



# MASSACHUSETTS WATER RESOURCES AUTHORITY

Charlestown Navy Yard  
100 First Avenue, Building 39  
Boston, MA 02129

Frederick A. Laskey  
Executive Director

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## COMMITTEE OF THE WHOLE

### HEARINGS ON THE DRAFT FINAL FY14 CAPITAL IMPROVEMENT PROGRAM AND CURRENT EXPENSE BUDGET

*Chairman:* R. Sullivan  
*Vice-Chair:* J. Carroll  
*Secretary:* J. Foti  
*Board Members:*

J. Barrera  
K. Cotter  
P. Flanagan  
A. Pappastergion  
B. Swett  
H. Vitale  
J. Walsh  
J. Wolowicz

to be held on

Wednesday, June 5, 2013

Location: 100 First Avenue, 2nd Floor  
Charlestown Navy Yard  
Boston, MA 02129

Time: 10:00 a.m.

## AGENDA

- Advisory Board Integrated Comments and Recommendations on the MWRA's Proposed FY14 CIP and CEB
- MWRA's FY14 Budget Hearings Presentation
- CIP Review
- CEB Review

**MWRA Advisory Board**  
**Excerpts from Proposed FY14 Comments and Recommendations**

## Introduction

Each year the Massachusetts Water Resources Authority (MWRA) transmits its proposed Capital Improvement Program (CIP) and proposed Current Expense Budget (CEB) to the MWRA Advisory Board for its statutory review. Beginning in 2009, the Advisory Board consolidated its review of the CIP and CEB into an *Integrated Comments and Recommendations* document.

The proposed FY14 CEB includes a rate revenue requirement increase of 3.89%, making it the fifth year in a row that rate increases would be below 4%. It's worth noting, however, that even while keeping rates under 4% in each of these years, the rate revenue requirement increased over \$90 million during this same period. Even with all of this, rate revenue requirements are projected to increase almost \$270 million between now and FY22 serving as a reminder not only of the challenges ahead but the work still to be done.

The Advisory Board has long endeavored to keep rates sustainable and predictable. In its attempts to execute its core mission while meeting the Advisory Board's recommendations, the MWRA has adopted an additional goal of keeping rates reasonable and responsible. Over the years the Advisory Board has advocated for many cost-cutting recommendations, many of which the Authority has agreed to. Additionally, the Authority has implemented several initiatives and programs to contain costs where possible. Through both the Authority's and the Advisory Board's efforts, the MWRA's costs continue to be actively reviewed, managed, and when possible reduced.

Another example of the cost containment resulting from the back-and-forth between the Advisory Board and the MWRA is the Authority's proposed FY14 CIP, which includes the setting of the Authority's third capital spending cap for FY14-18. In its review of last year's proposed CIP, the Advisory Board recommended that the Authority's FY14-18 capital spending cap total no more than \$800 million. The Authority's proposed FY14 CIP includes a recommended capital spending cap of \$793.5 million, meeting the Advisory Board's goal.

Reducing its capital spending is one way the Authority can control its costs and their effect upon the ratepayers. Additionally, direct expenses have been level-funded for the fifth year in a row. In essence, the Authority is holding the line on the areas of spending over which it has more direct control. The challenge for cost containment remains the same: the MWRA's rates are driven almost entirely by debt service. In fact, for the first time capital financing makes up over 60% of the Authority's total expenses. One merely needs to look at the oft-invoked "mountain of debt" chart to see the difficulty of managing this expense. This stems largely from the fact that the debt service on the early capital spending of the Authority was "back-ended," and structured with the assumption of the receipt of tens of millions of dollars of Debt Service Assistance (DSA) from the Commonwealth.

Despite the absence of any meaningful amounts of DSA, the bill on prior capital spending still came due, and the Authority – and ultimately the ratepayers – had to and continue to have to pay it. Despite the seeming immutability of this expense, the Authority has utilized every tool in its arsenal to manage debt service costs: well proportioned amounts of variable rate debt, prudent restructuring, refinancing, defeasance transactions, and even "vanilla" and exceptionally limited swaps.

The Authority was created as a quasi-independent agency to help fix a system that had been run to failure and was poorly maintained by the Commonwealth. The Advisory Board was created to introduce a measure of review and control upon the Authority. Working together – sometimes in tandem, sometimes at odds – the two entities have met their charge: cleaned up the "dirtiest harbor in America" and providing arguably the best drinking water in the country. Now, through its own self-management and without any assistance from the Commonwealth, it continues to be the exemplar of a state agency. It meets its obligations, it actively manages

***MWRA Advisory Board***  
***Excerpts from Proposed FY14 Comments and Recommendations***

its costs, it introduces as many checks and balances as possible to reduce mistakes and if mistakes are made, it quickly corrects them. Last, but not least, it listens to and positively engages its Advisory Board.

This is the context in which the Advisory Board undertakes its review. With the Authority already implementing many of the Advisory Board's prior recommendations including the defeasance account strategy, there are not millions of dollars to be reduced from the CEB. With the Authority already meeting the Advisory Board's capital spending cap recommendation from last year, there is not an overabundance of capital projects padding the CIP. There is instead a pair of capital and operating budgets that reflect an agency doing its job while keeping costs contained where possible, which indicates that the Advisory Board has done its job.

This year's review will strive to point out the many cost-cutting and cost-containing initiatives undertaken by both the Advisory Board and the Authority. The Advisory Board does not agree with everything the Authority is doing or has proposed, and these differences will form the basis of this year's recommendations. However, the Advisory Board would be remiss if it did not acknowledge in full measure all the Authority is doing – oftentimes because of the insistence of the Advisory Board.

Moving forward, water and sewer infrastructure needs both locally and nationally will increase, and the cost to make these critical investments will soar. Absent federal and state assistance, these represent staggering costs to ratepayers across the nation, and finding additional revenue sources will be critical.

The Advisory Board and the Authority will continue to work together – again, sometimes in tandem, sometimes at odds – to continue providing high quality wholesale drinking water and wastewater services to all of its member communities at the lowest cost possible.

**MWRA Advisory Board**  
**Excerpts from Proposed FY14 Comments and Recommendations**

**List of Recommendations**

1. Reduce the rate revenue requirement for the FY14 Current Expense Budget by \$2,510,662, resulting in a 3.49% wholesale rate increase including:
  - a. Reducing the retirement fund expense line item by the \$2,151,996 associated with the increase associated with updated mortality tables to be introduced in FY15.
  - b. Reduce the addition to reserves line item by \$358,666 to reflect the amount that would have been added to cover the \$2,151,996 being recommended for reduction from pension expense.
2. Remove the Hatchery Pipeline project from the Proposed FY14 CIP.
3. With the exception of the Hatchery Pipeline, the Advisory Board endorses the Authority's proposed capital spending cap for FY14-18 as well as its Proposed FY14 CIP with the caveat that any updated assumptions incorporated into the Final FY14 CIP and capital spending cap calculation remain under the \$793.5 million in the Proposed FY14 CIP.
4. Advisory Board officially recommends that the \$4,976,411 in the Proposed FY14 CEB for "Other Post-Employment Benefits/Additional Pension Deposit" be added to the retirement fund as an optional payment.
5. Reduce the FY14 Current Expense Budget by removing \$2,151,996 related to the updated mortality tables from the retirement fund expense line item.
6. Reduce the Additions to Reserves line item by \$358,666.
7. Remove funding or require DCR to find alternative funding for any dam work that does not directly impact the water supply.
8. Design a co-digestion program to provide a financial benefit to the Authority significantly greater than the costs associated with co-digestion.
9. Convene a working committee to explore new options for containing costs associated with PILOTs with relevant stakeholders, but not limited to, the Department of Revenue, the impacted communities, MWRA and staff, and the MWRA Advisory Board and staff.
10. Have DCR pursue a "green" recertification of DWSP lands through the Forest Stewardship Council. This will provide an additional layer of oversight, openness, interaction, and assurance as DCR moves forward with its forestry management plan.
11. Institute a sunset provision on the current terms of entrance fee repayment with a date certain of June 30, 2014.
12. Create a task force be to look at all of the MWRA area approved septic sites to identify how to best regulate, monitor, and manage all sites to better guarantee proper disposal of septage.

**MWRA Advisory Board**  
**Excerpts from Proposed FY14 Comments and Recommendations**

**List of Comments**

1. The Advisory Board supports the continuation of the defeasance account strategy, which clearly identifies a use of variable rate debt service savings that is consistent with the original intent of the funds that were appropriated.
2. The Advisory Board expects the Authority to update its borrowing assumptions including the approved final defeasance transaction scheduled for 2013.
3. The Advisory Board expects final FY14 CEB to reflect the final updated defeasance Authorized by the MWRA Board of Directors. [this comment will be updated consistent with the votes of the MWRA Board of Directors]
4. The Advisory Board supports the active steps the Authority is taking toward succession planning, and further supports the expansion of the internship program and exploration of an apprenticeship program to facilitate the creation of a skilled potential hiring pool with working knowledge of the MWRA.
5. The Advisory Board expects updates of pricing and usage assumptions to all utilities to be incorporated into the final FY14 CEB.
6. The Advisory Board expects that the chemicals budgets will be revised to reflect updated pricing and usage assumptions.



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## **ADMINISTRATION, FINANCE & AUDIT COMMITTEE MEETING**

*Chair:* J. Foti  
*Vice-Chair:* J. Barrera  
*Committee Members:*  
J. Carroll  
K. Cotter  
A. Pappastergion  
B. Swett  
J. Walsh

to be held on

Wednesday, June 5, 2013

Location: 100 First Avenue, 2nd Floor  
Charlestown Navy Yard  
Boston, MA 02129

Time: Immediately following Budget Hearings

### **AGENDA**

#### **A. Approvals**

1. MWRA FY14 Insurance Program Renewal (materials to follow)

MASSACHUSETTS WATER RESOURCES AUTHORITY

Meeting of the  
Administration, Finance and Audit Committee

May 15, 2013

A meeting of the Administration, Finance and Audit Committee was held on May 15, 2013 at the Authority headquarters in Charlestown. Chairman Foti presided. Present from the Board were Ms. Wolowicz and Messrs. Cotter, Vitale and Walsh; Messrs. Carroll and Pappastergion joined the meeting in progress. Among those present from the Authority staff were Fred Laskey, Steve Remsberg, Rachel Madden, Mike Hornbrook, Kathy Soni, Michele Gillen and Bonnie Hale. The meeting was called to order at 10:15 a.m.

**Information**

FY13 Third Quarter Orange Notebook

Staff gave a slide presentation highlighting various portions of the report.

Delegated Authority Report – April 2013

There was a brief discussion on the delegated authority report.

FY13 Preliminary Financial Update and Summary as of April 2013

Staff reviewed variance highlights and a preliminary year-end projection. (Mr. Carroll joined the meeting.) There was general discussion and question and answer.

**Approvals**

\*Bond Defeasance of Future Debt Service

The Committee recommended approval of the bond defeasance (ref. agenda item B.1).

**Contract Awards**

\*Arbitrage Rebate Calculation Services: PFM Asset Management LLC, Contract F225

There was general discussion and question and answer. (Mr. Pappastergion joined the meeting.) The Committee recommended approval of the contract award (ref. agenda item C.1).

The meeting adjourned at 10:45 a.m.

\* Approved as recommended at May 15, 2013 Board of Directors meeting.

### STAFF SUMMARY

**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director  
**DATE:** June 5, 2013  
**SUBJECT:** MWRA FY14 Insurance Program Renewal



COMMITTEE: Administration, Finance & Audit


       INFORMATION

  X   VOTE



Michele S. Gillen

Deputy Director, Admin. & Finance



Rachel C. Madden

Director, Admin. & Finance

Paul F. Whelan, Risk Manager  
Preparer/Title



*MWRA's Insurance Program is renewed on an annual basis at the beginning of each fiscal year. Annual renewals are required due to the insurance industry's reluctance to provide firm pricing for more than a one-year period. This year's recommended program renewal (FY14) totals \$1,709,284 which is \$114,306 or 6% less than the expiring FY13 program.*

### RECOMMENDATION:

To authorize the Executive Director, on behalf of the Authority, to award to the lowest eligible and responsive bidders, insurance policies, bonds and contracts for services for MWRA's FY14 Insurance Program, for the period beginning July 1, 2013, through June 30, 2014, for the premiums and fees described below, and incorporated by reference for the record, for a total program amount not to exceed \$1,709,284:

- (1) Workers' Compensation Excess Policy with N.Y. Marine, submitted by broker Willis of Massachusetts, with a \$25 million limit and a \$500,000 self-insured retention, for a premium of \$127,311;
- (2) Property Policy (including Boiler & Machinery coverage) with FM Global Insurance Co., with various limits of coverage with a \$2.5 million self-insured retention, for a premium of \$710,130;
- (3) General Liability Policy (including Automobile Liability, Marine Liability, Wharfingers, and Employment Practice Liability) with Lexington Insurance Company submitted by broker Richards Robinson Sheppard, with a \$25 million limit and a \$2.5 million self-insured retention, for a premium of \$420,264;



- (4) Excess Liability Policies with insurance companies to be determined and submitted by broker Richards Robinson Sheppard, providing a combined total of \$75 million of coverage in excess of primary coverage for a total combined premium not to exceed \$300,000;
- (5) Public Official's Liability Policy with Hiscox Insurance Co., submitted by broker Wells Fargo Insurance Services, with a \$5 million limit and a \$1 million deductible, for a premium of \$48,932;
- (6) Fiduciary Liability Policy with Chubb Insurance Co., submitted by broker Wells Fargo Insurance Services, with a \$5 million limit and a \$1 million deductible, for a premium of \$8,600;
- (7) Public Official's/Crime Bond with The Hartford Insurance Co., submitted by broker William Gallagher Associates, with a \$1 million limit and a \$25,000 deductible for a premium (including commission) of \$6,397;
- (8) Treasurer's Bond with a \$1 million limit with a vendor to be determined in an amount not to exceed \$3,300, with a one year term beginning 2/5/14; and
- (9) Broker contracts with Richards Robinson Sheppard for an amount of \$65,000; Willis of Massachusetts for an amount of \$10,250; and Wells Fargo Insurance Services for an amount of \$9,100, with a term beginning from notice of award through June 30, 2014.

