



MASSACHUSETTS WATER RESOURCES AUTHORITY

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

Frederick A. Laskey
Executive Director

Chair: B. Card
Vice-Chair: J. Carroll
Secretary: A. Pappastergion
Board Members:
P. Flanagan
J. Foti
B. Peña
H. Vitale
J. Walsh
P. Walsh
M. White-Hammond
J. Wolowicz

BOARD OF DIRECTORS' MEETING

To be Held on Wednesday, December 14, 2022

Time: 10:00am

**To be Held Virtually Pursuant to An Act Relative to
Extending Certain State of Emergency Accommodations**

WebEx Meeting Link (Registration Required)

<https://mwra.webex.com/weblink/register/r3b28cc1aa1a8aa090a998a3c4334502f>

Event Number: 2333 928 3512

Password: 121422

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AGENDA

I. APPROVAL OF MINUTES

II. REPORT OF THE CHAIR

III. REPORT OF THE EXECUTIVE DIRECTOR

IV. EXECUTIVE SESSION

i. Approval of November 16, 2022 Executive Session Minutes

A. Real Estate

1. Watershed Land Acquisition

V. ADMINISTRATION, FINANCE & AUDIT

A. Information

1. Delegated Authority Report – November 2022
2. Internal Audit Department Activities Report – FY2022
3. FY23 Financial Update and Summary through November 2022

B. Approvals

1. Appointment of Proxy for Fore River Railroad Corporation: Matthew R. Horan; and Direction of the Proxy to Elect FRRC Board Members: David W. Coppes, Rose Marie Convery, Thomas J. Durkin, Carolyn M. Fiore, Michele S. Gillen, Frederick A. Laskey, Carolyn M. Francisco Murphy, Brian Peña and John J. Walsh
2. Proposed Amendments to the Management Policies of the Board of Directors and MWRA Purchasing Policies and Procedures

VI. WASTEWATER POLICY & OVERSIGHT

A. Information

1. Operations and Maintenance of the Fore River Pelletizing Plant Update
2. Public Meeting for the Development of the Updated CSO Control Plan

B. Approvals

1. Approval of Appointment of Jim Ferrara to the Wastewater Advisory Committee

VII. WATER POLICY & OVERSIGHT

A. Contract Awards

1. Metropolitan Water Tunnel Program, Geotechnical Support Services: GEI-McMillen Jacobs JV, Contract 7557

B. Contract Amendments/Change Orders

1. Quabbin Aqueduct Shaft 2 Repairs: Unified Contracting, Inc., Contract 7198, Change Order 2

VIII. PERSONNEL & COMPENSATION

A. Approvals

1. PCR Amendments – December 2022
2. Appointment of Tracy Leonard, Manager, Policy & Planning Support, Operations

B. Contract Amendments/Change Orders

1. Extension of Employment Contract of Ward Merithew, Copy and Supply Clerk, Administration Division

IX. CORRESPONDENCE TO THE BOARD

1. Auditor's Letter Accompanying the Audited Financial Statements

X. OTHER BUSINESS

XI. ADJOURNMENT

MASSACHUSETTS WATER RESOURCES AUTHORITY

I
12/14/22

Meeting of the Board of Directors
November 16, 2022

A meeting of the Massachusetts Water Resources Authority (“MWRA”) Board of Directors was held on November 16, 2022. The meeting was conducted via remote participation by the Board of Directors pursuant to Chapter 20 of the acts of 2021 and subsequent acts extending certain COVID-19 measures adopted during the state of emergency.

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

MWRA Executive Director Frederick Laskey, General Counsel Carolyn Francisco Murphy and Chief Operating Officer David Coppes participated remotely from MWRA headquarters. Other MWRA staff in attendance remotely included Thomas Durkin, Director, Finance; Carolyn Fiore, Deputy Chief Operating Officer; Michele Gillen, Director, Administration; Kathy Murtagh, Director, Tunnel Redundancy; Patterson Riley, Special Assistant For Affirmative Action; Paula Weadick, Director, MIS; Andrea Murphy, Director, Human Resources; Denise Breiteneicher, Program Manager, Energy and Environment; Matthew Horan, Deputy Director of Finance/Treasurer; Rita Mercado, Acting Director, Procurement; Betsy Reilley, Director, ENQUAL; Maret Smolow, Program Manager, Environmental Compliance and Monitoring; Meredith Norton, Program Manager, Engineering and Construction; Cori Barrett, Director, Construction; Marty McGowan, Construction Coordinator, Engineering and Construction; Stephen Estes-Smargiassi, Director, Planning and Sustainability; Rebecca Weidman, Director, Environmental and Regulatory Affairs; Patricia Mallett, Program Manager, Engineering and Construction; and, John Colbert, Chief Engineer; and Assistant Secretaries Ria Convery and Kristin MacDougall. Vandana Rao, Executive Office of Environmental Affairs (EEA), and Joseph Favaloro, MWRA Advisory Board, were also in attendance remotely.

Chair Card called the meeting to order at 12:37pm. MWRA General Counsel Francisco Murphy took roll call of Board Members in attendance. The Chair announced that except for Executive Session, the meeting was open to the public virtually, via a link posted on MWRA’s website. She added that the meeting would be recorded, and that the agenda and meeting materials were available on MWRA’s website. Chair Card announced that the meeting would move into Executive Session after the Executive Director’s report, and that the Open Session would resume after the adjournment of Executive Session. She also announced that individual roll call votes would be conducted after each motion was made and given an opportunity for discussion.

APPROVAL OF OCTOBER 19, 2022 MINUTES

A motion was duly made and seconded to approve the minutes of the Board of Directors’ meeting of October 19, 2022.

Chair Card asked if there was any discussion or questions from the Board. Hearing none, she

requested a roll call vote in which the members were recorded as follows:

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

(ref. I)

REPORT OF THE CHAIR

Chair Card provided an update on drought conditions across the Commonwealth. She reported that the Central, Southeast and Western regions were no longer in a drought, and that the Northeast, Cape Cod and Connecticut River Valley regions had been upgraded to a level one mild drought. She advised that it takes time to come out of a drought with respect to groundwater, particularly at Cape Cod and the Islands. She thanked her colleagues and members of the public for conserving water during the summer, noting that these measures helped Massachusetts to rebound from the drought more quickly, and encouraged continued conservation. She added that EEA would continue to monitor drought conditions and that the Drought Management Task Force would meet on December 7, 2022. Next, Chair Card advised that Governor Baker had signed a \$3.6 billion economic development bill on November 10, 2022, as part of a supplemental and economic development package that included the utilization of American Rescue Plan Act (ARPA) and Forward Act Funds, such as: \$100 million for core infrastructure; \$150 million for clean energy and electric vehicles; \$75 million for park lands and open space; \$25 million for food security infrastructure grants; \$115 million for the Clean Water Trust and water and sewer related infrastructure work (with \$15 million allocated to Cape Cod and infrastructure improvements); and, \$12 million for agriculture and the cranberry sectors. (ref. II)

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Laskey noted that MWRA had recently received delivery of 400,000 gallons of diesel fuel to Deer Island at \$3.60 per gallon, only 3 cents per gallon over the budgeted amount. He then outlined a number of Wachusett Rail Line safety improvements that CSX was undertaking, including extensive vegetation control, the installation of heavier rails, and railroad tie replacement. Next, Mr. Laskey provided a brief update on the Water System Expansion Studies. He reported that an increasing number of municipalities had expressed interest in connecting to the MWRA water system, with PFAS concerns as notable driving factors. Finally, he advised that staff had produced regional Expansion Study reports and were meeting with communities. (ref. III)

EXECUTIVE SESSION

Chair Card requested that the Board move into Executive Session to discuss real estate, since

Open Session may have a detrimental effect on the negotiating position of the Authority. She announced that the planned topic of discussion in Executive Session was watershed land acquisition. She announced that the Board would return to Open Session after the conclusion of Executive Session.

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

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

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

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

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

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

*** EXECUTIVE SESSION ***

The meeting entered Executive Session at 12:46pm and adjourned at 12:54pm.

*** CONTINUATION OF OPEN SESSION ***

PERSONEL AND COMPENSATION

Approvals

Recommendations for Bargaining Unit Pay Equity Adjustments

A motion was duly made and seconded to accept the recommendations of the pay equity consultant Hirsch Roberts Weinstein LLP and approve the salary adjustments for Bargaining Unit

positions summarized in Attachment B of the November 16, 2022 Staff Summary presented and filed with the records of this meeting, effective October 1, 2021.

MWRA Director of Human Resources Andrea Murphy updated Board Members on the results of a pay equity study for Collective Bargaining Unit employees that was conducted under the Massachusetts Equal Pay Act (MEPA). She explained the Act's provision that the same rate of pay must be paid to employees who perform comparable work, regardless of gender. Ms. Murphy reported that staff evaluated 1,027 employees in 509 unique titles. She presented a list of comparable factors used to create 194 study groups. Finally, Ms. Murphy advised that the study consultant and staff recommended a total of nine pay adjustments.

Chair Card asked if there was any discussion or questions from the Board. Mr. Vitale asked about the effective date of MEPA and the pay adjustments, and whether negotiations were required with the unions. Ms. Murphy confirmed that MEPA was effective in July, 2018, that the proposed pay adjustments would be retroactive to October, 2021 when the data was available, and that the proposed pay adjustments were discussed with the unions who were supportive of the amendments. Reverend White-Hammond asked whether the unions played a role or were presented with the information. Ms. Murphy advised that the results of the evaluation were shared with the unions who agreed that the adjustments were warranted.

Hearing no further discussion Chair Card requested a roll call vote in which the members were recorded as follows:

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

(ref. V A.1)

ADMINISTRATION, FINANCE AND AUDIT

Information

FY2023 First Quarter Orange Notebook

MWRA Chief Operating Officer David Coppes described staff's use of the Orange Notebook for shorter-term strategic planning, and explained that the Business Plan was used for longer-term planning. Mr. Coppes then presented FY23 First Quarter Orange Notebook highlights for drought impacts on MWRA operations, including reduced precipitation and flows at the Deer Island Treatment Plant and four National Pollutant Discharge Elimination (NPDES) violations at the Clinton Wastewater Treatment Plant. Mr. Coppes reported that two of the Clinton NPDES violations were for effluent copper levels due to low flows; one was for a 12-month rolling average

flow volume exceedance; and, one was for a toxicity test that was below the minimum permit limit. He explained that the toxicity test was highly variable, the exceedance did not impact operations, and that its cause was not yet determined. Next, Mr. Coppes turned focus to the drought's impact on water system operations. He reported that drought conditions resulted in significantly higher water use in the first quarter of FY23 vs. the first quarter of FY22. He reported that Cambridge took a lot more water than it typically does due to a PFAS contamination issue in their water supply; that Wellesley saw a 44% increase in its water use also due to PFAS; and that partially supplied users of Burlington and Dedham Westwood. He noted that despite the drought and increased withdrawals, the Quabbin Reservoir had remained within normal operating range. Finally, Mr. Coppes reported that reduced runoff at the Wachusett Reservoir and increased transfers from the Quabbin Reservoir had improved MWRA's overall water quality, which in turn resulted in decreased chlorine and ozone demand, better distribution system disinfection residuals, and potentially lowered lead corrosivity levels.

Chair Card asked if the Clinton Treatment Plant NPDES violations had triggered any regulatory actions. Mr. Coppes responded in the negative.

Chair Card asked if there was further discussion or any questions from the Board. Hearing none, she invited Mr. Laskey to offer remarks on the pay equity study (ref. V A.1). Mr. Laskey explained that the study was a complex undertaking, and thanked staff for their hard work. He added that pay equity is an important issue at MWRA, and that he supported the study's results.

Hearing no further discussion or questions, Committee Member Peña moved to the next Information item. (ref. VI A.1)

FY21-FY25 Strategic Business Plan: Annual Update for FY22

MWRA Deputy Chief Operating Officer Carolyn Fiore provided background on the development and purpose of MWRA's Business Plan. She noted that the Business Plan was updated every five years, and that diversity, equity and inclusion and work force development strategies had been added in the last update. Finally, Ms. Fiore explained that FY22 represented year two of the current five-year Business Plan cycle, and noted that representatives of the Massachusetts Cannabis Commission had used MWRA's business plan as a model for their own plan. Next, MWRA Energy and Environment Program Manager Denise Breitenicher summarized Business Plan progress highlights for FY22. She informed Board Members the annual Business Plan development process included the reprioritization of initiatives, such as the FY22 addition of electrification initiatives under Governor Baker's Executive Order 594. Ms. Breitenicher then explained that the Business Plan was organized by categories that included core activities, such as pipeline repair and water and wastewater services and special projects/other specific goals, which were 16% complete as of FY22, with 70% showing significant progress. She noted that incomplete special projects/other specific goals were often due to factors beyond MWRA's control such as regulatory timelines or understaffing issues.

Mr. Peña asked if there was any discussion or questions from the Board. Hearing none, he moved to the next Information item. (ref. VI A.2)

Delegated Authority Report – October 2022

Committee Member Peña invited questions for staff from the Board. Hearing none, he moved to the next Information item. (ref. VI A.3)

FY23 Financial Update and Summary through October 2022

MWRA Finance Director Thomas Durkin summarized financial highlights through October 2022. He reported that Direct Expenses were under budget by \$6.3 million (-7.1%), of which \$4 million was attributable to staffing challenges. He noted that MWRA's Full Time Equivalents (FTE) for October were 113 positions below the budgeted count (1,167). Next, Mr. Durkin reported that Indirect Expenses were \$582,000 (-2.6%) under budget, driven by watershed protection program reimbursements, and that Capital Finance was \$1.8 million (-1.2%) under budget. He then referred to Attachment 1 of the corresponding Staff Summary with regards to some emerging themes, such as inflation and interest rates. He noted that inflation rates had dropped in the past two months, but were still high at 7.7% and described inflationary impacts to MWRA budgets. He noted that energy and utilities were underspent overall (-\$526,000), but that electricity was over budget (+\$857,000). He explained that higher electricity costs were offset by strategic diesel fuel purchases, with expenses due in November 2022. Next, Mr. Durkin advised that the federal interest rate target range had recently risen to approximately 4%, which impacted MWRA's budgetary assets and liabilities. He reported that MWRA's money market assets were yielding higher rates (+2.0% - +2.25%) than budgeted (+1.02%), netting \$668,000 over budget revenue estimates. He then briefly described MWRA's investment and reinvestment strategies and noted that staff expected to see a positive variance for investment income. He then reported on the variable rate debt and the bumping up of interest rates from what was budgeted. He advised that the difference between staff's assumed rate and the actual rate was decreasing, causing a lower variance. Finally, Mr. Durkin noted that staff normally recommended that positive budget variances be applied to defeasances. He advised that the compressive impacts of interest rates and inflation could result in smaller than usual defeasances for FY23.

Mr. Vitale asked for the amount of MWRA's total outstanding variable rate debt. Mr. Durkin explained that MWRA's total outstanding variable rate debt had peaked at over \$1 billion/\$1.5 billion, and was currently in the \$400 million range. Mr. Vitale then asked for MWRA's total outstanding debt amount. MWRA Deputy Director of Finance/Treasurer Matthew Horan advised that it's \$4.3 billion. Mr. Vitale asked how many liquidity facilities MWRA had outstanding, and their average interest rate. Mr. Horan explained that MWRA had four liquidity facilities outstanding: two letters of credit and the remainder standby bond purchase agreements, which ranged from approximately 26.5 to 42 basis points, depending on the duration of the facility, staggered over time. Mr. Vitale asked when the earliest credit facility would expire. Mr. Horan advised that the next credit facility would expire in April, the one with 26.5 basis points. Mr. Vitale asked for more information about staff's decision process regarding selecting letters of credit vs. standby bond purchase agreements. Mr. Horan explained that staff typically choose standby bond purchase agreements because they are a lower cost, but for the last couple of times the price was the same for both, so MWRA selected the letter of credit because it provided more security to the bondholder and could reduce interest costs. (ref. VI A.4)

Mr. Peña asked if there was further discussion or questions from the Board. Hearing none, he moved to Approval items. (ref. VI A.4)

Approvals

Pilot Program for Use of Statewide Professional Services Contracts

A motion was duly made and seconded to authorize a one-year pilot program to allow the Authority to utilize Statewide Professional Services Contracts managed by the Commonwealth of Massachusetts' Operational Services Division for the procurement of professional services within the Executive Director's Delegated Authority.

MWRA Acting Director of Procurement Rita Mercado outlined the reasons for MWRA's recommendation to authorize a one-year pilot program to use Massachusetts Operational Services Division (OSD) statewide contracts for professional services. She explained that OSD is the state purchasing agent for the Commonwealth, and that MWRA's Enabling Act permitted MWRA to enter into agreements under the statewide collective purchasing program for the procurement of certain goods and services; however, MWRA's policy for procurement of professional services specifies a method of procurement for such services that does not include use of OSD statewide contracts. Ms. Mercado added that the proposed pilot program would allow staff to assess whether any updates to existing management policy were needed to permit the use of the OSD statewide professional services program in the future, and to determine if any other policy updates were necessary to promote fair and cost-effective procurements. Finally, she noted that if the Pilot Program were approved, any professional services contracts entered into via the OSD statewide program would be listed on the Delegated Authority report.

Rev. White-Hammond asked how the proposed pilot program could impact MWRA's ability to contract with smaller businesses, particularly minority and women owned businesses (MBE/WBEs). Ms. Mercado explained that the OSD issues Contract User Guides that identify small businesses and MBE/WBEs within its listings of prequalified firms; and that MBE/WBE participation was required in some service categories. Chair Card asked if the OSD program would broaden MWRA's reach in soliciting qualified professional services contractors. Ms. Mercado responded in the affirmative, and explained that the pilot program would offer MWRA stronger buying power and a wider range of qualified service providers. Mr. Laskey added that the pilot program would facilitate engagement with a larger number of qualified providers in Massachusetts. Board Member Jack Walsh asked how the proposed pilot program would be evaluated. Ms. Mercado suggested that a helpful evaluation metric would be the program's success in increasing the number of qualified, available vendors, which would in turn increase vendor competition and potentially result in lower costs. She noted that competition for smaller MWRA professional service contracts was currently low and that open procurements for smaller contracts were less attractive to vendors because they imposed administrative and financial burdens. Mr. Walsh requested more information about staff's plan to evaluate the pilot program. Mr. Laskey explained that staff could evaluate the program by tracking the qualifications of vendors, including experience, locality, references, and MBE/WBE/small business/Veteran status. Chair Card echoed Mr. Laskey's remarks and suggested that staff could also compare their experiences and the outcomes of the OSD procurement process with those of the current

open bidding process. Rev. White-Hammond also recommended some evaluation metrics, including the total number of bids submitted, diversity of bids submitted, quality of scopes compared to those received in the past and MBE/WBE participation, to access to quality bidders. Mr. Peña noted that he had reviewed an OSD user guide for facilities engineering services and found approximately 50 prequalified vendors, and was pleased that it included supplier diversity requirements and listed Supplier Diversity Office (SDO) certified vendors.

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

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

(ref. VI B.1)

Contract Amendments/Change Orders

Data Analyst Consultant: Clovity Inc., Bid WRA-5126Q, State Contract ITS77 Category 1A and 1B, Amendment 1

A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to approve Amendment 1 to Purchase Order Contract WRA-5126Q, Data Analyst Consultant, with Clovity, Inc., increasing the contract amount by \$165,750, from \$82,875 to an amount not-to-exceed \$248,625, and extending the contract term by twelve months, from November 30, 2022 to November 30, 2023.

MWRA MIS Director Paula Weadick explained that MIS had a number of vacancies for which it has been challenged in filling, and that staff augmentation has been used to provide the needed services. She explained that the existing contractor performed work in a hard-to-fill, vacant position in MIS and has been performing well.

Mr. Jack Walsh requested more information about the timeline of the proposed contract extension. Ms. Weadick explained that the contractor was working on a four-phased enterprise content management implementation project, and that the contractor's tasks were expected to be complete in November 2023. Mr. Walsh asked if a full-time staff member could easily transition into the contractor's role. Ms. Weadick explained that the ease of such a transition would depend on the staff member's level of experience.

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

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

(ref. VI C.1)

Security Guard Services for Various MWRA Facilities: Universal Protection Service, LLC d/b/a Allied Universal Security Services, Contract EXE-041, Amendment 2

A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to execute Amendment No. 2 to Contract EXE-041, Security Guard Service for Various MWRA Facilities, with Universal Protection Service, LLC d/b/a Allied Universal Security Services, exercising the second and final option to renew, increasing the total contract price by \$2,583,482.24, from \$8,964,328.20 to an amount not to exceed \$11,547,810.44, and extending the contract term by 365 calendar days, from February 6, 2023 to February 6, 2024.

MWRA Security Services Manager Kathryn White explained that staff were proposing the second, and final, one-year extension option to an existing contract with Allied Universal Security Services and noted that the current contract staff have performed at a high level.

Mr. Vitale requested more information about the contract security staff's schedules. Ms. White provided details about security staff's schedules at multiple MWRA locations.

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

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

(ref. VI C.2)

WASTEWATER POLICY AND OVERSIGHT

Information

Clinton Wastewater Treatment Plant Reissued National Pollutant Discharge Elimination Permit (NPDES) Permit

MWRA Director of ENQUAL Betsy Reilley informed Board members that the EPA and DEP had recently issued a Medium General Permit for MWRA's Clinton Wastewater Treatment Plant. She explained that the Medium General Permit for the Clinton plant was comprised of general requirements as well as facility-specific limits. She then outlined some new requirements under the new permit, including stricter ammonia limits for effluent; new PFAS monitoring requirements for influent, effluent, sludge and industries; and for nitrogen. She advised that none of these new limits were expected to affect plant operations or compliance. Next, Dr. Reilley noted that the new permit for the Clinton plant represented a continuation of EPA Region One's practice of naming co-permittees for regional facilities (in this case the Town of Clinton and the Lancaster Sewer District). She noted that co-permittees have requirements for the operations and maintenance of sewer systems, rapid sanitary sewer overflow notifications and backup power. She advised that MWRA would submit a Notice of Intent to DEP/EPA to request coverage under the new permit program by the December 1, 2022 deadline. Finally, Dr. Reilley explained that the current Clinton Treatment Plant monitoring requirements would remain in effect until EPA issued authorization to discharge under the new permit.

Chair Card asked if the new permit requirements for PFAS were monitoring only. Dr. Reilley explained that the new permit would be monitor and report only, with no defined limits. Rev. White-Hammond asked if staff this was a precursor to something more robust. Dr. Reilley explained that it was possible, but not a concern at this time. Rev. White-Hammond then asked if the new requirements could potentially pressure communities to join the MWRA system. Chair Card briefly described the typical timeline of EPA's issuance of monitoring requirements through the imposition of limits, and noted that many Massachusetts communities would be impacted by PFAS limit requirements because PFAS contamination was pervasive nationwide. Mr. Coppes explained that the EPA's introduction of new monitoring requirements for PFAS in wastewater was analogous to its UCMR (Unregulated Contaminant Monitoring Rule) for drinking water; the UCMR requires all water suppliers to monitor PFAS in drinking water, and the EPA may use the data to learn more and potentially develop new regulations. Rev. White-Hammond suggested potentially higher level strategic discussions on the issue. Mr. Laskey agreed and briefly noted the potential impacts of PFAS limits on the fertilizer pellets. Chair Card acknowledged that the development of new PFAS limits on water and wastewater posed environmental, logistical and financial complexities.

Mr. Vitale asked Dr. Reilley to provide an example of "anti-backsliding regulations," as referenced in the corresponding Staff Summary. Dr. Reilley provided the example of phosphorus: if MWRA met existing phosphorus limits, the EPA would not "backslide" the phosphorus regulation by imposing less restrictive phosphorus limits in subsequent permits.

Committee Chair Jack Walsh asked if there was further discussion or questions from the Board. Hearing none, he moved to Contract Awards. (ref. VII A.1)

Contract AwardsAgency-Wide Technical Assistance Consulting Services: Hazen and Sawyer, P.C., Contract 7990 and Kleinfelder Northeast, Inc., Contract 7991

A motion was duly made and seconded to approve the recommendation of the Consultant Selection Committee to award two separate contracts to provide agency-wide technical consulting services, and to authorize the Executive Director, on behalf of the Authority, to execute Contract 7990 with Hazen and Sawyer, P.C., and Contract 7991 with Kleinfelder Northeast, Inc., each in an amount not to exceed \$3,000,000 and for a contract term of 24 months from the Notice to Proceed.

