

MASSACHUSETTS WATER RESOURCES AUTHORITY

Meeting of the Board of Directors

December 14, 2022

A meeting of the Massachusetts Water Resources Authority (“MWRA”) Board of Directors was held on December 14, 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); Foti (remote participation); Pappastergion (remote participation); Peña (remote participation); Vitale (remote participation); Jack Walsh (remote participation); Patrick Walsh (remote participation); and Ms. Wolowicz (remote participation). Mr. Carroll and Rev. White-Hammond 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; Claude Cormier, Director, Internal Audit; Sean Cordy, Senior Financial Analyst; Matthew Horan, Deputy Director of Finance/Treasurer; Ted Otis, Purchasing Manager; Rita Mercado, Acting Director, Procurement; David Duest, Director, Deer Island Treatment Plant; Rebecca Weidman, Environmental and Regulatory Affairs Director; Brian Kubaska, Assistant Director, Engineering; Michael O’Keefe, Senior Program Manager, Master Planning; Wendy Leo, Senior Program Manager, ENQUAL; Sean Navin, Director of Intergovernmental Affairs; Cori Barrett, Director, Construction; Andrea Murphy, Director, Human Resources; William Kibaja, Controller; and Assistant Secretaries Ria Convery and Kristin MacDougall. Vandana Rao, Executive Office of Environmental Affairs (EEA) also was also in attendance remotely, and Joseph Favaloro, MWRA Advisory Board, participated remotely from MWRA headquarters.

Chair Card called the meeting to order at 10:03am. 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 NOVEMBER 16, 2022 MINUTES

A motion was duly made and seconded to approve the minutes of the Board of Directors’ meeting of November 16, 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		
		Foti Pappastergion
Peña Vitale J. Walsh P. Walsh Wolowicz		

(ref. I)

REPORT OF THE CHAIR

Chair Card advised that the drought continued in Massachusetts, particularly the Northeast and Cape Cod regions, and that the Drought Management Task Force was monitoring the circumstances. She explained that rebounding from a prolonged drought can take many months, and asked members of the public to continue practice water conservation. Next, Chair Card reported that the advancement of the Baker-Polito Administration's net zero goals continued, including the Commission on Clean Heat's recommendations for heating buildings, retrofits, clean heat standards, workforce development, innovation, and technology. She noted that the Massachusetts Clean Energy and Climate Plan for 2050 would be published by the end of calendar year 2022 in accordance with state law, and stressed the importance of clean energy and climate initiatives. Next, Chair Card congratulated MWRA Advisory Board Executive Director Joseph Favaloro and staff for hosting a successful conference on water system expansion and thanked MWRA staff for their work on system expansion studies. She explained that system expansion, temporary entrance fee waivers under certain conditions, investments in water infrastructure, and the identification of opportunities to apply federal funding to these efforts were timely subjects for the Commonwealth. Chair Card noted that Governor Baker and her colleagues at EEA and DEP were paying close attention to ongoing system expansion discussions. Finally, Chair Card advised that MWRA Board of Directors Vice Chair John Carroll had announced that he would step down from his Board seat upon the appointment of his successor. She thanked Mr. Carroll for his decades of service and many invaluable contributions to MWRA and its Board of Directors. (ref. II)

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Laskey thanked Mr. Carroll for his vision, candor, leadership, mentorship and dedication to MWRA. He then updated Board Members on the status of MWRA's Draft Environmental Impact Report (DEIR) filing for the Metropolitan Water Tunnel Program. He advised that a supplemental filing was expected to be required due to concerns raised by the City of Waltham, whose support is important to the Tunnel Program because of its key location. Mr. Laskey explained that staff would continue to work with the City to address their concerns. Next, he reported that the Massachusetts Emergency Management Agency (MEMA) had reimbursed MWRA \$450,000

for expenses related to Covid testing and related protective items, and thanked MEMA for their support. He then noted that MWRA staff had participated in its annual Angel Tree gift drive in support of the Salvation Army of Chelsea and commended staff for their generosity. Next, he wished Andrea Murphy well on her upcoming retirement from her position as Director of Human Resources and thanked her for her years of hard work and leadership. Finally, Mr. Laskey congratulated Mr. Favaloro and Advisory Board staff for holding a productive water system expansion workshop.