#### **BACKGROUND:**

MWRA's insurance program consists of various types of coverage including: Excess Workers' Compensation, Property (including Boiler and Machinery coverage), General Liability, Excess Liability, Public Official's Liability, Fiduciary Liability, Public Official's/Crime Bond and Treasurer's Bond. The Excess Workers' Compensation policy is required by state statute and is a prerequisite for MWRA to operate as a self-insured entity for Workers' Compensation benefits. Insurance coverage required by MWRA's Enabling Act includes Public Official's/Crime Bond and Treasurer's Bond which serve to protect the Authority against losses due to fraudulent or dishonest acts, failure to perform duties faithfully or improper accounting of monies or property by employees. Other policies are maintained in order to protect MWRA assets and limit MWRA's financial exposure to loss. In addition, policies are maintained to comply with covenants contained within MWRA's General Revenue Bond Resolution. All policies under the current program (except the Treasurer's Bond) expire on June 30, 2013, and require renewal.

#### **DISCUSSION:**

MWRA's insurance program has been renewed on an annual basis for the past ten years due to the reluctance on the part of insurance companies to issue policies for more than a one-year term. The

existing (FY13) insurance program was procured through a competitive bid process for all lines of coverage. For FY14, staff again conducted a full competitive bid process for all lines of coverage in an effort to obtain the most competitive pricing and coverage available. Staff anticipated increases in rates and premiums on all lines of coverage as insurance companies have been raising rates to bolster reserves and improve their overall financial position. When combined with variables specific to MWRA, such as the increased replacement value of insured property due to inflation and projected payrolls, staff projected a 5% increase in the overall insurance program. The results of this year's procurement are better than expected with a net decrease in overall program costs of 6%. The net decrease is primarily due to a membership credit afforded by FM Global under the property insurance policy and very competitive pricing for the General Liability and Excess Liability policies received from broker Richards Robinson Sheppard.

### **PROCUREMENT PROCESS:**

In February, staff began the procurement process by advertising for Letters of Interest from insurance brokers and direct writers<sup>1</sup>. In addition, staff sent direct solicitations to 19 brokers and direct writers that were known to staff as having an interest in or prior participation in previous MWRA insurance procurements. In response to the solicitation, 5 brokers and one direct writer indicated their interest in participating and provided their list of preferred insurance markets. Staff reviewed all requests and assigned more than 30 insurance companies to the brokers. Technical specifications and rating data were prepared and sent to the six firms. During the bid process, staff received and responded to multiple questions and requests for additional information and issued one Addendum and one set of Question and Answer documents providing further information and rating data. On Friday, May 10th, five proposals were received from four brokers and one direct writer.

Proposals received varied with respect to the lines of coverage bid. As shown on the attached chart, multiple bids were received for some lines of coverage and others were limited. MWRA reserved its right to select different lines of coverage from different broker proposals. All proposals were reviewed by MWRA's Insurance Consultant, Kevin F. Donoghue and Associates, for adherence to insurance technical specifications and then ranked by cost and coverage. The approvals requested herein represent those recommended by MWRA's Insurance Consultant for each line of coverage sought. The attached chart provides a summary of all lines of coverage with the limits, deductibles, and premiums comparing the expiring FY13 premiums with the proposed FY14 policies. Below is a brief summary of each line of coverage.

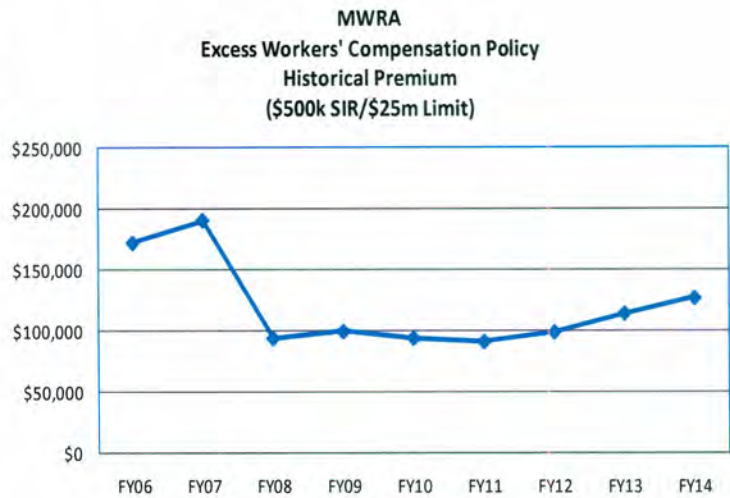
**Workers' Compensation Excess** – Two proposals were received for this line of coverage. One from broker Willis of Massachusetts with New York Marine Insurance Co. (incumbent provider) provided a quote for a policy with a \$500,000 retention level and a \$25 million limit, for an annual premium of \$127,311. This bid is \$12,731 (or 11.0%) more than last year's cost for this coverage. This increase in premium is the result of a 15% increase in the rate charged applied to a 3% decrease

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<sup>1</sup> A direct writer is an insurance company that deals directly with customers and does not require a broker as an intermediary.

in projected payroll for FY14<sup>2</sup>. As requested, New York Marine also provided a quote for a similar policy with a \$750,000 self-insured retention. This premium was \$23,877 less than the premium with a \$500,000 self-insured retention. Staff have reviewed historical workers compensation claims data and have concluded that the potential premium savings does not justify assuming the risk of an additional \$250,000 for each occurrence, as just one catastrophic claim would eliminate more than ten years of accumulated premium savings. A second proposal received from broker Wells Fargo Insurance Services with Travelers Insurance Co., with a \$500,000 self-insured retention

and a statutory limit, was deemed non-competitive as the pricing was more than three times the other lower cost proposal. Staff recommend the purchase of the policy from N.Y. Marine Insurance Co. with a \$500,000 per occurrence self-insured retention and \$25 million limit through broker Willis of Massachusetts for a premium amount of \$127,311, with an associated broker fee of \$10,250. The graph above shows MWRA's historical premium cost for this line of coverage over the past eight years.



**Property Insurance (including Boiler & Machinery)** – One proposal was received for this line of coverage from direct writer FM Global Insurance Company (FM Global), the incumbent provider. The FM Global proposal contained various policy limit options with a \$2.5 million self-retention level with options ranging from \$200 million to \$1 billion in coverage. The option shown on the attached chart and recommended by staff includes a policy limit of \$300 million with a \$2.5 million self-retention for a net premium of \$710,130, which is \$72,511 (or 9%) less than the expiring FY13 premium. This year's premium is based on an increase in the Total Insured Value (TIV) of 2%, an insurer rate increase of 3% and a one-time membership credit of \$78,264. The membership credit represents 10% of last year's premium and is available to the MWRA based on its tenure with FM Global and the company's favorable financial condition. FM Global also submitted pricing options with a higher self-retention level of \$5 million. These options were not deemed to be cost effective since they exposed the Authority to an additional \$2.5 million of risk exposure in return for relatively small annual premium savings that would quickly evaporate with just one event over a span of more than 25 years. Because FM Global is a direct writer, there are no broker fees associated with this policy.

**General Liability** – Three responses were received for General Liability offering the specified \$25 million in coverage. The lowest cost proposal received was from broker Richards Robinson

<sup>2</sup> The FY14 projection does not include payroll adjustments from union contract agreements which were included in FY13 estimates.

Sheppard with insurer Lexington Insurance Co., for a premium of \$420,264. MWRA's Insurance Consultant reviewed the terms, conditions and coverage afforded by the proposed policy and determined that the policy met MWRA's criteria and recommended acceptance of this proposal. This premium represents a \$65,542, or 13% decrease from the expiring policy. The proposal received from incumbent broker William Gallagher Associates with insurer C.V. Starr/Civic Risk, for a premium of \$489,677, represents a 1% increase from the expiring policy. An additional proposal was received from broker Richards Robinson Sheppard utilizing insurer AEGIS with a premium cost of \$598,500. Staff recommend the acceptance of the proposal from Richards Robinson Sheppard with the policy provided by Lexington Insurance Company for a total premium of \$420,264 with an associated broker fee for Richards Robinson Sheppard of \$65,000, which includes fees associated with placement of the excess liability policies outlined below.

**Excess General Liability** – Broker Richards Robinson Sheppard, was then asked to solicit and provide quotes from insurance companies for the additional excess layers of coverage. The companies and the final premium costs for the additional \$75 million of excess coverage were still being developed and negotiated and were not available in time for the Board meeting. Staff believe the pursuit of this low cost option is desirable as it will likely result in savings to the Authority of up to \$75,000 compared to the next lowest bidder. In order to keep all insurance related items together in one staff summary, staff are recommending a not to exceed amount of \$300,000 for this item. This amount of \$300,000 represents a 5% increase in premium above the expiring FY13 coverage. Staff will report back to the Board on the status of this item as part of the FY14 Final Current Expense Budget staff summary and presentation on June 26, 2013.

**Public Official's Liability** – Two bids were received for this line of coverage with the required \$5 million limit, one from Hiscox Insurance Co. (Hiscox) submitted through broker Wells Fargo Insurance Services for a premium of \$48,932 and a second proposal also submitted by Wells Fargo Insurance Services with ACE Insurance Co. (ACE) for a premium of \$89,913. The Hiscox proposal is \$204 dollars higher than the expiring FY13 policy. ACE also provided a second proposal with a \$10 million limit for a premium of \$149,778 which was deemed to be more coverage than necessary for the MWRA. Staff recommend the renewal of this coverage with Hiscox Insurance Company for a premium of \$48,932 with an associated broker's fee to Wells Fargo Insurance Services of \$7,400.

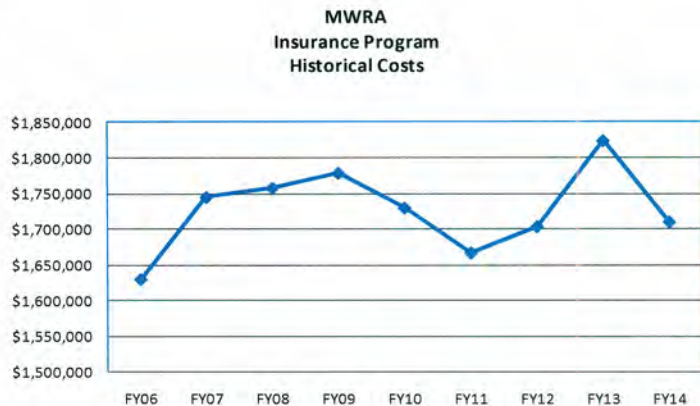
**Fiduciary Liability** – One bid was received for this line of coverage from Wells Fargo Insurance Services with a bid provided by Chubb Insurance Co. for a premium of \$8,600. This premium is \$407 (or 5%) higher than the expiring FY13 premium. Staff recommend acceptance of this proposal with a renewal policy from Chubb Insurance Co. for an amount of \$8,600, with an associated broker fee to Wells Fargo Insurance Services of \$1,700.

**Public Official's/Crime Bond** – Two proposals were received for this line of coverage with the most responsive bid from broker William Gallagher Associates with Hartford Insurance Company (Hartford) with a premium cost of \$6,397. This premium is \$830 dollars higher than the lowest offer, from broker Wells Fargo Insurance Services, utilizing insurer Berkeley Asset Management with a premium of \$5,567. Both policies were reviewed by MWRA's Insurance Consultant and the

policy form and coverage provided by the Hartford policy was recommended. The Hartford policy includes a broader definition of “employee” covered under the policy and provides a continuity of the coverage form (claims-made) with prior year policies. Broker commissions are included in these bids which are shown on the attached chart. Staff recommend purchase of this bond from Hartford through William Gallagher Associates for an amount of \$6,397. This proposal represents a 5% increase above the expiring FY13 policy.

**Treasurer’s Bond** – The Treasurer’s Bond is required by the MWRA Enabling Act and is written in the name of the person holding the position of Treasurer. Due to changes in this position several years ago, the renewal of this bond is off-cycle from the rest of the insurance program and does not expire until February 5, 2014. To keep all insurance program approvals consolidated in one staff summary, staff included a not-to-exceed amount of \$3,300 for the renewal of this bond upon its expiration.

In conclusion, staff recommend the renewal of MWRA’s insurance program for Fiscal 2014, with the various coverages, limits and self-insured retention levels from various brokers and insurance companies as outlined above and as included on the attached chart. If approved, the FY14 total insurance cost will be \$1,709,284 representing a 6% decrease in costs from the expiring FY13 program. The chart at right provides MWRA Insurance Program historical costs for the past eight fiscal years.



**BUDGET/FISCAL IMPACT:**

The Draft Final FY14 CEB includes \$2.1 million for the total cost of maintaining MWRA’s insurance program; consisting of \$1.7 million for the payment of premiums and fees and \$0.4 million for payment of estimated claims and damages in FY14. The budget contains sufficient funds for the renewal of the insurance program outlined above.

**MBE/WBE PARTICIPATION:**

There were no minimum MBE and WBE participation requirements established for this procurement, as the nature of the services being provided does not allow for subcontracting.

