

MASSACHUSETTS WATER RESOURCES AUTHORITY

Meeting of June 22, 2022

A meeting of the Massachusetts Water Resources Authority (“MWRA”) Board of Directors was held on June, 22 2022. The meeting was conducted at MWRA’s headquarters at 100 First Avenue, Boston, Massachusetts, and also virtually pursuant to Chapter 20 of the Acts of 2021, An Act Relative to Extending Certain COVID-19 Measures Adopted During the State of Emergency. Chair Card presided from MWRA headquarters. In addition to the Chair, also present from the Board were Ms. Wolowicz (remote participation), and Messrs. Carroll (remote participation), Cook (remote participation), Foti (remote participation), Peña (remote participation), Vitale (remote participation), and Patrick Walsh (remote participation). Messrs. Flanagan, Pappastergion and Jack Walsh were absent. MWRA staff participants at MWRA’s headquarters included: Frederick Laskey, Executive Director and Carolyn Francisco Murphy, General Counsel. MWRA staff in attendance virtually included David Coppes, Chief Operating Officer; Carolyn Fiore, Deputy Chief Operating Officer; Thomas Durkin, Director, Finance; Michele Gillen, Director, Administration; Kathy Murtagh, Director, Tunnel Redundancy; Paula Weadick, Director, MIS; Denise Breiteneicher, Program Manager, Energy and Environment; Ria Convery, Special Assistant to the Executive Director and Assistant Secretary; Sean Navin, Director, Intergovernmental Affairs; David Duest, Director, Deer Island Treatment Plant; John Colbert, Chief Engineer; Andrea Murphy, Director, Human Resources; and Assistant Secretary Kristin MacDougall. Also in attendance virtually were Vandana Rao, Executive Office of Environmental Affairs (EEA), and Joseph Favaloro, MWRA Advisory Board (Advisory Board).

Chair Card called the meeting to order at 1:03pm. 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 (www.mwra.com). She added that the meeting would be recorded, and that the agenda and meeting materials were available on MWRA’s website. She also announced that 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.

General Counsel Francisco Murphy explained that all motions would be individually presented and given an opportunity for discussion and deliberation; further, that after discussion and deliberation, any Board member could request an individual roll call vote on that motion, where Board Members could vote affirmatively or in the negative, or abstain from voting. She also noted that if no request for an individual vote were made or concerns raised, the motion would advance for an omnibus roll call vote at the conclusion of all the presentations.

APPROVAL OF MAY 25, 2022 MINUTES

A motion was duly made and seconded to approve the minutes of the Board of Directors’ meeting of May 25, 2022. Chair Card called for any questions, discussion, or objections. Hearing none, she referred the motion to an omnibus roll call vote. (ref. I)

REPORT OF THE CHAIR

Chair Card reported that she had declared a Level 2-Significant Drought in the Northeast and Southeast regions and a Level 1-Mild Drought in the Connecticut River Valley, Central, and

Islands regions, due to below-average rainfall. She explained that conditions in the Western and Cape Cod regions were normal, and that the Drought Management Task Force, in partnership with the Massachusetts Department of Public Health, continued to monitor conditions and coordinate in preparation for any potential impacts to residents. Next, Chair Card advised that the US EPA (EPA) had recently issued Interim Health Advisories for PFOA and PFAS; that the Department of Environmental Protection was reviewing these advisories and working on determining the next steps; and, that EEA staff was coordinating and communicating with the Department of Health and Human Services, with additional conversations to come. (ref. II)

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Laskey announced that MWRA had distributed its Annual Report on Drinking Water Quality for calendar year 2021, noting that staff had incorporated language translation capabilities to the online reports in accordance with Environmental Justice best practices. Mr. Laskey then reported that MWRA staff was closely monitoring the EPA's PFOA/PFAS Health Advisory. Finally, Mr. Laskey advised that MWRA was working with Town of Ludlow with respect to a new communications tower, and that staff would present any proposed MOA with the Town for Board approval at a future meeting. (ref. III)

(Mr. Cook temporarily left the meeting during the report.)

EXECUTIVE SESSION

Chair Card requested that the Board move into Executive Session to discuss litigation and collective bargaining, since Open Session could have a detrimental effect on the bargaining positions of the Authority. She announced that the planned topics of discussion in Executive Session were a Conservation Law Foundation litigation update and budget and a Collective Bargaining update. She announced that the Board would return to Open Session after the conclusion of Executive Session.