Board Member Pappastergion said that it had been an honor to serve on the Board with Mr. Carroll. He suggested that Board members and MWRA staff recognize Mr. Carroll more formally at a later date, and added that Mr. Carroll's departure from the Board will leave behind a huge legacy that he hoped he and his fellow Board members could live up to. Board Member Foti also wished Mr. Carroll well and described how Mr. Carroll had generously served as his respected mentor and advisor. Chair Card agreed that it would be fitting to celebrate Mr. Carroll's work and to thank him more directly, and encouraged Board members and staff to hold further discussions on the matter. (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		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		

Yes No Abstain
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 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 10:21am and adjourned at 10:31am.

*** CONTINUATION OF OPEN SESSION ***

ADMINISTRATION, FINANCE AND AUDIT

Information

Delegated Authority Report – November 2022

Mr. Foti invited Board Members' questions about the Delegated Authority Report.

Board Member Jack Walsh asked for more information about the purchase of a replacement Muffin Grinder for the Braintree-Weymouth Pump Station. MWRA Chief Operating Officer David Coppes explained that the new grinder was needed to operate the facility during Braintree-Weymouth Pump Station Improvement Project construction.

Hearing no further discussion or questions, Mr. Foti moved to the next Information item. (ref. V A.1)

Internal Audit Department Activities Report – FY2022

MWRA Internal Audit Director Claude Cormier summarized highlights of the Internal Audit Activities Report for FY2022. Mr. Cormier described the scope of the annual report and noted that staff had identified nearly \$2 million in savings and recoveries in FY22. He then described Internal Audit staff goals including audit coverage, and the review of contracts and related documentation, and MWRA's policies, procedures and operational management methods. Next, Mr. Cormier noted that the Internal Audit report included a list of projects that were in process or planned for FY23, and explained that staff would continue to develop its risk assessment and reprioritize focus as warranted. He then reported that Internal Audit's cost savings in fiscal year 2022 was over \$538,000 including incurred cost audit recovery; potential cost savings from future change orders; and savings related to HEEC Cross Harbor Cable project. Next, Mr. Cormier described Internal Audit staff's strategies for controls and procedures, and the mitigation and elimination of risks of unwelcome outcomes or events. He added that a key Internal Audit team objective was to shorten the cycle time needed to close recommendations and implement corrective action. Finally, Mr. Cormier described recent and planned staff

restructuring and a staff promotion. .

Mr. Pappastergion requested information about a payment for MWRA's Charlestown Navy Yard lease that was noted in the report, and asked when the lease would expire. Mr. Cormier explained that the lease payment was included as part of the report's review of FY22 activities, and that Internal Audit staff would perform a final review of the lease upon its expiration in May 2023. Board Member Vitale asked if the report's findings were discussed with outside auditors. Mr. Cormier explained that the findings were reported and presented internally to management.

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

Information

FY23 Financial Update and Summary through November 2022

MWRA Finance Director Thomas Durkin summarized financial highlights for FY23 through November 2022. He reported that direct expenses were under budget by \$5 million (-4.5%) primarily due to full time equivalent (FTE) counts that were lower than budgeted (-113 FTEs). He noted that direct expense underspending was offset by overspending for chemicals (+9.6%) and utilities (+6.1%) such as energy, diesel fuel and natural gas; he advised that the rising costs of chemicals and utilities illustrated the impacts of inflation. Mr. Durkin then provided an overview of trends in Consumer Price Index, which had increased by 7.1% since November 2022, and rising prices, which appeared to be stabilizing. Next, he reported that indirect expenses were on budget (+0.6%), due to watershed protection efforts and reimbursements, and that Capital Finance was under budget by \$2.2 million (-1.2%), attributable to variable rate bonds. Mr. Durkin then advised that interest rates were volatile but generally lower than staff's budget estimate. He added that MWRA's budget variance was shrinking, but at a slower pace than in earlier this fiscal year. He then provided a brief general overview of MWRA's short- and long-term budgetary strategies with respect to inflation and interest rates. Finally, Mr. Durkin reported a positive total variance of \$15.6 million (8.2%) including revenue. He explained that revenue was higher than estimated, driven by the impact of interest rates on investment income, and \$4 million in unanticipated water sales to the City Cambridge.