MWRA Program Manager, Engineering and Construction Meredith Norton explained that MWRA has successfully used agency-wide technical assistance consulting services to support smaller projects, address immediate needs, and conduct studies and investigations. She added that MWRA's technical assistance consultants have been helpful with phased equipment replacement designs such as fuel tank and roof replacements, cathodic protection improvements, and top of shaft improvements.

There was brief discussion about Kleinfelder key personnel. Mr. Jack Walsh requested the amount of prior award for Kleinfelder and Hazen and Sawyer. Ms. Norton explained that the previous contracts totaled approximately \$2 million and had been amended. She added that technical assistance consulting contracts reliably provided services that were difficult to bid due to their relatively low contract amounts. Mr. Jack Walsh asked if \$3 million was an appropriate amount for these contracts. Ms. Norton responded in the affirmative.

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

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

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

(ref. VII B.1)

Contract Amendments/Change OrdersBattelle Memorial Institute, Contract OP-401A, Amendment 1 and Benthic, Fish and Shellfish Monitoring, Normandeau Associates, Inc., Contract OP-401B, Amendment 1

A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to approve separate amendments to the two harbor and outfall monitoring contracts as follows: Amendment 1 to Contract OP-401A, Harbor and Outfall Monitoring, Water Column Monitoring, with Battelle Memorial Institute, to increase the contract amount by \$856,568.79, from \$2,389,177.57 to \$3,245,746.36, and to increase the contract term by one year from January 2, 2024 to January 2, 2025; and Amendment 1 to Contract OP-401B, Harbor and Outfall Monitoring, Benthic, Fish and Shellfish Monitoring, with Normandeau Associates, Inc., to increase the contract amount by \$541,480.10, from \$1,399,332.30 to \$1,940,812.40, and to increase the contract term by one year from November 2, 2023 to November 1, 2024.

Dr. Reilley provided Board Members with background on MWRA's existing contracts with Battelle Memorial Institute and Normandeau Associates, Inc. for Harbor and Outfall Monitoring services. She explained that each of these three-year contracts began in 2020 and that the provisions for field work would expire at the end of 2022. She advised that staff favored one-year amendments to the current contracts because EPA was expected to issue a new NPDES permit for the Deer Island Wastewater Treatment Plant in early 2023 that could include changes to the monitoring program. Dr. Reilley explained that the exact timing of the final, new permit was uncertain, and briefly outlined the expected next steps of the permit review and comment process. Finally, Dr. Reilley advised that MWRA would be required to meet all current regulatory requirements until the new NPDES permit was finalized.

(Ms. Wolowicz returned to the meeting during the summary.)

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

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

(ref. VII C.1)

Nut Island Headworks Odor Control and HVAC Improvements: Walsh Construction Company II, LLC, Contract 7548, Change Order 12

A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to approve Change Order 12 to Contract 7548, Nut Island Headworks Odor Control and

HVAC Improvements, with Walsh Construction Company II, LLC for a lump sum amount of \$318,164.42, increasing the contract amount from \$59,601,480.20 to \$59,919,644.62, with no increase in contract term. Further, to authorize the Executive Director to approve additional change orders as may be needed to Contract 7548 in an amount not to exceed the aggregate of \$1,000,000, in accordance with the Management Policies and Procedures of the Board of Directors.

MWRA Director of Construction Cori Barrett introduced MWRA Construction Coordinator Marty McGowan, who presented a summary of the proposed change order for a Nut Island Headworks Odor Control and HVAC contract. Mr. McGowan advised that the project had been challenging with respect to implementing the integration of new fire alarm equipment into the existing systems. He explained that the proposed change order was necessary to support the installation of new conduit and wiring; the original project design did not include the necessary conduit and wiring to meet National Fire Protection Association (NFPA) and state building codes. Further, he explained that the proposed change order would support a City of Quincy Fire Department request for air handling unit modifications that would allow Quincy Fire Command Center staff to override and adjust the units remotely in the event of an emergency. Mr. McGowan then updated Board Members on the project's overall progress. Highlights included the commissioning of new wet scrubbers; the demolition of the existing horizontal carbon adsorbers and topping slab; and, the construction of new foundations to support new vertical carbon vessels. Next, he advised that carbon vessel installation was currently behind schedule due to supply chain issues, and that staff were negotiating a time extension of approximately six months. Mr. McGowan reported that 12 of 15 air handlers had been successfully installed, with two more expected to be complete by the end of 2022. Finally, Mr. McGowan noted that staff planned to focus on tuning new equipment in with the building management system in 2023.

Mr. Jack Walsh asked if new wet scrubbers had been installed at Nut Island. Mr. McGowan explained that they had been successfully installed and were currently operating.

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

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

(ref. VII C.2)

WATER POLICY AND OVERSIGHT

Information

Update on Lead and Copper Rule Compliance – Fall 2022

MWRA Director of Planning and Sustainability Stephen Estes-Smargiassi presented MWRA's Lead and Copper Rule compliance program highlights for Fall 2022. He noted that MWRA member communities conduct lead and copper sampling in homes that are likely to have high lead levels, those with lead service lines and those with copper pipe samples. He then explained that EPA had requested that MWRA and its water communities focus sampling on homes with lead service lines, and to increase the number of samples. He noted that staff were reporting on the results from 595 homes in this round of testing, and that MWRA's 90th percentile results were 7.3 parts per billion (ppb), well below the 15 ppb action level. He then advised that only one MWRA community, Winthrop, was above the Lead Action Level in the Fall 2022 testing round. He explained that the Town had subsequently issued a public notice of the Action Level exceedance in accordance with EPA's request that MWRA pilot aspects of the revised Lead and Copper Rule in advance of its taking effect in October 2024. He then described the Town's public notification approach for the Fall 2022 exceedance, which focused on the homes with lead service lines rather than the Town as a whole, and was distributed through reverse 911, sign boards, cable TV and the Town website. He added that the Winthrop exceedance was also covered by two regional press outlets. Mr. Estes-Smargiassi then presented updates on MWRA's Lead and Copper Program activities including school and childcare facility testing, zero interest loans to member communities for lead service line replacements; and work with communities to prepare for EPA's October 2024 revised Lead and Copper Rule compliance deadline, including inventories of each municipality's lead service lines. He then explained that the inventories could reveal new information about the number of community lead service lines, and that staff was working with municipalities to develop more detailed replacement programs as required under the new Rule. Mr. Estes-Smargiassi then advised that EPA had announced plans to make further changes to the new Lead and Copper Rule that could include the further reduction of the Lead Action Level, which could affect some member communities. Finally, he noted that staff was preparing MWRA's lead pipe test rig to test potential changes to corrosion control protocols and preparing to engage with a consultant to assist with evaluating the different types of treatment.

Mr. Vitale complimented MWRA's Lead and Copper Program and asked for more details on the Town of Winthrop's lead service line replacement program. Board Member Flanagan, who represents the Town of Winthrop, explained that the Town was making use of MWRA's Lead Service Line Replacement Program and offering service line replacements at no charge to homeowners. Mr. Estes-Smargiassi noted that he considered the Town of Winthrop's program to be exemplary. He explained that Winthrop's program included rapid response for affected homeowners and the replacement of approximately 100 lead service lines per year. Chief Flanagan added that there were currently approximately 400 lead service lines outstanding in the Town.

Committee Vice Chair Vitale asked if there was further discussion or questions from the Board. Hearing none, he moved to the next Information item. (ref. VIII A.1)

MWRA Water System Expansion Feasibility Studies

MWRA Director of Environmental and Regulatory Affairs Rebecca Weidman presented an update on MWRA's Water System Expansion studies. She reported that staff had recently completed studies for the Ipswich River Basin (12 communities) and the South Shore area (10 communities), and that a third study for the MetroWest region (15 communities) was underway. She explained that the goal of the studies was to determine if MWRA had sufficient water supply, water treatment and distribution/transmission capacity for the study areas. She noted the studies showed that MWRA theoretically had sufficient water to supply the Ipswich River Basin and South Shore study areas, but not enough to also supply the MetroWest region. She advised that the total number of communities that would actually join the MWRA water system had not yet been determined. Ms. Weidman then explained that two main factors were driving communities' interest in joining the MWRA system: stressed water basins and PFAS contamination, which is costly to remediate and expected to be subject to stricter federal regulations in the near future. Ms. Weidman then presented the most feasible options for fully supplying Ipswich River Basin and South Shore regions through MWRA's existing distribution system, both with an estimated timeframe of 20-25 years. She explained that the Ipswich River Basin would require the installation of a large diameter pipeline from the City Tunnel to Ipswich at an estimated cost of \$1 billion (September 2022 dollars); and the South Shore region would require the installation of a large diameter extending towards Scituate and Brockton, at a cost of approximately \$1.25 billion (September 2022 dollars). Next, Ms. Weidman reported that the completed Ipswich River Basin and South Shore study results would be posted on MWRA's website and distributed via press release. Finally, she noted that the MetroWest study was underway, and that outreach to communities continued, including work to seek funding opportunities and an upcoming workshop on regionalization hosted by the MWRA Advisory Board on December 5, 2022.

Mr. Vitale asked if there was any discussion or questions from the Board. Chair Card thanked MWRA, staff, Mr. Favaloro and the Advisory Board for all their work and partnership in completing the studies and rollout strategy. Hearing no further discussion or questions, Mr. Vitale moved to Contract Awards. (ref. VIII A.2)

Contract Awards

Metropolitan Water Tunnel Program Lease for Core Storage Facility: IC Needham Gould Portfolio, LLC, Contract W344

A motion was duly made and seconded to approve the recommendation of the Selection Committee to award lease W344, Metropolitan Water Tunnel Redundancy Program Core Storage Facility, to IC Needham Gould Portfolio LLC and to authorize the Executive Director, on behalf of the Authority, to execute said lease of approximately 19,070 square feet of warehouse and office space for rock core storage at Block 95 (in Block A of the buildings located at 110-116 Gould Street, 95-101 Hampton Avenue, 11 Ellis Street, and 45-55 Kearney Road) in Needham, Massachusetts, for an initial term of ten years from the date of occupancy, for an amount not to exceed the annual rent shown in Attachment A of the November 16, 2022 Staff Summary presented and filed with the records of this meeting, plus a proportional share of real estate taxes and operational costs, with a five-year option subject to agreement of the parties and further Board approval.

MWRA Director of Tunnel Redundancy Kathy Murtagh described the purpose of the proposed lease for the storage of Metropolitan Water Tunnel Program (MWTP) rock core, which would house activities such as the cataloging, processing, logging, and viewing of all geotechnical samples for the Program. She noted that staff had conducted a best value RFP process and received two proposals. She then explained that while the cost of the selected facility lease was slightly higher than that of the non-selected proposal, staff strongly believed that the recommended lease provided significant value with regards to efficiency and potential cost savings over time due to its location, size, loading and unloading facilities, building systems and fit-out. Finally, Ms. Murtagh noted that the Massachusetts Department of Capital Asset Management and Maintenance (DCAMM) had provided staff with a market survey of available industrial space in the area that showed that the proposed costs were within market range.

Mr. Vitale asked if the proposed lease cost could have risen significantly over the past year due to inflation. Ms. Murtagh advised that staff recognize the tightness of the market and supply and demand for real estate, and that it is hard to determine what this particular property would have cost a year ago; but that the proposed price was consistent with current market rates according to the DCAMM survey. There was general discussion about the impact of interest rates on landlords and tenants within the City of Boston with regards to rents and City water and sewer rates. Ms. Murtagh then noted that the proposed lease is based on DCAMM's form which provided a level of certainty with respect to costs, and that the proposed lessor had received excellent tenant references. Mr. Jack Walsh asked if the Program's geotechnical samples could be stored in an open facility. Ms. Murtagh explained that the samples required indoor handling and storage to protect their integrity, and added that the samples must be protected from the elements because they could be used in potential site conditions claims. She added that the practice of indoor geological sample storage was consistent with other MWRA tunnel projects, including the MetroWest Water Supply Tunnel. There was brief, general discussion about core sampling and storage processes, and the geological profiles of the planned MWTP sites as well as those of other MWRA tunnel sites.

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

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

(ref. VIII B.1)

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

A motion was duly made and seconded to approve the award of Contract 7380, Wachusett Dam Lower Gatehouse Pipe and Boiler Replacement, to the lowest responsible and eligible bidder, J.F. White Contracting Company, and to authorize the Executive Director, on behalf of the Authority, to execute said contract in the bid amount of \$19,333,573, with a contract term of 547 calendar days from the Notice to Proceed.

MWRA Program Manager, Engineering and Construction Patricia Mallett presented an overview of the scope and benefits of the Lower Gatehouse Pipe and Boiler Replacement Project. She began the presentation with a description of the lower gatehouse's location, history, functions and existing conditions. She explained that the project would extend the useful lives of four existing 48-inch cast iron outlet pipes that release water to the Wachusett Aqueduct and Nashua River. She further explained that the project was needed to address pipe and valve damage that resulted from an equalizer pipe failure in 2018; the damage currently required staff to manually operate the valves. Ms. Mallett then outlined the proposed scope of work, including the removal of the damaged equalizer pipe, relining of existing pipe, valve and heating system replacements, hazardous materials removal (including lead paint and asbestos tile) and the installation of a new restroom. She then presented the location of access points that would be used for the work. Next, she summarized the contractor procurement process and advised that MWRA received one bid, from J.F. White that was approximately \$7.7 million over the Engineer's Estimate. She explained that staff had met with J.F. White staff, who provided reasons for their bid price including risks associated with confined space work; current construction job market volatility; and, the rising costs for materials and equipment. Finally, Ms. Mallett noted that J.F. White had previously performed similar work at the Lower Gatehouse and that J.F. White staff were confident in their ability to complete this project.

The typographical error of the bid date in the presentation material was noted and corrected from November 21 to October 21. Rev. White Hammond requested more information about the expected useful life of the new boiler. Ms. Mallett explained that the typical life of the boiler system was approximately 25 years. Ms. White-Hammond asked staff about options other than use of a fossil fuel system. Ms. Mallett explained that an evaluation was performed, and that the benefits of a heat pump system when the building is only heated not cooled were not realized, making it significantly more expensive. Mr. Vitale asked why a contracting firm that participated in the site visit did not submit a bid. Ms. Mallett explained that the firm's was ineligible to bid as a general contractor due to its DCAMM certification limit. Mr. Vitale noted that inflation may have peaked and that the cost of materials and services could go down in the near future. Ms. Mallett advised on the operational urgency to fix the pipes. She explained that current conditions limit staff's capacity to release water to the Nashua River and Wachusett Aqueduct. Finally, she noted that that staff had extended the bid period to provide ample opportunities for more competitive bids.

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

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

(ref. VIII B.2)

Technical Assistance Consulting Services for the John J. Carroll Water Treatment Plant: Hazen and Sawyer P.C., Contract 7973, Stantec Consulting Services Inc., Contract 7974

A motion was duly made and seconded to approve the recommendation of the Consultant Selection Committee to award two separate contracts to provide Technical Assistance Consulting Services for the John J. Carroll Water Treatment Plant and to authorize the Executive Director, on behalf of the Authority, to execute Contract 7973 with Hazen and Sawyer, P.C. and Contract 7974 with Stantec Consulting Services Inc., each in an amount not to exceed \$2,000,000, with a contract term of 24 months from the Notice to Proceed.

MWRA Chief Engineer John Colbert described the scope of the proposed technical assistance contracts for the Carroll Water Treatment Plant and other Western Operations facilities. He provided examples of recent water projects performed under technical assistance contracts, including Lower Gate House design, Shaft Two repairs, and Southborough Headquarters switchgear upgrades. Finally, Mr. Colbert noted that MWRA had received two contract proposals for this procurement.

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

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

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

(ref. VIII B.3)

CORRESPONDENCE TO THE BOARD

There was no correspondence to the Board.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

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

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

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

The meeting adjourned at 2:48pm.

Approved: December 14, 2022

Attest:

Andrew M. Pappastergion, Secretary

STAFF SUMMARY

V A.1
12/14/22

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: December 14, 2022
SUBJECT: Delegated Authority Report – November 2022



COMMITTEE: Administration, Finance & Audit

X INFORMATION

VOTE


Michele S. Gillen

Director, Administration


Rita C. Mercado

Acting Director of Procurement

Barbara O'Connor, Admin. Systems Coordinator
Barbara Aylward, Administrator A & F
Preparer/Title

RECOMMENDATION:

For information only. Attached is a listing of actions taken by the Executive Director under delegated authority for the period November 1 – 30, 2022.

This report is broken down into three sections:

- Awards of Construction, non-professional and professional services contracts and change orders and amendments in excess of \$25,000, including credit change orders and amendments in excess of \$25,000;
- Awards of purchase orders in excess of \$25,000; and
- Amendments to the Position Control Register, if applicable.

DISCUSSION:

The Board of Directors' Management Policies and Procedures, as amended by the Board's vote on February 16, 2022, delegate authority to the Executive Director to approve the following:

Construction Contract Awards:

Up to \$3.5 million if the award is to the lowest bidder.

Change Orders:

Up to 25% of the original contract amount or \$1,000,000.00, whichever is less, where the change increases the contract amount, and for a term not exceeding an aggregate of six months; and for any amount and for any term, where the change decreases the contract amount. The delegations for cost increases and time can be restored by Board vote.

Professional Service Contract Awards:

Up to \$1,000,000 and three years with a firm; or up to \$200,000 and two years with an individual.

Non-Professional Service Contract Awards:

Up to \$1,000,000 if a competitive procurement process has been conducted, or up to \$100,000 if a procurement process other than a competitive process has been conducted.

Purchase or Lease of Equipment, Materials or Supplies:

Up to \$3.5 million if the award is to the lowest bidder.

Amendments:

Up to 25% of the original contract amount or \$500,000, whichever is less, and for a term not exceeding an aggregate of six months.

Amendments to the Position Control Register:

Amendments which result only in a change in cost center.

BUDGET/FISCAL IMPACT:

Recommendations for delegated authority approval include information on the budget/fiscal impact related to the action. For items funded through the capital budget, dollars are measured against the approved capital budget. If the dollars are in excess of the amount authorized in the budget, the amount will be covered within the five-year CIP spending cap. For items funded through the Current Expense Budget, variances are reported monthly and year-end projections are prepared at least twice per year. Staff review all variances and projections so that appropriate measures may be taken to ensure that overall spending is within the MWRA budget.

CONSTRUCTION/PROFESSIONAL SERVICES DELEGATED AUTHORITY ITEMS NOVEMBER 1 - 30, 2022

NO.	DATE OF AWARD	TITLE AND EXPLANATION	CONTRACT	AMEND/CO	COMPANY	FINANCIAL IMPACT
C-1	11/07/22	COOPERATIVE RESEARCH PROJECT TO CONDUCT WATER QUALITY MONITORING IN CAPE COD BAY AWARD OF A SOLE SOURCE CONTRACT TO CONDUCT PERMIT-REQUIRED WATER QUALITY MONITORING IN CAPE COD BAY FOR A TERM OF THREE YEARS.	OP-453	AWARD	CENTER FOR COASTAL STUDIES, INC.	\$417,982.00
C-2	11/14/22	MARLBOROUGH EMERGENCY PUMPING STATION CONNECTION FINAL BALANCING CHANGE ORDER TO DECREASE THE FOLLOWING BID ITEMS: UTILITY RELOCATION; OTHER DIRECT COSTS INCLUDED IN CHANGE ORDER NO. 3; AND ROCK EXCAVATION.	7791	5	GVC CONSTRUCTION, INC.	(\$114,834.69)
C-3	11/16/22	NUT ISLAND HEADWORKS ODOR CONTROL AND HVAC IMPROVEMENTS FURNISH AND INSTALL NEW STAINLESS STEEL DUCT AND SUPPORTS LOCATED IN THE ODOR CONTROL ROOM TO COMPLETE THE ODOR CONTROL SYSTEM; REIMBURSEMENT FOR COVID-19 COSTS; FURNISH AND INSTALL A CONCRETE-ENCASED DUCT BANK WITH SEVEN ONE-INCH CONDUITS FOR SECURITY, PAGE PARTY, FIRE ALARM AND CIRCUITS; REPLACE ALL OF THE ACID WASTE DISCHARGE PIPING WITH NEW PIPING; RELOCATE EXISTING CONDUITS AND WIRES FEEDING 120-VOLT LIGHTING PANEL, LIGHTING RECEPTACLES, FIRE ALARM SYSTEM AND SCADA SIGNALS FOR ODOR CONTROL FAN #1; INCREASE FIRE DEPARTMENT ALLOWANCE.	7548	11	WALSH CONSTRUCTION COMPANY II, LLC	\$662,554.51
C-4	11/22/22	BRAINTREE-WEYMOUTH IMPROVEMENTS DESIGN AND CONSTRUCTION ADMINISTRATION SERVICES EXTEND CONTRACT TERM BY 12 MONTHS FROM DECEMBER 17, 2023 TO DECEMBER 24, 2024 AND PROVIDE ADDITIONAL PROJECT MANAGEMENT SERVICES TO SUPPORT COMPLETION OF THE CONSTRUCTION.	7435	1	WRIGHT-PIERCE	\$154,650.00

