Removal Groundbreaking Ceremony Invitation (ref. III)
- May 22, 2024 Staff Summary and Presentation – MWRA Climate Mitigation Projects Update (ref. V A.1)
- May 22, 2024 Staff Summary and Presentation – FY2024 Third Quarter Orange Notebook (ref. V A.2)
- May 22, 2024 Staff Summary – Delegated Authority Report – April 2024 (ref. V A.3)
- May 22, 2024 Staff Summary and Presentation – Change Orders and Amendments Update No. 3 (ref. V A.4)
- May 22, 2024 Staff Summary – FY2024 Financial Update and Summary through April 2024 (ref. V A.5)
- May 22 2024 Staff Summary – MWRA FY25 Insurance Program Renewal (ref. V B.1)
- May 22, 2024 Staff Summary – Accounts Payable and Payroll Depository Services: Webster Bank, N.A. and Citizens Bank, N.A., Contract F278 and F278A (ref. V C.1)
- May 22, 2024 Staff Summary – MWRA Uniform Services, Action Apparel, LLC, Contract A639 (ref. V C.2)
- May 22, 2024 Staff Summary – May 2024 PCR Amendments (ref. VI A.1)