**MWRA FY14 INSURANCE PROI**

Item #	Coverage	Deductible/ Limit	FY13 Premium	FY13 Insurance Co. (Broker)	FY14		Notes
					FY 14 BIDS	Insurer (Broker)	
1	Excess Workers Comp.	\$500K / \$25M \$750K / \$25M \$500K/Statutory	114,668	N.Y. Marine (Willis of MA)	<b>127,311</b> 103,434 401,271	<b>arine (Willis of MA)</b> arine (Willis of MA) s (Wells Fargo)	Net premium increase of 11%. Increase based on 15% increase in rate applied to 3% decrease in estimated payroll (\$93 vs \$97 Million.) Cost benefit favors \$500K deductible option.
2	Property Insurance (including Boiler & Machinery)	\$2.5M / \$200M \$2.5M / \$300M \$2.5M / \$500M \$2.5M / \$750M \$2.5M / \$1.0B	782,641	FM Global (No Broker)	695,130 <b>710,130</b> 743,704 783,088 827,724	bal (No Broker) <b>bal (No Broker)</b> bal (No Broker) bal (No Broker) bal (No Broker)	FY14 bids are based on a 3% increase in rate applied to a 2% increase in Total Insured Value. FY14 bids shown are net of \$78,264 membership credit available to MWRA. \$300M limit option recommended based on Maximum Foreseeable Loss (MFL) at Deer Island.
3	General Liability (Incl., Auto, Marine, Wharfingers, and Employment Practice Liability)	\$2.5M/\$25M	485,806	C.V. Starr (W. Gallagher)	<b>420,264</b> 489,677 598,500	<b>on Insurance Co.</b> s Robinson Sheppard) urr/Civic Risk lagher) (Richard Robinson Sheppard)	Net premium decrease of 13%.
4	Excess Liability	\$25M/\$100M	285,376	Civic Risk, Westchester (ACE), AXIS/Great American (W. Gallagher)	<b>300,000</b> \$280,000	<b>determined</b> s Robinson Sheppard) e/Great American/AXIS agher)	Premium shown is not-to-exceed amount. Excess Policy cost from W. Gallagher is based upon award of primary general liability to C.V. Starr/Civic Risk.
5	Public Official's Liability	\$1M / \$5M \$1M / \$5M \$1M/\$10M	48,728	Hiscox Ins. (Wells Fargo)	<b>48,932</b> 89,913 149,778	<b>Ins. (Wells Fargo)</b> (Wells Fargo) (Wells Fargo)	Net premium increase of \$204 or < 1%. Policy limit of \$5M deemed appropriate for MWRA.
6	Fiduciary Liability	\$1M / \$5M	8,193	Chubb (Wells Fargo)	<b>8,600</b>	<b>(Wells Fargo)</b>	Net premium increase of \$407 or 5%
7	Public Official's/Crime Bond	\$25K / \$1M	6,078	Hartford (W. Gallagher)	<b>6,397</b> 5,567	<b>d (W. Gallagher)</b> Asset (Wells Fargo)	Net premium increase of \$319 or 5% MWRA's Insurance Consultant recommends policy form and coverage of Hartford policy. Bids include Broker's Commissions/Fees.
8	Treasurer's Bond	0/\$1M	2,750	Hartford (Wells Fargo)	<b>3,300</b>	<b>determined</b>	Renews in February 2014. Amount shown is not-to-exceed amount.
9	Broker Fees -Various		89,350	Various - See Note 2	<b>84,350</b>	<b>- See Note 3</b>	Decreased Broker Fees of \$5,000
			\$ 1,823,590		<b>1,709,284</b>		Total Decrease \$114,306 or 6%

**Note 1:** Proposed for approval shown in bold.

**Note 2:** Broker Fees include \$70,000 for W.Gallagher; \$10,250 for Willis of Mass.; \$9,100 for Wells Fargo.

**Note 3:** Broker Fees include \$65,000 for Richards Robinson Sheppard; \$10,250 for Willis of Mass.; \$9,100 for Wells Fargo.



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## **WASTEWATER POLICY & OVERSIGHT COMMITTEE MEETING**

*Chair:* J. Walsh  
*Vice-Chair:* P. Flanagan  
*Committee Members:*  
J. Carroll  
A. Pappastergion  
B. Swett

to be held on

Wednesday, June 5, 2013

Location: 100 First Avenue, 2nd Floor  
Charlestown Navy Yard  
Boston, MA 02129

Time: Immediately following AF&A Comm.

### **AGENDA**

#### **A. Approvals**

1. Wastewater Advisory Committee Contract

#### **B. Contract Amendments/Change Orders**

1. Crane Maintenance Service: Safeway Overhead Crane Service, Inc.,  
Contract OP-200, Change Order 1

## MASSACHUSETTS WATER RESOURCES AUTHORITY

### Meeting of the Wastewater Policy and Oversight Committee

May 15, 2013

A meeting of the Wastewater Policy and Oversight Committee was held on May 15, 2013 at the Authority headquarters in Charlestown. Chairman Walsh presided. Present from the Board were Ms. Wolowicz and Messrs. Carroll, Cotter, Foti, Pappastergion, Swett and Vitale. Among those present from the Authority staff were Fred Laskey, Steve Remsberg, Mike Hornbrook, Dave Kubiak, Dan O'Brien and Bonnie Hale. The meeting was called to order at 10:45 a.m.

#### **Information**

##### CSO Project Update

Staff gave a presentation on recently completed milestones: the Brookline Sewer Separation Project and the Cambridge CAM004 Stormwater Outfall and Wetland Basin Project. Mr. Laskey noted that a ribbon-cutting for the latter project would probably be scheduled for early Fall and that he would advise Board members when the date was set.

##### Progress of BWSC-Implemented CSO Projects and Projected Financial Assistance through December 2013

Staff reviewed the remaining project – Reserved Channel Sewer Separation – which is scheduled for completion in December 2015.

#### **Contract Awards**

##### Grit and Screenings Hauling and Disposal: W. L. French Excavating Corporation, Contract OP-209

There was a brief discussion, and the Committee recommended approval of the contract award (ref. agenda item B.1).

The meeting adjourned at 11:10 a.m.

\* Approved as recommended at May 15, 2013 Board of Directors meeting.



**STAFF SUMMARY**

**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director  
**DATE:** June 5, 2013  
**SUBJECT:** Wastewater Advisory Committee Contract



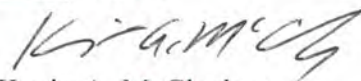
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COMMITTEE: Wastewater Policy & Oversight

     INFORMATION

  X   VOTE

  
Wendy S. Leo, Program Manager, Marine Data  
Preparer/Title

  
Kevin A. McCluskey  
Director, Public Affairs

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**RECOMMENDATION:**

To authorize the Executive Director, on behalf of the Authority, to execute a contract, substantially in the form attached hereto, with the Wastewater Advisory Committee for a term of one year, from July 1, 2013 to June 30, 2014, with a total contract cost of \$64,168.

**DISCUSSION:**

The Wastewater Advisory Committee (WAC) was created in 1990 to offer independent recommendations on wastewater programs and policies; it is a successor to the Facilities Planning Citizen Advisory Committee established during the planning of the new Deer Island Treatment Plant. WAC's members include citizen advocates, representatives from the MWRA Advisory Board, Massachusetts Area Planning Council, watershed associations, the engineering and business communities, and science and education fields.

WAC's monthly meetings are geared towards engendering discussion and facilitating timely recommendations to MWRA's Board of Directors and staff on wastewater policies, projects, and program initiatives directly related to MWRA, and public concerns. Current topics of interest to WAC include operations and maintenance, the CSO program, climate change adaptation, receiving water monitoring, and wastewater/water policy and funding initiatives in Massachusetts.

Pursuant to the terms of the attached contract, WAC's members are approved by the MWRA Board of Directors. (A separate staff summary at this meeting recommends the approval of two new members.) WAC elects its chairman and employs an Executive Director (selected by WAC's membership with the concurrence and approval of MWRA's Public Affairs Department). WAC's current chairman is Stephen Greene and WAC's current Executive Director is Andreae Downes.

WAC's proposed FY14 contract cost is approximately 10% higher than in FY14, due to a 2% escalation in hourly rate, and additional reimbursement for health insurance costs<sup>1</sup>, equivalent to that for the Water Supply Citizens Advisory Committee (WSCAC) contract (which is the subject of a separate staff summary at this meeting). The wages line item in the proposed FY14 contract is \$54,443; WAC's budget assumes the Executive Director is a part-time position, and will work an average of approximately four days per week. WAC's reimbursable expenses include: a) reimbursement for a portion of the Executive Director's health insurance costs up to an annual maximum of \$8,100; and b) stationery, payroll services expenses, bank expenses, miscellaneous expenses, and highway tolls and parking expenses for meeting attendance of WAC's Executive Director and members, up to \$1,625, the same as for FY13. Office space and support services for WAC are provided by MWRA in the Charlestown Navy Yard. The proposed total FY14 WAC funding is \$64,168.

**BUDGET/FISCAL IMPACT:**

Sufficient funds for the WSCAC and WAC contracts are included in the proposed FY14 Current Expense Budget.

**ATTACHMENT:**

Copy of the Proposed Wastewater Advisory Committee Contract

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<sup>1</sup> The previous executive director's health insurance costs were supplemented by Medicare. Thus, WAC's budget for this item in previous contracts was lower. The requested budget for the current executive director's health insurance represents the same approximate 80% share as the WSCAC executive director.

AGREEMENT

BETWEEN

MASSACHUSETTS WATER RESOURCES AUTHORITY

AND

WASTEWATER ADVISORY COMMITTEE

This Agreement (“Agreement”) is by and between the Massachusetts Water Resources Authority (“Authority”), a body politic and corporate and a public instrumentality of the commonwealth, created by Chapter 372 of the Acts of 1984, with offices at Building 39, Charlestown Navy Yard, Charlestown, Massachusetts 02129 and the Wastewater Advisory Committee (“WAC”) a body created by the Authority’s Board of Directors (“Board”) (collectively “parties”).

WHEREAS, the WAC was created to offer independent advice to the Board and to the professional staff of the Authority, regarding wastewater programs and policies directly related to the Authority; and

WHEREAS, the WAC will (i) review and comment to the Authority on wastewater reports and related proposed documents, and (ii) offer independent commentary and advice on current and proposed wastewater program and policy directions to further Authority objectives; and

WHEREAS, the WAC membership is designed to reflect the knowledge and interest of major affected constituencies, including engineering, construction, business/industry, planning, academic research, and environmental advocacy; and

WHEREAS, the Authority desires the WAC to advise the Authority in wastewater planning, and

WHEREAS, the WAC desires to have a role advising the Authority on such matters;

NOW, THEREFORE, for the consideration of mutual promises contained herein, the Authority and WAC agree as follows:

ARTICLE 1. EFFECTIVE DATE

This Agreement shall be effective from July 1, 2013 through June 30, 2014, inclusive.

## ARTICLE 2. COMPENSATION, BUDGET, PAYMENT AND EXPENSES

2.1 The Authority shall make funds available as follows:

(a) Executive Director Salary.

In order to minimize the WAC's expenses and for the WAC's convenience, the Authority shall make direct payments to the WAC for the WAC Executive Director salary. Such payments shall not exceed \$54,443 from July 1, 2013 through June 30, 2014, inclusive. The hourly salary rate shall be \$37.62.

(b) Reimbursable expenses.

The Authority shall reimburse the WAC for 80% of the health insurance for the WAC Executive Director (not to exceed \$8,100), and for stationery, payroll services expenses, bank expenses, highway tolls and parking expenses for meeting attendance by WAC's Executive Director and membership, and other miscellaneous expenses of the WAC staff approved by the Authority on a case-by-case basis, will be reimbursed when submitted to the Public Affairs Unit.

The percentage rate for reimbursement of health insurance costs shall be changed to that of MWRA staff if the Group Insurance Commission changes the rate.

The total annual expense reimbursement to WAC, excluding health insurance reimbursements, shall not exceed \$1,625.00.

(c) Non-reimbursable expenses.

The following expenses are not reimbursable: meals, entertainment, room and board expenses, fines, fees, or costs assessed as a result of improper or illegal actions on the part of the member, such as parking tickets or speeding fines.

## ARTICLE 3. RESPONSIBILITIES OF THE AUTHORITY AND WAC.

(a) The WAC shall employ an Executive Director who is prohibited from being a member of the WAC while serving his or her term as a paid employee. The MWRA Public Affairs Office must concur with and approve the selection of the WAC Executive Director by the WAC. The duties of the Executive Director shall be in accordance with the job description prepared by the WAC, and on file with the Authority.

(b) The WAC shall submit weekly statements to the Authority requesting payment for expenses listed in Article 2. Such requests shall be supplemented or accompanied by time sheets, travel and expense vouchers, and by such other supporting data as may be required by the Authority.

- (c) The WAC shall maintain accounts, records, documents, and other evidence directly pertinent to performance of work under this Agreement. The parties and their duly authorized representatives shall have access to such records, documents, and other evidence for the purpose of inspection, audit, and copying.
- (d) The Authority or its duly authorized agent shall have the right at any and all reasonable times, to examine and audit WAC's records, documents and other evidence.
- (e) This Agreement is subject to the laws dealing with the expenditures of public funds, including Chapter 12A of the Massachusetts General Laws.
- (f) The parties shall agree to any reasonable modifications or changes in this contract that may be required by the Commonwealth of Massachusetts or any of its agencies.
- (g) The WAC acknowledges that the Authority is a state agency for purposes of Chapter 268A of the General Laws (the Massachusetts Conflict of Interest Law) and understands that for the purposes of that law, WAC staff and members are special state employees.
- (h) The WAC shall be responsible for compliance with all applicable provisions and requirements of the Massachusetts Open Meeting Law.

#### ARTICLE 4. RESPONSIBILITIES OF THE WAC STAFF.

4.1 The WAC staff shall be responsible for the following tasks:

- (a) aiding the WAC in its tasks under Article 6, educating the public, and acting as liaison with the Authority and its staff;
- (b) maintaining financial records, minutes of the WAC meetings, and other WAC records;
- (c) providing to the Authority copies of the notices for and minutes of all meetings of WAC and of all WAC correspondence relative to Authority projects and proposals as soon as such materials are available.
- (d) administering and maintaining compliance by all its members and staff with the provisions of the Massachusetts Conflict of Interest Law including, without limitation, those mandatory provisions relating to: (i) annual distribution to members and staff of the State Ethics Commission's (SEC) Summary of Law and maintenance and archiving of acknowledgements of receipt of the Summary of Law from all members and staff, and (ii) compliance by members and staff with the SEC's bi-annual educational training exercises.

## ARTICLE 5. MEMBERSHIP, MEETINGS, TERMS.

5.1 The WAC membership, meetings and terms shall be as follows:

- (a) The WAC will have a maximum of twenty (20) members (“Members”) approved by the Board. (Alternates or designees are prohibited).
- (b) The WAC shall meet once per month and maintain records of its meetings.
- (c) To the extent reasonable, Members will meet as a committee of the whole, without resort to subcommittees.
- (d) Members will elect their chairman.
- (e) Members’ terms will be three (3) years; members may succeed themselves.
- (f) Members unable to maintain reasonable participation in the committee’s work will be expected to resign. The Authority’s Public Affairs Unit, in consultation with the WAC chairman, will nominate a replacement for Board approval.

## ARTICLE 6. WAC TASKS.

The WAC shall undertake the following tasks:

### 6.1 Wastewater Policies and Programs Review.

Advise the Authority staff and Board. Participate in review and evaluation of wastewater management plans (e.g., local limits, I/I, CSO), reports and new ideas for programs. Provide comments, information, advice, recommendations and guidance as to the direction, intent and execution of wastewater planning and policy directly related to MWRA.