PURCHASING DELEGATED AUTHORITY ITEMS NOVEMBER 1 - 30, 2022

NO.	DATE OF AWARD	TITLE AND EXPLANATION	CONTRACT	AMENDMENT	COMPANY	
P-1	11/03/22	RESCIND THE APPROVAL AND AWARD A PURCHASE ORDER FOR ONE NEW LATHE MACHINE RESCIND APPROVAL AND AWARD A PURCHASE ORDER FOR ONE NEW LATHE MACHINE FOR DEER ISLAND TO THE NEXT LOWEST RESPONSIVE BIDDER BECAUSE THE PREVIOUSLY AWARDED BIDDER REQUIRED A 30% DEPOSIT POST AWARD, WHICH WAS REJECTED BY STAFF.	WRA-5165		MSC INDUSTRIAL SUPPLY COMPANY	\$114,237.00
P-2	11/08/22	PURCHASE OF ONE MUFFIN MONSTER GRINDER AWARD OF A SOLE SOURCE PURCHASE ORDER FOR THE REPLACEMENT OF ONE MUFFIN MONSTER GRINDER FOR THE BRAINTREE-WEYMOUTH PUMP STATION.			JWC ENVIRONMENTAL, LLC	\$50,918.00
P-3	11/08/22	PURCHASE OF SLUDGE HEAT EXCHANGER PARTS AWARD OF A SOLE SOURCE PURCHASE ORDER FOR SLUDGE HEAT EXCHANGER PARTS FOR THE DIGESTER MODULES AT THE DEER ISLAND TREATMENT PLANT.			WALKER PROCESS EQUIPMENT	\$67,320.00
P-4	11/08/22	PURCHASE OF TWO HP DL360 SERVERS, ONE HP MSA 2060 STORAGE DEVICE, TWO VMWARE LICENSES AND FIVE YEARS SUPPORT AWARD OF A PURCHASE ORDER UNDER STATE CONTRACT ITC73 TO THE LOWEST RESPONSIVE BIDDER FOR TWO HP DL360 SERVERS, ONE HP MSA 2060 STORAGE TWO VMWARE LICENSES AND FIVE YEARS SUPPORT. THIS IS TO VIRTUALIZE THE EXISTING STANDALONE PICS PI SYSTEM AT DEER ISLAND AND PROVIDE A BACKUP SOLUTION.	WRA-5202Q		HUB TECHNICAL SERVICES, LLC	\$70,272.27
P-5	11/08/22	INSPECTION AND OVERHAUL OF ONE PHILADELPHIA GEAR REDUCTION DRIVE AWARD OF A PURCHASE ORDER TO THE LOWEST RESPONSIVE BIDDER FOR THE INSPECTION AND OVERHAUL OF ONE PHILADELPHIA GEAR REDUCTION DRIVE FOR THE MIXERS AT THE DEER ISLAND TREATMENT PLANT. THE MIXERS ARE USED FOR MIXING SODIUM HYPOCHLORITE WITH TREATED EFFLUENT FOR DISINFECTION.	WRA-5189		SPX FLOW, INC.	\$104,867.71
P-6	11/17/22	PURCHASE OF TWO NEW BOBCAT TOOL CAT UTILITY MACHINES AWARD OF A PURCHASE ORDER TO THE LOWEST RESPONSIVE BIDDER FOR TWO NEW BOBCAT TOOL CAT UTILITY MACHINES FOR THE OPERATIONS WASTEWATER PIPELINE UNIT.	WRA-5185		BOBCAT OF BOSTON, INC.	\$177,744.00
P-7	11/17/22	PERKIN ELMER INSTRUMENT PREVENTIVE AND CORRECTIVE MAINTENANCE AWARD OF A THREE-YEAR PURCHASE ORDER CONTRACT TO THE LOWEST RESPONSIVE BIDDER TO PROVIDE PERKIN ELMER INSTRUMENT PREVENTIVE AND CORRECTIVE MAINTENANCE FOR THE DEPARTMENT OF LABORATORY SERVICES. THESE INSTRUMENTS ARE CRITICAL IN DOCUMENTING MWRA'S COMPLIANCE WITH REGULATORY AGENCY PERMIT REQUIREMENTS AND LIMITS FOR BOTH DRINKING WATER AND WASTEWATER.	WRA-5172		ELECTRONIC RISKS CONSULTANTS, INC.	\$299,952.00
P-8	11/22/22	PURCHASE OF NINE ULTRAVIOLET REACTOR SATURATION CORES AWARD OF A SOLE SOURCE PURCHASE ORDER FOR NINE ULTRAVIOLET REACTOR SATURATION CORES FOR THE JOHN J. CARROLL WATER TREATMENT PLANT.			DE NORA WATER TECHNOLOGIES, LLC	\$35,009.46
P-9	11/22/22	SUPPLY AND DELIVERY OF ULTRA LOW SULFUR DIESEL FUEL AWARD OF A CONFIRMING PURCHASE ORDER UNDER STATE CONTRACT ENE47 FOR THE SUPPLY AND DELIVERY OF 8,001 GALLONS OF ULTRA-LOW SULFUR DIESEL FUEL TO COLUMBUS PARK HEADWORKS.			DENNIS K BURKE, INC.	\$39,938.83
P-10	11/22/22	PURCHASE OF FIVE THREE-YEAR MICROSOFT VISUAL STUDIO SUBSCRIPTIONS AWARD OF A PURCHASE ORDER UNDER STATE CONTRACT ITS75 TO THE LOWEST RESPONSIVE BIDDER FOR FIVE THREE-YEAR MICROSOFT VISUAL STUDIO SUBSCRIPTIONS, USED FOR APP DEVELOPMENT.	WRA-5221Q		DELL MARKETING LP	\$31,375.10
P-11	11/22/22	SUPPLY AND DELIVERY OF SODIUM BISULFITE AWARD OF A ONE-YEAR PURCHASE ORDER TO THE LOWEST RESPONSIVE BIDDER TO PROVIDE THE SUPPLY AND DELIVERY OF SODIUM BISULFITE FOR COTTAGE FARM PRISON POINT, UNION PARK AND SOMERVILLE MARGINAL CSO FACILITY. SODIUM BISULFATE IS USED THROUGHOUT MWRA'S WASTEWATER SYSTEM FOR DECHLORINATION.	WRA-5198		UNIVAR SOLUTIONS USA, INC.	\$280,840.00
P-12	11/23/22	AMENDMENT TO JANITORIAL SERVICES AMENDMENT OF A PURCHASE ORDER UNDER STATE CONTRACT FAC81 FOR JANITORIAL SERVICES FOR THE CHELSEA FACILITY, THAT EXTENDS THE CONTRACT BY SIX MONTH FROM JANUARY 20, 2023 THROUGH JULY 20, 2023. THE EXTENSION ALLOWS TIME TO PREPARE A BID SPECIFICATION THAT REFLECTS THE NEEDS FOR THE CHELSEA FACILITY ONCE THE OFFICE CONSOLIDATION PROJECT IS COMPLETE.	WRA-4776	2	STAR BUILDING SERVICES, INC.	\$108,696.00
P-13	11/23/22	PURCHASE OF TWO 36-INCH VERTICAL RESILIENT SEAT GATE VALVES AWARD OF A PURCHASE ORDER TO THE LOWEST RESPONSIVE BIDDER TO PROVIDE TWO 36-INCH VERTICAL RESILIENT SEAT GATE VALVES FOR THE FIELD OPERATIONS' PIPELINE UNIT.	WRA-5204		EVERETT J. PRESCOTT, INC.	\$118,830.00
P-14	11/23/22	AMENDMENT FOR THE SUPPLY AND DELIVERY OF SODIUM HYPOCHLORITE AMENDMENT OF A ONE-YEAR PURCHASE ORDER CONTRACT TO ADD AN ADDITIONAL 61,340 GALLONS TO THE PURCHASE ORDER FOR THE SUPPLY AND DELIVERY OF SODIUM HYPOCHLORITE TO CLINTON WASTEWATER TREATMENT PLANT, COTTAGE FARM, PRISON POINT, SOMERVILLE MARGINAL, WARD STREET, COLUMBUS PARK, NUT ISLAND HEADWORKS, CHELSEA CREEK HEADWORKS, UNION PARK CSO, TO ENSURE ADEQUATE SUPPLY THROUGH THE FALL AND EARLY WINTER 2023.	WRA-5154	1	BORDEN & REMINGTON CORP.	\$148,853.78
P-15	11/23/22	PURCHASE OF ONE NEW TRACTOR WITH MOWING ARM AWARD OF A PURCHASE ORDER TO THE LOWEST RESPONSIVE BIDDER TO PROVIDE ONE NEW TRACTOR WITH MOWING ARM FOR THE METRO MAINTENANCE UNIT.	WRA-5186		UNITED AG & TURF NE, LLC	\$162,621.00
P-16	11/23/22	AMENDMENT TO JANITORIAL SERVICES AMENDMENT OF A PURCHASE ORDER UNDER STATE CONTRACT FAC81 FOR JANITORIAL SERVICES AT THE DEER ISLAND TREATMENT PLANT, THAT EXTENDS THE SIX MONTHS FROM JANUARY 20, 2023 THROUGH JULY 20, 2023. THE EXTENSION ALLOWS TIME TO PREPARE A BID SPECIFICATION THAT REFLECTS THE NEEDS OF DEER ISLAND ONCE THE OFFICE CONSOLIDATION PROJECT IS COMPLETE.	WRA-4775	1	STAR BUILDING SERVICES, INC.	\$293,310.00

PURCHASING DELEGATED AUTHORITY ITEMS NOVEMBER 1 - 30, 2022


NO.	DATE OF AWARD	TITLE AND EXPLANATION	CONTRACT	AMENDMENT	COMPANY	
P-17	11/29/22	PURCHASE FOR THE REPLENISHMENT OF VICTAULIC VALVES AND FITTINGS AWARD OF A PURCHASE ORDER TO THE LOWEST RESPONSIVE BIDDER TO PROVIDE 25 VALVES AND 10 FITTINGS TO REPLENISH STOCK AT THE DEER ISLAND	WRA-5201Q		F.W. WEBB CO.	\$38,433.16
P-18	11/29/22	SNOW REMOVAL SERVICES AWARD OF A ONE-YEAR PURCHASE ORDER TO THE LOWEST RESPONSIVE BIDDER TO PROVIDE SNOW REMOVAL SERVICES AT THE CLINTON WASTEWATER TREATMENT PLANT.	WRA-5213Q		PARSONS LANDSCAPING, INC.	\$67,625.00
P-19	11/29/22	PURCHASE OF AUDIOVISUAL EQUIPMENT UPGRADES AND ONE-YEAR SERVICE AGREEMENT AWARD OF A PURCHASE ORDER UNDER STATE CONTRACT OFF50 TO THE LOWEST RESPONSIVE BIDDER TO PROVIDE AUDIOVISUAL EQUIPMENT UPGRADES AND A ONE-SERVICE AGREEMENT FOR THE TRAINING ROOM AT THE DEER ISLAND TREATMENT PLANT.	WRA-5199Q		RENVISIONING TECHNOLOGY, LLC	\$75,575.95

POSITION CONTROL REGISTER (PCR) LOCATION CHANGES December 2022

<u>DATE OF CHANGE</u>	<u>POSITION TITLE</u>	<u>CURRENT PCR#</u>	<u>CURRENT COST CENTER</u>	<u>NEW PCR #</u>	<u>NEW COST CENTER</u>	<u>REASON FOR CHANGE</u>
11/2/2022	Civil Engineer	55250112	Construction	Same	Same	To meet staffing needs.

STAFF SUMMARY

V.A.2
12/14/22

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director 
DATE: December 14, 2022
SUBJECT: Internal Audit Department Activities Report – FY2022

COMMITTEE: Administration, Finance & Audit

INFORMATION
 VOTE

Claude J. Cormier, Director, Internal Audit
Preparer/Title

RECOMMENDATION:

For information only. Internal Audit presents annually to the Board the results of completed assignments and the status of active and planned assignments. Every quarter, Internal Audit utilizes the Orange Notebook to discuss briefly recently issued reports and to report on the status of open audit recommendations and cost savings. This staff summary includes a discussion of activities since Internal Audit’s last report to the Board in October 2021.

DISCUSSION:

In FY2022, a total dollar savings of \$1,977,106 was recognized from numerous assignments, including internal audits, management advisory services, consultant incurred cost audits, consultant preliminary reviews, construction labor burden reviews, the true-up and review of HEEC billings and costs of the new cable, and contract negotiation support.

Internal Audit’s goal is to provide sufficient audit coverage to give reasonable assurance that internal management controls are functioning as intended and that only reasonable, allowable and allocable costs are paid to consultants, contractors and vendors. Audit coverage is provided through performance audits that analyze and evaluate MWRA programs and activities to determine if they are being carried out effectively and efficiently, compliance audits that focus on adherence to MWRA policies and procedures, contractual requirements, rules or regulations and management advisory services.

The development of the Annual Audit Plan is based on Internal Audit’s risk assessment of program and management controls, as well as input from MWRA senior managers and the MWRA Advisory Board. The actual scheduling and completion of audit assignments depend on staff availability, which can be impacted by control issues needing immediate attention or by unscheduled special requests for management advisory services.

Attachment 1 lists assignments completed since Internal Audit’s last report to the Board, assignments currently in process and additional assignments planned to commence in FY2023.

Internal Audits and Management Advisory Services

Internal Audit follows up on open recommendations (quarterly basis). During FY2022, Internal Audit worked with management to close 24 recommendations.

Confined Space Entry Training

OSHA and industry standards require employers to provide training to affected employees who may be required to enter permit-required confined spaces. MWRA requires employees to complete an initial confined space entry training course and an annual refresher course prior to entering any confined space. While keeping up with training requirements proved to be challenging during the pandemic, management continues to make progress towards insuring training compliance.

During the past several months, Internal Audit has worked closely with management to identify appropriate controls and procedures related to the recently implemented learning management system. As a result, staff have retracted the audit report issued June 2021 and are in the process of re-issuing an updated report to better align with and simplify requirements related to tracking, recording and reporting training compliance. Management has already implemented corrective action for 1 recommendation and 3 other recommendations are nearly completed.

Unemployment Compensation

The Commonwealth of Massachusetts administers the unemployment insurance program. The Department of Unemployment Assistance bills MWRA monthly for amounts paid to former workers.

Internal Audit continues to provide support to Human Resources by reviewing eligibility and recalculating claims. MWRA periodically objects and challenges claims that appear to be fraudulent or do not meet eligibility criteria.

Lease Agreement

Internal Audit periodically performs a review of the Charlestown Navy Yard and Chelsea facility leases. The objective of these reviews are to determine whether real estate escrows are sufficiently funded to meet future payment obligations, as well as the supportability of applicable operating expenses.

Internal Audit completed a review of the Navy Yard lease for CY2021 operating expenses and FY2022 real estate tax true up, and determined \$41,384 was due to the landlord as a result of higher than expected operating costs and real estate tax increase.

A review of the Chelsea lease for FY2022 is forthcoming.

Other Management Advisory Services

Annually, Internal Audit provides management advisory services that include calculating MWRA's fringe and indirect cost rates, verifying unemployment benefit calculations, and providing support and review services to the Fore River Railroad Corporation (FRRC). Internal

Audit also supports and updates MWRA's Policies and Procedures and Signature Authority forms.

In FY2022, Internal Audit performed various other management advisory services that included a review of office supply purchases and a recovery of \$9,383. As a state Authority, MWRA is allowed to leverage state level contracts to obtain discounts negotiated by the Commonwealth. In addition, Internal Audit performed a Fleet Inspection review observing the quality of tire treads, Mass State inspection compliance, other inspection compliance (e.g., hoists and cranes affixed to utility trucks) and recorded EZ Pass transponder serial numbers. Internal Audit staff provided observations and recommendations and are working with management to enhance controls and procedures to increase inspection compliance.

In FY2022, the annual savings resulting from internal audits and management advisory services totaled \$222,554.

Policies and Procedures

Policies and Procedures provide consistent and clear statement of MWRA's standards to assist employees in the day-to-day management of the Authority's business and operations. Policy and Procedure numbers that begin with ADM (Administrative), FIN (Finance), HR (Human Resources) and OP (Operations) are accessible on the MWRA's intranet site, Pipeline. Internal Audit is the official custodian of the policies; it does not develop or approve policies but reviews all policies prior to final approval.

During FY2022, Internal Audit supported a process to update three policies, with a number of other policies in various stages of being updated. Additionally, six new security policies were under review.

Contract Audits and Related Reviews

In FY2022, savings of \$1,754,552 were recognized from the following contract audits and other related reviews:

Consultant Incurred Cost Audits

An incurred cost audit determines if billed labor costs are supported by the consultant's time reports and project cost records, other direct costs are supported by valid payments, final indirect costs have been calculated in accordance with the contract, and if final indirect cost rates have been properly applied to labor billings. The extent of fieldwork required to complete an assignment is based on a risk assessment that starts with an invoice analysis and a review of the consultant's annual Consultant Disclosure Statement submittal. Internal Audit usually conducts the fieldwork at the consultant's office, but during the COVID-19 period, has performed desk reviews to verify if costs billed are supported.

In FY2022, four incurred cost audits were completed with a total contract value of \$18.8 million. These were comprised of Bryant, Kleinfelder Northeast, Inc., Overland and Geosphere. A total of \$18,594 was recovered.

Consultant Preliminary Reviews

When a new contract is awarded for more than \$1 million, Internal Audit performs a consultant preliminary review to determine if the proposed direct labor, indirect costs, other direct costs or multipliers/comprehensive hourly rates are supportable. Internal Audit then notifies Procurement and the Project Manager of any issues, including any unsupported proposed costs that might be available for re-allocation to another cost element.

In FY2022, four consultant preliminary reviews were completed with a total value of \$3.2 million. Internal Audit identified a total of \$15,065 in unsupported proposed costs for potential reallocation, mainly related to indirect cost rate adjustments.

Consultant Disclosure Statements/ Annual Indirect Cost Rate Reviews

Each professional service consultant is required to submit a Consultant Disclosure Statement annually, including an indirect cost rate for the firm's recently completed fiscal year. Internal Audit reviews and approves provisional indirect cost rates proposed by consultants for billing both new and active contracts. The approved provisional indirect cost rates are reported to Project Managers and Procurement as a reference source for reviewing invoices and pricing contracts and amendments. During FY2022, 55 annual indirect cost rate reviews were completed and letters sent to consultants.

Construction Labor Burden Rate Reviews

A construction labor burden rate review establishes provisional labor burden rates to be used in the pricing of future change orders. Typical adjustments to contractor proposed rates include applying effective versus statutory Federal and State unemployment tax rates, applying appropriate experience modifications and other adjustments to workers compensation rates, and determining the basis for general liability and umbrella insurances and bond premium.

In FY2022, two construction labor burden rate reviews were completed for contracts with a total value of \$4.7 million. An estimated \$94,571 in cost savings may be achieved on future change orders.

Harbor Electric Energy Company (HEEC) Cross-Harbor Cable

2021 O&M True-Up and Billings: Internal Audit reviewed the annual payment to HEEC for the use of the cross-harbor cable. The review included verifying the capacity charge calculation and operations and maintenance (O&M) charges billed by HEEC under the terms of the Massachusetts Department of Public Utility (DPU) tariff for CY2021. The DPU tariff is based on a capacity charge calculation that includes O&M charges for labor and materials needed to maintain the cable, and insurance for the cable. Internal Audit reviewed the O&M charges and the tariff computation prior to HEEC's filing with DPU, which DPU approved. The CY2021 true-up was \$92,879.

Project Costs: During construction of the new cross-harbor cable, Internal Audit has been periodically reviewing and auditing the costs incurred on the project. Total cost adjustments related to unallowable costs in FY2022 was \$144,640. The cost of removal of the old line was capped at

\$9 million. The cap was met during FY2022, and costs of \$927,197 were unallowable and excluded from total project costs.

MWRA is permitted to pay one-half of the total costs of the project prior to completion, with the balance of such costs paid over a 30-year period pursuant to the final terms of a DPU tariff. Under a Memorandum of Understanding and subsequent agreement with HEEC, the Authority has paid \$55.8 million as of December 31, 2021. These payments reduce the return on equity, resulting in significant future cost savings over the pay-back period. The realized cost savings in FY2022 was \$538,823.

ATTACHMENT:

Status of Internal Audit Assignments FY2022 and FY2023

Status of Internal Audit Assignments FY22 and FY23**COMPLETED****Date****IN PROCESS & PLANNED TO START IN FY23****Internal Audit/Management Advisory Services**

MWRA & FRRC Overhead Rates	Aug-21	Water and Waste Water Licenses and Certification
Confined Space Entry Training	Jun-21	Confined Space Entry Training (to be re-issued)
		MIS Equipment
		MIS Software License Management
		Accounts Payable Process (Controls and Procedures)
		Payroll Process (Controls and Procedures)
		Use of Personal Vehicle and Telework Policy compliance
		Prevailing Wage Review (Contract 7561)

Reviews of Agreements and Contracts

HEEC Cable costs		HEEC Cable costs
HEEC O&M 2021	May-22	HEEC O&M 2022
HEEC New Cable Tariff	Nov-21	Chelsea Lease FY2021
CNY Lease CY2021	May-21	CNY Lease CY2022
		NEFCo Financial Review

Consultant Incurred Cost Audits

Bryant Associates	Feb-22	Corrosion Probe
Kleinfelder	Dec-21	JCK Underground
Overland Engineering	Jun-22	Black & Veatch
Geosphere	May-22	Hatch Mott MacDonald
		NV5 (RDK)
		Wright-Pierce
		AECOM
		Arcadis
		Aztec Technologies
		Brown and Caldwell
		Green International Affiliates
		Keville Enterprises
		Stantec Consulting Services
		RJN Group
		SDE
		Weston & Sampson

Consultant Preliminary Reviews (Over \$1 mill)

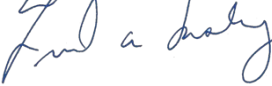
Quabbin Maint Bldg Design (7677) \$1.3M	Aug-21	Clarifier Rehabilitation Phase 2 REI (7397) \$7.3M
Shaft 5 Building Improvements Des/ESDC (7599) \$1.2M	Aug-21	Deer Island Fire Alarm REI (7426) \$3.5M
NEH Improvements REI (7724) \$2.6M	May-22	Deer Island HVAC REI (7094) \$6.2M
		Deer Island HVAC Design ESDC (7110) \$2.4M
		DI Cryogenics Replacement (7139) \$6.3M
Shaft 5 Building Improvements Contract 7599, Kleinfelder		DI Odor Control Rehab (7088) \$8.3M
Water System Hydraulic Model Contract 7613 CDM		DITP South System Pump Station Improv (7126) \$8.3M
Contract 7716 - Wachusett Dam Bastion		Digester & Storage Tank Rehab (7052) \$6M
Contract 7724 - Northern Extra High Pressure Zone Improvements Sect 63		Masonry/Structural Repair (7711) \$1.6M
		Sect 89 Replacement RE/RI (7633) \$1.7M
		Somerville Marginal CSO Facility Rehab (7689) \$2.4M
		Cottage Farm Chem Bldg Improv Design (7508) \$1.8M
		Waltham Water Pipeline ESDC RE/RI (7672) \$2.9M
		PS Rehab Design/CA (7526) \$3.9M
		CHP Des/ESDC/REI (6730) \$14.5M
		Belle Isle Rehab Des/ESDC/REI (7989) \$1M
		Steel Tanks Impr REI (7676) \$1.1M
		Beacon St Line Des/ESDC (7729) \$1.2M
		CWTP Technical Assistance (7973 & 7974) \$1.2M each
		Intercept Renewal 7 REI (7751) \$1.3M
		As Needed Design (8018, 7981 & 7982) \$1.8M each
		Hingham Pump Station Rehab Des (7827) \$1.9M
		As Needed Design (7990 & 7991) \$2M each
		Section 22 - Design/ESDC (7120) \$3M
		Sect 24, 25, 47, 75, 59 & 60 REI (7680) \$4.3M
		Geotechnical Support Services (7557) \$13.5M

Status of Internal Audit Assignments FY22 and FY23

<u>COMPLETED</u>	<u>Date</u>	<u>IN PROCESS & PLANNED TO START IN FY23</u>
<u>Construction Labor Burden Rate Reviews (Over \$1 mill)</u>		
Clinton Screw Valves & Pump (7704) \$3.5M	Mar-22	Clarifier Rehab Phase 2 CA (7395) \$180M
Low Service PRV Improvement (7563) \$11.3M	Aug-22	CP3 Shaft 5 (7671) \$2.5M
WASM3 New Connecting Mains CP3, 23/24/47 (6392) \$14.7M	Aug-22	Deer Island Dystor Membrane Repl. (7135) \$4M
Quabbin Aqueduct Shaft 2 Repairs (7198 CO #1)	May-22	Deer Island Fire Alarm (7051) \$31M
		Deer Island MCC & Switch Gear (7420) \$19.5M
		Deer Island Roofing Replacement (7734) \$6M
		Fuel Oil Tank Replacement Ph 2 (7555) \$1.5M
		JJCWTP SCADA Upgrade (7582) \$14M
		NIH Sec 89 Replacement (7117) \$32.6M
		Wachusett Lower Gatehouse Pipe/Boiler Replace Constr (7380) \$5.1M
		Wach Bastion Rehab Construction (7697) \$2M
		B/W Improvements Construction (7366) \$13.5M
		Remote HW Shaft Access Impr Constr (7550) \$2.4M
		Waltham Water Pipeline Constr (7457) \$13.8M
		CP 1 NEH Improvements (6522) \$4.4M
		Siphon Structure Rehab Construction (6225) \$8.3M
		Cathodic Protection Shafts N&W (7610) \$2.5M
		Radio Repeater System Upgrade 2 (7134) \$3M
		Clinton Landfill Cell #1 Closure (7754) \$1M
		Soda Ash & Ammonia Equip Repl (7598) \$3M
		CHE008 Pipe Replacement (7915) \$1.4M
		Southborough HQ Electrical System Upgrades (7425) \$2.6M
		Shaft 5 Improv Constr (7600) \$3M
		Maint Gar/Wash Bay/Stor Bldg Const (7577) \$3.9M
		Inter Ren 7-Malden & Melrose Constr (7217) \$7.6M
		Section 75 Extension - Constr CP-1 (7484) \$12.1M
		Sect 25 & 24 Const CP-2 (6956) \$14.2M
		WASM 3 Rehab C-2 (6543) \$49.8M
		Digester Cover Replacement (7648) \$2.1M
		Office Consolidation, Boston/Chelsea (7980) \$19.5M

STAFF SUMMARY

V A.3
12/14/22


TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director 
DATE: December 14, 2022
SUBJECT: FY23 Financial Update and Summary through November 2022

COMMITTEE: Administration, Finance & Audit

INFORMATION

VOTE

Michael J. Cole, Budget Director
James J. Coyne, Budget Manager
Preparer/Title

Thomas J. Durkin 
Director, Finance

RECOMMENDATION:

For information only. This staff summary provides the financial results and variance highlights for Fiscal Year 2023 through November 2022, comparing actual spending to the budget.

DISCUSSION:

The total Year-to-Date variance for the FY23 CEB is \$15.6 million, due to lower direct expenses of \$5.0 million, indirect expenses of \$0.2 million, and debt service costs of \$2.2 million, as well as higher revenue of \$8.2 million.

FY23 Current Expense Budget

The CEB expense variances through November 2022 by major budget category were:

- Lower Direct Expenses of \$5.0 million or 4.5% under budget. Spending was lower for Wages & Salaries, Other Services, Workers Compensation, Overtime, Professional Services, Fringe Benefits, and Training & Meetings. Spending was higher than budget for Utilities, Chemicals, Maintenance, and Other Materials.
- Lower Indirect Expenses of \$0.2 million or 0.6% under budget due primarily to lower Watershed Reimbursements.
- Debt Service expenses were \$2.2 million or 1.2% under budget driven by lower than budgeted variable interest expense.
- Revenue was \$8.2 million or 2.3% over budget driven by Other User Charges of \$4.7 million for water usage by the City of Cambridge, Investment Income of \$3.0 million due to higher than budgeted interest rates, and Other Revenue of \$0.5 million.