Mr. Jack Walsh asked why overtime expenses were lower than estimated when MWRA was experiencing reduced staffing levels. Mr. Durkin explained that the overtime expenses were lower than anticipated to date because the MWRA service area had seen fewer significant weather events than expected due to drought, and advised that overtime spending could increase as the fiscal year progressed. Mr. Vitale asked for more information about calendar year 2022 MWRA's Pension Trust Fund and Other Post-Employment Benefits (OPEB) yields. Mr. Durkin advised that the Pension portfolio was down 10.5%, up from approximately -13% in October 2022. MWRA Deputy Finance Director/Treasurer Matthew Horan reported that through October OPEB was down 13.2% year-to-date.

Mr. Vitale asked if there was any consideration to making any adjustments to the portfolios. Mr. Durkin explained that portfolios are built with diverse assets that are designed to withstand

economic downturns, and that the portfolios continued to be well positioned. Mr. Vitale asked if MWRA employees participated in the Commonwealth of Massachusetts SMART Plan's deferred compensation program. Mr. Durkin responded in the affirmative. Mr. Vitale asked about the Authority's involvement in the plan, including whether MWRA has any input in the plan. There was brief, general discussion about the management and oversight of the SMART Plan.

Hearing no further discussion or questions, Mr. Foti proceeded to Approvals. (ref. V A.3)

Approvals

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

A motion was duly made and seconded 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 to the December 14, 2022 Staff Summary presented 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; and, John J. Walsh.

MWRA Senior Financial Analyst Sean Cordy explained that the MWRA Board of Directors has annually appointed a proxy to vote for the elected Fore River Railroad Corporation's (FRRC) board members, and that staff were requesting the approval again this year.

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		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		
Wolowicz		

(ref. V B.1)

Proposed Amendment to the Management Policies of the Board of Directors—Threshold for Purchases

A motion was duly made and seconded to adopt the proposed amendments to the Management Policies of the Board of Directors to increase the general procedures threshold for purchases from not more than \$5,000 to \$10,000, as set forth in the December 14, 2022 Staff Summary presented and filed with the records of the meeting.

MWRA Director of Administration Michele Gillen introduced MWRA Purchasing Manager Ted Otis, who provided a summary of staff's recommendation to amend the Management Procedures of the Board of Directors' threshold for purchases. Mr. Otis advised that staff requested Board approval to amend the Procedures to increase the general threshold for purchases from \$5,000 to \$10,000. He explained that the amendment was consistent with sound business practices of the Commonwealth of Massachusetts. He added that the increased threshold would ensure that MWRA kept pace with the rate of inflation while continuing to handle routine purchases to support efficient operations. Finally, Mr. Otis noted that staff would update MWRA's corresponding purchasing policies should the Board adopt the proposed amendment.

Mr. Jack Walsh asked if staff could include analyses of any cost savings resulting from the proposed amendment in future Staff Summaries to the Board. Ms. Gillen explained that the proposed amendment was aimed at increasing operational efficiency rather than realizing cost savings. Mr. Foti noted that in his work experience at municipalities and other state agencies, this amendment would increase staff efficiency and streamline procurement workflows. Chair Card agreed with Mr. Foti and added that the proposed amendment was consistent with similar state agencies' policies. Mr. Vitale asked if Board approval was necessary for such an amendment. MWRA General Counsel Francisco Murphy explained that because the purchasing threshold is included in the Board of Directors' policy, Board approval is required to amend it. Mr. Foti asked why staff did not request approval for a higher threshold for purchases, given the current economic climate of rising inflation and higher costs. MWRA Acting Director of Procurement Rita Mercado explained that the \$10,000 threshold was consistent with the policies of municipalities and the Inspector General's guidance for sound business practices.