### 6.2 Outreach and Education.

Strive to increase citizen participation and education by providing assistance in outreach to various groups regarding the Authority’s wastewater programs and state wastewater resource policies. Review programs and explain plans and policies to organizations and citizens.

### 6.3 Working Group Representation.

When possible, provide a representative on Authority working groups, comprising MWRA staff and consultants, related to wastewater programs and policy, including the Advisory Board and its subcommittees and the Water Supply Citizens Advisory Committee.

6.4 Recommendations on Long Term Public Involvement.

Provide to the Authority staff and Board, proposals for continued effective and efficient long term public involvement in wastewater programs.

6.5 Recommendations and Discussion Documents.

The WAC staff shall be responsible for providing to the Authority's staff, Board, and others, recommendation and discussion documents on wastewater programs and policy. Documents may be in the form of minutes of WAC meetings, memoranda, letters, reports, presentations and discussions as appropriate.

ARTICLE 7. MISCELLANEOUS REQUIREMENTS.

7.1 Nondiscrimination and Equal Employment Opportunity

The WAC agrees to comply with the Authority's policy regarding non-discrimination and affirmative action.

ARTICLE 8. GENERAL PROVISIONS.

8.1 Termination of Contract.

(a) This Agreement may be terminated in writing, at any time, in whole or in part, by the Authority for its convenience or in the event of substantial failure by the WAC to fulfill its obligations, or for violation of any of the covenants and stipulations of this Agreement.

(b) If termination is effected by the Authority an equitable adjustment shall be made providing for payment to the WAC for services rendered and expenses incurred prior to the termination.

(c) No termination hereunder may be effected unless the terminating party gives the other party:

(1) not less than forty-five days' written notice delivered by certified mail, return receipt requested, of intent to terminate; and

(2) an opportunity for consultation with the other party prior to termination, or

(3) by mutual agreement of the parties.

8.2 Assignability.

The WAC shall not assign or transfer this Agreement or delegate its responsibility for the performance of services under this contract.

8.3 Integration Clause.

This Agreement integrates and supersedes all prior negotiations, representations, or agreements.

8.4 Amendment.

This Agreement may be amended only by a writing executed by each of the parties.

8.5 Severability of Provisions.

If any provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be deemed affected thereby.

8.6 Massachusetts Law to Govern.

All parties to this Agreement agree that this Agreement shall be governed by and enforced in accordance with the laws of the Commonwealth of Massachusetts.

8.7 Duplicate Originals.

This Agreement may be signed in more than one identical counterpart, each of which shall be deemed to be an original hereof.

8.8 Notices.

Communications shall be deemed to have been made when mailed postage prepaid or delivered among:

Executive Director  
Wastewater Advisory Committee  
c/o MWRA  
100 First Avenue  
Charlestown Navy Yard  
Boston, MA 02129

Executive Director  
Massachusetts Water Resources Authority  
Charlestown Navy Yard  
100 First Avenue  
Boston, MA 02129

Director of Public Affairs  
Massachusetts Water Resources Authority  
Charlestown Navy Yard  
100 First Avenue  
Boston, MA 02129



IN WITNESS WHEREOF, this Agreement is executed as of this \_\_\_th day of June, 2013.

FOR: WASTEWATER ADVISORY COMMITTEE

By: \_\_\_\_\_  
Stephen H. Greene, Chairman

FOR: MASSACHUSETTS WATER RESOURCES AUTHORITY

By: \_\_\_\_\_  
Frederick A. Laskey, Executive Director

## STAFF SUMMARY

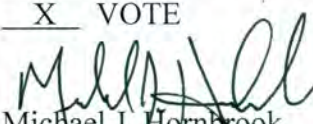
**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director  
**DATE:** June 5, 2013  
**SUBJECT:** Crane Maintenance Service  
Safeway Overhead Crane Service, Inc.  
Contract OP-200, Change Order 1



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COMMITTEE: Wastewater Policy & Oversight

M. Altaf Bhatti, Project Engineer  
Stephen Cullen, Director, Wastewater, O&M  
Preparer/Title

\_\_\_\_ INFORMATION  
X VOTE  
  
Michael J. Hornbrook  
Chief Operating Officer

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### RECOMMENDATION:

To authorize the Executive Director, on behalf of the Authority, to approve Change Order 1 to Contract OP-200, Crane Maintenance Service, with Safeway Overhead Crane Service, Inc., for an amount not to exceed \$68,470.20, increasing the contract amount from \$168,978.00 to \$237,448.20, with no increase in contract term.

To authorize the Executive Director to approve additional change orders as may be needed to Contract OP-200, in amounts not to exceed the aggregate of \$50,000, in accordance with the Management Policies and Procedures of the Board of Directors.

### DISCUSSION:

Contract OP-200, awarded by the Executive Director to Safeway Overhead Crane Service, Inc., under delegated authority on November 20, 2012, is a two-year contract that is providing periodic and frequent inspection services, load testing, and non-emergency and emergency maintenance services for 162 MWRA overhead and gantry cranes, of which 63 are located at Deer Island, 62 at various wastewater facilities, 35 at various water and western operations facilities, and two in the Chelsea Facility's Maintenance Building. The Notice to Proceed was issued on January 4, 2013 and the contract will expire on January 4, 2015.

These overhead cranes are permanently attached to the ceilings of these facilities and are used to lift, load, unload, and/or move heavy equipment and materials. This contract is necessary for ensuring the safe and reliable operation of all MWRA cranes and for compliance with the Occupational Safety and Health Administration's Regulation 29 CFR and the American Society of Mechanical Engineers standard B30.2-1996 for Inspection, Testing and Maintenance of Overhead and Gantry Cranes.

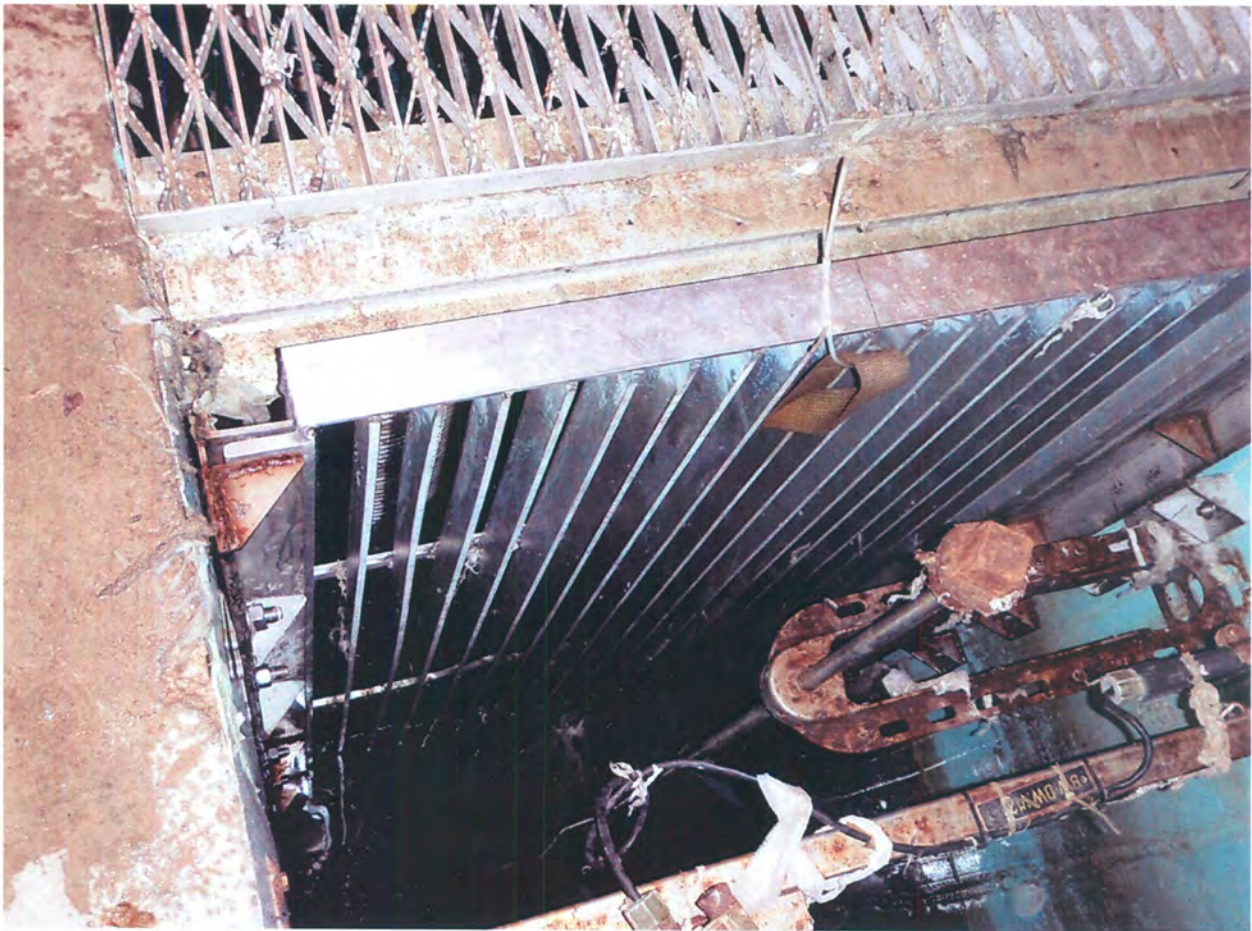
## **This Change Order**

Change Order 1 consists of the following 3 items:

Replace Manual Hoist and Install an Electric Hoist

\$10,800

In late February 2013, MWRA experienced high flow conditions at the Braintree-Weymouth Pump Station resulting for a 1.8-inch storm event. The high flows, coupled with excessive rag-like material and grease, clogged the grinders and the pumps were only pumping a fraction of their rated capacity. To ensure that the equipment operates properly and to avoid any potential for back-ups to upstream communities, it was determined that it was critically important to add an additional measure of protection for the facility's grinders and pumps. Manual bar racks were installed by MWRA staff. The picture below depicts one of these bar racks lowered into position.



These manual bar racks must be repeatedly and frequently removed and cleaned until the storm passes and flows subside. The picture below depicts a typical buildup of the rag-like material that must be repeatedly cleaned by hand when the bar racks are lifted. It is important that the racks be lifted, cleaned, and then lowered again as quickly as possible to prevent excessive rags and grease from reaching the downstream grinders or pumps. Although a temporary manual hoist was installed to lift the racks (similar to the one shown in the bottom picture), it was determined that an electric hoist was the quickest and safest mechanism to lift the racks. Because of the uncertainty of when the next significant wet-weather event would arrive, coupled with the significant lead time for manufacturing the hoist, staff considered it an urgent situation and directed the Contractor to furnish and install the electric hoist.



An electric hoist will provide the added benefit of allowing staff to lift the mechanical grinders for cleaning, maintenance, or repair.

This work will entail installing conduit and wire in an explosion-proof environment, wall and floor penetrations, seal fittings, and inspections by the Department of Public Safety.



Because of such a large and unanticipated use of service hours for this project, staff recommend that the original estimated quantity of service hours be increased by 150 hours, from 550 hours to 700 hours, to ensure that sufficient service hours will be available for the remainder of the contract.

The approved Proposed Change Order (PCO) for this item has been identified by MWRA staff as an unforeseen condition. This work will be performed on a time and materials basis for an amount not to exceed \$10,800 based upon the current contract rate of \$72.00 per hour.

Provide Parts and Mark-up  
Required for the Installation of the Electric Hoist \$57,670.20

The contract includes allowances for replacement parts, rental equipment furnished in connection with the required work, and mark-up totaling \$37,500.

Because of the long lead time for the required parts to complete the installation of the electric hoist, a determination was made that having the Contractor order the parts and equipment under this contract was MWRA's best option given the urgent nature of the work. Staff estimate that the cost of the electric hoist, materials, supplies and rented equipment necessary to complete the project described above will total approximately \$57,670.20, which will exceed the original estimated total allowance amount of \$37,500. This work will be performed on a time and materials basis for an amount not to exceed \$57,670.20.

The approved PCO for this item has been identified by MWRA staff as an unforeseen condition. The lead time on the manufacturing and delivery of the electric hoist is approximately 16 weeks.

**CONTRACT SUMMARY:**

	AMOUNT	TIME	DATED
Original Contract:	\$168,978.00	730 Days	02/25/13
CHANGE ORDERS			
Change Order 1:	<u>\$68,470.20</u>	<u>0 Days</u>	Pending
Total Change Orders:	<u>\$68,470.20</u>	<u>0 Days</u>	
Adjusted Contract:	\$237,448.20	730 Days	

**BUDGET/FISCAL IMPACT:**

Funding for this change order work will be absorbed within the Field Operations Department's FY14 Current Expense Budget. Adequate funding will be included in the FY15 CEB.

**MBE/WBE PARTICIPATION:**

There were no MBE or WBE participation requirements established for this contract due to the limited opportunities for subcontracting.



# MASSACHUSETTS WATER RESOURCES AUTHORITY

Charlestown Navy Yard  
100 First Avenue, Building 39  
Boston, MA 02129

Frederick A. Laskey  
Executive Director

Telephone: (617) 242-6000  
Fax: (617) 788-4899  
TTY: (617) 788-4971

## **WATER POLICY AND OVERSIGHT COMMITTEE MEETING**

*Chair:* A. Pappastergion  
*Vice-Chair:* B. Swett  
*Committee Members:*  
J. Carroll  
J. Foti  
J. Walsh

to be held on

Wednesday, June 5, 2013

Location: 100 First Avenue, 2nd Floor  
Charlestown Navy Yard  
Boston, MA 02129

Time: Immediately following Wastewater Comm.

### **AGENDA**

#### **A. Information**

1. 2012 Annual Water Quality Report (Consumer Confidence Report)

#### **B. Approvals**

1. Water Supply Citizens Advisory Committee Contract

#### **C. Contract Awards**

1. Weston Aqueduct Supply Main 3 - Design, Construction Administration and Resident Engineering Services: Fay, Spofford & Thorndike, LLC, Contract 6539

## MASSACHUSETTS WATER RESOURCES AUTHORITY

### Meeting of the Water Policy and Oversight Committee

May 15, 2013

A meeting of the Water Policy and Oversight Committee was held on May 15, 2013 at the Authority headquarters in Charlestown. Chairman Pappastergion presided. Present from the Board were Ms. Wolowicz and Messrs. Carroll, Cotter, Foti, Swett, Vitale and Walsh. Among those present from the Authority staff were Fred Laskey, Steve Remsberg, Mike Hornbrook, Steve Estes-Smargiassi and Bonnie Hale. The meeting was called to order at 11:10 a.m.