**FY23 Budget and FY23 Actual Variance by Expenditure Category
(in millions)**

	FY23 Budget	FY23 Actual	\$ Variance	% Variance
Direct Expenses	\$111.8	\$106.8	-\$5.0	-4.5%
Indirect Expenses	\$25.3	\$25.2	-\$0.2	-0.6%
Capital Financing	\$193.9	\$191.6	-\$2.2	-1.2%
Total	\$330.9	\$323.5	-\$7.4	-2.2%

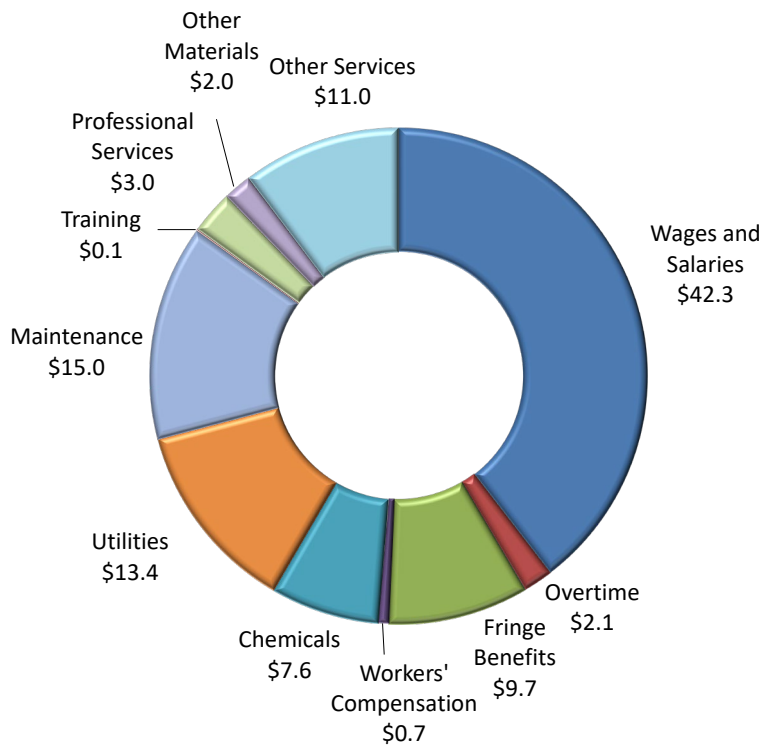
Totals may not add due to rounding

Please refer to Attachment 1 for a more detailed comparison by line item of the budget variances for FY23.

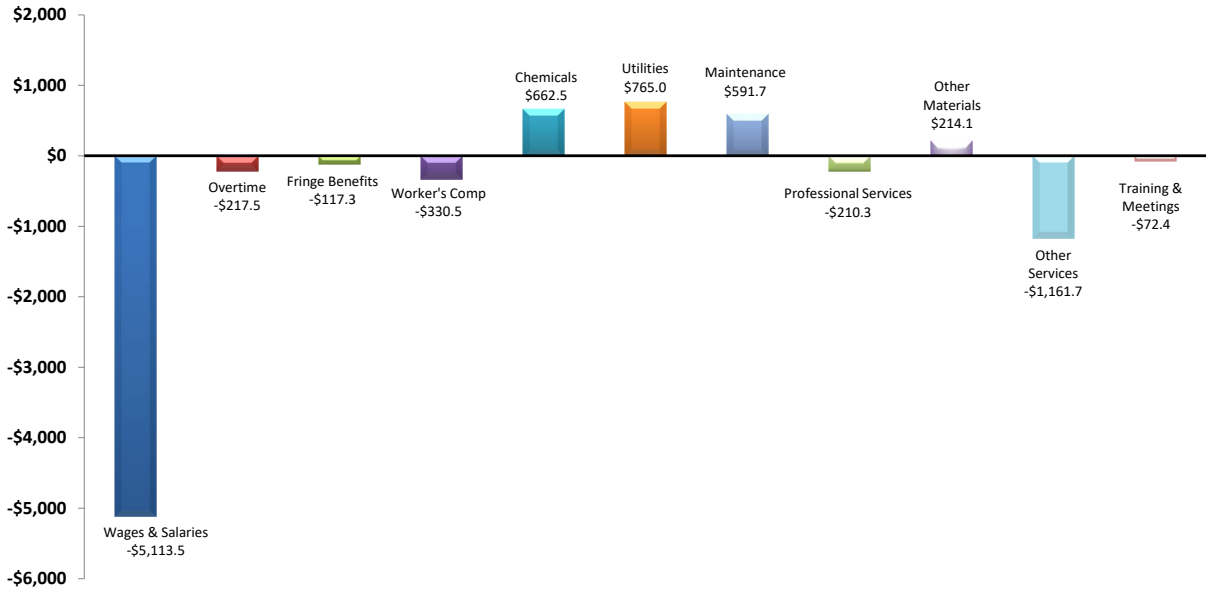
Direct Expenses

FY23 direct expenses through November totaled \$106.8 million, which was \$5.0 million or 4.5% less than budgeted.

**FY23 Direct Expenses
(in millions)**



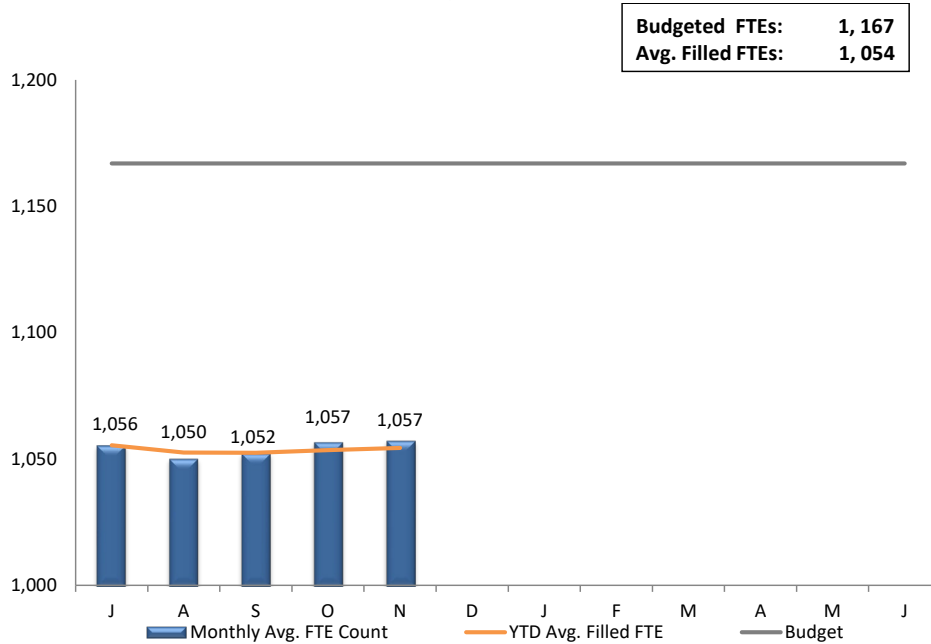
**FY23 Direct Expense Variance
(in thousands)**



Wages and Salaries

Wages and Salaries was under budget by \$5.1 million or 10.8%. Through November, there were 113 fewer average FTEs (1,054 versus 1,167 budget) or 9.7% and lower average salaries for new hires versus retirees. The timing of backfilling vacant positions also contributed to Regular Pay being under budget.

FY23 MWRA Full Time Equivalent (FTE) Position Trend



Other Services

Other Services was less than budget by \$1.2 million or 9.6% due to Sludge Pelletization of \$430,000 and Grit & Screenings Removal of \$111,000 due to lower quantities, and lower Telecommunication costs of \$342,000.

Worker's Compensation

Worker's Compensation expenses were lower than budget by \$330,000 or 31.5%. The lower expenses were due to favorable variances in Compensation Payments of \$263,000, Medical Payments of \$36,000, and Administrative Expenses of \$32,000. Due to uncertainties of when spending will happen, the budget is spread evenly throughout the year.

Overtime

Overtime expenses were less than budget by \$218,000 or 9.5%. Lower spending mainly in Field Operations of \$302,000 primarily for planned overtime (due to vacancies) and emergency overtime, and Engineering & Construction of \$43,000. This is partially offset by higher spending at Deer Island of \$134,000 and Clinton of \$13,000, both for shift coverage. In addition, vacancies for Deer Island Operations continue to drive higher overtime costs than anticipated.

Professional Services

Professional Services were less than budget by \$210,000 or 6.5% driven by Computer Systems Consultant of \$94,000 and Other Services of \$73,000, both due to timing. These are partially offset by Lab & Testing Analysis of \$52,000 primarily due to spending related to the Red Tide Alert.

Fringe Benefits

Fringe Benefit spending was lower than budget by \$117,000 or 1.2%. This was primarily driven by lower than budgeted Health Insurance of \$46,000 due to fewer than budgeted participants in health insurance plans, increased contribution by external new hires vs. lower contribution rates of staff retiring, and the shift from family to individual plans which are less expensive. In addition, there was lower spending on Paid Family Medical Leave (PFML) of \$33,000 and Unemployment Insurance of \$22,000.

Training & Meetings

Training & Meetings expenses were lower than budget by \$72,000 or 37.6% driven by the timing of spending.

Utilities

Utilities were greater than budget by \$765,000 or 6.1%. Overspending in Electricity of \$793,000 primarily at Deer Island of \$694,000 is driven by higher real time pricing from Direct Energy of \$500,000 (\$0.023 per kWh over budget), and higher usage (by 1.1 million kWh) as well higher peak demand charges from Eversource amounting to \$139,000 of the variance.

Chemicals

Chemicals were greater than budget by \$662,000 or 9.6%. Higher than budget spending on Sodium Hypochlorite of \$426,000 was driven by Deer Island Treatment Plant of \$255,000 due to additional usage for disinfection and odor control due to lower flows, \$101,000 at the Carroll Water Treatment Plant mostly due to higher contract pricing, and \$64,000 in Wastewater Operations primarily at Nut Island Headworks, Hydrogen Peroxide of \$125,000 driven by Deer Island to reduce elevated H₂S levels for pretreatment and odor control and provide maintenance safely, Activated Carbon of \$100,000 driven by Deer Island of \$43,000 and \$57,000 in Wastewater Operations due to timing of replacements. Deer Island flows are 19.6% lower than the budget and Carroll Water Treatment Plant's flows are 6.9% greater than the budget through November. It is important to note that Chemical variances are also based on deliveries which in general reflect the usage patterns. However, the timing of deliveries is an important factor.

Maintenance

Maintenance was greater than budget by \$592,000 or 4.1%, largely driven by the timing of projects. Maintenance Materials are over budget by \$716,000 driven by higher Plant & Machinery Materials of \$362,000, Electrical Materials of \$180,000, and HVAC Materials of \$134,000 all due to timing. Maintenance Services are under budget by \$125,000 due to lower Building & Grounds Services of \$625,000 due to timing (including the Eastern Avenue Traffic Light in Chelsea and the Shaft 8 Retaining Wall work) and Computer Services of \$240,000 also due to timing. These are partially offset by higher Plant & Machinery Services of \$428,000 due to timing of some service contracts and the Norumbega Tank Cleaning contract award being greater than budgeted, and higher Computer Software Licenses of \$306,000 due to the timing of the Windows Exchange renewal and OKTA support renewal which was greater than budgeted.

Other Materials

Other Materials were higher than budget by \$214,000 or 12.3% driven by higher Vehicle Purchases/Replacements of \$264,000 due to timing because of supply chain disruptions.

Indirect Expenses

Indirect Expenses totaled \$25.2 million, which is \$160,000 or 0.6% lower than budget. The variance is driven by lower Watershed reimbursements.

Based on FY23 operating activity only, the Watershed Division is \$497,000 or 7.4% under budget. Lower spending on Wages and Salaries and Fringe Benefits are slightly offset by higher spending on Maintenance and Equipment due to timing. When factoring in the FY22 balance forward of \$273,000 which was paid during Q1 of FY23, Watershed Reimbursement is \$224,000 or 3.3% below budget through November 2022.

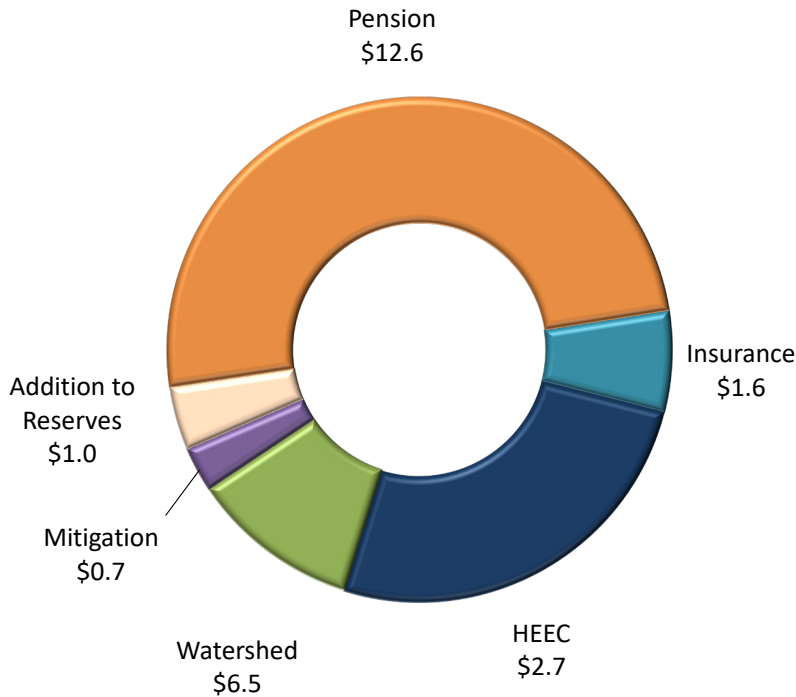
FY23 Watershed Protection Variance

\$ in millions	YTD Budget	YTD Actual	YTD \$ Variance	YTD % Variance
Operating Expenses	7.2	7.3	0.1	1.5%
Operating Revenues - Offset	0.5	1.1	0.6	127.2%
FY23 Operating Totals	6.7	6.2	-0.5	-7.4%
DCR Balance Forward (FY22 year-end accrual true-up)	0.0	0.3	0.3	
FY23 Adjusted Operating Totals	6.7	6.5	-0.2	-3.3%
PILOT	0.0	0.0	0.0	0.0%
Total Watershed Reimbursement	6.7	6.5	-0.2	-3.3%

Totals may not add due to rounding

MWRA reimburses the Commonwealth of Massachusetts Department of Conservation (DCR) and Recreation - Division of Water Supply Protection – Office of Watershed Management for expenses. The reimbursements are presented for payment monthly in arrears. Accruals are being made monthly based on estimated expenses provided by DCR and trued-up monthly based on the monthly invoice. MWRA’s budget is based on the annual Fiscal Year Work Plan approved by the Massachusetts Water Supply Protection Trust (with a vacancy adjustment applied). The FTE count at the end of November was 142 (and 141.2 on a year-to-date basis) vs. a budget of 150.

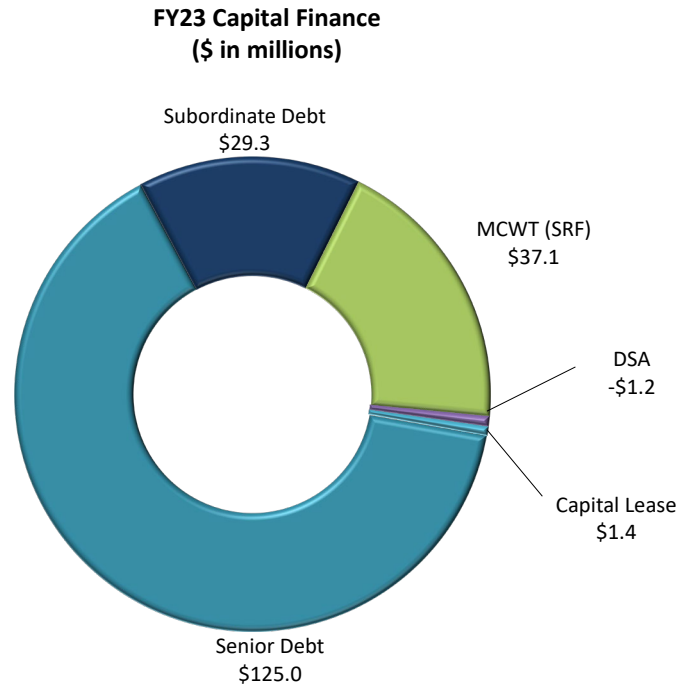
**FY23 Indirect Expenses
(in millions)**



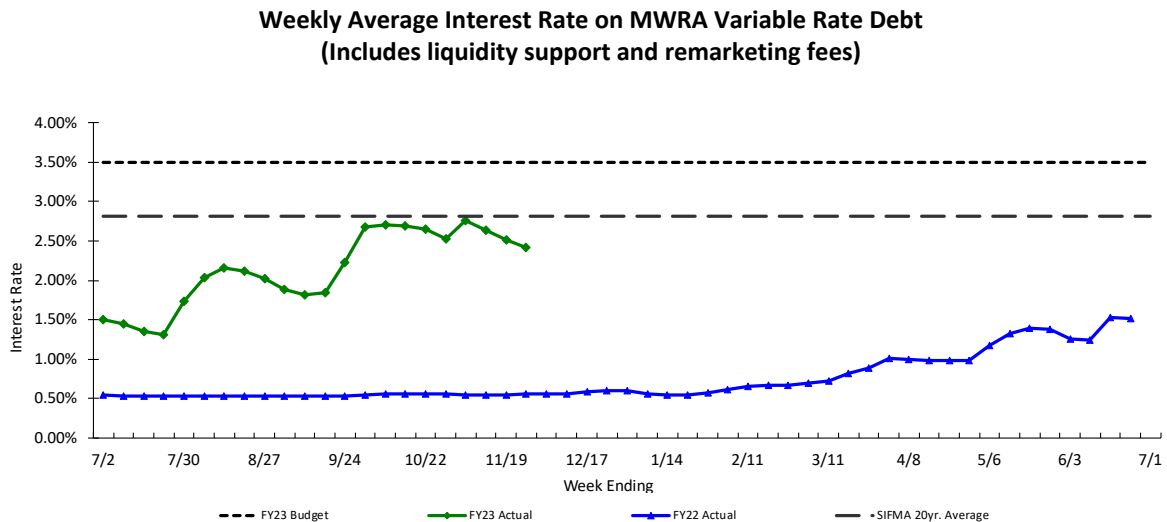
Capital Financing

Capital Financing expenses include the principal and interest payments for fixed senior debt, the variable subordinate debt, the Massachusetts Clean Water Trust (SRF) obligation, the commercial paper program for the local water pipeline projects, current revenue for capital, Optional Debt Prepayment, and the Chelsea Facility lease payment.

Capital Financing expenses for FY23 through November totaled \$191.6 million, which is \$2.2 million less than budget or 1.2%. This favorable variance is the result of lower than budgeted variable interest rates.



The graph below reflects the FY23 actual variable rate trend by week against the FY23 Budget.



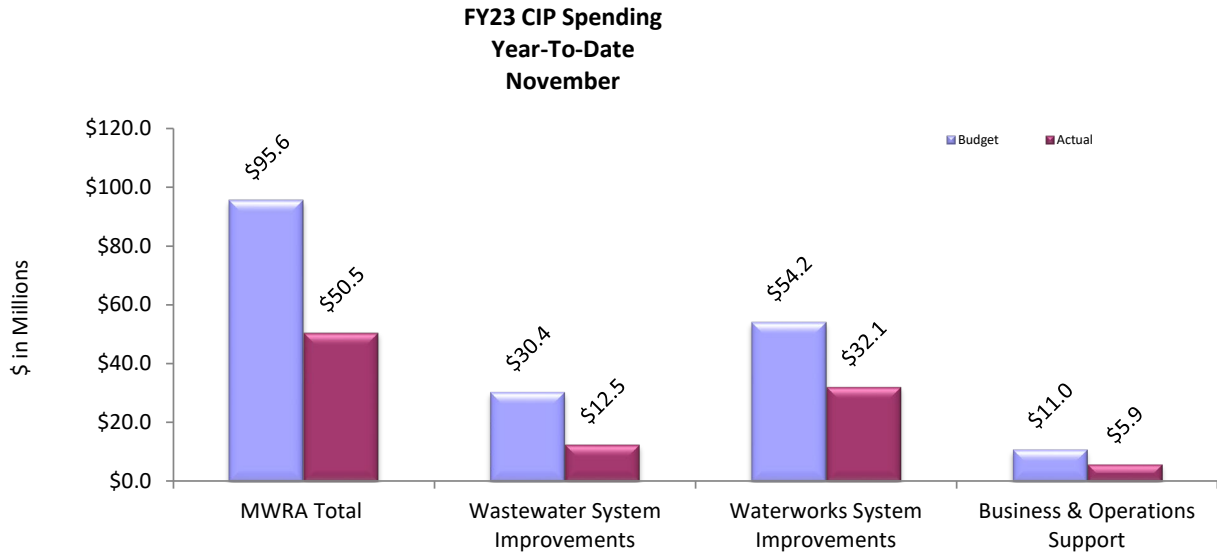
Revenue & Income

Revenues of \$365.1 million were \$8.2 million or 2.3% over budget. Other User Charges were \$4.7 million over budget primarily due to water usage by the City of Cambridge. Investment Income was \$3.0 million over budget due to higher than budgeted interest rates. Other Revenue was \$488,000 or 12.7% over budget due to Miscellaneous Revenue of \$288,000, Permit Fees of \$147,000, primarily due to timing.

FY23 Capital Improvement Program

Capital expenditures in Fiscal Year 2023 through November total \$50.5 million, \$45.1 million or 47.1% under budget.

After accounting for programs which are not directly under MWRA's control, most notably the Inflow and Infiltration (I/I) grant/loan program, the Local Water System Assistance loan program, and the community managed Combined Sewer Overflow (CSOs) projects, capital spending totaled \$49.9 million, \$22.3 million or 30.8% under budget.



Overall, CIP spending reflects the underspending in Wastewater Improvements (\$17.9 million), Waterworks (\$22.1 million) and Business and Operations Support (\$5.1 million). Major variances in Wastewater are primarily due to timing of community grants and loans for the I/I Local Financial Assistance Program, contractor behind schedule on Nut Island Odor Control and HVAC Improvements, completion of some design and inspection tasks later than anticipated for the Ward Street and Columbus Park Headworks Upgrades Design/ESDC, and lower than projected task order work on Deer Island As-needed Design contracts. This was partially offset by earlier than anticipated start-up for Braintree/Weymouth Improvements.

Waterworks variances are primarily due to timing of community loan distributions for the Water Loan Program, long lead-time for piping material for Waltham Water Pipeline, timing of contractors work for WASM/SPSM West PRV and WASM 3 Rehabilitation, less than anticipated progress for CP-1 NEH Improvements. This was partially offset by contractor progress for Section 89/29 Replacement.

FY23 Budget and FY23 Actual Variance by Program
(in millions)

\$ in Millions	Budget	Actuals	\$ Var.	% Var.
Wastewater System Improvements				
Interception & Pumping	15.2	9.6	(5.6)	-36.6%
Treatment	1.4	0.2	(1.2)	-82.7%
Residuals	0.0	0.0	0.0	0.0%
CSO	0.7	0.5	(0.2)	-27.4%
Other	13.1	2.2	(10.9)	-83.5%
Total Wastewater System Improvements	\$30.4	\$12.5	(\$17.9)	-58.8%
Waterworks System Improvements				
Drinking Water Quality Improvements	1.6	0.8	(0.8)	-47.6%
Transmission	21.1	12.3	(8.8)	-41.7%
Distribution & Pumping	16.4	16.2	(0.2)	-1.3%
Other	15.1	2.8	(12.3)	-81.7%
Total Waterworks System Improvements	\$54.2	\$32.1	(\$22.1)	-40.7%
Business & Operations Support	\$11.0	\$5.9	(\$5.1)	-46.4%
Total MWRA	\$95.6	\$50.5	(\$45.0)	-47.1%

Totals may not add due to rounding

FY23 Spending by Program:

The main reasons for the project spending variances in order of magnitude are:

Other Waterworks: Net underspending of \$12.3 million

- \$11.8 million for Local Financial Assistance due to timing of community loan distributions.
- \$0.9 million for Carroll SCADA Upgrades due to timing of work.

Other Wastewater: Net underspending of \$10.9 million

- \$10.9 million for Community I/I due to timing of community distributions of grants and loans.