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

General Counsel Francisco Murphy reminded Board members that under the Open Meeting Law members who were participating remotely in Executive Session must state that no 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 is called would also be deemed their statement that no other person is 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		
Carroll		
Foti		
Peña		

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Vitale		
P. Walsh		
Wolowicz		

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

The Board moved to Executive Session to discuss Litigation and Collective Bargaining, since discussing such in Open Session could have a detrimental effect upon the bargaining positions of the Authority.

*** EXECUTIVE SESSION ***

The meeting entered Executive Session at 1:16pm and adjourned at 1:47pm.

(Mr. Cook returned to the meeting after the vote to enter Executive Session.)

*** CONTINUATION OF OPEN SESSION ***

Open Session resumed at 1:48pm. Chair Card presided.

ADMINISTRATION, FINANCE AND AUDIT

Information

Open Meeting Law – Remote Participation of Members of a Public Body

MWRA General Counsel Francisco Murphy summarized the provisions of An Act Relative to Extending Certain COVID-19 Measures Adopted During the State of Emergency. She advised that the temporary measures were scheduled to expire on July 15, 2022, and that a pending Senate budget amendment could extend them to December 15, 2023. Finally, Ms. Francisco Murphy explained that Board Members could, at their discretion, vote to adopt remote participation under the Open Meeting Law, in accordance with the requirements of 940 CMR 20.10, in the event that the temporary measures were not extended; she then described the requirements of such remote participation under the Open Meeting Law and its regulations.

Chair Card requested that MWRA staff advise Board Members of any remote participation requirements for the next Board meeting. There was general discussion about remote participation guidelines, requirements and restrictions.

A motion was duly made and seconded to allow remote participation by the Board under the Open Meeting Law in accordance with the requirements of 940 CMR 29.10.

There were additional questions and answers about remote participation, and discussion about the benefits of remote, hybrid and onsite meeting participation.

Chair Card asked if there was further discussion or any objections. Hearing none, she advanced the motion to an omnibus roll call vote. (ref. V A.1)

Delegated Authority Report – May 2022

MWRA Director of Administration Michele Gillen invited Board Members' questions and comments on the Delegated Authority Report.

Hearing no questions or discussion, Committee Chair Foti proceeded to the next agenda item. (ref. V A.2)

MWRA's Energy Program, Presentation of Incentives and Grants Received

MWRA Deputy Chief Operating Officer Carolyn Fiore summarized projects and monetary incentives that MWRA received over the last three years from Eversource and National Grid under Memoranda of Understanding and other funding sources; MWRA's energy efficient design practices; and, income from the sale of energy certificates, power generation and enrolment in ISO New England's Forward Capacity Market.

There was discussion about MWRA's electric vehicle (EV) fleet; funding programs for EVs and charging stations; and the availability of EVs.

Hearing no further questions or discussion, Committee Chair Foti proceeded to the next agenda item. (ref. V A.3)

FY22 Financial Update and Summary Through May 2022

MWRA Director of Finance Thomas Durkin provided a financial update through May, 2022. He reported a +9.9% variance for wages and salaries due to ongoing staffing challenges, and a -16.3% variance for energy due to increasing energy costs. Next, Mr. Durkin advised Board members that inflation, rising prices and supply chain disruptions could potentially impact MWRA budgets. He then reported a +6.3% variance for maintenance and a +25.2% variance for other materials, and noted that MWRA had applied \$25 million in surplus to execute a Board-approved defeasance on June 16, 2022. Finally, Mr. Durkin reported projected final variances of +5.5% for the FY2022 Current Expense Budget and +38% for the Capital Improvement Program.

There was general discussion about projected interest rates through calendar year 2023, variable interest rates, strategies to balance financial risks, the federal funds rate, and inflation.

(Mr. Carroll temporarily left the meeting during the discussion.)

Hearing no further questions or discussion, Committee Chair Foti proceeded to the next agenda item. (ref. V A. 4)

Approvals

Approval of the FY2023 Final Capital Improvement Program

A motion was duly made and seconded to approve the FY2023 Final Capital Improvement

Program with a total budget of \$278.5 million for FY2023 including \$230.0 million in project spending and \$48.5 million in community assistance.

Mr. Durkin advised that the FY 2023 Capital Improvement Plan (CIP) was the fifth in a five year cap period. He explained that at a projected \$278.5 million, the final FY2023 CIP appeared higher than the average of prior actuals, consistent with MWRA's historical five year cap period budget patterns. Finally, Mr. Durkin noted that the FY2023 CIP puts forth a robust plan that accurately communicates MWRA's priorities to stakeholders.