#### **Information**

##### Update on the Hultman Aqueduct Rehabilitation and Interconnections with the MetroWest Tunnel

Staff gave a presentation on the completed project, noting that for the first time the Metropolitan Water System has full redundancy for the Hultman Aqueduct from Marlborough to Weston. They described portions that were accelerated, the benefits it provides, and other steps to improve redundancy.

##### Update on Drinking Water Regulatory Changes

Staff described a number of important drinking water regulatory changes, particularly to the Total Coliform Rule, which had previously caused significant consumer confusion about water safety.

#### **Contract Awards**


##### \*Technical Assistance Consulting Services for the Carroll Water Treatment Plant: Contract 7406, Fay, Spofford & Thorndike, LLC

The Committee recommended approval of the contract award (ref. agenda item B.1).

The meeting adjourned at 11:40 a.m.


\* Approved as recommended at May 15, 2013 Board of Directors meeting.


**STAFF SUMMARY**

**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 5, 2013  
**SUBJECT:** *2012 Annual Water Quality Report (Consumer Confidence Report)*

COMMITTEE: Water Policy & Oversight

X INFORMATION  
\_\_\_ VOTE

Joshua Das, Project Manager, Public Health   
Ria Convery, Director, Communications  
Stephen Estes-Smargiassi, Director, Planning  
Preparer/Title

  
Michael J. Hornbrook  
Chief Operating Officer

**RECOMMENDATION:**

For information only. The *2012 Annual Water Quality Report* will be mailed to every household in MWRA’s service area between June 3 and June 24, 2013 to meet EPA’s Consumer Confidence Report Rule deadline of July 1. This staff summary highlights the report’s key findings and features. Copies will be available at the Board meeting.

**DISCUSSION:**

EPA’s Consumer Confidence Report (CCR) program has been an important national initiative that has promoted better information and education for consumers about their publicly supplied drinking water. The CCR has been an integral part of MWRA’s drinking water communication program since 1999 and staff strive to produce an easy-to-read, visually appealing document.

MWRA staff have again produced three separate versions of the CCR for 2012: one for each of the fully-supplied communities in metropolitan Boston and MetroWest, one for each of the partially-supplied communities in metropolitan Boston and MetroWest, and one for the three Chicopee Valley Aqueduct communities. A Spanish translation is also produced. All communities in metropolitan Boston and MetroWest that use MWRA’s CCR again took the opportunity to provide a community-specific letter to report additional local information.<sup>1</sup>

As in prior years, the 2012 CCR emphasizes MWRA’s excellent source water, the test results from the reservoir to the tap, and indicates that system-wide, MWRA again met the Lead and Copper Rule. The report notifies consumers that certain communities had higher lead levels and that additional information is available in the community-specific letter.

<sup>1</sup> The partially-served communities of Peabody, Stoughton, and Wellesley each send their own CCR geared toward local source water quality, with additional information on MWRA water provided in their reports by MWRA staff.



The cover letter discusses a few current issues, including the current construction of ultra-violet disinfection facilities at the Carroll Water Treatment Plant, as well as MWRA's progress towards its goal of full redundancy. The theme of this year's report is "Drink Local, Drink Tap," and promotes the idea of drinking your local water due to its great quality, affordability, and green aspects.

The report is printed on paper which is recycled and certified by the Forest Stewardship Council and Sustainable Forestry Initiative, with appropriate logos included on the cover.

Consistent with past efforts, MWRA will conduct an outreach effort to increase awareness of the CCR, including e-mailing copies to local officials, health care professionals, and other interested parties, and sending press releases to more than 50 weekly publications and all regional newspapers. Information and pictures of the CCR, with links to MWRA's website, will be provided to cable access television stations, community web pages, and local public health and environmental organizations.


Mailing of the CCR will begin on June 3, 2013 and the reports should be arriving in customers' mailboxes through the last week of June. Certification of the CCR to DEP is due by July 1, 2013. MWRA provides certification materials to DEP on behalf of each community.

Starting this year, EPA gave utilities the option to provide the CCR on-line, so long as each customer is notified by either postcard or e-mail of the availability of the report on-line. In addition, mail distribution of the CCR would be required to anyone who requests a hard copy. MWRA staff evaluated this option and determined that any cost savings would be offset by higher postage rates and printing costs due to the smaller volume. After consultation with the Advisory Board's Executive Committee, it was decided that the cost savings was not substantial enough to justify sending a postcard instead of a report and thus, having MWRA lose the one opportunity to communicate directly with its customers about the quality of their drinking water.

#### **BUDGET/FISCAL IMPACT:**

The FY13 Current Expense Budget includes \$264,500 for the 2012 CCR, which is more than sufficient for the estimated \$55,000 for printing and mailhouse services, and the estimated \$121,000 for postage. Production and graphic design are performed in-house by MWRA staff. The cost of preparing, printing, and mailing almost 900,000 copies of the 2012 CCR is approximately \$0.21 per copy.

### STAFF SUMMARY


**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 5, 2013  
**SUBJECT:** Water Supply Citizens Advisory Committee Contract


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COMMITTEE: Water Policy & Oversight

INFORMATION

VOTE

Stephen Estes-Smargiassi, Director, Planning   
Preparer/Title

  
Kevin A. McCluskey  
Director, Public Affairs

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### RECOMMENDATION:

To authorize the Executive Director, on behalf of the Authority, to execute a contract, substantially in the form attached hereto, with the Water Supply Citizens Advisory Committee for a one-year period beginning July 1, 2013, with a total contract cost of \$96,528.

### DISCUSSION:

In addition to the critical oversight functions of the Advisory Board, many of MWRA's policy decisions are made with advice and support from two standing citizens' advisory committees, the Water Supply Citizens Advisory Committee (WSCAC) and the Wastewater Advisory Committee (WAC).

WSCAC originated in 1978 when its predecessor committee, the Northfield Citizens Advisory Committee, was formed at the direction of the Secretary of the Executive Office of Environmental Affairs. WSCAC has received direct funding from MWRA since MWRA's formation in 1984.

The proposed FY14 WSCAC budget is 0.1% greater than the FY13 budget. Hourly salaries were increased by 2%, and the allowance for health insurance was increased by 3.5% over last year's actual cost; both were based on MWRA budget assumptions. Other areas of the budget were level funded or decreased. Health insurance is budgeted at 80% reimbursement for the Executive Director only, not to exceed \$8,100.

Current topics of interest to WSCAC include water system expansion issues, changing drinking water regulations, the impacts of the state's Sustainable Water Management Initiative, review of the updated Water System Master Plan, and periodic reviews of watershed management and protection issues. The committee currently has 13 members, 11 of whom are considered active. They are currently working to identify some additional members in categories which are not well represented on the committee.

WSCAC's office is located at Quabbin Reservoir in a Department of Conservation and Recreation (DCR) building, and most meetings are held at MWRA's Southborough facility. WSCAC's Executive Director is Lexi Dewey (selected by WSCAC's Executive Committee), and the current chairman is Whitney Beals, elected from among the members.

**BUDGET/FISCAL IMPACT:**

Sufficient funds for the WSCAC and WAC contracts are included in the proposed FY14 Current Expense Budget.

**AGREEMENT**  
**BETWEEN**  
**MASSACHUSETTS WATER RESOURCES AUTHORITY**  
**AND**  
**WATER SUPPLY CITIZENS ADVISORY COMMITTEE**

This Agreement (“Agreement”) is by and between the Massachusetts Water Resources Authority (“Authority”), a body politic and corporate and a public instrumentality of the commonwealth created by Chapter 372 of the Acts of 1984 with offices at Building 39 First Avenue, Charlestown Navy Yard, Charlestown, Massachusetts 02129 and the Water Supply Citizens Advisory Committee (“WSCAC”) an organization initially created under the Massachusetts Environmental Policy Act (“MEPA”) to ensure public representation and participation in Authority water supply activities, with offices currently at 485 Ware Road, Belchertown, MA 01007 (collectively “Parties”).

WHEREAS, the Authority is required to meet the water needs of its communities;

WHEREAS, the Authority desires WSCAC to continue to advise in water supply planning and programming; and

WHEREAS, WSCAC desires to have a continued role advising the Authority;

NOW, THEREFORE, for the consideration of mutual promises contained herein, the Authority and WSCAC agree as follows:

Article 1. Effective Date.

This Agreement shall be effective from July 1, 2013 through June 30, 2014, inclusive.

Article 2. Compensation, Budget, Payment and Expenses.

2.1 The Authority shall make funds available as follows:

(a) Salaries and Duties.

Director. An Executive Director shall be chosen by WSCAC members at a salary not to exceed \$62,675 for the year commencing on July 1, 2013 through June 30, 2014, inclusive. The hourly salary rate shall be \$37.62 with annual total hours of 1,666 (average 34 hours per week for 49 weeks). The duties of the Executive Director shall be in accordance with the job description prepared by the Executive Committee of WSCAC and on file with the Authority.

Executive Consulting. Up to \$1,000 shall be allocated for consulting by previous staff members of WSCAC or other external experts for the purposes of special project reviews. The hourly salary rate shall not exceed that of the current Executive Director.

Administrative Assistant. A part-time Administrative Assistant shall be chosen by the WSCAC Executive Director in consultation with the Executive Committee of WSCAC at a salary not to exceed \$13,023 for the year commencing on July 1, 2013 through June 30, 2014, inclusive. The hourly salary rate shall be \$19.38 with annual total hours of 672 (average 14 hours per week for 48 weeks). The duties of the Administrative Assistant shall be in accordance with the job description prepared by the Executive Committee of WSCAC and on file with the Authority.

(b) Annual Expenses.

The Authority shall reimburse WSCAC for the following items: 80% of the health insurance for the Executive Director (not to exceed \$8,100), travel for WSCAC staff and members, office supplies (such as letterhead, envelopes, pencils, paper clips), postage, office telephone and internet access, and general administrative and office expenses. The percentage rate for reimbursement of health insurance costs shall be changed to match that of MWRA staff if the Group Insurance Commission changes the rate.

(c) Miscellaneous Expenses.

The Authority shall also reimburse WSCAC for the following expenses when submitted with a written reimbursement request supported by a receipt or voucher:

(1) mileage costs incurred by WSCAC staff and members from attendance at WSCAC meetings, pertinent conferences and seminars, or while performing other functions directly related to its scope of services. Mileage costs will be reimbursed at the prevailing Authority rate per mile;

(2) postage, phone calls, public transportation costs, highway tolls and parking expenses incurred by WSCAC staff and members while performing WSCAC duties;

(3) the purchase or rental by WSCAC staff of books, films, cassettes, tapes, etc., if specifically approved by the Authority in advance, except that single copies of individual publications, books, and other written documents may be purchased for the WSCAC library use without prior approval, provided that the cost per item does not exceed \$200. All materials purchased under this section shall be considered property of the Authority.

(4) other miscellaneous expenses of the WSCAC staff approved by the Authority on a case-by-case basis. When possible, approval of the Authority should be received in advance of incurring such expenditures.

The Authority may advance up to \$750 to WSCAC, such advance to be applied to the payment of Miscellaneous Expenses as defined herein and as approved and budgeted under the terms of this Agreement. Payments made from an advance shall be accounted for in the same manner as all other Miscellaneous Expense payments. Prior to the expiration of this Agreement, any outstanding balance on an advance shall be applied against amounts due WSCAC.

The annual total reimbursement to WSCAC for annual and miscellaneous expenses combined shall not exceed \$19,830 from July 1, 2013 through June 30, 2014 inclusive.

(d) Non-reimbursable expenses.

The following expenses are not reimbursable: meals, entertainment, room and board expenses, fines, fees, or costs assessed as a result of improper or illegal actions on the part of the member, such as parking tickets or speeding fines.

ARTICLE 3. RESPONSIBILITIES OF THE AUTHORITY AND WSCAC.

(a) WSCAC shall employ an Executive Director, who is prohibited from being a member of WSCAC while serving his or her term as a paid employee.

(b) WSCAC shall, whenever applicable, take all necessary steps to receive an exemption from the Massachusetts Sales and Use taxes for materials, printing and equipment purchased by WSCAC on behalf of the Authority.

(c) WSCAC shall submit monthly or periodic statements to the Authority requesting payment for salary, and for annual and miscellaneous expenses listed in Article 2. Such requests shall be supplemented or accompanied by time sheets, travel and expense vouchers, and by such other supporting data as may be required by the Authority.

(d) WSCAC shall maintain accounts, records, documents, and other evidence directly pertinent to performance of work under this Agreement. The Parties and their duly authorized representatives shall have access to such records, documents, and other evidence for the purpose of inspection, audit, and copying.

(e) The Authority or its duly authorized agent shall have the right at any and all reasonable times, to examine and audit WSCAC's records, documents and other evidence.

(f) This Agreement is subject to the laws dealing with the expenditures of public funds, including Chapter 12A of the Massachusetts General Laws.

(g) The Parties agree to consent to any reasonable modifications or changes in this contract that may be required by the Commonwealth of Massachusetts or any of its agencies.

(h) WSCAC acknowledges that the Authority is a state agency for purpose of Chapter 268A of the General Laws (the Massachusetts Conflict of Interest Law) and understands that for the purposes of that law, WSCAC staff and members are special state employees.

- (i) WSCAC shall be responsible for compliance with all applicable provisions and requirements of the Massachusetts Open Meeting Law.

ARTICLE 4. RESPONSIBILITIES OF THE WSCAC STAFF.

4.1 The WSCAC staff shall be responsible for the following tasks:

- (a) aiding WSCAC in its tasks under Article 6, managing the WSCAC office, educating the public, and acting as liaison with the Authority and its staff;
- (b) preparing monthly progress reports for submission to the WSCAC Executive Committee, the WSCAC members, and the Authority;
- (c) maintaining financial records, minutes of the WSCAC meetings, and other WSCAC records;
- (d) assuring that at least every other meeting be held in Eastern Massachusetts at a location to be jointly agreed upon by WSCAC and the Authority where Authority attendance is expected.
- (e) providing to the Authority copies of the notices for and minutes of all meetings of WSCAC and of all the WSCAC correspondence as soon as such materials are available.
- (f) administering and maintaining compliance by all its members and staff with the provisions of the Massachusetts Conflict of Interest Law including, without limitation, those mandatory provisions relating to: (i) annual distribution to members and staff of the State Ethics Commission's (SEC) Summary of Law and maintenance and archiving of acknowledgements of receipt of the Summary of Law from all members and staff, and (ii) compliance by members and staff with the SEC's bi-annual educational training exercises.