Waterworks Transmission: Net underspending of \$8.8 million

- \$ 6.3 million for Waltham Water Pipeline due to long lead time for piping material.
- \$0.6 million for WASM/Spot Pond Supply Main Pressure Reducing Valves Improvements and \$0.6 million for WASM 3 Rehabilitation due to timing of contractors work.
- \$0.3 million for Watershed Land due to timing of purchases.
- This underspending was partially offset by overspending of \$0.5 million for rehabilitation of Wachusett Bastion due to contractor progress.

Interception & Pumping: Net underspending of \$5.6 million

- \$3.6 million for Nut Island Odor Control & HVAC Improvements Phase 2 – Construction due to contractor behind schedule.
- \$1.4 million for Ward Street & Columbus Park Headworks - Design/CA due to completion of some design and inspection tasks later than anticipated.
- This underspending was partially offset by overspending of \$0.4 million for Braintree/Weymouth Improvements – Construction due to earlier than anticipated start-up.

Business & Operations Support: Net underspending of \$5.1 million

- \$1.1 million for Office Space Modifications due to timing of work.
- \$1.0 million for FY19-23 Vehicle Purchases due to timing of purchases and supply chain issues.
- \$0.8 million for Oracle Database Appliance due to timing of work.
- \$0.6 million for Security Equipment & Installation due to timing of security initiatives.
- This underspending was partially offset by \$0.5 million for As-Needed Design Contracts and \$0.4 million for Edge Switches due to timing of work.

Wastewater Treatment: Net underspending of \$1.2 million

- \$0.5 million for Deer Island Roofing Replacement due to schedule change.
- \$0.4 million for As-needed Design due to lower than projected task order work.

Drinking Water Quality Improvements: Net underspending of \$0.8 million

- \$0.3 million for Marlboro Pump Station Construction due to timing of work.
- \$0.3 million for Carroll Chemical Feed System Improvements – Construction due to timing of work.

Water Distribution and Pumping: Net underspending of \$0.2 million

- \$0.7 million for Cathodic Protection Shafts N & W due to scope changes.
- \$0.5 million for CP3-Sections 23, 24, 47 Rehabilitation due to timing of work.
- \$0.5 million for Section 56 Replacement/Saugus River - Design/CA due to permitting delays.
- \$0.3 million for CP-1 NEH Improvements due to less than anticipated progress.
- This underspending was partially offset by overspending of \$0.9 million for Section 89/29 Replacement - Construction due to contractor progress, \$0.5 million for Sections 25, 75, 24, 47, 59 & 60 - Design/CA due to design tasks scheduled for FY22 performed in FY23, and \$0.3 million for NEH Improvements Design – ESDC due to timing of consultant work.

Construction Fund Balance

The construction fund balance was \$136.7 million as of the end of November. Commercial Paper/Revolving Loan available capacity was \$110 million.

ATTACHMENTS:

Attachment 1 – Variance Summary November 2022

Attachment 2 – Current Expense Variance Explanations

Attachment 3 – Capital Improvement Program Variance Explanations

ATTACHMENT 1
FY23 Actuals vs. FY23 Budget

	Nov 2022 Year-to-Date				
	Period 5 YTD Budget	Period 5 YTD Actual	Period 5 YTD Variance	%	FY23 Approved
	EXPENSES				
WAGES AND SALARIES	\$ 47,373,785	\$ 42,260,291	\$ (5,113,494)	-10.8%	\$ 118,980,689
OVERTIME	2,285,213	2,067,684	(217,529)	-9.5%	5,337,896
FRINGE BENEFITS	9,854,655	9,737,367	(117,288)	-1.2%	23,961,641
WORKERS' COMPENSATION	1,049,896	719,401	(330,495)	-31.5%	2,519,751
CHEMICALS	6,891,687	7,554,150	662,463	9.6%	14,994,036
ENERGY AND UTILITIES	12,593,016	13,358,052	765,036	6.1%	30,896,365
MAINTENANCE	14,370,594	14,962,320	591,726	4.1%	33,241,023
TRAINING AND MEETINGS	192,751	120,326	(72,425)	-37.6%	492,197
PROFESSIONAL SERVICES	3,245,251	3,034,909	(210,342)	-6.5%	8,197,575
OTHER MATERIALS	1,744,205	1,958,309	214,104	12.3%	6,728,862
OTHER SERVICES	12,152,228	10,990,572	(1,161,656)	-9.6%	28,372,237
TOTAL DIRECT EXPENSES	\$ 111,753,281	\$ 106,763,381	\$ (4,989,900)	-4.5%	\$ 273,722,272
INDIRECT EXPENSES					
INSURANCE	\$ 1,656,770	\$ 1,627,803	\$ (28,967)	-1.7%	\$ 3,916,002
WATERSHED/PILOT	6,728,168	6,504,546	(223,622)	-3.3%	28,890,762
HEEC PAYMENT	2,638,385	2,731,264	92,879	3.5%	6,225,566
MITIGATION	734,333	734,332	(1)	0.0%	1,735,694
ADDITIONS TO RESERVES	1,023,192	1,023,192	-	0.0%	2,418,453
RETIREMENT FUND	12,555,203	12,555,203	-	0.0%	12,555,203
POST EMPLOYEE BENEFITS	-	-	-	---	4,754,061
TOTAL INDIRECT EXPENSES	\$ 25,336,051	\$ 25,176,340	\$ (159,711)	-0.6%	\$ 60,495,741
CAPITAL FINANCE EXPENSES					
STATE REVOLVING FUND	\$ 37,055,257	\$ 37,055,257	\$ -	0.0%	\$ 96,342,495
SENIOR DEBT	125,027,666	125,027,666	-	0.0%	302,169,940
DEBT SERVICE ASSISTANCE	(1,182,494)	(1,182,494)	-	0.0%	(1,182,494)
CURRENT REVENUE/CAPITAL	-	-	-	---	18,200,000
SUBORDINATE MWRA DEBT	31,593,645	31,593,645	-	0.0%	75,491,975
LOCAL WATER PIPELINE CP	-	-	-	---	6,233,882
CAPITAL LEASE	1,361,064	1,361,064	-	0.0%	3,217,060
VARIABLE DEBT	-	(2,249,332)	(2,249,332)	---	-
DEFEASANCE ACCOUNT	-	-	-	---	-
DEBT PREPAYMENT	-	-	-	---	5,500,000
TOTAL CAPITAL FINANCE EXPENSE	\$ 193,855,138	\$ 191,605,806	\$ (2,249,332)	-1.2%	\$ 505,972,858
TOTAL EXPENSES	\$ 330,944,470	\$ 323,545,527	\$ (7,398,943)	-2.2%	\$ 840,190,871
REVENUE & INCOME					
RATE REVENUE	\$ 344,658,770	\$ 344,658,770	\$ -	0.0%	\$ 814,648,000
OTHER USER CHARGES	4,564,314	9,271,916	4,707,602	103.1%	9,836,507
OTHER REVENUE	3,834,260	4,322,205	487,945	12.7%	6,139,104
RATE STABILIZATION	414,615	414,615	-	0.0%	980,000
INVESTMENT INCOME	3,453,368	6,450,245	2,996,877	86.8%	8,587,260
TOTAL REVENUE & INCOME	\$ 356,925,327	\$ 365,117,750	\$ 8,192,425	2.3%	\$ 840,190,871

ATTACHMENT 2
Current Expense Variance Explanations

Total MWRA	FY23 Budget YTD November	FY23 Actuals November	FY23 YTD Actual vs. FY23 Budget		Explanations
			\$	%	
Direct Expenses					
Wages & Salaries	47,373,785	42,260,291	(5,113,494)	-10.8%	Wages and Salaries are under budget by \$5.1 million. Year to date, there have been 113 fewer average FTEs (1,054 versus 1,167 budget), lower average new hire salaries versus retirees, the timing of backfilling vacant positions.
Overtime	2,285,213	2,067,684	(217,529)	-9.5%	Overtime expenses were less than budget by \$218,000 or 9.5%. Lower spending mainly in Field Operations of \$302,000 primarily for planned overtime due to vacancies and emergency overtime being under budget, and Engineering & Construction of \$43,000, are partially offset by higher spending at Deer Island of \$134,000 and Clinton of \$13,000 for shift coverage. In addition, vacancies for DITP Operations continue to drive higher overtime costs than anticipated.
Fringe Benefits	9,854,655	9,737,367	(117,288)	-1.2%	Fringe Benefit spending was lower than budget by \$0.1 million or 1.2%. Lower than budget in Health Insurance of \$46,000, due to fewer than budgeted participants in health insurance plans, increased contribution by external new hires vs. lower contribution rates of staff retiring, and the shift from family to individual plans which are less expensive. Also, Paid Family Medical Leave of \$33,000 and Unemployment Insurance of \$22,000 were less than budget.
Worker's Compensation	1,049,896	719,401	(330,495)	-31.5%	Worker's Compensation expenses were lower than budget by \$0.3 million or 31.5%. The lower expenses were due to favorable variances in Compensation Payments of \$263,000, Medical Payments of \$36,000, and Administrative Expenses of \$32,000. Due to uncertainties of when spending will happen, the budget is spread evenly throughout the year.
Chemicals	6,891,687	7,554,150	662,463	9.6%	Chemicals were greater than budget by \$0.7 million or 9.6%. Higher than budget spending on Sodium Hypochlorite of \$426,000 driven by DITP of \$255,000 due to additional usage for disinfection and odor control due to lower flows, \$101,000 at JCWTP mostly due to higher contract price, and \$64,000 in Wastewater Operations primarily at Nut Island Headworks, Hydrogen Peroxide of \$125,000 driven by DITP to reduce elevated H2S levels for pretreatment and odor control and provide maintenance safely, Activated Carbon of \$100,000 driven by DITP of \$43,000 and \$57,000 in Wastewater Operations due to timing of replacements, Carbon Dioxide of \$96,000 primarily due to increased contract price, partially offset by Sodium Bisulfite of \$119,000 primarily in Wastewater Operations. DITP flows are 19.6% lower than the budget and CWTP flows are 6.9% greater than the budget through November. It is important to note that Chemical variances are also based on deliveries which in general reflect the usage patterns. However, the timing of deliveries is an important factor.
Utilities	12,593,016	13,358,052	765,036	6.1%	Utilities were greater than budget by \$0.8 million or 6.1%. Overspending in Electricity of \$793,000 primarily at DITP of \$0.7 million driven by higher real time pricing as well as higher usage. Also, Field Operations of \$0.1 million is over budget primarily due to T&D and Generation costs were greater than budget.

ATTACHMENT 2
Current Expense Variance Explanations

Total MWRA	FY23 Budget YTD November	FY23 Actuals November	FY23 YTD Actual vs. FY23 Budget		Explanations
			\$	%	
Maintenance	14,370,594	14,962,320	591,726	4.1%	Maintenance was greater than budget by \$0.6 million or 4.1%, largely driven by the timing of projects. <i>Maintenance Materials</i> are over budget by \$0.7 million driven by Plant & Machinery Materials of \$362,000, Electrical Materials of \$180,000, and HVAC Materials of \$134,000 mainly due to timing. <i>Maintenance Services</i> are under budget by \$125,000 due to Building & Grounds Services of \$625,000 due to timing including Eastern Ave Traffic Light and Shaft 8 Retaining Wall work, Computer Services of \$240,000 also due to timing, partially offset by Plant & Machinery Services of \$428,000 due to timing of service contracts and the Norumbega Tank Cleaning award being greater than budgeted. Also, Computer Software Licenses of \$306,000 due to timing including Windows Exchange renewal , and OKTA support renewal that was greater than budgeted.
Training & Meetings	192,751	120,326	(72,425)	-37.6%	Training & Meetings was lower than budget by \$72,000 or 37.6% is primarily due to timing driven by MIS (\$66,000), DITP of (\$16,000), Procurement of (\$8,000), Engineering & Construction of (\$6,000), partially offset by higher spending in Field Operations of \$26,000.
Professional Services	3,245,251	3,034,909	(210,342)	-6.5%	Professional Services were less than budget by \$210,000 or 6.5% driven by Computer Systems Consultant of (\$94,000) and Other Services of (\$73,000) due to timing, Security of \$45,000, partially offset by Lab & Testing Analysis of \$52,000 primarily due to timing and the Red Tide alert.
Other Materials	1,744,205	1,958,309	214,104	12.3%	Other Materials were higher than budget by \$214,000 or 12.3% driven by Vehicle Purchase/Replacements of \$264,000 due to timing of purchases, Computer Hardware of \$96,000 due to due to purchase of Sans Storage to be reallocated to the CIP, partially offset by Computer Software of \$80,000 also due to timing.
Other Services	12,152,228	10,990,572	(1,161,656)	-9.6%	Other Services was less than budget by \$1.2 million or 9.6% for Sludge Pelletization of \$430,000 and Grit & Screenings Removal \$111,000 due to lower quantities, Telecommunications of \$342,000, Memberships/Dues/Subscriptions of \$53,000 primarily due to timing. Also, Police Details of \$59,000 due to less than anticipated as-needed details.
Total Direct Expenses	111,753,281	106,763,381	(4,989,900)	-4.5%	

ATTACHMENT 2
Current Expense Variance Explanations

Total MWRA	FY23 Budget YTD November	FY23 Actuals November	FY23 YTD Actual vs. FY23 Budget		Explanations
			\$	%	
Indirect Expenses					
Insurance	1,656,770	1,627,803	(28,967)	-1.7%	Lower Payments/Claims of \$54,000 and higher Premiums of \$25,000 than budgeted.
Watershed/PILOT	6,728,168	6,504,546	(223,622)	-3.3%	Lower Watershed Reimbursement of \$0.2 million favorable variance to budget driven by lower spending on Wages & Salaries and Fringe Benefits, partially offset by higher spending on Maintenance and Equipment due to timing.
HEEC Payment	2,638,385	2,731,264	92,879	3.5%	HEEC O&M charge.
Mitigation	734,333	734,332	(1)	0.0%	
Addition to Reserves	1,023,192	1,023,192	-	0.0%	
Pension Expense	12,555,203	12,555,203	-	0.0%	
Post Employee Benefits	-	-	-		
Total Indirect Expenses	25,336,051	25,176,340	(159,711)	-0.6%	
Debt Service					
Debt Service	193,855,138	191,605,806	(2,249,332)	-1.2%	Debt service is \$2.2 million under budget due to lower than budgeted variable interest rates.
Debt Service Assistance	-	-	-		
Total Debt Service Expenses	193,855,138	191,605,806	(2,249,332)	-1.2%	
Total Expenses					
Total Expenses	330,944,470	323,545,527	(7,398,942)	-2.2%	

ATTACHMENT 2
Current Expense Variance Explanations

Total MWRA	FY23 Budget YTD November	FY23 Actuals November	FY23 YTD Actual vs. FY23 Budget		Explanations
			\$	%	
Revenue & Income					
Rate Revenue	344,658,770	344,658,769	(1)	0.0%	
Other User Charges	4,564,314	9,271,916	4,707,602	103.1%	Water usage by the City of Cambridge.
Other Revenue	3,834,260	4,322,205	487,945	12.7%	Other Revenue was \$488,000 or 12.7% over budget due to Miscellaneous Revenue of \$288,000, Permit Fees of \$147,000, Energy Rebates of \$84,000, and Penalties of \$20,000 primarily due to timing, partially offset by Energy Revenue of \$40,000 due to lower than anticipated energy sales.
Rate Stabilization	414,615	414,615	-	0.0%	HEEC Reserve.
Investment Income	3,453,368	6,450,245	2,996,877	86.8%	Investment Income is over budget due to higher than budgeted interest rates (2.24% actual vs 1.12% budget).
Total Revenue	356,925,327	365,117,750	8,192,423	2.3%	
Net Revenue in Excess of Expenses	25,980,857	41,572,223	15,591,365		

**ATTACHMENT 3
FY23 CIP Year-to-Date Variance Report (\$000's)**

	FY23 Budget YTD November	FY23 Actuals YTD November	YTD Actuals vs. Budget		Explanations
			\$	%	
Wastewater					
Interception & Pumping (I&P)	\$15,208	\$9,642	(\$5,566)	-36.6%	<u>Underspending</u> Nut Island Odor Control & HVAC Improvements Phase 2 - Construction: \$3.6M (contractor behind schedule) Ward Street & Columbus Park Headworks Upgrades - Design/CA: \$1.4M (completed some design and inspection tasks later than anticipated) Wastewater Meter System Equipment Replacement: \$371k (timing of work) Remote Headworks Shaft Access Improvements - Construction: \$333k (slower than anticipated start up) <u>Offset Overspending</u> Braintree/Weymouth Improvements - Construction: \$413k (timing of start-up work)
Treatment	\$1,431	\$247	(\$1,184)	-82.7%	<u>Underspending</u> DITP Roofing Replacement: \$500k (schedule change) As-needed Design: \$377k (lower than projected task order work)
Residuals					
CSO	\$665	\$482	(\$182)	-27.4%	
Other Wastewater	\$13,086	\$2,154	(\$10,932)	-83.5%	<u>Underspending</u> I/I Local Financial Assistance: \$10.9M (timing of community distributions of grants and loans)
Total Wastewater	\$30,390	\$12,526	(\$17,864)	-58.8%	

**ATTACHMENT 3
FY23 CIP Year-to-Date Variance Report (\$000's)**

	FY23 Budget YTD November	FY23 Actuals YTD November	YTD Actuals vs. Budget		Explanations
			\$	%	
Waterworks					
Drinking Water Quality Improvements	\$1,579	\$827	(\$752)	-47.6%	<u>Underspending</u> CWTP Chemical Feed System Improvements - Construction: \$287k, and Marlboro Pump Station Construction: \$213k (timing of work)
Transmission	\$21,079	\$12,299	(\$8,780)	-41.7%	<u>Underspending</u> Waltham Water Pipeline - Construction: \$6.3M (long lead time for piping material) WASM/SPSM West PRV - Construction: \$599k, and WASM 3 Rehabilitation, CP-1 : \$578k (timing of contractors work) Watershed Land: \$315k (timing of purchases) Preliminary Design & MEPA Review: \$255k, and Program Support Services: \$232k (timing of consultants work) Quabbin Maintenance Garage/Wash Bay/Storage Building - Construction: \$242K (schedule change) <u>Offset Overspending</u> Rehabilitate Wachusett Bastion - Construction: \$547k (contractor progress)
Distribution & Pumping	\$16,435	\$16,230	(\$206)	-1.3%	<u>Underspending</u> Cathodic Protection Shafts N & W: \$717k (scope changes) CP3-Sections 23, 24, 47 Rehabilitation and CA/RI: \$510k (timing of work) Section 56 Replacement/Saugus River - Design/CA: \$461k (permitting delays) CP-1 NEH Improvements: \$315k (timing of consultant work) <u>Offset Overspending</u> Section 89/29 Replacement - Construction: \$856k (contractor progress) Sections 25, 75, 24, 47, 59 & 60 - Design/CA: \$502k (Design tasks scheduled for FY22 performed in FY23) Section 53 and 99 Improvements - Design/CA: \$350k, and NEH Improvements Design - ESDC: \$398k (timing of consultants work)
Other Waterworks	\$15,114	\$2,773	(\$12,341)	-81.7%	<u>Underspending</u> Local Water Pipeline Financial Assistance Program: \$11.8M (timing of community distributions) CWTP SCADA Upgrades: \$855k (timing of work) <u>Offset Overspending</u> New Roofs at Water Pump Stations - Construction: \$660k (timing of work)
Total Waterworks	\$54,207	\$32,128	(\$22,079)	-40.7%	

**ATTACHMENT 3
FY23 CIP Year-to-Date Variance Report (\$000's)**

	FY23 Budget YTD November	FY23 Actuals YTD November	YTD Actuals vs. Budget		Explanations
			\$	%	
Business & Operations Support					
Total Business & Operations Support	\$10,961	\$5,870	(\$5,091)	-46.4%	<u>Underspending</u> Cabling: \$1.3M, Office Space Modifications: \$1.1M, Oracle Database Appliance: \$775k, MAXIMO Interface Enhancements: \$346k, and MSSP/SIEM: \$313k (timing of work) FY19-23 Vehicle Purchases: \$950k (timing of purchases and supply chain issues) Security Equipment & Installation: \$632k (timing of security initiatives) <u>Offset Overspending</u> As-Needed Design Contracts: \$451k, Edge Switches: \$435k (timing of work)
Total MWRA	\$95,558	\$50,524	(\$45,034)	-47.1%	


STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: December 14, 2022
SUBJECT: Appointment of Proxy for Fore River Railroad Corporation

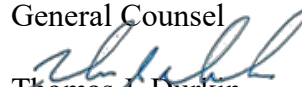


COMMITTEE: Administration, Finance & Audit

VOTE
 INFORMATION


Carolyn M. Francisco Murphy
General Counsel

Sean R. Cordy, Senior Financial Analyst
Preparer/Title


Thomas J. Durkin
Director of Finance

RECOMMENDATION:

That the MWRA Board of Directors, as holder of all voting rights of all the issued and outstanding shares of stock of the Fore River Railroad Corporation, vote to appoint Matthew R. Horan, with the power of substitution, to vote as proxy at the next annual meeting and any special meeting of the stockholders for the Fore River Railroad Corporation in accordance with the form of proxy attached hereto and filed with the records of this meeting. In addition, the MWRA Board of Directors directs the proxy to elect the following board members:

David W. Coppes	Rose Marie Convery	Thomas J. Durkin
Carolyn M. Fiore	Michele S. Gillen	Frederick A. Laskey
Carolyn M. Francisco Murphy	Brian Peña	John J. Walsh

DISCUSSION:

In 1987, MWRA purchased the Fore River Staging Area from General Dynamics. Included in the sale was the purchase of the Fore River Railroad Corporation (FRRC). The railroad operates during weekdays and services MWRA's Residuals Plant and Twin Rivers Technologies, Inc. Since July 2001, FRRC has leased its operating rights to Fore River Transportation Corp., a short-line railroad operator. Pursuant to the by-laws of the FRRC, an annual meeting of the shareholders must be held in the first quarter of each calendar year to elect the Board of Directors. MWRA is the sole stockholder of the FRRC.

The primary purpose of the proxy for the stockholders at the Annual Stockholders' meeting is to elect the FRRC Board of Directors as set forth on the Shareholder's Annual Meeting Agenda. Each Director's term extends until the next annual meeting. The FRRC by-laws state that the Board shall consist of a minimum of five and not more than ten members. Staff propose that the current

Board Members be reappointed to serve on the FRRRC Board in 2023. The members are listed below:

David W. Coppes
Carolyn M. Fiore
Carolyn M. Francisco Murphy

Rose Marie Convery
Michele S. Gillen
Brian Peña

Thomas J. Durkin
Frederick A. Laskey
John J. Walsh

ATTACHMENT:

Form of Proxy

FORE RIVER RAILROAD CORPORATION
PROXY

The undersigned, on behalf of MWRA's Board of Directors and duly representing the holder of all the issued and outstanding shares of stock of the Fore River Railroad Corporation hereby appoints Matthew R. Horan to vote as proxy for the undersigned at the upcoming Annual Meeting of the Stockholders and at any Special Meeting of the Stockholders of the Fore River Railroad Corporation. The proxy is instructed to vote on all business as may properly come before the stockholder's meetings and to sign any waivers of notice to be taken thereat, with all the powers the undersigned would possess if personally present. In addition, the Board of Directors directs the proxy to elect the following board members:

David W. Coppes
Carolyn M. Fiore
Carolyn M. Francisco Murphy

Rose Marie Convery
Michele S. Gillen
Brian Peña

Thomas J. Durkin
Frederick A. Laskey
John J. Walsh

MASSACHUSETTS WATER RESOURCES
AUTHORITY


By: _____
Bethany A. Card
Chair
Board of Directors

Dated: Boston, Massachusetts
December 14, 2022

Massachusetts Water Resources Authority: 1,470 Shares

STAFF SUMMARY

V.B.2
12/14/22

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director 
DATE: December 14, 2022
SUBJECT: Proposed Amendment to the Management Policies of the Board of Directors –
Threshold for Purchases


COMMITTEE: Administration & Finance

 INFORMATION
 X VOTE


Michele S. Gillen

Director of Administration

Rita C. Mercado, Acting Director, Procurement
Preparer/Title


Carolyn Francisco Murphy
General Counsel

RECOMMENDATION:

To adopt the proposed amendments to the Management Policies of the Board of Directors to increase the general procedures threshold for purchases not more than \$5,000 to \$10,000.

DISCUSSION:

In July 1985, the Board adopted a set of Management Procedures (MWRA Policy ADM.01, Management Policies of the Board of Directors) designed to regulate the day-to-day responsibilities of the Authority. This policy sets forth specific delegations of authority for certain staff to purchase materials, award contracts, and execute amendments and change orders up to certain values.