Chair Card asked if there was any discussion or objections. Hearing none, she advanced the motion to an omnibus roll call vote. (ref. V B.1)

Approval of the Final FY23 Current Expense Budget

A motion was duly made and seconded to adopt the Final FY23 Current Expense Budget set forth in Attachments A and B to the June 22, 2022 Staff Summary presented and filed with the records of this meeting, with current revenue and expense of \$840,190,871; and to adopt the Final FY23 Operating Budget (Trustee's Budget) set forth in Attachment C of the June 22, 2022 Staff Summary presented and filed with the records of this meeting.

Mr. Durkin advised that MWRA's Final FY2023 Current Expense Budget (CEB) was prepared in consideration of a volatile economic climate. Mr. Durkin then summarized the proposed final FY23 CEB, including direct expenses (33%) indirect expenses (8%) and capital finance (60%). Next, he acknowledged MWRA Advisory Board staff's contributions to the budget processes and provided a brief overview of MWRA's approaches to FY2023 water and sewer assessments; rate stabilization; and, the pension funding schedule.

Board Member Vitale thanked MWRA and Advisory Board staff for their efforts in preparing the budgets.

(Mr. Carroll returned to the meeting during the summary.)

Chair Card asked if there was further discussion or any objections. Hearing none, she advanced the motion to an omnibus roll call vote. (ref. V B.2)

Final FY23 Water and Sewer Assessments

A motion was duly made and seconded to adopt, effective July 1, 2022, the water and sewer assessments, rates and charges as set forth in the June 22, 2022 Staff Summary as presented and filed with the records of this meeting, including Attachments 1, 2 and 3.

Mr. Durkin explained that MWRA staff recommended a 2.85% rate increase on a combined basis for the MWRA system in its entirety, and described annual water and sewer community assessment methodologies.

Committee Chair Foti invited MWRA Advisory Board Executive Director Joseph Favaloro to offer remarks.

Mr. Foti thanked MWRA staff for their participation in an effective and transparent rate-setting process, and noted that the Advisory Board advocated for sustainable and predictable assessments.

Chair Card asked if there was further discussion or any objections. Hearing none, she advanced the motion to an omnibus roll call vote. (ref. V B.3)

Appointment of Proxy for Fore River Railroad Corporation

A motion was duly made and seconded that 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 set forth in the June 22, 2022 Staff Summary presented and filed with the records of this meeting. Further, that the MWRA 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 Pena; Thomas J. Durkin; Frederick A. Laskey; and John J. Walsh.

MWRA Deputy Director of Finance/Treasurer Matthew Horan described the purpose and responsibilities of the proxy for shareholders.

Chair Card asked if there was discussion or any objections. Hearing none, she advanced the motion to an omnibus roll call vote. (ref. V B.4)

Contract Awards

Office Consolidation Boston and Chelsea: WES Construction Corp., Contract 7980

A motion was duly made and seconded to approve the award of Contract 7980, Office Consolidation Boston and Chelsea, to the lowest responsible and eligible bidder, WES Construction Corp. and to authorize the Executive Director, on behalf of the Authority, to execute said contract in the bid amount of \$19,587,883, for a contract term of 270 calendar days from the Notice to Proceed.

MWRA Special Assistant to the Executive Director Ria Convery presented an overview of the proposed contract to consolidate office space from the Charlestown Navy Yard to MWRA's Chelsea and Deer Island facilities, including the reasons and project scope. She then explained the benefits of the project, including cost savings of approximately \$2 million per year; improved security; and, a reduced carbon footprint, as both locations were MBTA accessible and supported hybrid work schedules. Finally, Ms. Convery described the project design process, the contract procurement process and the qualifications of the recommended project contractor.

There was discussion about the benefits of the office consolidation and MWRA's lease of its existing facilities in Chelsea.

Chair Card expressed support for the office consolidation project and noted that Commonwealth agencies were undertaking similar efforts.

Chair Card asked if there was further discussion or any objections. Hearing none, she advanced the motion to an omnibus roll call vote. (ref. V C.1)

WASTEWATER POLICY AND OVERSIGHT

Contract Awards

Wastewater Advisory Committee Contract

A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to execute a contract, substantially in the form set forth in the June 22, 2022 Staff Summary presented and filed with the records of this meeting, with the Wastewater Advisory Committee for a term of one year, from July 1, 2022 to June 30, 2023, for a total contract cost of \$80,144.