ARTICLE 5. MEMBERSHIP

5.1 Membership of WSCAC

- (a) Membership of WSCAC shall maintain parity between those individuals representing the interests of the communities listed in section 8(d) of the Authority's Enabling Act, c. 372 of the Acts of 1984, ("User Representatives") and those individuals representing the interests of the watershed communities ("Donor Representatives") and those individuals representing the interests of statewide or other appropriate interests as mutually agreed upon by WSCAC and the MWRA ("Other Representatives").
- (b) In order to maintain WSCAC membership status, members must be active participants, as defined in the WSCAC by-laws.

5.2 The appointment of WSCAC members shall be by joint designation by WSCAC and the MWRA and shall have a goal of achieving at least 10% minority representation on WSCAC.

ARTICLE 6. WSCAC TASKS.

WSCAC shall undertake the following tasks:

6.1 Water Supply Programs Review.

Advise the Authority staff and Board in the performance of their duties relating to water supply planning and policies. Participate in the design, review and evaluation of research, reports and new ideas for programs. Provide comments, information, advice, recommendations and guidance as to the direction, intent and execution of water planning and policy development.

6.2 Outreach and Education.

Assure informed public input by providing assistance in outreach to various groups regarding the Authority's water supply programs and policies, and state water resources legislation and policies. Review programs with and explain plans and policies to organizations and citizens, including the scheduling of workshops, meetings and conferences. Provide comments and assistance on legislation of importance to the Authority.

6.3 Working Group Representation.

When requested, provide a representative on Authority working groups, comprising MWRA staff and consultants, related to water supply planning and policy development, including the Advisory Board and its subcommittees and the Wastewater Advisory Committee.

6.4 Recommendations on Long Term Public Involvement.

Provide to the Authority staff and Board, proposals for continued effective and efficient long-term public involvement in water programs.

6.5 Recommendations and Discussion Documents.

The WSCAC staff shall be responsible for providing to the Authority's staff, Board, and others, recommendation and discussion documents on the subjects of the above tasks. Documents may be in the form of minutes of WSCAC meetings, memoranda, letters, reports, presentations and discussions as appropriate.

ARTICLE 7. MISCELLANEOUS REQUIREMENTS.

7.1 Nondiscrimination and Equal Employment Opportunity.

(a) WSCAC agrees to comply with all Federal and State laws pertaining to Civil Rights and Equal Opportunity, including executive orders and rules and regulations regarding employment, demotion, transfers, recruitment, layoffs or termination, rates of pay or other compensation and training, including apprenticeships. With regard to WSCAC membership, WSCAC agrees to affirmatively solicit minority representation.



(b) WSCAC agrees to comply with the Authority's policy regarding non-discrimination and affirmative action.

## ARTICLE 8. GENERAL PROVISIONS.

### 8.1 Termination of Contract.

(a) This Agreement may be terminated in writing, at any time, in whole or in part, by the Authority for its convenience or in the event of substantial failure by WSCAC to fulfill their obligations, or for violation of any of the covenants and stipulations of this Agreement.

(b) If termination is effected by the Authority an equitable adjustment shall be made providing for payment to WSCAC for services rendered and expenses incurred prior to the termination. In addition, termination settlement costs reasonably incurred by WSCAC relating to commitments, which had become firm prior to the termination, shall be paid.

(c) This agreement may be terminated at any time, in whole or in part, in writing by WSCAC in the event of substantial failure by the Authority to fulfill its obligations or for violation by the Authority to fulfill its obligations or for violation by the Authority of any of the covenants and stipulations of this agreement.

(d) No termination hereunder may be effected unless the terminating party gives the other party: (1) not less than forty-five days' written notice delivered by certified mail, return receipt requested of intent to terminate; and (2) an opportunity for consultation with the other party prior to termination, or (3) by mutual agreement of the parties.

### 8.2 Ownership of Property.

Upon termination of this Agreement for any reason, WSCAC shall turn over to the Authority all materials, equipment, including computer equipment currently on loan from the Authority and owned by the Authority, unused office supplies, books, pamphlets, publications and all other properties for which Authority or MDC reimbursements were made in whole or in part, directly or indirectly.

### 8.3 Assignability.

WSCAC shall not assign or transfer this Agreement or delegate its responsibility for the performance of services under this contract.

### 8.4 Integration Clause.

This Agreement may be amended only by a writing executed by each of the Parties.

8.5 Severability of Provisions.

If any provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be deemed affected thereby.

8.6 Massachusetts Law to Govern.

All parties to this Agreement agree that this Agreement shall be governed by and enforced in accordance with the laws of the Commonwealth of Massachusetts.

8.7 Duplicate Originals.

This Agreement may be signed in more than one identical counterpart, each of which shall be deemed to be an original hereof.

8.8 Notices.

Communications shall be deemed to have been made when mailed postage prepaid or delivered to among:

Chair and  
Executive Director  
Water Supply Citizens Advisory Committee  
485 Ware Road  
Belchertown, MA 01007

Director of Public Affairs  
Massachusetts Water Resources Authority  
Charlestown Navy Yard  
Building 39, First Avenue  
Boston, Massachusetts 02129

Executive Director  
Massachusetts Water Resources Authority  
Charlestown Navy Yard  
Building 39, First Avenue  
Boston, Massachusetts 02129

IN WITNESS WHEREOF, this Agreement is executed as of this     day of     , 2013.

FOR: WATER SUPPLY CITIZENS ADVISORY COMMITTEE

By: \_\_\_\_\_  
Title: Chair, Water Supply Citizens  
Advisory Committee

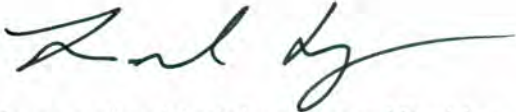
Dated:

FOR: MASSACHUSETTS WATER RESOURCES AUTHORITY

By: \_\_\_\_\_  
Title: Executive Director

Dated:


**STAFF SUMMARY**

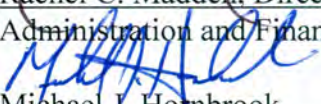
**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 5, 2013  
**SUBJECT:** Weston Aqueduct Supply Main 3: Design, Construction Administration and Resident Engineering Services  
Fay, Spofford & Thorndike, LLC  
Contract 6539

COMMITTEE: Water Policy & Oversight

     INFORMATION

VOTE

  
Rachel C. Madden, Director  
Administration and Finance

  
Michael J. Hornbrook  
Chief Operating Officer

Jae R. Kim, P.E., Chief Engineer  
Joseph R. Araujo, Program Manager  
Preparer/Title

**RECOMMENDATION:**

To approve the recommendation of the Selection Committee to award Contract 6539, Weston Aqueduct Supply Main 3: Design, Construction Administration and Resident Engineering Services, to Fay, Spofford & Thorndike, LLC, and to authorize the Executive Director, on behalf of the Authority, to execute said contract in an amount not to exceed \$15,482,625, for a contract term of 4,840 days from the Notice to Proceed.

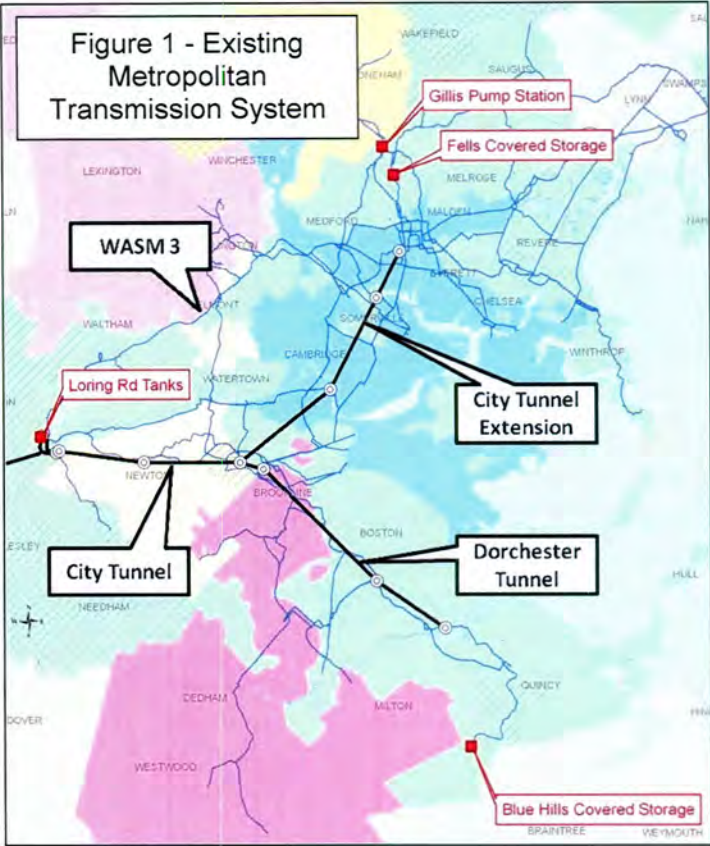
**DISCUSSION:**

The current metropolitan water distribution tunnel system, consisting of the City Tunnel, the City Tunnel Extension, and the Dorchester Tunnel, is reliant on surface connections and valves that require maintenance and repair. Many of these critical facilities are now more than 60 years old (see Figure 1 on the following page). MWRA's existing water transmission system east of Shaft 5 lacks redundancy to allow a shutdown of the metropolitan distribution tunnel facilities for inspections and repairs to be made, or to respond to emergency leaks or major breaks.

In the event of an emergency or planned repair of the City Tunnel or its connections, the Sudbury Aqueduct, with its water supply from the Sudbury/Framingham open reservoir system, would need to be brought online. Extensive use of the Chestnut Hill Emergency Pump Station and some open distribution system storage facilities, including Spot Pond and Chestnut Hill Reservoir, would also be required. The Sudbury Aqueduct and Chestnut Hill Reservoir were brought into emergency service during the May 1, 2010 water main break supplementing peak demand needs. If the metropolitan water distribution tunnels were to be closed today, supply to the north is limited by the

capacity of the existing Weston Aqueduct Supply Main 3 (WASM 3) pipeline requiring significant water use restrictions, and a "boil water" order would be placed in effect.

In July 2010, staff presented to the Board a proposed redundancy plan, which would allow shutdowns of the metropolitan tunnel system in the event of an emergency or for maintenance, while providing an uninterrupted potable water supply to all service areas. The plan included a southern component (Sudbury Aqueduct Pressurization and Connections) and a northern component (WASM 3 Replacement and Rehabilitation). Contract 6539 addresses the work required to implement the northern component of the proposed redundancy plan. A separate contract to address the southern component is currently in the preliminary design phase.



This contract will provide preliminary design, final design, construction administration, and resident engineering and inspection services for the replacement and rehabilitation of WASM 3. The project will replace 7.3 miles of the existing 56-inch and 60-inch-diameter steel pipe through Weston, Waltham and Belmont with a new 72-inch-diameter pipeline, and will rehabilitate the remaining 2.7 miles of the existing 56-inch and 60-inch steel water main through Arlington, Somerville and Medford. WASM 3 supplies water to 250,000 people in eight communities in the Northern High and Northern Extra High pressure zones, and provides emergency supply to additional communities further east in the Northern High distribution system. The pipeline was originally built in 1926 and 1927 and has had numerous leaks due to pitting corrosion. In addition, the lower portion of the pipeline is under capacity to support emergency needs of the Northern High system. The increased capacity with the 72-inch pipeline will provide emergency supply to 14 Northern High communities via the Gillis Pump Station. The attached Figure 2 shows the location of WASM 3 with respect to the communities it serves during normal and emergency scenarios.

This contract will encompass the design and construction services of multiple construction packages over a 13-year period in order to maintain consistency in the design and coordination of the work. This approach has been found to be beneficial in the past for large multi-phased projects such as the MetroWest Tunnel, the Hultman Aqueduct Interconnections, WASM 4 Rehabilitation, Spot Pond Supply Mains Rehabilitation, Southern Spine Distribution Improvements and WASM 1 & 2 Rehabilitation. Maintaining one designer throughout the entire project will allow efficiencies in the subsequent design and construction phases by refining documents for each contract based on lessons

learned, including design improvements and contract controls. MWRA will issue separate Notices to Proceed for Final Design phase and Construction Administration and Resident Engineering/Inspection services phase for each of the three construction packages.

The significant overall length of the project is driven by the fact that during construction, WASM 3 will need to be taken out of service sequentially, in three separate sections, to ensure an uninterrupted water supply to all of the communities it serves, and to prevent low system pressures. A variety of temporary interconnections and other system improvements, including a new 36-inch pipeline in Waltham that is currently under design, will be utilized to replace the function of each WASM 3 section that is taken out of service for replacement or rehabilitation. Each construction contract will address the work required for the particular section of WASM 3 that is taken out of service. One contract will replace the existing WASM 3 line through Weston and Waltham. A second contract will replace WASM 3 through Belmont, and the third contract will rehabilitate WASM 3 through Arlington, Somerville and Medford, as shown in attached map. Construction is scheduled to start in 2018 and Substantial Completion of all work is expected in 2025.

### **Procurement Process**

A two-step procurement process was utilized for this project. A Request for Qualifications (RFQ) was issued; followed by a Request for Proposals (RFP) issued only to those firms that were pre-qualified and short-listed through the RFQ phase.

A Selection Committee consisting of five voting members and three non-voting members was formed to score and rank the proposals. Recognizing the importance of this project, the appointed voting members of the Selection Committee consisted of senior MWRA staff, who understand the critical needs of the water transmission system.