On July 15, 2015, the Board of Directors approved an amendment to the Management Procedures to increase to the general procedures threshold for purchases not more than \$2,000 to \$5,000. Staff are now recommending that the \$5,000 threshold be increased to \$10,000 to address inflationary increases, which is consistent with sound business practices in the Commonwealth of Massachusetts.

The current practice for purchases estimated to cost not more than \$5,000 are awarded in accordance with a procedure whereby MWRA receives sufficient written quotations to ensure the acquisition of high quality goods at competitive prices. Purchases estimated to cost more than \$5,000 but not more than \$25,000 are made based on bids submitted in response to uniform specifications prepared by MWRA staff. Staff solicit quotations from prospective vendors and attempt to obtain at least three quotations whenever feasible.

The proposed increase to the general procedures threshold for purchases not more than \$5,000 to \$10,000 will ensure that MWRA keeps pace with the rate of inflation while continuing to handle routine purchases to support a wide range of departments within MWRA in an efficient manner.

The updated policies will allow staff to expedite quoted material and services at a slightly higher value as prices have increased over the last several years. Streamlining these processes will reduce staff involvement and allow products to be purchased in a shorter period of time. This will also allow the purchase of minor pieces of equipment and the completion of smaller projects more quickly to better support operations. All major purchases will still fall under MWRA's procurement policies to ensure competition and the lowest price for those larger purchases.

Should the Board adopt the proposed amendment to the Management Policies of the Board of Directors to increase the general procedures threshold for purchases not more than \$5,000 to \$10,000, the Executive Director will update MWRA's Purchasing Policies (ADM.20) accordingly. Attached is the proposed policy revisions to both the Management Policies of the Board of Directors (ADM.01) and MWRA's Purchasing policy (ADM.20).

BUDGET/FISCAL IMPACT:

The amendments discussed in this staff summary will have no budgetary impacts.

ATTACHMENT:

Proposed Amendments to the MWRA Policy ADM.01 - Management Policies of the Board of Directors and MWRA Policy ADM.20 - Purchasing

ATTACHMENT

Proposed Amendments to the MWRA Policy #ADM.01 - Management Policies of the Board of Directors and MWRA Policy #ADM.20 - Purchasing December 14, 2022

Current
Proposed

Management Policies of the Board (ADM.01)

V. PROCUREMENT

B. Purchasing

2. General Procedures.

(a) Purchases Not More Than \$5,000 \$10,000. Purchases estimated to cost not more than \$5,000 \$10,000 shall be awarded in accordance with a procedure which is reasonable and practical under the circumstances. Where feasible, the procedure for such purchases shall provide that the Authority receives sufficient bids or quotations to ensure the obtaining of high quality goods at competitive prices.

(b) Purchases More Than \$5,000 \$10,000 But Not More Than \$25,000. Purchases estimated to cost more than \$5,000 \$10,000 but not more than \$25,000 shall be made on the basis of bids submitted in response to uniform specifications prepared by the Authority. The Authority shall solicit bids from representative prospective vendors and attempt to obtain at least three bids whenever feasible.

Purchasing (ADM.20)

Part C Purchase Orders (ADM.20)

**Approval for
purchase
orders under
\$25,000 \$90,000**

Following all approvals of the requisition, the Purchasing Unit converts the system requisition into a system generated purchase order. The purchase order, once printed, requires the following approvals prior to issuance to the vendor.

Goods, Material, Equipment and Supplies and Non-Professional Services

Value	Approval Required
Under <u>\$2,000</u> <u>\$20,000</u>	Purchasing Manager/ <u>Deputy</u> <u>Purchasing Manager</u>

\$2,001 - \$25,000 \$20,000 - \$90,000	Director of Procurement or Director of Administration
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Approval for purchase orders \$25,001 and above

A Staff Purchasing Summary form is required for all purchases and non-professional services of \$25,001 and above between \$20,000 and \$90,000. For purchases between \$90,000 and \$3,500,000, a Delegated Staff Summary is required. (For Chemical Purchases, a Delegated Staff Summary is required for purchases up to \$15,000,000.) Amendments involving an increase in the purchase order amount or extension of time also require a Staff Summary. The Staff Summary requires the following approvals prior to the issuance of a purchase order.

Value	Approval Required
\$25,001 - \$35,000 \$90,000	Associate Director/Managing Director Director of Procurement or Director of Administration
\$90,000 - \$120,000	Director of Administration or Executive Director
\$35,001 - \$500,000 (for other than low bidder) \$90,000 - \$3,500,000	Executive Director
\$35,001 - \$1,000,000 (for low bidder) \$90,000 - \$15,000,000 (for chemicals)	Executive Director
Over \$500,000 (other than low Board of Directors bidder) \$3,500,000	Board of Directors
All others Over \$15,000,000 (for chemicals)	Board of Directors

Steps for issuance of purchase orders

Competitive actions taken by the Purchasing Unit vary depending on the dollar limit of the requisition.

This table explains the dollar limit and the procedures to be followed:

If the Dollar Limit Is...	Then the Purchasing Unit...
\$0 - \$2,000 \$10,000	<ol style="list-style-type: none"> 1. Verifies that a system requisition has been properly prepared and approved; 2. Utilizes Commonwealth of Massachusetts Contract or MWRA-Wide Agreements whenever practical; 3. Solicits competitive quotations where practical; 4. Prints system generated purchase order for signature. 5. Issues authorized purchase order to vendor.
\$2,001 - \$10,000 \$10,000 - \$25,000	<ol style="list-style-type: none"> 1. Verifies that a system requisition has been properly prepared and approved; 2. Develops and/or ensures uniform specifications; 3. Solicits a minimum of three written quotations; 4. Prints system generated purchase order for signature. 5. Issues authorized purchase order to vendor

Steps for issuance of purchase orders, continued

This table is continued from the previous page.

If the Dollar Limit Is...	Then the Purchasing Unit...
\$10,000 - \$50,000 \$25,000 - \$90,000	<ol style="list-style-type: none"> 1. Verifies that a system requisition has been properly prepared and approved; 2. Develops and/or ensures uniform specifications;

	<p>3. Advertises in the Secretary of State's Goods and Services Bulletin and/or in a major Boston area newspaper, at the discretion of the Director of Procurement in the event the cost estimate exceeds \$50,000;</p> <p>4. Following proper competitive solicitations, if required, conducts publicly held bid opening and determines the lowest responsive quote/bid.</p> <p>5. Prepares and submits a Staff Purchasing Summary for recommendation of award over \$25,000;</p> <p>6. Prints system generated purchase order for signature approval and issues to vendor.</p>
<p>Over \$50,001 Over \$90,001</p>	<p>1. Verifies that a system requisition has been properly prepared and approved;</p> <p>2. Develops and/or ensures uniform specifications;</p> <p>3. Advertises in one or more of the major Boston area newspapers and in the Secretary of State's Goods and Services Bulletin;</p> <p>4. Solicits written, sealed bids and conducts publicly held bid openings;</p> <p>5. Prepares and submits Staff Summary for authorized approval;</p> <p>6. Prints system generated purchase order for signature approval and issues to vendor.</p>

Note: for all purchases and awards the MWRA reserves the right, to the full extent allowed by the law, to reject any and all bids wholly or in part; to waive technicalities and informalities, to correct clerical errors, and to modify bids or proposals, as may be in the best interest of the MWRA.

Part E Critical/Emergency Purchases (ADM.20)

Critical and emergency purchases

Critical and emergency conditions may require exceptions to the policies and procedures of the MWRA. Whenever practicable, goods and nonprofessional services should be ordered in accordance with established procedures outlined below.

If the situation occurs...	Then the requisitioner should...
Between 8:30 a.m. and 5:00 p.m. on weekdays	1. Create and approve a requisition and call the Buyer for immediate generation of a purchase order. 2. Coordinate with the Purchasing Unit to have verbal and faxed electronic placement of purchase orders.
Outside normal business hours	Call the vendor and utilize the next available purchase order number from the published list of reserved purchase order numbers issued by the Purchasing Unit.

Note: Following placement of a critical or emergency purchase order a memorandum is required from the ordering location Division Director's office to the Director of Procurement detailing the critical condition.

Part G Forms, Names and Purposes (ADM.20)

Forms, names and purposes

The table below lists all the forms associated with this policy along with their purpose.

Form Names	Purpose
Request for Materials (RFM)	A System generated form authorizing a Request for Material.
Purchase Order	A System generated form authorizing contractual agreement between vendor and MWRA.
Invitation for Bid letter	A standard form to be used for all solicitations above \$50,000.

Sole Source Request (Form 1)	A form used to obtain approval of the Director of Procurement for a single source provider of a unique service or goods.
Staff Summary	An internally generated approval document requesting authorization for placement of a purchase order over \$25,000 \$90,000.
Notification of Bid	A memorandum notifying requisitioner of schedule of upcoming bids.
Request for NIGP Item Codes	A standard form used to request establishment of 11 digit item (commodity code number).
Vendor Information Form	A request form filled out by vendors for placement on the MWRA's vendor/bid list.

STAFF SUMMARY

VIA.1
12/14/22

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: December 14, 2022
SUBJECT: Operations and Maintenance of the Fore River Pelletizing Plant Update



COMMITTEE: Wastewater Policy & Oversight

X INFORMATION
 VOTE

Rebecca Weidman, Director, Environmental & Reg. Affairs
David F. Duest, Director, Deer Island WWTP
Carl Pawlowski, Manager, Residuals Operations
Preparer/Title


Michele S. Gillen

Director of Administration


David W. Coppes, P.E.

Chief Operating Officer

The Pelletizing Plant Operation and Maintenance contract extensions expire on December 31, 2023. This staff summary updates the Board on the continued regulatory uncertainty around per- and polyfluoroalkyl substances (PFAS) in wastewater and its impact on beneficial use of the pellets and MWRA's plan to competitively bid a new contract for Operation and Maintenance of the pelletizing plant.

RECOMMENDATION:

For information only.

DISCUSSION:

Residuals collected by primary and secondary treatment at Deer Island are processed in the egg-shaped anaerobic digesters. The remaining residuals (liquid sludge), after digestion, are temporarily stored on Deer Island and then pumped seven miles through a pipeline to MWRA's Pelletizing Plant located in the Fore River Staging Area in Quincy (pictured at the right). At this facility, the digested sludge is dewatered in centrifuges and then dried in thermal dryers (as shown in Figures 2 and 3 below). The resulting pellets are beneficially marketed and used as a Class



Figure 1: MWRA's Pelletizing Plant

A Exceptional Quality fertilizer. The pellets are currently distributed throughout the eastern United States; 23% of the product was distributed within Massachusetts between 2017 and 2021.



Figure 2: Dewatering Centrifuges



Figure 3: Thermal Dryers

Operation of the Pelletizing Plant began in December 1991 following a competitive procurement process that resulted in MWRA awarding the first operation and maintenance contract to the New England Fertilizer Company (NEFCo). The successor contract, Contract S345, also competitively bid, was awarded to NEFCo in 2001 for a 15-year period ending December 31, 2015.

There have been three amendments to Contract S345, ultimately extending the contract for eight more years, while realizing a cost savings to MWRA when compared to the Contract's initial 15-year term.

On average, NEFCo converts approximately 105 dry tons per day of digested sludge to fertilizer pellets. Production rates have varied annually from 96 dry tons per day to 112 dry tons per day over the life of the contract. NEFCo is also responsible for pelletizing plant maintenance and is required to return a fully operating plant to MWRA at the close of the contract.

Originally, MWRA decided to contract for the operation of the pelletizing plant because it involved the use of a newer treatment technology and involved developing and maintaining national markets for a Class A fertilizer product, tasks unlike anything with which existing staff had ever been involved. In addition, there were only limited U.S. installations of this technology. (The Quincy facility was among the first five built in this country.) While today there are many more "dryer facilities" – approximately 25 throughout the country – there are only a few firms remaining that specialize in the operation and maintenance of these facilities.

PFAS in Biosolids

Staff's recommendations in October of 2020 and June of 2022 to extend Contract S345 by two years, with an optional third year extension was based on the regulatory uncertainty of contaminants like PFAS and changes in the marketing and disposal of wastewater-derived fertilizers. PFAS is a group of emerging contaminants of concern to the environment. These are a class of human-made chemicals that resist heat, oil, stains, grease, and water, and are typically associated with the manufacturing of non-stick coatings, waterproofing, stainproofing treatments. They are also used in aqueous film forming foams used for fire-fighting. The regulatory landscape regarding PFAS is rapidly evolving with significant future uncertainty.

As previously reported to the Board, over the last three years MassDEP has focused its attention on gathering data on PFAS in biosolids through increased monitoring and reporting for any new or renewed Approval of Suitability (AOS) permits issued for the land application of biosolids. In November 2020, MassDEP updated their AOS permits (including MWRA's) to require quarterly PFAS sampling. This fall, there have been numerous reports that MassDEP is pausing renewals of Type I AOS permits (Type I biosolids are the highest quality biosolids and can be used as commercial fertilizers and soil conditioners) pending further study. MWRA's existing AOS permit expires November 5, 2025. Concurrently, other states are taking significant actions with respect to PFAS in biosolids.

In 2019, the Maine Department of Environmental Protection implemented requirements that biosolids generators develop monitoring plans and conduct testing for three PFAS compounds. At that time, 22% of MWRA biosolids were land-applied within the state of Maine, slightly down from 25.2% in 2018. In 2021, this dropped to 11%, a seven-year low, which MWRA staff believes can be attributed to PFAS concerns. In early 2022, legislation in Maine banned all land application of biosolids.

Also in 2022, the Connecticut Department of Agriculture and the Department of Energy and Environmental Protection issued a joint statement providing guidance to local farmers where they suggest farmers "...do not apply processed biosolids fertilizers to agricultural fields without first requesting PFAS test results from their suppliers." This statement also says if biosolids exceed 1.4 ppb (a total of 5 PFAS), "...it is recommended that you do not apply that product in bulk on your fields." MWRA biosolids exceed this guidance level. Since this guidance was issued, the chilling effect is evident as farms in Connecticut have stopped accepting MWRA biosolids.

Between 2016 and 2021, NEFCo distributed between 37% and 69% MWRA's pellets throughout the New England states. A majority of those pellets were distributed in Maine, Massachusetts, and Connecticut.

MWRA is also monitoring the direction of PFAS regulation at the federal level. The US Environmental Protection Agency (EPA) recently proposed revisions to its regulations under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) that would designate perfluorooctanoic acid (PFOA) and perfluorooctane sulfonic acid (PFOS) as hazardous substances. The proposed CERCLA revisions did not formalize EPA's prior stated position that the land application of biosolids constitutes the "normal application of fertilizer" and is therefore not a "release" subject to CERCLA liability if done in accordance with EPA's separate 40 CFR Part 503 regulations. Clean water utilities across the country believe this first step by EPA under CERCLA may result in future claims of liability for PFAS contamination and cleanup costs.

Additionally, this past June, the EPA issued revised interim health advisories for PFOA and PFOS in drinking water at 4 and 20 parts per quadrillion (ppq), respectively, well below any current detection limits of existing analytical methods. EPA's revised interim health advisories were issued in advance of their proposed National Drinking Water Regulations for PFOA and PFOS expected to be released at the end of 2022 or early in 2023.

Next Steps

Staff recommend continuing to contract for the operation and maintenance of the Pelletizing Plant after the current contract ends and plan to advertise for proposals in 2023. Terms in the new contract would continue to require the marketing and distribution components, separate from the operation and maintenance components of the contract, but include some mechanism to allow for disposal by other means (e.g., landfill and/or incineration) should regulatory conditions make marketing no longer possible and until such time that MWRA could separately procure a long-term disposal option. Disposal by landfill or incineration would add significant cost to the Authority and its rate payers. Under its current contract with NEFCo, MWRA pays roughly \$44/ton for marketing and distribution based on beneficial use of its biosolids. If future regulations require landfill disposal, MWRA could be paying in the order of \$300 - \$400/ton, or roughly \$8.7 to \$12.1 million more per year over the current \$17 million cost.

Staff also investigated extending the current operating contract with NEFCo for one additional year. NEFCo said they would consider a one-year extension (with escalation and excess quantities), but would seek to modify terms in order to provide protection from escalating marketing and disposal costs. Staff will further explore this short-term option, but are continuing to proceed with a competitive bid for the next operation and maintenance contract.

BUDGET/FISCAL IMPACT:

The FY23 current expense budget request includes \$16,991,305 for the third year of Amendment 3 to Contract S345. Any overspending will be absorbed within the Operations Division Budget. MWRA will budget accordingly for future fiscal years to fund the operation of the Pelletizing Plant, including the ultimate disposal of its product.

STAFF SUMMARY

VI A.2
12/14/22

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: December 14, 2022
SUBJECT: Public Meeting for Development of the Updated CSO Control Plan



COMMITTEE: Wastewater Policy and Oversight

INFORMATION
 VOTE

Brian L. Kubaska, P.E., Assistant Director of Engineering
Michael D. O’Keefe, Senior Program Manager, Planning
Preparer/Title



David W. Coppes, P.E.
Chief Operating Officer

RECOMMENDATION:

For information only. MWRA, the City of Cambridge, and the City of Somerville will hold our second public meeting associated with the development of Updated CSO Control Plans for the Charles and Mystic Rivers and Alewife Brook on December 15, 2022. Staff will provide an abbreviated version of the materials for the public meeting at the Board of Director’s meeting.

DISCUSSION:

In compliance with the 2019 CSO Variance issued by the Massachusetts Department of Environment Protection (DEP) that allows MWRA, Cambridge, and Somerville to continue to have limited CSO discharges to the Alewife Brook and the Upper Mystic River, as well as the Charles River lower basin, the three entities are in the process of developing Updated CSO Plans. These plans will include a description of the existing level of CSO control, an evaluation of the costs, performance, and water quality improvements achieved by additional CSO control alternatives, a public participation plan, and an affordability analysis.

In September, MWRA informed the Board that all three entities requested to extend the original deadline for completion of the Updated Control Plans beyond December 2023 for several reasons, including updating the rainfall in a typical year (the yardstick used to compare alternatives) to consider the impacts of climate change, holding public meetings that will allow public input at critical points in the planning process, thoroughly analyzing proposed alternatives to CSO reduction, establishing a Special Review Procedure with the Massachusetts Environmental Policy Act (MEPA) Office, and the coordination involved among MWRA, Cambridge, and Somerville. This extension request is still pending approval by the Environmental Protection Agency and DEP.

The three entities continue to be committed to substantial public engagement in development of the plans. The first public meeting (seven are planned) was held on June 29, 2022 to provide a high level introduction to CSOs, an overview of MWRA’s success in reducing CSOs, the goals and priorities of the Updated CSO Plans, and the expected schedule over the coming months and years.

On December 15, the second public meeting will be held virtually. As with the first meeting, comprehensive translation services will be available and the meeting has been widely publicized in Somerville, Cambridge, and the surrounding communities so that all interested residents are aware of the meeting. The focus of the second public meeting will be twofold: it will encourage public participation and understanding of the concerns, goals, and priorities that the communities have for the Updated CSO Control Plan process; and it will present and elicit feedback on our development of an updated typical year that considers the impacts of climate change. Over the past year, MWRA, Cambridge, and Somerville, along with the consultants and a climate scientist from Cornell University, established a first of its kind approach, using both historic observed rainfall data and future climate models to identify a “2050 future typical year.” Using this typical year in the planning process will allow us to understand how the alternatives included in the Updated CSO Plans will operate under the more intense rainstorms projected in the future.

The third public meeting, which will cover alternatives being developed by MWRA, Somerville, and Cambridge to reduce CSOs, will occur in spring 2023.

STAFF SUMMARY

VI B.1
12/14/22

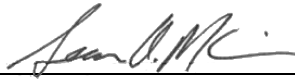
TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: December 14, 2022
SUBJECT: Approval of New Member of the Wastewater Advisory Committee



COMMITTEE: Wastewater Policy & Oversight

 INFORMATION
 X VOTE

Wendy Leo, Senior Program Manager
Preparer/Title

Sean Navin 
Director, Intergovernmental Affairs

RECOMMENDATION:

To approve the addition of one new member, Mr. Jim Ferrara, to the Wastewater Advisory Committee.

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).

The 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, which was established during the planning of the new Deer Island Treatment Plant. WAC's members include citizen advocates, representatives from the Metropolitan Area Planning Council, watershed associations, the engineering and business communities, environmental law, and the science and education fields. The Advisory Board has historically appointed a member as well.

This Contract provides that WAC shall have a maximum of 20 members approved by MWRA's Board of Directors; the Contract prohibits alternates or designees. 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 chair is Wayne Chouinard and WAC's current Executive Director is Andreae Downs.

The proposed new member, Mr. Ferrara, is currently a Lead Engineer at National Grid. With his decades of experience in design and construction of energy, water, and transportation infrastructure, Mr. Ferrara will be a valuable addition to the committee.

The current 13 members on WAC are: Mary Adelstein, citizen advocate; George Atallah, Triumvirate Environmental; Craig Allen, Commonwealth Research Group, Inc.; Philip Ashcroft, business and executive coach; Adriana Cillo, Boston Water and Sewer Commission; Wayne Chouinard, Town of Arlington DPW (chair); Stephen Greene, Howland-Greene Consultants;

James Guidod, MWRA Advisory Board; Taber Keally, Neponset River Watershed Association; Karen Lachmayr, Harvard University; Martin Pillsbury, Metropolitan Area Planning Council; Kannan Vembu, AquaEnviroBio Solutions LLC; Dan Winograd, Woodard & Curran.

In accordance with the current Agreement, WAC unanimously nominated Mr. Ferrara for membership at its November 2022 meeting.

STAFF SUMMARY

VII A.1
12/14/22

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: December 14, 2022
SUBJECT: Metropolitan Water Tunnel Program
Geotechnical Support Services
GEI-McMillen Jacobs JV
Contract 7557



COMMITTEE: Water Policy and Oversight

 INFORMATION

 X VOTE



Michele S. Gillen

Director of Administration



Kathleen M. Murtagh, P.E.

Director, Tunnel Redundancy

Vivian Chan, Manager, Geotechnical and Tunneling
Preparer/Title

RECOMMENDATION:

To approve the recommendation of the Consultant Selection Committee to award Contract 7557, Metropolitan Water Tunnel Program Geotechnical Support Services to GEI-McMillen Jacobs JV and to authorize the Executive Director, on behalf of the Authority, to execute said Contract in an amount not to exceed \$12,789,889.49 for a contract term of 36 months from the Notice to Proceed.

DISCUSSION:

In February 2017, the Board approved the preferred alternative of construction of northern and southern deep rock tunnels from the Hultman Aqueduct and MetroWest Water Supply Tunnel to the Weston Aqueduct Supply Main No. 3 (WASM 3) and to the Southern Spine water mains. These two tunnels and the related work of the Metropolitan Water Tunnel Program (the Program) will provide the needed redundancy for the Metropolitan Tunnel System (which consists of the City Tunnel, the City Tunnel Extension, and the Dorchester Tunnel). The Board also directed staff to proceed with preliminary design, geotechnical investigations, and Massachusetts Environmental Policy Act (MEPA) review of the project.

On May 27, 2020, the Board approved the award of Contract 7159, Metropolitan Tunnel Redundancy Program Preliminary Design, Geotechnical Investigation and Environmental Impact Report (the Preliminary Design Contract). The Preliminary Design Contract includes sufficient deep rock borings to support the Environmental Impact Report process and preliminary design, but is not sufficient for final design of the Program. In October 2022, the Draft Environmental Impact Report for the Program was submitted to MEPA and included a preferred tunnel alternative.

The Program consists of about 14.5 miles of tunnels that will be constructed in bedrock about 250 to 500 feet below ground. Subsurface investigation on ground conditions is crucial for the design and construction of the Program. The geology in the Program area is also very complex with many

fault zones and a large variety of different rock types and geologic formation. Obtaining sufficient geotechnical and geologic data along the proposed tunnel alignments to properly characterize the ground conditions and select an efficient tunnel alignment is essential for managing Program cost and schedule.

Given the depth of the proposed tunnels, deep rock test borings along the tunnel alignments and at shaft sites take substantial effort and time to complete. The densely developed urban and residential areas along the tunnel routes also pose restrictions for field investigation and constraints on schedule. As part of the Program planning, geotechnical investigation has been identified as being on the critical path for the overall Program schedule. To avoid potential Program delay, this Geotechnical Support Services contract was developed to assist in collecting the necessary geotechnical and geological data concurrent with the preliminary design and early final design to expedite the data collection process.

The Geotechnical Support Services contract includes a multi-phase geotechnical subsurface investigation program with test borings, geophysical testing, in-situ testing, and laboratory testing and associated reporting. The data collected will be provided to and incorporated by the final design engineer to prepare construction contract documents, including geotechnical data reports and geotechnical baseline reports.