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		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		

Yes No Abstain
Wolowicz

(ref. V B.2)

WASTEWATER POLICY AND OVERSIGHT

Information

Operations and Maintenance of the Fore River Pelletizing Plant Update

MWRA staff presented an update on the operations and maintenance of the Fore River Pelletizing Plant and the continued regulatory uncertainty concerning PFAS. . MWRA Deer Island Treatment Plant Director David Duest presented an overview of the pellet plant's location, functions and history. He noted that the plant has been operated and maintained under contract since its startup in 1991. He explained that the pellet plant is integral to the operation of the Deer Island Treatment Plant because it eliminates ocean disposal of digested sludge. He noted that the pellet plant was entering the final year of Amendment 3 of the second competitively bid contract. Next, Mr. Duest briefly described the process of converting liquid digested sludge into an exceptional quality fertilizer as defined by EPA and DEP, and noted that MWRA's operation and maintenance (O&M) contractor was responsible for pellet marketing and disposal. He then presented pellet distribution volumes by state in 2021, and noted that 37%-69% of the product had been distributed within New England over the past five years. He advised that New England distribution volumes had dropped to 37% in 2022, most of that due to PFAS concerns.

Next, MWRA Director of Environmental and Regulatory Affairs Rebecca Weidman presented an overview of the evolution of state and federal regulations related to PFAS over the past two years, including MA-DEP drinking water regulations. She reported that in 2022, MA-DEP promulgated regulations that included a maximum contamination limit (MCL) for six PFAS compounds at 20 parts per trillion, and that EPA had issued interim health advisories for PFAS, PFOA and two other PFAS compounds. She added that the EPA's PFAS and PFOA advisories were below the current detection methods used. Ms. Weidman then noted that the EPA's MCLs for PFAS and PFOA were currently under review, and that new federal drinking water standards for those compounds were expected to be issued in early 2023. She further advised that DEP would need to promulgate revised state standards for PFAS compounds that were at least as stringent as any new federal standards. Ms. Weidman noted Maine's 2022 ban of all biosolids land applications, and Connecticut's guidance to farmers recommending the request of PFAS tests for biosolids prior to land application. She further advised that Massachusetts could potentially revisit its approval of the suitability for Type One biosolids. Finally, she explained that the changes in regulations for PFAS compounds nationwide and within the region could have significant impacts on the ability to distribute pellets.

Mr. Duest then presented staff's recommendations to move forward with issuing an RFQP for the next operating contract, the primary goal of which would remain beneficial use of the pellets so long as that opportunity is available. He explained that the duration of the contract would be ten years, rather than the current 15-year contract duration. He explained that the RFQ/P would include separate line items for O&M, marketing and disposal and would expand the landfill contingency from four months to one year. Finally, Mr. Duest advised that expected increases in

landfill and transportation costs could drive up the price of pellet disposal.

Chair Card asked if staff had developed plans to address the expected increase in demand for landfill space. Mr. Duest explained that staff was evaluating the need to purchase more reserved landfill space for longer terms. He advised that only seven working landfills were currently operating in the New England region, with three expected to shut down within five years, and explained that staff would advertise a separate landfill contract if necessary. Mr. Peña asked if MWRA would need to dispose of pellets as hazardous waste if EPA was successful in expanding the CERCLA list to include PFAS and PFOA. Mr. Duest explained that MWRA's fertilizer pellets were currently below EPA's proposed standards, and that future standards were unknown. He then discussed concerns regarding CERCLA revisions and the potential for future cleanup claims.