The RFQ required firms to submit information on: Qualifications/Key Personnel (40 points), Past Performance on Authority Projects (20 points); Similar Experience/Past Performance on Non-Authority Projects (25 points); Capacity (15 points). On January 16, 2013, Qualifications Statements were received from four proposers: Chester Engineers, Inc. (Chester), Dewberry Engineers, Inc. (Dewberry), Fay, Spofford & Thorndike, LLC (FS&T), and International Engineering Network, LLC/Shaw (IEN/Shaw). The Selection Committee evaluated the Qualifications Statements and voted to short-list two teams. The two short-listed teams were: Dewberry and FS&T. Chester was not shortlisted because the Selection Committee felt that the firm lacked key personnel with qualifications and experience designing large diameter pipelines and also lacked experience with Massachusetts bidding and environmental permitting laws. IEN/Shaw was not short-listed because the Selection Committee felt that the firm lacked large pipeline design and permitting experience in North America and also lacked references.

The RFP was issued to Dewberry and FS&T on February 25, 2013 and included the following criteria: Cost (30 points), Key Personnel (30 points), Technical Approach (25 points), Organization and Management Approach (10 points), and MBE/WBE Participation (5 points) for a total maximum score of 100 points.

On March 29, 2013, the two shortlisted teams submitted Proposals. The following is a summary of the costs and level of effort for each consultant team:

<b>Proposer</b>	<b>Proposed Cost</b>	<b>Level of Effort (Total Hours)</b>
FS&T	\$15,482,625	99,849
Dewberry	\$14,196,045	100,492

The Selection Committee met to discuss and rank the Proposals. All of the scores from the Selection Committee members were totaled to determine the first-ranked team. The following is a summary of scores and rankings for each team:

<b>Proposer</b>	<b>Total Final Score</b>	<b>Order of Preference* Points</b>	<b>Ranking</b>
FS&T	425	5	1
Dewberry	397	10	2

\*Order of Preference represents the sum of the individual Selection Committee member's rankings where the firm receiving the highest number of points is assigned a "1," the firm receiving the next highest number of points is assigned a "2," and so on.

The Selection Committee unanimously voted to award the project to FS&T. FS&T will be supported by several other firms, including CDM Smith and Green International Affiliates. The Selection Committee members were in agreement that FS&T and its team members will provide well-qualified personnel who have extensive and relevant experience in the analysis of alternatives, the operational requirements of MWRA's complex water transmission system, the planning and design of large-diameter pipelines, and effective community coordination and Massachusetts Environmental Protection Act (MEPA) approval. FS&T prepared MWRA's Water Transmission Redundancy Plan in 2011 and the firm fully understands the project requirements and intricacies. Selection Committee members were in unanimous agreement that the critical importance of this project – providing redundancy for approximately half of the Metropolitan Boston area's water demands, and requiring significant cost recommendations in the consideration and selection of the alternatives that could potentially include short sections of micro-tunneling through congested downtown areas – appropriately warrants the qualified and experienced staff, technical approach, and higher cost proposed by FS&T.

Although FS&T's total proposed cost was 9% higher than the cost proposed by Dewberry, most of that cost difference is attributed to expenses that will be incurred to prepare topographical maps for the pipeline route, to accurately locate existing utilities along the route, and to acquire information to support the MEPA approval process. The additional up-front expenditure proposed by FS&T for identifying and mapping utilities is expected to yield clearer design documents and reduce construction change orders, which will save significant time and money during construction. The total direct labor costs proposed by both FS&T (\$4,186,498) and Dewberry (\$4,014,775) are relatively similar but Dewberry's distribution of those costs between the various tasks was not consistent with the scope.

The Selection Committee was in agreement that FS&T's proposal represented a better understanding of the project's complexities and, thus, represented a better value for MWRA. FS&T and its team members have provided consulting services on a number of important and complex MWRA projects, including the MetroWest Tunnel, the Hultman Aqueduct Rehabilitation, the rehabilitation of WASMs 1, 2, and 4, and the Carroll Water Treatment Plant. FS&T provided a detailed technical approach, which would include developing a plan to ensure uninterrupted service to communities while the project is under construction. The Selection Committee felt that this was one key example of how the firm demonstrated its understanding of the complexities of this project. Staff believe that the qualifications and expertise proposed by FS&T will result in a more cost-effective design and better project management, resulting in overall savings to MWRA over the long term.

The Selection Committee concluded that the Dewberry team, although capable of performing the work, could not match the depth and experience offered by FS&T and its team members, and the firm was not as strong, or as qualified as FS&T to complete this very important and complex project.

Based on the ranking of the Selection Committee, staff recommend the award of this contract to Fay, Spofford & Thorndike, LLC for the proposed amount of \$15,482,625.

**BUDGET/FISCAL IMPACT:**

The FY13 CIP includes a budget of \$31,524,268 for Contract 6539. The recommended contract amount is \$15,482,625 based on FS&T bid. The budgeted amount was based on three separate design projects assuming Design, Contract Administration, and Resident Inspection at 20% of the estimated construction cost. As it has been the case in the past few years, this bid also reflects current favorable market conditions. Also, combining the design packages resulted in an economy of scale for overall design services, as well as more efficient turn-around of bid documents.

**MBE/WBE PARTICIPATION:**

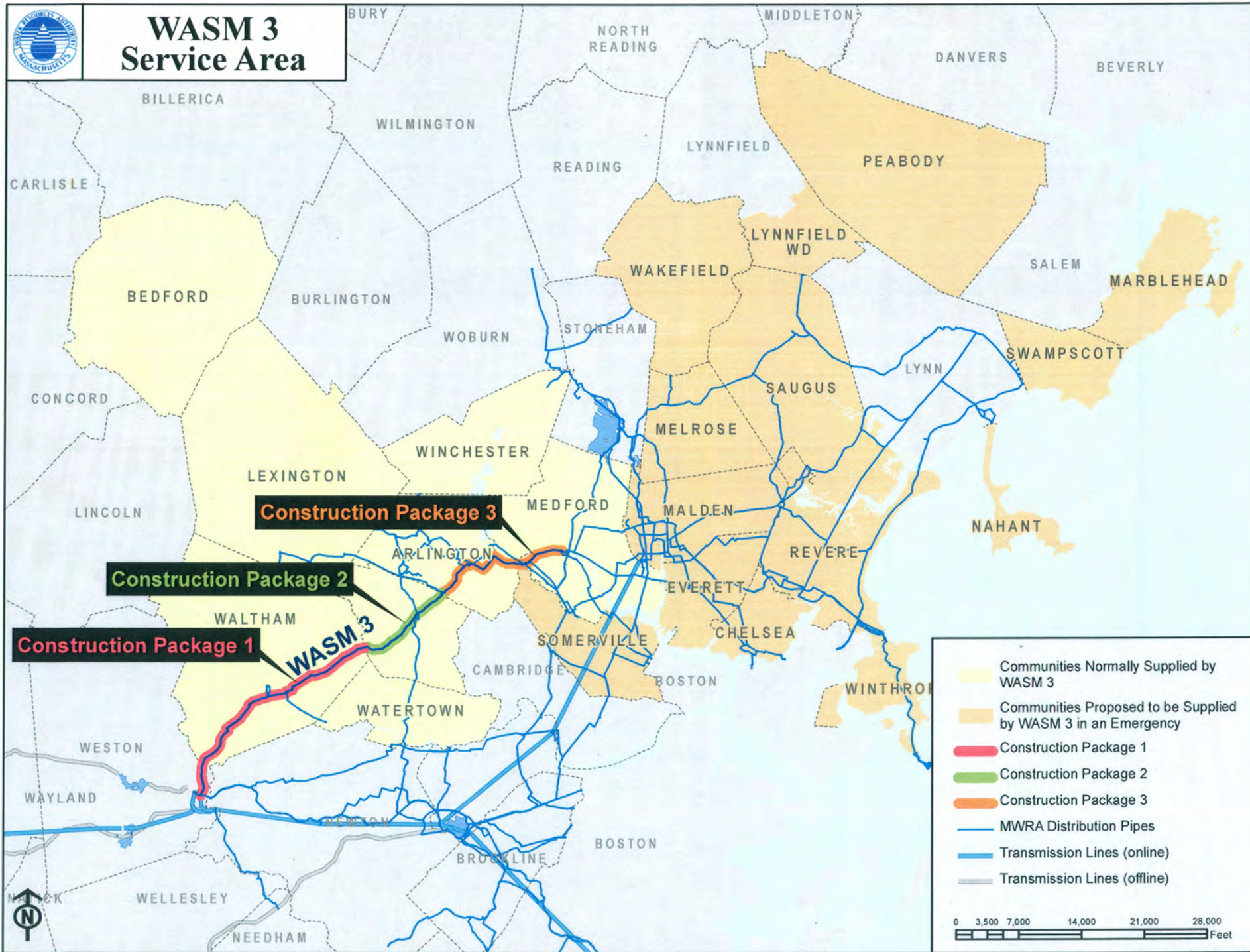
The MBE and WBE participation requirements for this contract were established at 7.18% and 5.77%, respectively. FS&T included 23% MBE and 7.57% WBE participation.

**ATTACHMENT:**

Map - WASM 3 Service Area



# WASM 3 Service Area



- Communities Normally Supplied by WASM 3
- Communities Proposed to be Supplied by WASM 3 in an Emergency
- Construction Package 1
- Construction Package 2
- Construction Package 3
- MWRA Distribution Pipes
- Transmission Lines (online)
- Transmission Lines (offline)

0 3,500 7,000 14,000 21,000 28,000 Feet





# MASSACHUSETTS WATER RESOURCES AUTHORITY

Charlestown Navy Yard  
100 First Avenue, Building 39  
Boston, MA 02129

Frederick A. Laskey  
Executive Director

Telephone: (617) 242-6000  
Fax: (617) 788-4899  
TTY: (617) 788-4971

## **PERSONNEL & COMPENSATION COMMITTEE MEETING**

*Chair:*  
*Vice-Chair:* K. Cotter  
*Committee Members:*  
J. Barrera  
J. Carroll  
J. Foti  
A. Pappastergion  
J. Walsh

to be held on

Wednesday, June 5, 2013

Location: 100 First Avenue, 2nd Floor  
Charlestown Navy Yard  
Boston, MA 02129

Time: Immediately following Water Comm.

### **A. Approvals**

1. PCR Amendments – June 2013

MASSACHUSETTS WATER RESOURCES AUTHORITY

**REVISED**

Meeting of the  
Personnel and Compensation Committee

May 15, 2013

A meeting of the Personnel and Compensation Committee was held on May 15, 2013 at the Authority headquarters in Charlestown. Vice-Chairman Cotter presided. Present from the Board were Ms. Wolowicz and Messrs. Carroll, Foti, Pappastergion, Swett, Vitale and Walsh. Among those present from the Authority staff were Fred Laskey, Steve Remsberg, Mike Hornbrook, Bob Donnelly, and Bonnie Hale. The meeting was called to order at 11:40 a.m.

**Annual Meeting of the Personnel and Compensation Committee Independent of Management – Authority Accountability and Transparency Act**

This item was referred to the afternoon session of the full Board of Directors in order that it could be held independent of MWRA management personnel.

**Approvals**

\*PCR Amendments – May 2013

Staff briefly summarized the proposed amendments. The Committee recommended approval of the amendments to the Position Control Register (ref. agenda item B.1).

\*Extension of Employment Contract, Administrative Assistant, Clinton Wastewater Treatment Plant

The Committee recommended approval of the renewal of a part-time employment contract for Ms. Jane Densmore (ref. agenda item B.2).

The meeting adjourned at 11:45 a.m.

\* Approved as recommended at May 15, 2013 Board of Directors meeting.

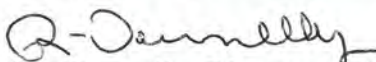
## STAFF SUMMARY

**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director  
**DATE:** June 5, 2013  
**SUBJECT:** June PCR Amendments

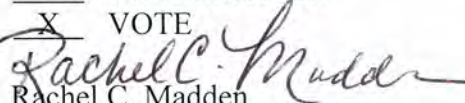


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COMMITTEE: Personnel and Compensation

  
Robert Donnelly, Director of Human Resources  
Joan C. Carroll, Manager Compensation  
Preparer/Title

         INFORMATION

VOTE  
  
Rachel C. Madden  
Director, Administration & Finance

---

### RECOMMENDATION:

To approve the amendments to the Position Control Register (PCR) included in the attached chart<sup>1</sup>.

### DISCUSSION:

The PCR amendments included in this package reflect organizational changes aimed at improving the cost-effectiveness, structural soundness and staffing patterns within the Operations Division and the Administration and Finance Division.

These amendments include:

1. Title change for a vacant position (Assistant Personnel/Payroll Administrator) in the Controller Unit, A & F Division, to align the position title with current responsibilities and organizational structure in the Payroll Department.
2. Addition of two (2) Building and Grounds Workers to the Deer Island Treatment Plant, Operations Division, to meet the staffing needs of DITP.

One amendment requires approval by the Personnel and Compensation Committee. The amendments creating the B&G Workers require Board approval after review by the Personnel and Compensation Committee.

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<sup>1</sup> The Position Control Register lists all regular positions in this fiscal year's Current Expense Budget. Any changes to positions during the year are proposed as amendments to the PCR. The Personnel and Compensation Committee of the Board of Directors must approve all PCR amendments. In addition, any amendments resulting in an upgrade of a position by more than one grade level or increasing a position's annual cost by \$10,000 or more must be approved by the Board of Directors after review by the Personnel and Compensation Committee.

**BUDGET/FISCAL IMPACT:**

These PCR amendments will result in annual salary costs of approximately \$81,352. Staff will ensure that the cost increases associated with these PCR amendments will not result in spending over the approved FY14 Wages and Salaries budget.