Procurement Process

On August 24, 2022, MWRA issued a one-step Request for Qualifications Statements/Proposals (RFQ/P) that was publicly advertised in the Central Register, the Boston Herald, Banner Publications, El Mundo and on the MWRA Supplier Portal. In addition, notice of the RFQ/P was sent to 64 engineering firms, many of which had expressed interest in the Metropolitan Water Tunnel Program. A total of 31 firms requested copies of the RFQ/P.

A pre-proposal meeting was held on August 30, 2022 with 28 non-MWRA attendees from 13 different companies.

On October 14, 2022, MWRA received four proposals. The following is a summary of the costs and level of effort for each proposer, as well as the staff estimate:

Proposer	Proposed Cost	Proposed Level of Effort (total hours)
AECOM	\$12,550,817	36,023
Langan	\$12,757,839	31,034
GEI-McMillen Jacobs JV	\$12,789,889	32,050
Mott MacDonald	\$15,780,414	41,181
<i>Staff Estimate</i>	<i>\$13,400,360</i>	<i>37,759</i>

The Selection Committee met to review the proposals and to determine which proposers would be selected for an interview. The Selection Committee evaluated and scored the proposals based on the following evaluation criteria included in the RFQ/P: Cost (20 points), Qualifications and Key Personnel (20 points), Capacity/Organization and Management Approach (20 points), Technical Approach (20 points), Experience/Past Performance on similar Projects (17 points) and MBE/WBE Participation (3 points) for a total maximum score of 100 points. The pre-interview rank and points were as follows:

Proposer	Total Preliminary Score
AECOM	431
GEI-McMillen Jacobs JV	415
Mott MacDonald	351
Langan	273

Based on preliminary scoring and discussion, and upon receipt of further clarifications from all proposers, the top two teams, AECOM and GEI-McMillen Jacobs JV (GEI-McMillen), were selected for interviews.

Interviews were held on November 18, 2022 and November 28, 2022. The Selection Committee sent interview presentation topics and questions seeking additional information to each of the two team to focus the discussion. After completion of the interviews, the Selection Committee reconvened to discuss and rank the proposals based on the interviews and additional information received. 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:

Proposer	Total Final Score	Order of Preference Points	Ranking
GEI-McMillen Jacobs JV	440	5	1
AECOM	423	10	2
Mott MacDonald	336	15	3
Langan	272	20	4

The Selection Committee unanimously voted to recommend award of the contract to the first ranked firm, GEI-McMillen.

The GEI-McMillen team includes GEI, McMillen Jacobs, Tetra Tech, Hager-Richter, New England Boring Contractors and 7NT (drilling contractor) with experienced and well qualified personnel. The Selection Committee members agreed that the inclusion of two well-qualified drilling companies with multiple drilling crews provides the capacity that will be critical to execute the project expeditiously in order to meet the overall Program needs. With GEI being a geotechnical specialty consultant headquartered in Metro Boston and McMillen Jacobs' local presence, the GEI-McMillen team provides large bench and resources locally on geotechnical engineering and tunneling to support the Program.

AECOM's team provides well-qualified personnel, extensive relevant experience in conducting large geotechnical subsurface investigation programs for rock tunnels, and very competitive costs that are below staff estimates. However, GEI-McMillen has a stronger technical approach that is well thought out and aligns with the Project goals. GEI-McMillen proposed an early hands-on workshop with field personnel to review description and actual rock core samples from the Program to improve quality, consistency and efficiency in logging. Although AECOM provided qualified staff to conduct the subsurface investigations, its approach differed from GEI-McMillen, which also leveraged its field staff to provide more value by conducting a larger part of the logging in the field, thereby expediting the logging process and reducing a potential choke point and potential schedule delay common in the data collection process. The GEI-McMillen team also showed flexibility in its approach and ability to adopt and accommodate inevitable changes that are the nature of field work and the current environment.

Mott MacDonald proposed a significantly higher cost (18 percent higher than the staff estimate and 23 to 26 percent higher than other three proposals). The technical approach does not align well with the project goals and the overall Program schedule. The key personnel proposed, while qualified and experienced, is less local, which is a disadvantage particularly for a contract focused on field investigation programs. The Selection Committee was also concerned about the team's capacity with only one drilling contractor identified, who will continue to be under the Preliminary Design Contract until January 2024.

Langan proposed key personnel that are less qualified and do not have as much relevant experience on executing deep rock exploration and tunnel projects as compared to the other proposals. The technical approach demonstrated misunderstanding on the uniqueness of subsurface investigation for rock tunnel programs. The level of capacity for local staff resources was also a concern.

BUDGET/FISCAL IMPACT:

The FY23 CIP includes a budget of \$13,500,000 for Contract 7557. The recommended contract award amount is \$12,789,889.49.

MBE/WBE PARTICIPATION:

The MBE and WBE participation requirements for this contract were established at 0%. GEI-McMillen Jacobs JV has committed to 14% MBE and 0% WBE participation.

STAFF SUMMARY

VII B.1
12/14/22


TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: December 14, 2022
SUBJECT: Quabbin Aqueduct Shaft 2 Improvements
Unified Contracting, Inc.
Contract 7198, Change Order 2



COMMITTEE: Water Policy & Oversight

 INFORMATION
 X VOTE

Corinne M. Barrett, Director, Construction
Eleanor Duffy, P.E., Assistant Director, Construction
Preparer/Title


David W. Coppes, P.E.
Chief Operating Officer

RECOMMENDATION:

To authorize the Executive Director, on behalf of the Authority, to approve Change Order 2 to Contract 7198, Quabbin Aqueduct Shaft 2 Improvements, with Unified Contracting, Inc. for a lump sum amount of \$347,297.31, increasing the contract amount from \$1,289,000 to \$1,636,297.31, with no increase in contract term.

DISCUSSION:

The Quabbin Aqueduct Shaft 2 located in Holden was originally constructed in an octagonal shape and provided a tunnel spoil removal location during the 1927 tunnel construction. It now functions as a high-level overflow relief point. In 1940, the surrounding soil was removed and a cast-in-place concrete wall collar ranging in thickness from one foot to one foot, nine-inches was installed to provide restraint for stresses from internal water pressure that was previously provided by the surrounding soil. In 1957, additional repairs were made to the exterior deteriorated concrete with the application of a two-inch shotcrete layer.

More recently, the exterior of the structure exhibited extensive deterioration, including delamination, spalling, leading edge failure and cracking of the overlay. As a result, the contract's scope of work included removal of the 1940 overlay wall in its entirety and replacement with a new reinforced concrete wall; concrete repair work, including doweling, installing a new cast-in-place exterior wall and replacement of the top slab.

This Change Order

Change Order 2 consists of the following item:

Adjust the Contract Price of Change Order 1 \$347,297.31

Change Order 1 was issued for a not-to-exceed amount of \$500,000 due to the Contractor encountering extensive deterioration of concrete in the original 1927 octagonal concrete structure

and the discovery of embedded timbers in the structure. Because of these findings, additional demolition of the concrete structure and removal of the embedded wooden timbers were required. Further, a different method was required for the concrete form system and the sequence of construction had to be changed.



Splintering of wooden timbers



Repairs to the 1927 octagonal structure

Removal of the embedded wooden timbers was more time difficult than anticipated because the wooden timbers were rotted and splintered into very small shards. After commencement of Change Order 1 work, additional areas of deterioration were discovered, requiring removal of additional portions of the original 1927 structure. Moreover, upon completion of the removal of deteriorated concrete, it was discovered that a number of cracks within the concrete wall to remain required the application of sealant and, in some areas, epoxy injection. In addition, deep spalls in some panels of the octagonal structure were revealed, which required a special pre-repair method prior to the drilling and grouting of the rebar dowels in order to provide a suitable concrete surface that would allow proper embedment into the concrete structure. Therefore, staff recommend that Change Order 1 be increased by the lump sum amount of \$347,297.31.

This item was identified by MWRA staff as an unforeseen condition. The work of Change Order 1 was performed on a time and materials basis due to the scope of work continuing to evolve. This change order is for the Change Order 1 overrun amount of \$347,297.31 and the Contractor proceeded with this work at its own risk in order to complete the remainder of the contract work. Contract 7198 expired on June 30, 2022. The work is complete with the exception of punch list items. The approval of this change order was delayed due to difference in the costs for the additional work between the Authority and the Contractor. The Contractor is not in agreement with the final change order amount and staff will execute this change order unilaterally. Further, the Contractor has filed a claim regarding the change order amount and other disputed costs.

CONTRACT SUMMARY:

	<u>Amount</u>	<u>Time</u>	<u>Dated</u>
Original Contract:	\$789,000.00	270 Days	06/15/21
Change Orders:			
Change Order 1	\$500,000.00	110 Days	01/21/22
Change Order 2	<u>\$347,297.31</u>	<u>0 Days</u>	Pending
Total of Change Orders:	\$847,297.31	110 Days	
Adjusted Contract:	\$1,636,297.31	380 Days	

If Change Order 2 is approved, the cumulative value of all change orders to this contract will be \$847,297.31 or 107% of the original contract amount. Work on this contract is substantially complete.

BsUDGET/FISCAL IMPACTS:

The FY23 CIP includes a budget of \$1,739,000 for Contract 7198. Including this change order for \$347,297.31, the adjusted subphase total is \$1,636,297.31 or \$102,702.69 under budget.

MBE/WBE PARTICIPATION:

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

STAFF SUMMARY

VIII A.1
12/14/22

TO: Board of Director
FROM: Frederick A Laskey, Executive Director
DATE: December 14, 2022
SUBJECT: PCR Amendments - December 2022



COMMITTEE: Personnel and Compensation

 INFORMATION
 X VOTE

Andrea Murphy, Director of Human Resources
Preparer/Title


Michele S. Gillen
Director, Administration

RECOMMENDATION:

To approve amendments to the Position Control Register (PCR) included in the attached chart.

DISCUSSION:

The Position Control Register lists all positions of the Authority, filled and vacant. It is updated as changes occur and it is published at the end of each month. Any changes to positions during the year are proposed as amendments to the PCR. All amendments to the PCR must be approved by the Personnel Committee of the Board of Directors. All amendments resulting in an upgrade of a position by more than one grade level, and/or an amendment which creates a position increasing annual cost by \$10,000 or more, must be approved by the Board of Directors after review by the Personnel and Compensation Committee.

December PCR Amendments

There are three PCR Amendments this month.

Organizational Changes:

1. New position in the Executive Division, Security Department for a Unit 6 Grade 10 Security Services Coordinator position to enhance physical security.
2. Title and grade change to one filled position in the Operations Division, Laboratory Services Department from Quality Assurance Coordinator, Unit 9 Grade 23 to Project Manager, Laboratory Quality Assurance Unit 9 Grade 25 per union settlement.
3. New position in the Operations Division, SCADA Department for a Unit 9 Grade 30 Senior Program Manager SCADA (West) position to meet staffing needs.

BUDGET/FISCAL IMPACT:

The annualized budget impact of these PCR amendments will be a maximum cost of \$256,519. Staff will ensure that the cost increase associated with these PCR amendments will not result in spending over the approved FY23 Wages and Salaries budget.

ATTACHMENTS:

New Job Descriptions
Old Job Descriptions

MASSACHUSETTS WATER RESOURCES AUTHORITY
 POSITION CONTROL REGISTER AMENDMENTS
 FISCAL YEAR 2023

PCR AMENDMENTS REQUIRING BOARD APPROVAL - December 14, 2022																	
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		
B15	Executive Security TBD	N/A	N/A	N/A	N/A	N/A	Security Services Coordinator	6	10	\$0	\$67,530	-	\$103,332	\$67,530	-	\$103,332	New position to enhance physical security.
B16	Operations Laboratory Service 5710021	F	T, G	Quality Assurance Coordinator	9	23	Project Manager, Laboratory Quality Assurance	9	25	\$107,964	\$117,912	-	\$117,912	\$9,948	-	\$9,948	Union settlement.
B17	Operations SCADA West TBD	N/A	N/A	N/A	N/A	N/A	Senior Program Manager, SCADA West	9	30	\$0	\$102,604	-	\$143,239	\$102,604	-	\$143,239	New position to meet staffing needs.
BOARD TOTAL=					3						TOTAL:		\$180,082 - \$256,519				

**MWRA
POSITION DESCRIPTION**



POSITION: Security Services Coordinator

DIVISION: Executive

DEPARTMENT: Security Department

BASIC PURPOSE:

Investigates security incidents and events reported to the MWRA. Oversees security guard services including 24/7 intrusion alarm monitoring by security guards and responds to security incidents. Under the supervision and guidance of the Manager, Security Services, coordinates MWRA physical security systems and access control procedures to ensure operations continuity and safety and security of personnel, property and equipment.

SUPERVISION RECEIVED:

Reports to the Manager, Security Services. May receive some assignments directly from the Director of Security.

SUPERVISION EXERCISED:

Exercises direct supervision of the third party security guards. Oversees alarm company staff in the absence of the Manager Security Services as needed.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

- Investigates security incidents and events reported to the MWRA in coordination with MWRA key stakeholders.
- Responds to security incidents, documents the pertinent facts surrounding the incident, gathers available information and/or evidence, and recommends corrective measures.
- Conducts confidential and sensitive investigations.
- Ensures quality control of the third party security guard staff by tracking performance, attendance, attention to detail, patrols, alarm response/mitigation and reporting, as well as, making necessary corrections and recommending adjustments to improve performance.
- Assists in the development and update of operating/maintenance standards, policies

and standard operating procedures (SOPs) for contract security guards, locks and key control, intrusion and motion detection devices, fire alarms, cameras, video-cameras, and other systems and activities relating to facility access.

- Under the direction of Manager, Security Services, assists in the administration and procurement for private security personnel contracts.
- Conducts risk assessments and makes recommendations for mitigating vulnerabilities such as physical hardening improvements, use of technology, and drafting changes in policies and procedures.
- Audits MWRA facilities to ensure compliance with MWRA security standards and provides a secure working environment. Reports findings to Director, Security and Manager, Security Services for follow-up action.
- Notifies MWRA Occupational Health and Safety Department of any hazardous conditions. Coordinates with Occupational Health and Safety Department on security/safety matters as needed.
- Communicates with outside public safety agencies regarding the MWRA's security operations after consulting Director, Security or Manager, Security Services.

SECONDARY DUTIES:

- Assists the Manager, Security Services by maintaining access control plans for MWRA facilities including implementation of electronic security and key control strategies. Assists Manager, Security Services in working with Operations and Procurement to acquire, install, and maintain security equipment. Assists in developing access control plans as needed.
- Oversees the security badge entrance system. Ensures access rights (badges and keys) are granted for new MWRA employees and revoked for those restricted or who have left employment.
- Performs security related duties as required.

MINIMUM QUALIFICATIONS:

Education and Experience:

- (A) A Bachelor's degree in business administration, public administration, criminal justice, or a related field; and
- (B) Three (3) to five (5) years of experience in corporate or private sector security, military security, law enforcement, and/or public safety or related field; or
- (C) Any equivalent combination of education or experience.

Necessary Knowledge, Skills and Abilities:

- (A) Demonstrated knowledge and skills in conducting investigations preferred.
- (B) Strong interpersonal, written, and oral communication skills.
- (C) Experience with alarm monitoring and alarm response procedures preferred.
- (D) Experience utilizing and/or deriving video surveillance camera systems preferred.
- (E) Experience communicating and interacting with law enforcement agencies preferred.
- (F) Ability to make effective decisions in a rapidly changing or dynamic environment.
- (G) Understanding of physical security concepts and incident investigations as may be obtained in law enforcement, military, or public safety related fields.
- (H) Ability to maintain confidentiality and exercise discretion and tact in sensitive matters.
- (I) Demonstrated knowledge and skill, in gathering, organizing, analyzing, and presenting data.

SPECIAL REQUIREMENTS:

Valid Massachusetts Class D Motor Vehicle Operator's license required.

Must be available to be part of 24/7 on-call rotation for security incident response covering nights and weekends one week per month (frequency subject to change).

TOOLS AND EQUIPMENT USED:

Office machines as normally associated with the use of telephone, personal computer, including word processing and other software, copy and fax machine.

PHYSICAL DEMANDS:

The physical demands described are representative of those that must be met by an employee to successfully perform the essential functions of the 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 required to sit, talk or hear. The employee is frequently required to use hands to finger, handle or operate objects including office equipment, controls and reach with hands and arms. The employee is occasionally required to stand and walk.

The employee may frequently be required to lift and/or move up to 10 pounds and occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision and the ability to focus.

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 an office environment. The employee occasionally works in outside weather conditions and regularly visits to remote field sites and facilities that are industrial in nature.

The noise level in the work environment is a moderately quiet in office setting and frequently loud at remote facilities.

December 2022

**MWRA
POSITION DESCRIPTION**

OLD

POSITION: QA Coordinator, Laboratory
DIVISION: Operations
DEPARTMENT: Laboratory Services/Central Laboratory/DI

BASIC PURPOSE:

Oversees and maintains an effective Quality Assurance/Quality Control (QA/QC) program designed to assure that all work performed within the laboratory or by outside vendors, conforms with established standards for accuracy, validity and reliability.

SUPERVISION RECEIVED:

Works under the supervision of the Laboratory Director.

SUPERVISION EXERCISED:

None.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

- Assists with the development of the QA/QC manual. Maintains the QA/QC manual and evaluates, recommends, and implements QA/QC policies and programs.
- Reviews and certifies all SOPs (Standard Operating Procedures) and revisions to assure consistency and conformity.
- Coordinates with Laboratory Section Managers to ensure that all laboratory employees are adequately trained in adherence to SOPs appropriate to their responsibilities.
- Maintains all required QA/QC documentation, and utilizes appropriate techniques for the statistical analysis of quality data, including quality control charts to establish effective precision and accuracy criteria, to determine the reliability of data prior to reporting.
- Oversees the DLS document control system between the lab staff and supervisors. This includes the SOP program, training records, analysts' certification records and test capability records.
- Oversees the DLS training program to ensure that analysts are certified and re-certified.

- Oversees the Data Anomaly Investigation Request (DAIR) program between the DLS clients, DLS staff, IS/LIMS Project Leader and MIS.
- Coordinates efforts through Laboratory Section Managers and outside user groups to assure that proper SOPs are used. Performs regular audits to assure compliance with SOPs and quality assurance policies. Recommends the implementation of corrective action when analytical procedures are not within established parameters.
- Submits quality control reports to the Laboratory Director.
- Provides performance check samples to each laboratory section or location to validate laboratory data.
- Assists in programs to obtain and maintain all required Federal and State certifications and approvals. Coordinates and arranges external audits for outside laboratories to assure conformance with MWRA quality standards.
- Provides assistance to Laboratory Managers and Supervisors, when required, in the review of Quality Control Status Reports.
- Coordinates efforts with the Client Services Manager and other laboratory management personnel to resolve client Quality Assurance problems.
- Maintains a current knowledge of laboratory quality assurance techniques including the use of specialized software. Makes recommendations to lab management for continuous improvement.

SECONDARY DUTIES:

- Performs related duties as required.

MINIMUM QUALIFICATIONS:

Education and Experience:

- (A) A Bachelor's degree in Chemistry or a related science with applicable courses in applied statistics; and
- (B) Five (5) to seven (7) years of related experience; or
- (C) Any equivalent combination of education and experience.

Necessary Knowledge, Skills and Abilities:

- (A) A strong working knowledge of chemistry, biology and statistical techniques applicable to laboratory quality control and an extensive knowledge of methods and controls for related quality control systems, and the Laboratory Informational Management Systems (LIMS).
- (B) A working knowledge of associated computer hardware and software, and a broad knowledge of water and air quality measurement and pertinent EPA regulations.
- (C) Excellent administrative, interpersonal, management and written and oral communication skills required.

SPECIAL REQUIREMENTS:

A valid Massachusetts Class D Motor Vehicle Operator's License.

TOOLS AND EQUIPMENT USED:

Laboratory equipment and instruments, telephone, personal computer including word processing and other software, copy and fax machines.

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 sit, talk or hear. The employee is frequently required to use hands to finger, handle or operate objects, including office and laboratory equipment, controls and reach with hands and arms. The employee is occasionally required to stand and walk and infrequently required to stoop, kneel, crouch or crawl.

The employee must frequently lift and/or move up to 10 pounds and occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close and distance vision.

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 an office and/or laboratory environment and will also frequent field, plant and operating facilities of the Authority.

The noise level in the work environment is a moderately quiet office setting.

December 2007

**MWRA
POSITION DESCRIPTION**

NEW

POSITION: Project Manager, Laboratory Quality Assurance

DIVISION: Operations

DEPARTMENT: Laboratory Services/Central Laboratory/DI

BASIC PURPOSE:

Oversees and maintains an effective Quality Assurance/Quality Control (QA/QC) program to ensure that all work performed within the laboratories or by outside vendors under contract with the MWRA, and conforms with established standards for accuracy, validity, and reliability. Provides training to department employees and serves as a liaison to outside government agencies and certifying organizations.

SUPERVISION RECEIVED:

Works under the supervision of the Director, Laboratory Services.

SUPERVISION EXERCISED:

Exercises general supervision over administrative staff on projects.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

- Maintains and updates the QA/QC manual as needed to ensure compliance with the requirements of the various laboratory certifications and accreditations. Evaluates, recommends, and implements QA/QC policies and programs.
- Reviews and certifies all SOPs (Standard Operating Procedures) and revisions to assure consistency and conformity on an annual basis. Coordinates the review of SOPs and QA/QC policies with the Laboratory Managers and Director, Laboratory Services.
- Coordinates with Laboratory Managers to ensure that all laboratory employees are adequately trained in adherence to SOPs appropriate to their responsibilities.
- Maintains all required QA/QC documentation, performs statistical analysis of quality data, and develops quality control charts to establish effective precision and accuracy criteria and determine the reliability of data prior to reporting.

- Oversees the Department of Laboratory Services (DLS) document control system used by the lab staff and supervisors. This includes the SOP program, training records, analysts' certification records and test capability records. Directs and guides administrative staff as needed to ensure the records are properly maintained.
- Manages the DLS training program to ensure that Technicians, Chemists, Microbiologists, and Lab Supervisors are certified and re-certified.
- Develops and provides ethics training to new employees and annual refresher training to all laboratory staff consistent with the requirements of the laboratory certifications and accreditations.
- Oversees the Data Anomaly Investigation Request (DAIR) program between the DLS clients, DLS staff, IS Project Leader and Management Information Systems (MIS) department.
- Coordinates efforts through Laboratory Managers and outside user groups to assure that proper SOPs are used. Performs regular audits to assure compliance with SOPs and quality assurance policies. Recommends the implementation of corrective action to the Director, Laboratory Services when analytical procedures are not within established parameters.
- Submits quality control reports to the Director, Laboratory Services.
- Provides performance check samples to each laboratory section or location to validate laboratory data.
- Obtain and maintain all required Federal and State certifications and approvals. Coordinates and arranges external audits for outside laboratories to assure conformance with MWRA quality standards. Interacts regularly with certification officers and scientists of the United States Environmental Protection Agency (EPA), Massachusetts Department of Environmental Protection (MA DEP) and other agencies or accrediting bodies to ensure that the appropriate regulatory programs are being maintained. Works with Laboratory Supervisors to provide documentation as requested for in person, remote and hybrid audits by outside agencies including responding to audit findings.
- Provides guidance to Laboratory Managers and Laboratory Supervisors, when required, in the review of Quality Control Status Reports.
- Coordinates with the Client Services Coordinator and laboratory management personnel to resolve client Quality Assurance problems.
- Maintains a current knowledge of laboratory quality assurance techniques including the use of specialized software. Makes recommendations to lab management to enhance Quality Assurance procedures including automation of record keeping and paperless documentation systems and works with department administrative staff to implement improved procedures.

SECONDARY DUTIES:

- Serves as Department Records Officer.
- Assists the Director, Laboratory on special projects and initiatives.
- Performs related duties as required.

MINIMUM QUALIFICATIONS:

Education and Experience:

- (A) A Bachelor's degree in microbiology, chemistry, environmental science, or a related field. A Master's degree is preferred; and
- (B) Understanding of water quality and/or wastewater treatment issues as normally acquired through five (5) to seven (7) years experience; or
- (C) Any equivalent combination of education or experience.

Necessary Knowledge, Skills and Abilities:

- (A) A strong working knowledge of chemistry, biology and statistical techniques applicable to laboratory quality control.
- (B) Extensive knowledge of methods and controls for related quality control systems, and the Laboratory Informational Management Systems (LIMS).
- (C) A working knowledge of lab-specific software as well as MS Office Suite.
- (D) Familiarity with water and air quality measurement procedures and pertinent EPA regulations.
- (E) Excellent administrative, interpersonal, management and written and oral communication skills.
- (F) Solid project management skills and demonstrated ability to meet deadlines.
- (G) Ability to develop and maintain productive working relationships with external parties.