MWRA Director of Intergovernmental Affairs Sean Navin summarized the terms of the proposed annual, one-year contract renewal with the MWRA Wastewater Advisory Committee to the MWRA.

Chair Card asked if there was any discussion or objections. Hearing none, she advanced the motion to an omnibus roll call vote. (ref. VI A.1)

Contract Amendments/Change Orders

Agreement for Contract Extension, Operations and Maintenance of the Fore River Pelletizing Plant with New England Fertilizer Company Contract S345, Amendment 3 - Exercise Optional Third Year

A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to approve the optional third year of Amendment 3 to Contract S345, Operations and Maintenance of the Fore River Pelletizing Plant, with New England Fertilizer Company for an amount of \$13,668,477 plus escalation and adjustments for excess quantities, and extending the contract term for one year, from January 1, 2023 through December 31, 2023.

MWRA Deer Island Treatment Plant Director David Duest presented an overview of MWRA's Fore River Pelletizing Plant operations, and the terms of the contract and proposed extension. He advised that MWRA's Sludge-to-Fertilizer program could be affected by expected state and federal regulations regarding PFAS, and described potential future contracting strategies.

There was general discussion about biosolids disposal and associated costs.

Chair Card asked if there was further discussion or any objections. Hearing none, she advanced the motion to an omnibus roll call vote. (ref. VI B.1)

Agency-Wide Technical Assistance Consulting Services: Contract 7692, Amendment 2, CDM Smith Inc.

A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to approve Amendment 2 to Contract 7692, Agency-Wide Technical Assistance Consulting Services, with CDM Smith Inc., increasing the contract amount by \$1,000,000, from \$3,000,000 to \$4,000,000, with no increase in contract term.

MWRA Chief Engineer John Colbert explained the purpose of agency-wide technical assistance contracts and advised that the proposed amendment would primarily support resident engineering services for the Office Consolidation Project as referenced in agenda item V C.1.

There was general discussion about MWRA's other agency-wide technical assistance contracts (how many such contracts did MWRA maintain) and similar contracts at the Boston Water and Sewer Division.

Chair Card asked if there was further discussion or any objections. Hearing none, she advanced the motion to an omnibus roll call vote. (ref. VI B.2)

WATER POLICY AND OVERSIGHT

Contract Awards

Annual Renewal of Water Supply Citizens Advisory Committee Contract

A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to execute a contract, substantially in the form set forth in the June 22, 2022 Staff Summary presented and filed with the records of this meeting, with the Water Supply Citizens Advisory Committee for a one-year period beginning July 1, 2022 to June 30, 2023, with a total contract cost of \$116,978.

Mr. Navin summarized the terms of the proposed annual, one-year contract renewal with the Water Supply Citizens Advisory Committee to the MWRA.

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

Chair Card asked if there was discussion or any objections. Hearing none, she advanced the motion to an omnibus roll call vote. (ref. VII A.1)

PERSONNEL AND COMPENSATION

Approvals

Appointment of Manager, Maintenance (Deer Island) Operations Division

A motion was duly made and seconded to approve the appointment of Mr. Daniel Keough to the position of Manager, Maintenance (Deer Island) (Non-union, Grade 14) at an annual salary of \$146,500 commencing on a date to be determined by the Executive Director.

MWRA Human Resources Director Andrea Murphy summarized the proposed candidate's work history, experience, education, and qualifications.

There was general discussion about salary negotiations for internal promotions and new hires. Chair Card asked if there was further discussion or any objections. Hearing none, she advanced the motion to an omnibus roll call vote. (ref. VII A.1)

OMNIBUS ROLL CALL VOTE

Chair Card called for an omnibus roll call vote on the motions made and seconded.

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

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Card		
Carroll		
Cook		
Foti		
Peña		
Vitale		
P. Walsh		

Voted: to approve the minutes of the Board of Directors' meeting of May 25, 2022; (ref. I)

Further, voted: to allow remote participation by the Board under the Open Meeting Law in accordance with the requirements of 940 CMR 29.10; (ref. V A.1)

Further, voted: to approve the FY2023 Final Capital Improvement Program with a total budget of \$278.5 million for FY2023 including \$230.0 million in project spending and \$48.5 million in community assistance; (ref. V B.1)

Further, voted: to adopt the Final FY23 Current Expense Budget set forth in Attachments A and B to the June 22, 2022 Staff Summary presented and filed with the records of this meeting, with current revenue and expense of \$840,190,871; and to adopt the Final FY23 Operating Budget (Trustee's Budget) set forth in Attachment C of the June 22, 2022 Staff Summary presented and filed with the records of this meeting; (ref. V B.2)