**ATTACHMENTS:**

New/Old Job Descriptions

**MASSACHUSETTS WATER RESOURCES AUTHORITY  
POSITION CONTROL REGISTER AMENDMENTS  
FISCAL YEAR 2013**

**PCR AMENDMENTS REQUIRING PERSONNEL & COMPENSATION COMMITTEE APPROVAL - June 5, 2013**

Number	Current PCR #	V/F	Type	Current Title	UN	GR	Amended Title	UN	GR	Current/Budget Salary	Estimated New Salary	Estimated Annual \$ Impact	Reason For Amendment
P30	Admin & Finance Controller 4310018	V	T	Assistant Personnel/Payroll Administrator	6	9	Payroll Administrator	6	9	N/A	N/A - N/A	N/A - N/A	To align title with current responsibilities and organizational structure
<b>PERSONNEL &amp; COMP COMMITTEE TOTAL=</b>					1		<b>TOTAL</b>					\$0 - \$0	

**PCR AMENDMENTS REQUIRING BOARD APPROVAL - June 5, 2013**

Number	Current PCR #	V/F	Type	Current Title	UN	GR	Amended Title	UN	GR	Current/Budget Salary	Estimated New Salary	Estimated Annual \$ Impact	Reason For Amendment
B25	Position to Be Added	N/A		N/A			Buildings & Grounds Worker	2	13	\$0	\$40,676 - \$40,676	\$40,676 - \$40,676	Position added to better meet the staffing needs of the Trade Maintenance Unit in Deer Island
B26	Position to Be Added	N/A		N/A			Buildings & Grounds Worker	2	13	\$0	\$40,676 - \$40,676	\$40,676 - \$40,676	Position added to better meet the staffing needs of the Trade Maintenance Unit in Deer Island
<b>BOARD TOTAL =</b>					2		<b>SUBTOTAL:</b>					\$81,352 - \$81,352	
<b>GRAND TOTAL =</b>					3		<b>TOTAL ESTIMATED COSTS:</b>					\$81,352 - \$81,352	

**Legend**

V = Vacant position, F = Filled position

T = Title change, L = Location change, transfer to another Cost Center, G = Grade Change, SA= Salary Adjustment, E = Elimination

**NEW**

**MWRA  
POSITION DESCRIPTION**

**POSITION:** Building and Grounds Worker

**PCR#:**

**DIVISION:** Operations

**DEPARTMENT:** Maintenance/Deer Island

**BASIC PURPOSE:**

Performs a variety of maintenance and repair tasks to roads, grounds, buildings, structures and associated appurtenances together with other light maintenance tasks as assigned.

**SUPERVISION RECEIVED:**

Works under the general supervision of the Building & Grounds Supervisor.

**SUPERVISION EXERCISED:**

None.

**ESSENTIAL DUTIES AND RESPONSIBILITIES:**

- Cleans process tanks (including unbolting and securing of access covers), galleries, drains, culverts, and structures as required.
- Cleans process spills and upsets as required.
- Maintains roadways, walkways, fencing and gates as necessary.
- Performs clean-up and housekeeping tasks for work area to maintain a clean environment within designated area.
- Removes snow and ice from roadways, walkways, buildings and structures as necessary.
- Maintains the appearance of the plant grounds by cutting, trimming or weeding grass, shrubs, trees or ornamental beds.
- Digs and/or refills ditches and holes. Breaks, removes and repairs concrete as required.
- Collects and disposes of trash and other waste materials.

- Operates machinery, vehicles, material handling equipment, snow removal equipment, and tools as necessary to perform assigned work such as (but not limited to) tractors, mowers, cement mixers, cleaning machinery, etc.
- Operates motor vehicles such as vans and pick up trucks to transport materials and equipment to work sites, pick up and deliver materials, etc.
- Washes and cleans vehicles, tools and equipment.
- Moves material and supplies.
- Loads and unloads vehicles, carts, trailers, etc., as required.
- Performs work in a safe and professional manner.
- Reports and documents work being performed.
- Follows established safety, operating and emergency response procedures and policies as established by the MWRA.
- Trained in Confined Space Entry, CPR and First Aid, and be capable of entering, setting up, installing, disassembling confined space equipment and ability to work in a confined space.
- Perform work in compliance with Authority Integrated Contingency Plan.
- Ability to attain knowledge and work processes required to perform maintenance tasks required by Reliability Centered Maintenance or similar Maintenance Management Program.
- Performs light maintenance independently or as part of a team. Light maintenance shall include but not limited to:
  - Operates forklift or other light equipment not requiring a specific license.
  - Inspects and troubleshoots various systems and equipment.
  - With proper training sets up ladders, staging and rigging and utilizes hoists, jacks, dollies, lifts, etc. for proper access to job and to remove and install equipment.
  - Performs, documents and reports inspections and work performed.
  - Operates portable pumping, ventilation and other equipment necessary to support and accomplish assigned tasks.
  - Assists other trades in the performance of their work, as required, or as assigned.

- Lockout/Tagout of equipment to facilitate maintenance.
- Installs safety rails, changes light bulbs and replaces HVAC filters.

**SECONDARY DUTIES:**

- Performs related duties as required.
- Promotes and participates in the cross-functional work practices.

**MINIMUM QUALIFICATIONS:**

Education and Experience:

- (A) Basic reading, writing, mathematical, scientific and oral communication skills as normally attained through a high school education or the equivalent; and
- (B) Requires from six (6) to twelve (12) months of related buildings and grounds experience.
- (C) Satisfactory completion of training in accordance with cross-functional training program established at the MWRA.
- (D) Any equivalent combination of education/training and experience.

Necessary Knowledge, Skills and Abilities:

- (A) A working knowledge of the methods and tools required to perform building and grounds maintenance functions, to include the operation of a wide variety of machinery, vehicles, material handling equipment, hand and power tools and specialized machinery for roads, grounds, galleries, structures and facilities care.
- (B) Ability to follow written and oral instructions.
- (C) Skill in the operation of the listed tools and equipment.

**SPECIAL REQUIREMENTS:**

- A valid Massachusetts Class D Motor Vehicle Operators License.
- Complete competency based training program related to **ESSENTIAL DUTIES AND RESPONSIBILITIES** as outlined above and successfully demonstrates required competencies.



### **TOOLS AND EQUIPMENT USED:**

Motor vehicle, power and hand tools, mobile radio, telephone, beeper.

### **PHYSICAL DEMANDS:**

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to use hands to handle, finger, feel or operate objects, tools, or controls and reach with hands and arms. The employee frequently is required to stoop, kneel, crouch or crawl. The employee occasionally is required to stand, walk, talk or hear, sit, climb, or balance.

### **WORK ENVIRONMENT:**

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job.

While performing the duties of this job, the employee regularly works in outside weather conditions. The employee regularly works near moving mechanical parts and is occasionally exposed to wet and/or humid conditions and vibration. The employee occasionally works in precarious places and is occasionally exposed to fumes or airborne particles, toxic or caustic chemicals, and risk of electrical shock.

The noise level in the work environment is very loud in field settings and moderately loud at other work locations.

**December, 2001**



# MASSACHUSETTS WATER RESOURCES AUTHORITY

Charlestown Navy Yard  
100 First Avenue, Building 39  
Boston, MA 02129

Frederick A. Laskey  
Executive Director

Telephone: (617) 242-6000  
Fax: (617) 788-4899  
TTY: (617) 788-4971

## REVISED

### BOARD OF DIRECTORS' MEETING

to be held on

Wednesday, June 5, 2013

Location: 100 First Avenue, 2nd Floor  
Charlestown Navy Yard  
Boston, MA 02129

Time: 1:00 p.m.

### AGENDA

I. APPROVAL OF MINUTES

II. REPORT OF THE CHAIR

III. REPORT OF THE EXECUTIVE DIRECTOR

IV. BOARD ACTIONS

A. Approvals

1. MWRA FY14 Insurance Program Renewal (ref. AF&A A.1)
2. Wastewater Advisory Committee Contract (ref. WW A.1)
3. Water Supply Citizens Advisory Committee Contract (ref. W B.1)
4. PCR Amendments – June 2013 (ref. P&C A.1)

B. Contract Awards

1. Weston Aqueduct Supply Main 3 Design, Construction Administration and Resident Engineering Services: Fay, Spofford & Thorndike, LLC, Contract 6539 (ref. W C.1)

**C. Contract Amendments/Change Orders**

1. Crane Maintenance Service: Safeway Overhead Crane Service, Inc., Contract OP-200, Change Order 1 (ref. WW B.1)

**V. CORRESPONDENCE TO THE BOARD**

**VI. OTHER BUSINESS**

- A. Extension of Contract for Executive Director
- B. Extension of Contract for Chief Operating Officer
- C. Quincy Mitigation

**VII. EXECUTIVE SESSION**

A. Litigation

1. Water Main Break Case: Mediation Session with Victaulic Company

B. Security

1. Hultman Aqueduct

**VIII. ADJOURNMENT**

**REVISED**

**Meeting of the Board of Directors**

**May 15, 2013**

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on May 15, 2013 at the Authority headquarters in Charlestown. Chairman Sullivan presided. Present from the Board were Ms. Wolowicz and Messrs. Barrera, Carroll, Cotter, Foti, Pappastergion, Swett, Vitale and Walsh; Mr. Flanagan was absent. Among those present from the Authority staff were Frederick Laskey, Executive Director, Steven Remsberg, General Counsel, Michael Hornbrook, Chief Operating Officer, Rachel Madden, Director of Administration and Finance, and Bonnie Hale, Assistant Secretary. The meeting was called to order at 1:00 p.m.

**APPROVAL OF MINUTES**

Upon a motion duly made and seconded, it was

Voted to approve the minutes of the Board of Directors' meeting of April 10, 2013, as presented and filed with the records of the meeting.

**REPORT OF THE CHAIR**

Mr. Sullivan congratulated MWRA on receiving a Drinking Water Excellence award from the Department of Environmental Protection.

**REPORT OF THE EXECUTIVE DIRECTOR**

In response to a question from the Board of Directors, Mr. Laskey handed out a memo providing information regarding the impact upon community assessments of adding a new customer with average water use of 1 million gallons a day. He also reported that Judge

Stearns had taken a tour of the Cambridge and Mystic River CSO projects and that a discussion would be held in Executive Session under the security exemption regarding the May 14<sup>th</sup> trespassing incident at the Quabbin Reservoir.

BOARD ACTIONS

APPROVALS

Bond Defeasance of Future Debt Service

Upon a motion duly made and seconded, it was

Voted to authorize the Executive Director or his designee, on behalf of the Authority, to enter into, execute and deliver all necessary agreements or other instruments and to take such other actions necessary to effectuate the redemption and defeasance of an aggregate principal amount of approximately \$23,810,000 of outstanding MWRA senior and subordinate 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 \$26,285,575 in the FY14 through FY16 timeframe.

PCR Amendments – May 2013

Upon a motion duly made and seconded, it was

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

Extension of Employment Contract, Administrative Assistant, Clinton Wastewater Treatment Plant

Upon a motion duly made and seconded, it was

Voted to approve the renewal of a part-time employment contract for Ms. Jane Densmore, Administrative Assistant, Clinton Wastewater Treatment Plant, for a period of one year, from July 1, 2013 to June 30, 2014, increasing the hourly rate from \$21.32 to \$21.75, for an annual compensation not to exceed \$22,620.00.

CONTRACT AWARDS

Arbitrage Rebate Calculation Services: PFM Asset Management LLC, Contract F225

Upon a motion duly made and seconded, it was

Voted to approve the recommendation of the Consultant Selection Committee to select PFM Asset Management LLC to provide Arbitrage Rebate Calculation Services in connection with the Authority's multi-billion dollar capital program and to authorize the Executive Director, on behalf of the Authority, to execute Contract F225 with PFM Asset Management LLC in an amount not to exceed \$92,900.00 for a term of three years from June 15, 2013 to June 14, 2016.

Grit and Screenings Hauling and Disposal: W. L. French Excavating Corporation, Contract OP-209

Upon a motion duly made and seconded, it was

Voted to approve the award of Contract OP-209, Grit and Screenings Hauling and Disposal, to the lowest eligible and responsible bidder, W.L. French Excavating Corporation, and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$1,749,090.70 for a term of 730 calendar days from the Notice to Proceed.

Technical Assistance Consulting Services for the Carroll Water Treatment Plant: Contract 7406, Fay, Spofford & Thorndike, LLC

Upon a motion duly made and seconded, it was

Voted to approve the recommendation of the Consultant Selection Committee to select Fay, Spofford & Thorndike, LLC to provide technical assistance consulting services for the Carroll Water Treatment Plant and to authorize the Executive Director, on behalf of the Authority, to execute Contract 7406 with Fay, Spofford & Thorndike, LLC in an amount not to exceed \$750,000.00 for a term of two years from the Notice to Proceed.

EXECUTIVE SESSION

It was moved to enter executive session to discuss litigation, real estate and security.

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

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Barrera		
Carroll		
Cotter		
Foti		
Pappastergion		
Swett		
Vitale		
Walsh		
Wolowicz		
Sullivan		

Voted to enter executive session for the purpose of discussing strategy with respect to litigation and to consider the purchase, exchange, lease or value of real property in that such discussion in open session may have a detrimental effect on the litigating and negotiating position of the Authority and to discuss the deployment of security personnel or devices, or strategies with respect to security.

It was stated that the meeting would return to open session to take up the postponed agenda item -- Authority Accountability and Transparency Act (AATA) -- earlier referred by the Personnel and Compensation Committee to the full Board; and to thereafter adjourn.

Board members and the Executive Director were reminded by the General Counsel that the AATA statute required that Board members meet independently of management in open session and that Board members could consider such actions, if any, related to the review, evaluation and establishment of executive compensation as the Board deemed appropriate.

\* \* \* \*

EXECUTIVE SESSION

\* \* \* \*

The meeting returned to open session at 2:05 p.m.

ANNUAL MEETING UNDER THE AUTHORITY ACCOUNTABILITY AND TRANSPARENCY ACT

The aforementioned meeting, conducted by the full Board, was held independent of management. Present from the Board were Ms. Wolowicz and Messrs. Barrera, Carroll, Cotter, Foti, Pappastergion, Sullivan, Swett, Vitale and Walsh. Present from the Authority staff was non-manager Bonnie Hale, recording secretary.

In accordance with the statute, the Board analyzed and assessed the data provided regarding executive compensation at comparable state agencies and authorities, as well as at for-profit and non-profit private sector entities. There was general discussion, and it was noted that level of MWRA executive compensation was in the middle range of similar positions at other entities.

Executive Director Performance Evaluation

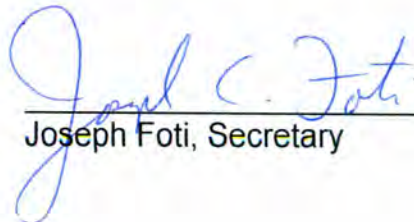
Upon a motion duly made and seconded it was

Voted to rate the performance of the Executive Director for FY13 as Excellent and to hold any salary increase in abeyance until after such time as an increase for management staff was recommended.

The meeting was thereafter adjourned at 2:20 p.m.

Approved: June 5, 2013

Attest:

  
\_\_\_\_\_  
Joseph Foti, Secretary