Mr. Jack Walsh asked if there was further discussion or questions from the Board. Hearing none, he moved to the next Information item. (ref. VI A.1)

Public Meeting for Development of the Updated CSO Control Plan

Staff updated Board Members on the second public meeting for the development of the updated CSO Control plan for the Charles River, Mystic River and Alewife Brook, planned to be held jointly by MWRA and the Cities of Cambridge and Somerville on December 15, 2022. MWRA Assistant Director of Engineering Brian Kubaska noted that live language interpretation services would be available at the meeting, which had been widely publicized. He then presented an overview of the planned topics of discussion at the virtual meeting, including combined sewer systems' wet and dry weather operations, the purpose of the revised CSO control plan; significant CSO control achievements to date; and phases of the updated plan's development. Mr. Kubaska explained that staff intended to stress CSO's functions as sewer system relief points that protect ground surfaces and homes, and noted that staff would welcome the public to share input and feedback throughout the plan's development process. He reminded the Board of the extension requests by MWRA, Cambridge and Somerville to develop the updated plans. Mr. Kubaska noted that at the public meeting the goals of the CSO planning process will be reiterated, including the development of a new typical year which reflects future climate change, the development of sound alternatives to reduce or eliminate CSO that will support the further improvement of water quality, engagement of interested members of the public and consideration of potential impacts to Environmental Justice populations.

Next, Michael O'Keefe, MWRA Senior Program Manager, Planning noted that the public meeting presentation would include discussion of the updated typical year's usefulness for the development and measurement of effective CSO control strategies, and an overview of the process to develop a new typical year. He explained that staff would clearly communicate that climate change projections calculated through methodologies developed by City of Cambridge consultants and Cornell University climate scientists would be reflected in the new typical year. He also noted that a technical details slide deck that explained the typical year methodology in more detail was available to the public. He added that the meeting the public will be given a preview of what the typical year looks like compared to observed data. He noted that overall, on

average, staff expect slightly more annual rainfall in the future as well as more frequent intense storms in 2050, and that the public meeting would be include questions from attendees. Finally, Mr. O’Keefe presented to Board members the schedule for the updated CSO Control Plan as put forth in the extension request to EPA and DEP, and advised that this is the very early stages of the planning process and staff expected the final plans would be completed in December, 2026.

Chair Card asked about EPA and MA-DEP’s response to the extension requests. Mr. Kubaska explained that staff were hopeful for a response soon, but had not received a response yet, and there’s some discussion regarding whether it is related to the court ordered deadlines which include submission of a supplemental report in December 2024. Chair Card asked about any expectation for comment on the proposed changes to the typical year from the regulatory agencies or stakeholders. Mr. Kubaska explained that staff plan to solicit input from the public on the typical year and that staff are hopeful that what is being presented will be well received. Mr. Laskey stressed that what is being done to create new typical year has been recommended to or urged upon MWRA; and the Authority continues to do what it being asked of it. Chair Card agreed. MWRA Chief Operating Officer David Coppes noted that the consideration of future climate change is not a regulatory requirement, that MWRA is going above and beyond because it’s the right thing to do, and that staff are hopeful that what is being proposed will be accepted. Chair Card agreed. Mr. Laskey added that the question remains of how the long term plan and variances all come together. Mr. Vitale asked about any discussion on green infrastructure. Mr. Kubaska noted that he did not recall the specifics of the first public meeting, and he explained the public expressed interest in green infrastructure as a strategy to reduce CSOs as well as support other community issues. Mr. Laskey added that it included stormwater. Mr. Kubaska concluded by briefly explaining the issue of pollutant loads with stormwater.

Mr. Jack Walsh asked if there was further discussion or questions from the Board. Hearing none, he moved to Approvals. (ref. VI A.2)

Approvals

Approval of Appointment of Jim Ferrara to the Wastewater Advisory Committee

A motion was duly made and seconded to approve the addition of one new member, Mr. Jim Ferrara, to the Wastewater Advisory Committee.

MWRA Senior Program Manager, ENQUAL Wendy Leo described Mr. Ferrara’s qualifications and work experience, and explained that the Wastewater Advisory Committee (WAC) contract required Board approval of new member nominees. MWRA Director of Intergovernmental Affairs Sean Navin added that the Mr. Ferrara was an elite engineer at National Grid with key knowledge of energy, water and transportation infrastructure projects, and noted that WAC would have 14 members if Mr. Ferrara’s appointment were approved.