Further, voted: to adopt, effective July 1, 2022, the water and sewer assessments, rates and charges as set forth in the June 22, 2022 Staff Summary as presented and filed with the records of this meeting, including Attachments 1, 2 and 3; (ref. V B.3)

Further, voted: 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 set forth in the June 22, 2022 Staff Summary presented and filed with the records of this meeting. Further, that the MWRA 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 Pena; Thomas J. Durkin; Frederick A. Laskey; and John J. Walsh; (ref. V B.4)

Further, voted: to approve the award of Contract 7980, Office Consolidation Boston

and Chelsea, to the lowest responsible and eligible bidder, WES Construction Corp. and to authorize the Executive Director, on behalf of the Authority, to execute said contract in the bid amount of \$19,587,883, for a contract term of 270 calendar days from the Notice to Proceed; (ref. V C.1)

Further, voted: to authorize the Executive Director, on behalf of the Authority, to execute a contract, substantially in the form set forth in the June 22, 2022 Staff Summary presented and filed with the records of this meeting, with the Wastewater Advisory Committee for a term of one year, from July 1, 2022 to June 30, 2023, for a total contract cost of \$80,144; (ref. VI A.1)

Further, voted: to authorize the Executive Director, on behalf of the Authority, to approve the optional third year of Amendment 3 to Contract S345, Operations and Maintenance of the Fore River Pelletizing Plant, with New England Fertilizer Company for an amount of \$13,668,477 plus escalation and adjustments for excess quantities, and extending the contract term for one year, from January 1, 2023 through December 31, 2023; (ref. VI B.1)

Further, voted: to authorize the Executive Director, on behalf of the Authority, to approve Amendment 2 to Contract 7692, Agency-Wide Technical Assistance Consulting Services, with CDM Smith Inc., increasing the contract amount by \$1,000,000, from \$3,000,000 to \$4,000,000, with no increase in contract term; (ref. VI B.2)

Further, voted: to authorize the Executive Director, on behalf of the Authority, to execute a contract, substantially in the form set forth in the June 22, 2022 Staff Summary presented and filed with the records of this meeting, with the Water Supply Citizens Advisory Committee for a one-year period beginning July 1, 2022 to June 30, 2023, with a total contract cost of \$116,978; (ref. VII A.1) and,

Further, voted: to approve the appointment of Mr. Daniel Keough to the position of Manager, Maintenance (Deer Island) (Non-union, Grade 14) at an annual salary of \$146,500 commencing on a date to be determined by the Executive Director. (ref. VIII A.1)

CORRESPONDENCE TO THE BOARD

June 15, 2022 Metropolitan Area Planning Council (MAPC) Memorandum Regarding Proposal to Waive the Entrance Fee for New Water Service

Chair Card announced that the MWRA Board of Directors had received correspondence from the Metropolitan Area Planning Council (MAPC), and invited Mr. Laskey to introduce the topic.

Mr. Laskey advised that the MAPC's memo endorsed the waiving of an entrance fee for MWRA membership and invited MWRA Advisory Board Executive Director Joseph Favaloro to make remarks.

Mr. Favaloro explained that Advisory Board members endorsed the waiver of the MWRA entrance fee for a period of five years, under specific conditions. He advised that the Advisory Board would prepare a proposal for presentation at a future MWRA Board of Directors meeting, and described potential benefits of the fee waiver.

There was brief discussion about MAPC Smart Growth policy.

Chair Card noted that the MAPC memorandum referenced MWRA system expansion to the Ipswich River and the South Shore, which would require consideration of infrastructure requirements.

Chair Card asked if there was further discussion or any objections. Hearing none, she proceeded to Other Business. (ref. IX.a)

OTHER BUSINESS

Chair Card advised that Acting DCR Commissioner Stephanie Cooper will be returning to her responsibilities at the Department of Environmental Protection. Chair Card announced that MWRA Director of Procurement Douglas Rice, who previously served as DCR General Counsel, would temporarily serve as DCR Commissioner, under a detailed agreement, through the end of the administration. (ref. X) Chair Card expressed her thanks and gratitude.

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		Carroll
Cook		
Foti		
Peña		
Vitale		
P. Walsh		

The meeting adjourned at 3:05pm.

Approved: July 20, 2022

Attest:

 for

 Andrew M. Pappastergion, Secretary