SPECIAL REQUIREMENTS:

A valid Massachusetts Class D Motor Vehicle Operator's License.

TOOLS AND EQUIPMENT USED:

Laboratory equipment and instruments, telephone, personal computer including word processing and other software, copy and fax machines.

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 sit, talk or hear. The employee is frequently required to use hands to finger, handle or operate objects, including office and laboratory equipment, controls and reach with hands and arms. The employee is occasionally required to stand and walk and infrequently required to stoop, kneel, crouch or crawl.

The employee must frequently lift and/or move up to 10 pounds and occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close and distance vision.

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 an office and/or laboratory environment and will also frequent field, plant and operating facilities of the Authority. Some travel is required between the laboratory sites.

The noise level in the work environment is a moderately quiet office setting.

December 2022

**MWRA
POSITION DESCRIPTION**

NEW

POSITION: Senior Program Manager, SCADA West

DIVISION: Operations

DEPARTMENT: SCADA

BASIC PURPOSE:

Manages the SCADA West system and directly oversees the SCADA West system installation, operation and maintenance. Required to be part of an on-call rotation for emergencies twenty-four (24) hours a day, seven (7) days a week.

SUPERVISION RECEIVED:

Works under the supervision of the Director, SCADA, Metering and Monitoring.

SUPERVISION EXERCISED:

Exercises close supervision of eight (8) staff.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

- Manages corrective, preventive and predictive maintenance on all SCADA West systems and electrical, electronic, mechanical and pneumatic equipment used in control, measurement and recording of water flow and pressure, treatment and real time water quality monitoring at SCADA West sites.
- Manages the operation of all SCADA computer and networking equipment, including all servers, clients, switches, and other equipment necessary to operate the SCADA network. Ensures that all applications are kept current and under appropriate support agreements.
- Manages the programming of all SCADA West Programmable Logic Controllers, and ensures that all applications are kept current and under appropriate support agreements

- Manages SCADA system development including assessment of operator needs, development of standards, deployment of new systems and upgrading of existing systems as appropriate.
- Manages the assessment of SCADA system cybersecurity risks and the testing and implementation of protective measures.
- Participates in capital project design, construction and start-up to ensure adherence to standards and effective integration of new SCADA controlled facilities into the overall SCADA system.
- Works towards harmonious personnel relations and positive staff morale. Performs performance reviews, investigates employee complaints, addresses employee conflicts, initiates disciplinary actions and identifies and proposes organizational changes to address changing needs.
- Identifies training needs and implements appropriate in-house or consultant-led training programs.
- Manages program budget. Assesses resources needed to effectively manage unit, prepares budget requests and in-depth justification, explains budget variances and controls unit spending to ensure overall budget compliance.
- Monitors, reports and works to continually improve staff productivity through staff skills development, strategic planning, standard operating procedures (SOPs) improvements and research and implementation of technology advances.
- Ensures that the unit's SOPs effectively communicate the unit's proper operating procedures and are being utilized by staff. Develops, documents and continually evaluates effectiveness of the SOPs and facility manuals. Ensures that all staff is properly trained.
- Ensures that all staff is familiar with, has been trained on and is utilizing MWRA Safety Policies and Procedures.

SECONDARY DUTIES:

- Performs related duties as required.

MINIMUM QUALIFICATIONS:

Education and Experience:

- (A) A Bachelor of Science degree in Electronic / Electrical Engineering or a related field; and
- (B) Seven (7) to nine (9) years experience with process control systems, including at least four (4) years in a supervisory position; and
- (C) Five (5) to seven (7) years of demonstrated experience in SCADA systems including operations, maintenance, design, installation and start-up; and
- (D) Three (3) to five (5) years experience in data transmission via radio, microwave and telephone data lines; or
- (E) Any equivalent combination of education and experience.

Necessary Knowledge, Skills and Abilities:

- (A) Proficiency in computer hardware and software, including SCADA and communications technology, routers and networking, cyber security, PLC control programming, HMI programming, databases, data presentation and analysis tools, and Microsoft Office.
- (B) Ability to read and understand P&IDs and other control system drawings.

SPECIAL REQUIREMENTS:

- A valid Massachusetts Driver's License required.
- Security certification such as CISSP or GIAC required within six (6) months of employment.
- A valid Massachusetts Grade 4D Water Distribution Operator license, or a Grade 2T Water Treatment Operator license, or a Grade 4 Wastewater Treatment Plant Operator license or a NEWEA Grade IV Wastewater Collections System Operator certification within one (1) year.
- Professional Engineer license preferred
- A valid FCC General Radiotelephone Operators License preferred.

TOOLS AND EQUIPMENT USED:

Electronic test equipment, computers, PLCs, hand tools, climbing and fall retrieval equipment, mobile radio, etc.

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 finger, handle, feel or operate objects, tools, or controls and reach with hands and arms. The employee occasionally is required to sit, stand and walk. The employee is frequently required to climb or balance; stoop, kneel, crouch, or crawl; taste or smell.

The employee must frequently lift and/or move up to 25 pounds and occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, distance, color vision, peripheral vision, depth perception, and the ability to adjust focus.

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 an office environment. The employee occasionally works in outside weather conditions. The employee occasionally works near moving mechanical parts and is occasionally exposed to wet and/or humid conditions and vibration. The employee occasionally works in high, 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 usually loud in field settings, and moderately quiet in office settings.

December 2022

STAFF SUMMARY

VIII A.2
12/14/22

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: December 14, 2022
SUBJECT: Appointment of the Manager, Policy and Planning Support



COMMITTEE: Personnel & Compensation

 INFORMATION
 X VOTE

Andrea Murphy, Director, Human Resources
Carolyn M. Fiore, Deputy Chief Operating Officer
Preparer/Title


David W. Coppes, P.E.
Chief Operating Officer

RECOMMENDATION:

To approve the appointment of Tracy Leonard to the position of Manager, Policy and Planning Support (Non-Union, Grade 13), in the Operations Division at the recommended annual salary of \$114,500, commencing on a date to be determined by the Executive Director.

DISCUSSION:

The position of Manager, Policy and Planning Support became vacant upon the retirement of the previous incumbent. The position reports to the Manager, Operations Support in the Operations Division, and both positions work closely with the Human Resources Department. The position is responsible for managing the staffing and organizational planning for the Operations Division and overseeing the hiring process, ensuring it is carried out in a fair and equitable manner and consistent with Authority-wide policies and procedures. In addition, the position manages the implementation of special projects, as well as reporting related to organizational restructuring, staffing, and efficiency improvements. The need for this position has been highlighted recently due to the increased turnover among Operations Division staff. The position requires demonstrated skills in human resources practices and procedures as well as excellent interpersonal, oral and written communication skills.

Selection Process

The position of Manager, Policy and Planning Support was posted both internally and externally. A total of 29 candidates applied for the position, including four internal applicants. Four external candidates were determined to be qualified and were referred for interviews. The Deputy Chief Operating Officer, the Associate Special Assistant for Affirmative Action, and the Manager, Operations Support conducted all four interviews. Upon completion of the interviews, Ms. Tracy Leonard was determined to be the best candidate based on her experience, knowledge, skills, and education.

Ms. Leonard has 16 years of experience working at the Massachusetts Bay Transportation Authority in various positions. During the interview, Ms. Leonard demonstrated effectiveness in facilitating administrative systems and major projects that involve coordinating with staff across all levels of an organization. Ms. Leonard was responsible for representing her Division in the

grievance and disciplinary hearing processes. She played a vital role in ensuring the seamless activities of a software development and upgrade, a system that was responsible for reducing administrative and operating costs, while maximizing employee efficiency, reporting, flexibility, and metrics.

Ms. Leonard will bring a strong background in supervising in a union environment and is familiar with Commonwealth rules and regulations in the human resources area. She will provide a much-needed additional resource to assist in the evaluation of personnel needs, as well as the implementation of the hiring processes as we focus on filling critical vacancies. Her public sector background and experience will be an asset to MWRA.

Ms. Leonard holds a Bachelor's Degree in Communications from Bridgewater State University.

BUDGET/FISCAL IMPACTS:

There are sufficient funds in the Operations Division's FY23 Current Expense Budget to fund this position.

ATTACHMENTS:

- Resume of Tracy Leonard
- Position Description
- Organization Chart

TRACY LEONARD

Results-driven leader eager to contribute 20+ years of professional experience in Management, Customer Service, Recruiting and Sales toward maximizing a top employer's success

PROFILE OF QUALIFICATIONS

- Motivating, hands-on leader experienced in building and managing high-performance teams
- Proven ability of producing comprehensive strategic, contingency, and improvement plans to streamline processes and enhance operational preparedness in emergency situations
- Strategically prioritize, coordinate, and manage multiple projects to optimize productivity and achieve critical performance goals in efficiency, customer service, and bottom-line profits
- Dynamic communication and interpersonal relation skills with a continual commitment to cultivating strong client relations and aligning all daily operations with long-term client and company objectives

KEY AREAS OF EXPERTISE

- | | | |
|----------------------------|--------------------------------------|----------------------------|
| • Labor / Client Relations | • Workflow Prioritization | • Schedule Management |
| • Marketing Campaigns | • Strategic Analysis / Planning | • Recruiting |
| • Administrative Support | • Sales Strategies | • New Hire Interviews |
| • Regulatory Compliance | • Curriculum Design/Training Courses | • Workforce Assessments |
| • Safety Enforcement | | • Benefits / Workers Comp. |

CAREER TRACK

MASSACHUSETTS BAY TRANSIT AUTHORITY (MBTA)

2006 – PRESENT

SUPERVISOR OF TRANSPORTATION; 2016 – PRESENT

- Offer dynamic support to the Superintendent to maximize the productivity of their daily operations
- Streamline daily activities and employees on the Orange Line
- Conduct performance evaluations to determine areas of improvement and achievement; administer disciplinary actions to underperforming staff when necessary
- Appropriately manage workers compensations, claims, vacation requests, and payroll
- Delegate the daily and weekly schedules to team members based on staffing needs
- Assist Human resources with hiring process by conducting interviews and workforce assessments
- Involved in Human Resource work Daily in Laborsoft

SUPERVISOR OF WORKFORCE LOGISTICS / SUPPORT; 2015 – 2016

- Played a vital role in ensuring the seamless activities of the Daily Operations Resource Management System (DORM) and its end users
- Led the DORM component of the HASTUS software that was responsible for reducing administrative and operating costs while maximizing employee efficiency, reporting, flexibility, and metrics
- Implemented analysis tools throughout transportation systems worldwide

TRAINSTARTER; 2009 – 2015

- Coordinated the schedules and staffing of O.C.C. dispatchers to ensure trains ran in accordance with safety standards and regulations
- Effectively managed, motivated, and coached employees throughout their daily operations

Motorperson; 2006-2009

TRAVELER'S RENTAL COMPANY

2005 – 2006

CUSTOMER SERVICE REPRESENTATIVE / SALES AGENT

- Oversaw the effective execution of service upgrades and insurance sales to facilitate bottom-line profit and revenue growth throughout the company
- Skillfully developed and implemented engaging marketing strategies aimed at maximizing customer awareness
- Proficiently and accurately entered data into the company's database
- Productively managed client relations to encourage their repeat business and loyalty
- Performed a variety of administrative operations to improve the productivity of daily operations

CAREER TRACK CONTINUED

CRUCON CRUISE OUTLET

2001 –2005

TRAVEL AGENT / CUSTOMER SERVICE REPRESENTATIVE/RECRUITER

- Became recognized by employer for managing a broad scope of operations simultaneously in a fast-paced environment.
- Utilized Internet and social media platforms to produce effective marketing campaigns and employee recruitment to keep up with fast expansion of company
- Built strong relations with vendors to increase the timeliness of operations and services
- Steered an improvement in sales while ensuring customer service objectives were met

EDUCATION

Bachelor's Degree in Communications, Bridgewater State University; 2001
Effective Speaking & Writing Course & Excel Course Completed, Mass Dot University
Leadership and Supervision Training Course, Roxbury Community College; 2022

**MWRA
POSITION DESCRIPTION**

POSITION: Manager, Policy and Planning Support

PCR#: 5910014

DIVISION: Operations

BASIC PURPOSE:

Manages the staffing and organizational planning for the Operations Division. Oversees the hiring process, ensuring that it is carried out in a fair and equitable manner, consistent with Authority-wide policies and procedures. Coordinates with division managers to guide succession planning efforts. Manages the implementation of special projects and reporting related to organizational restructuring, staffing, and efficiency improvements.

SUPERVISION RECEIVED:

Works under the general supervision of the Manager, Operations Support.

SUPERVISION EXERCISED:

Exercises close supervision of assigned staff, and supervises Division level staff as needed on their personnel related functions.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

- Manages the hiring process for the Operations Division in accordance with established guidelines from the Human Resources Department and Affirmative Action. Trains managers and administrative staff on hiring procedures.
- Collaborates with managers to determine and prioritize hiring needs, with focus on immediate needs within the Division as well as succession planning.
- Works with department managers to develop and update job descriptions and selection criteria so they reflect current job responsibilities and skill requirements.
- Reviews and edits hiring packages to ensure they are prepared in accordance with policies & procedures, and are well justified. Presents and justifies hiring packages to senior management on a regular basis.
- Reviews and edits hiring staff summaries for the Board of Directors.
- Develops, updates, and carries out the Operations Division's policy and procedures for personnel and administrative related issues.
- Manages the upkeep and distribution of organization charts for the Operations Division, ensuring that they represent the division's current organizational structure. Works with MIS to procure and implement software updates as needed.

- Manages the tracking of vacancies, hires, position changes, and lateral moves. Prepares summary reports and analyses as needed for senior management. Advises the Division Director and other Department Managers on human resource issues.
- Facilitates implementation of PCR amendments and organizational changes to ensure departments have the staffing resources they need as requirements change.
- Works with HR and division managers to improve recruitment efforts as needed.
- Facilitates employee onboarding within the division ensuring that new staff have the resources they need to perform their functions.
- Helps to assess the training needs within the division.
- Coordinates Labor Relations matters as needed. Advises senior management on pending labor relation's issues. Works with Human Resources staff in the planning and implementation of labor relation's decisions related to the Operations Division. Represents the Division in grievance/disciplinary hearings and contract negotiations.
- Participates in sick time tracking and management.
- Manages the completion of Yellow and Orange Notebook Management Indicator Report submissions for assigned departments.
- Coordinates employee annual performance reviews and ensure timely completion.
- Facilitate major special projects including reorganizations, facility moves, etc.
- Develops and monitors personnel recordkeeping systems for the Division.
- Manages and facilitates the preparation of administrative and optimization analyses for the Division.
- Manages the Department in a manner that is consistent with MWRA's goals of Diversity, Equity, and Inclusion.

SECONDARY DUTIES:

Performs related duties as required.

MINIMUM QUALIFICATIONS:

Education and Experience:

- A) A Bachelor's degree in human resource administration, public/business administration or a related field; and
- B) Knowledge of personnel administration as acquired through six (6) to nine (9) years of related experience; including three (3) years in a supervisory capacity; experience in a unionized environment preferred; or

- C) Any equivalent combination of education or experience.

Necessary Knowledge, Skills and Abilities:

- A) Demonstrated effectiveness at facilitating administrative systems and major projects that involve coordinating with people across all levels of an organization.
- B) Excellent analytical, facilitation, oral and written communication skills.
- C) Ability to plan, organize, direct, train, and assign duties to subordinates.
- D) Understanding and knowledge of federal and Commonwealth of Massachusetts employment laws, practices, and policies preferred.

SPECIAL REQUIREMENTS:

A Massachusetts Class D Motor Vehicle Operators License.

TOOLS AND EQUIPMENT USED:

Office machines as normally associated, with the use of telephone, personal computer including word processing and other software, copy and fax machine.

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 sit, talk or hear. The employees is regularly required to use hands to finger, handle, feel or operate objects, including office equipment, or controls and reach with hands and arms. The employee frequently is required to stand and walk.

There are no requirements that weight be lifted or force be exerted in the performance of this job. Specific vision abilities required by this job include close vision, and the ability to adjust focus.

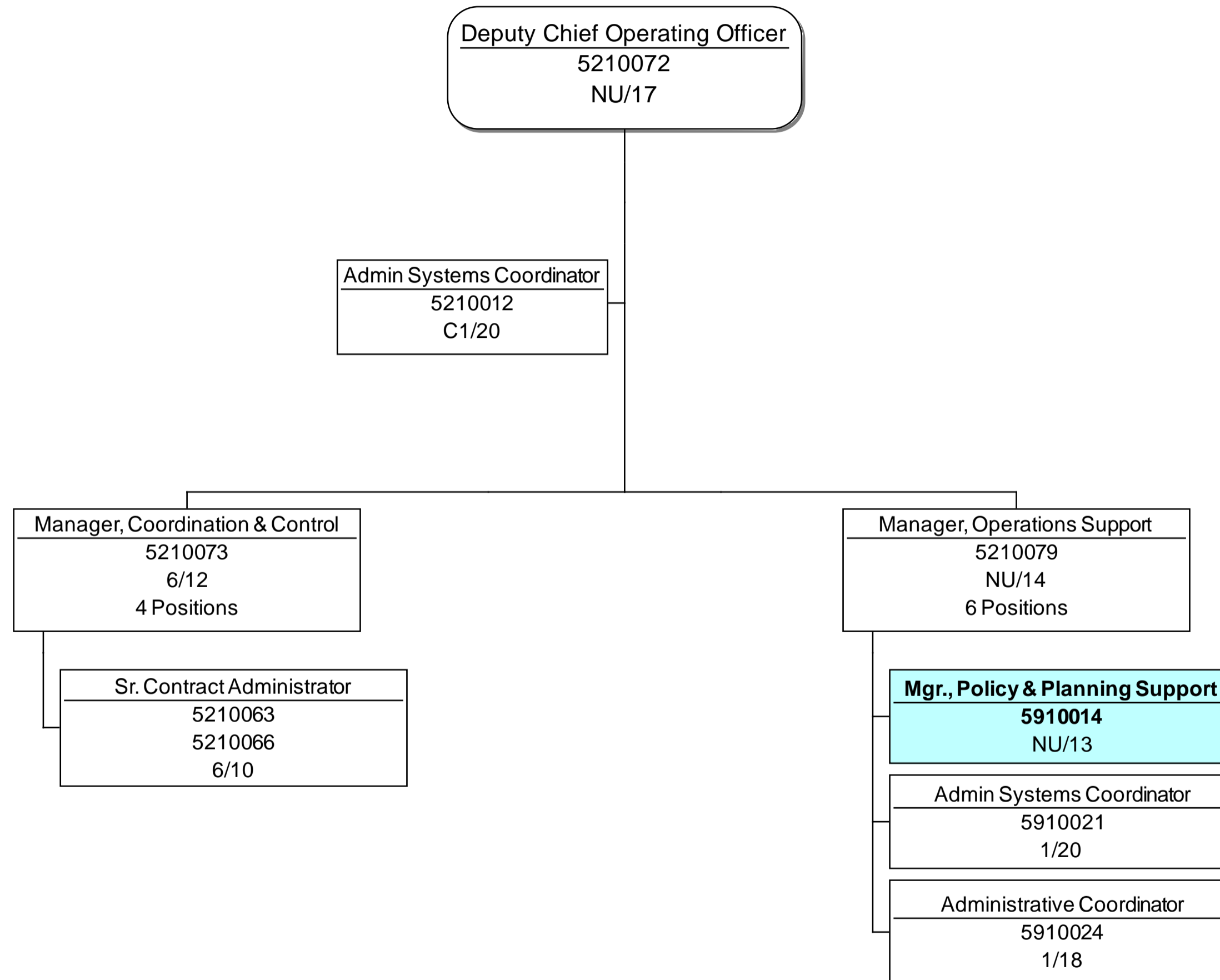
WORK ENVIRONMENT:

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 an office environment.

The noise level in the work environment is usually a moderately quiet office setting.


Policy & Administration

December, 2022



STAFF SUMMARY


VIII B.1
12/14/22

TO: Board of Director
FROM: Frederick A Laskey, Executive Director 
DATE: December 14, 2022
SUBJECT: Extension of Employment Contract Copy and Supply Clerk, Administration Division

COMMITTEE: Personnel and Compensation

 INFORMATION
 X VOTE

Andrea Murphy, Director of Human Resources
Preparer/Title


Michele S. Gillen
Director, Administration

RECOMMENDATION:

To approve the extension of an employment contract for Mr. Ward Merithew, Copy and Supply Clerk, Facilities Management Department, for a period of 6 months from January 1, 2023 to June 30, 2023, at the current hourly rate of \$15.76 per hour for an annual compensation not to exceed \$8,196 (20 hours per week for 26 weeks).

DISCUSSION:

MWRA’s Facilities Management Department is responsible for management of the Charlestown facility, mail service, transportation services and security at the front desk. Mr. Ward Merithew has been working at MWRA since July 2, 2018 on a part-time contract basis. Mr. Merithew provides coverage when there are gaps in staffing and provides daily administrative support. Those duties include coverage for the mailroom and front desk, stocking paper for copies and printers, distributing mail, emptying recycling bins, as well as assisting with the preparations and copying of documents and manuals for staff in the Administration Division. Mr. Merithew’s more recent duties include assisting in the large decluttering effort at the Charlestown Navy Yard.

BUDGET/FISCAL IMPACT:

There are sufficient funds in the FY23 Current Expense Budget for this position.

CliftonLarsonAllen LLP
CLAconnect.com

Board of Directors
Massachusetts Water Resources Authority
Boston, Massachusetts

We have audited the financial statements of the business-type activities and fiduciary activities of the Massachusetts Water Resources Authority as of and for the years ended June 30, 2022 and 2021, and have issued our report thereon dated November 9, 2022. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement letter dated July 7, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Massachusetts Water Resources Authority are described in Note 2 to the financial statements.

As described in Note 2, the Authority implemented accounting policies related to leases by adopting Governmental Accounting Standards Board Statement (GASB Statement) No. 87, *Leases*, effective July 1, 2020. There was no impact on the Authority's net position and changes in net position as a result of the adoption of this accounting standard.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

- Management's estimate of the depreciation expense is based on the estimated useful lives of capital assets, which are based on history and industry standards. We evaluated the methods used in determining the useful lives in determining they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the Net OPEB Liability is based on a certified actuarial valuation, which contains multiple assumptions regarding mortality, retirement, discount rate, healthcare/medical cost trend rate and the inflation rate. We evaluated the key factors and assumptions used to develop the Net OPEB Liability in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the Net Pension Liability is based on an audit of the MWRA Employees' Retirement System. The Net Pension Liability, among other things, was based on a certified actuarial valuation, which contains multiple assumptions regarding mortality, retirement, etc. We evaluated the key factors and assumptions used as part of evaluating the actuarial valuation in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the liability for derivative instruments is based on a report provided by PFM, a third-party specialist in the industry. We evaluated the key factors of the valuation in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated November 9, 2022.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Supplementary information in relation to the financial statements as a whole

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the Schedule of Accounts Established by the General Bond Resolution, Combining Statements of Net Position, Combining Statements of Revenues, Expenses, and Changes in Net Position, Combining Statements of Fiduciary Net Position, and Combining Statements of Changes In Fiduciary Net Position (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated November 9, 2022.

* * *

This communication is intended solely for the information and use of the Board of Directors and management of Massachusetts Water Resources Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
November 9, 2022

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
Massachusetts Water Resources Authority
Year Ended June 30, 2022

UNCORRECTED MISSTATEMENTS OF AMOUNTS	Effect of misstatements on:			
Description	Assets	Liabilities	Fund Balance / Net Assets	Net Expense/Revenue and Change in Net Assets / Fund Balance
GASB 87 Implementation Impact - adjusted to calculate lease starting 7/1/2020	\$ 8,459,292	\$ (260,292)	\$ (10,023,000)	\$ 1,824,000
Net current year misstatements (Iron Curtain Method)	8,459,292	(260,292)	(10,023,000)	1,824,000
Net prior year misstatements	-	-	-	-
Combined current and prior year misstatements (Rollover Method)	\$ 8,459,292	\$ (260,292)	\$ (10,023,000)	\$ 1,824,000
Financial statement totals	<u>\$ 6,819,779,000</u>	<u>\$ 5,140,782,000</u>	<u>\$ 1,565,037,000</u>	<u>\$ 79,013,000</u>
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%	0%	-1%	2%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%	0%	-1%	2%