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		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		
Wolowicz		

(ref. VI B.1)

WATER POLICY AND OVERSIGHT

Board Member Vitale briefly offered well wishes to Mr. Carroll and congratulated Ms. Murphy on her upcoming retirement.

Contract Awards

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

A motion was duly made and seconded 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.

MWRA Director of Tunnel Redundancy Kathy Murtagh explained that the proposed geotechnical support contract would allow test boring work and geological data collection to continue as staff transitioned the Metropolitan Water Tunnel Program from preliminary design into final design. She noted that preliminary design was expected to continue through January 2024, and that procurement for final design was expected to begin in late 2023, with an anticipated start in mid-2024. Ms. Murtagh explained that the collection of geologic data was critical to the success of the Tunnel Program, and that the scope of work for the proposed contract included the drilling of approximately 40 deep test borings throughout the preferred tunnel alignment. Finally, Ms. Murtagh noted that the recommended firm would provide a cost-effective and well-qualified team with locally available staff and the flexibility needed to complete the investigation work as planned over three years.

Board Member Patrick Walsh noted the delta in hours between the staff estimate and the firm's proposal, and asked whether staff were comfortable with that particularly given the proposed hours of the low bidder. Ms. Murtagh explained that the recommended firm's approach to field work, including core logging in the field, was more efficient than those of the non-selected proposers, and that it provided a savings in hours. She noted that the firm's approach to field work was one of the reasons why the firm was chosen.

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		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		
Wolowicz		

(ref. VII A.1)

Contract Amendments/Change Orders

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

A motion was duly made and seconded 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.

MWRA Director of Construction Cori Barrett began with an overview of the shaft's location, construction history and current function as a high level overflow. Ms. Barrett then provided background on the original scope of the project and of Change Order 1, which addressed unforeseen deterioration discovered during repair work. She then presented a summary of modifications and repairs to Shaft 2 since its construction in 1927. Next, Ms. Barrett presented the shaft's conditions as revealed during Change Order 1 work, including additional deteriorated concrete, cracks that required epoxy injection, badly splintered timbers, and deep spalls that required hand repair. She explained that the repair work was performed satisfactorily, the difficulty in negotiating costs and that the contractor has submitted a claim that exceeds the Executive Director's Board-authorized delegated authority amount of \$250,000. Finally, Ms. Barrett noted that those funds are still available for any issues that could arise during the contract's closeout.

Mr. Jack Walsh asked how frequently the Quabbin Shaft 2 overflow was used. Mr. Laskey explained that it's an emergency overflow; used occasionally. Mr. Coppes added that in his recollection the overflow was last used approximately 15-20 years ago, when roughly 500-600 million gallons per day was diverted from the Ware River to the Quabbin Reservoir. Mr. Walsh asked if the overflow could be capped. Mr. Coppes explained that the overflow was a needed relief point. Mr. Pappastergion noted the good quality of the work performed and expressed concern about the increased contract cost. He then asked for more information about the project's Design Engineer, and whether the shaft's deteriorated conditions could have been anticipated. Ms. Barrett explained that Santec performed design engineering work under task

order. She further explained that it would have been difficult to assess the extent of the shaft's deterioration because it had been obscured by many layers of concrete and other materials. She also noted that the shaft had been unsafe for entry until its cover and hatches had been replaced. Mr. Foti asked if the proposed change order would settle the contractor's claims. Ms. Barrett explained that the amount requested is what staff believe the contractor is owed which, between Change Order 1 and proposed Change Order 2, totals \$847,000, and that is less than the contractor's claim of over \$1.0 million. She further noted that staff expect the contractor's claim will go through the claims process. She explained that the contractor had submitted costs that staff believe are ineligible. Mr. Foti expressed concern regarding the increase and the lack of finality on the claim. Mr. Foti requested additional information regarding the negotiations with the contractor and asked whether staff attempted to reach an agreement. Ms. Barrett explained some of the costs submitted which staff believe are ineligible, and advised that while staff disagreed with the contractor's \$1.0 million claim, Change Orders 1 and 2 represented what staff believe are fair eligible costs for the time-consuming and challenging work performed. Ms. Barrett advised that staff had repeatedly discussed its intentions and rationale regarding payment for eligible costs with the contractor, and that the contractor was taking these discussions into consideration. Ms. Barrett noted that staff are confident in their number, but that it has to go through the claims process.

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		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		
Wolowicz		

(ref. VII B.1)

PERSONNEL AND COMPENSATION

Approvals

PCR Amendments – December 2022

A motion was duly made and seconded to approve amendments to the Position Control Register (PCR) as presented and filed with the records of this meeting.

MWRA Director of Human Resources Andrea Murphy summarized three proposed PCR amendments, including a new position in the Executive Division, Security Department; a title and grade change to a filled position in the Operations Division, Laboratory Services

Department per Union settlement; and, a new position in the Operations Division, SCADA Department.

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		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		
Wolowicz		

(ref. VIII A.1)

Appointment of Tracy Leonard, Manager, Policy & Planning Support, Operations

A motion was duly made and seconded 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.

Ms. Murphy described the proposed candidate's work experience and qualifications.

Chair Card asked if there 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		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		
Wolowicz		

(ref. VIII A.2)

Contract Amendments/Change OrdersExtension of Employment Contract Copy and Supply Clerk, Administration Division: Ward Merithew

A motion was duly made and seconded 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).

Ms. Murphy advised that staff recommended a six-month extension to the contract for a Copy and Supply Clerk position, and summarized the position's job duties. Mr. Laskey noted that this contract would end when MWRA vacates its Charlestown Navy Yard headquarters.

Mr. Pappastergion congratulated Ms. Murphy on her upcoming retirement. Ms. Wolowicz echoed Mr. Pappastergion's remarks and thanked Ms. Murphy for her helpfulness and preparedness. Mr. Foti wished Ms. Murphy luck in her future endeavors. Chair Card offered her best wishes and thanked Ms. Murphy for all she has done for MWRA.

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		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		
Wolowicz		

(ref. VIII B.1)

CORRESPONDENCE TO THE BOARDAuditor's Letter Accompanying the Audited Financial Statements

MWRA Controller William Kibaja noted that the Auditors are required to communicate with the Board the significant audit findings or issues related to their audit. He then reported that the Auditor, CliftonLarsonAllen LLP, did not identify any item impacting the performance of MWRA's Audited Financial Statements. Finally, Mr. Kibaja advised that the Auditor's letter included a schedule summarizing uncorrected misstatements of the financial statements, and such are included because they could potentially cause future period financial statements to be materially misstated.

Mr. Vitale noted that he had spoken to CliftonLarsonAllen LLP staff on behalf of the Board of Directors and reported that the Auditor's staff had offered positive feedback on Mr. Laskey,

MWRA's Finance staff, and MWRA's financial position.

Chair Card asked if there was further discussion or questions from the Board. Hearing none, she moved to Other Business. (ref. IX.1)

OTHER BUSINESS

Chair Card asked Board members if there was any Other Business.

Mr. Foti noted that the City of Chelsea School Department had contacted him to report that MWRA staff had assisted the City in cleaning up a major flood in a school basement. Mr. Foti thanked and commended staff for their help to re-open the school.

Mr. Laskey invited Board Members to participate in an after-work MWRA holiday gathering.

Chair Card reported that the Baker-Polito Administration's transition with Governor-elect Healey and Lieutenant Governor-elect Driscoll was going smoothly, and that she expected cooperation and information-sharing to continue. She advised that she would discuss the important work of the MWRA Board of Directors, MWRA and the MWRA Advisory Board with members of the incoming administration. Finally, Chair Card thanked MWRA Board members for their service and wished all meeting participants a safe, happy holiday season. (ref. X)

ADJOURNMENT

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

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

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Card		
Flanagan		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
P. Walsh		
Wolowicz		

The meeting adjourned at 11:59am.

Approved: January 18, 2023

Attest:

Kristin MacDougall for

Andrew M. Pappastergion, Secretary