



# 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:

C. Cook

P. Flanagan

J. Foti

B. Peña

H. Vitale

J. Walsh

P. Walsh

J. Wolowicz

## **BOARD OF DIRECTORS' MEETING**

**To be Held on Wednesday, June 22, 2022**

Time: 1:00pm

To be Held Virtually

Pursuant to An Act Relative to Extending Certain COVID-19  
Measures Adopted During the State of Emergency.

### **WebEx Meeting Link (Registration Required)**

<https://mwra.webex.com/mwra/onstage/g.php?MTID=e5c6fcaa3c604ae02ebc2cd03150dd127>

Event Number: 2339 066 3358

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## **REVISED AGENDA (2)**

### **I. APPROVAL OF MINUTES**

### **II. REPORT OF THE CHAIR**

### **III. REPORT OF THE EXECUTIVE DIRECTOR**

### **IV. EXECUTIVE SESSION**

i. Approval of May 25, 2022 Executive Session Minutes

#### **A. Litigation**

1. *Conservation Law Foundation, Inc. v. Massachusetts Water Resources Authority*, USDC, No. 1:22-CV-10626: Update and Budget

#### **B. Collective Bargaining**

1. Collective Bargaining Update (verbal)

### **V. ADMINISTRATION, FINANCE & AUDIT**

#### **A. Information**

1. Open Meeting Law – Remote Participation of Members of a Public Body
2. Delegated Authority Report – May 2022
3. Financial Incentives for Energy Projects
4. FY2022 Financial Update and Summary as of May 2022

**B. Approvals**

1. Final FY2023 Capital Improvement Program
2. Final FY2023 Current Expense Budget
3. Final FY2023 Water and Sewer Assessments
4. Appointment of Proxy for the Fore River Railroad Corporation

**C. Contract Awards**

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

**VI. WASTEWATER POLICY & OVERSIGHT**

**A. Contract Awards**

1. Annual Renewal of Wastewater Advisory Committee Contract

**B. Contract Amendments/Change Orders**

1. Fore River Pelletizing Plant Operations and Maintenance: New England Fertilizer Company, Contract S345, Amendment 3
2. Agency-Wide Technical Assistance Consulting Services: CDM Smith Inc., Contract 7692, Amendment 2

**VII. WATER POLICY & OVERSIGHT**

**A. Contract Awards**

1. Annual Renewal of Water Supply Citizens Advisory Committee Contract

**VIII. PERSONNEL & COMPENSATION**

**A. Approvals**

1. Appointment of Manager, Maintenance, Deer Island Treatment Plant

**IX. CORRESPONDENCE TO THE BOARD**

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

**X. OTHER BUSINESS**

**XI. ADJOURNMENT**

**MASSACHUSETTS WATER RESOURCES AUTHORITY**

Meeting of the Board of Directors

May 25, 2022

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A meeting of the Massachusetts Water Resources Authority (“MWRA”) Board of Directors was held on May 25, 2022. The meeting was conducted 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 remotely. Also participating remotely from the Board were Messrs. Cook, Foti, Pappastergion, Peña, Vitale, Jack Walsh, and Ms. Wolowicz. Messrs. Carroll, Flanagan and Patrick Walsh were absent.

MWRA staff in attendance virtually included Frederick Laskey, Executive Director; Carolyn Francisco Murphy, General Counsel; David Coppes, Chief Operating Officer; Carolyn Fiore, Deputy Chief Operating Officer; Thomas Durkin, Director, Finance; Michele Gillen, Director, Administration; Kathy Murtagh, Director, Tunnel Redundancy; Mathew Horan, Deputy Director, Finance/Treasurer; Michael Cole, Budget Director; John Colbert, Chief Engineer; David Duest, Director, Deer Island Treatment Plant; Cori Barret, Director, Construction; Paul Whelan, Manager, Risk Management; Paula Weadick, Director, MIS; Michael Curtis, MIS; and, Assistant Secretaries Ria Convery and Kristin MacDougall. Also in attendance virtually were Vandana Rao, Executive Office of Environmental Affairs (EEA), and Louis Taverna, Joseph Favaloro, Matthew Romero, and James Guiod, MWRA Advisory Board.

Chair Card called the meeting to order at 1:02pm. 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](http://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 APRIL 13, 2022 MINUTES**

A motion was duly made and seconded to approve the minutes of the Board of Directors’ meeting of April 13, 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 Governor Baker had recently introduced the Forward Act to apply federal American Rescue Plan (ARPA) funds to economic development and environmental and energy initiatives including: infrastructure; renewable energy technology, innovation, research and

development; ports; energy and climate mitigation; and, workforce development. She noted that the Forward Act also proposed funding for lead service line replacements and other critical environmental infrastructure. Finally, Chair Card advised that she had declared a drought in the Southeastern and Islands regions of Massachusetts on May 11, 2022, and that the Drought Management Task Force would meet again on June 8, 2022. (ref. II)

### REPORT OF THE EXECUTIVE DIRECTOR

On behalf of MWRA staff, Mr. Laskey welcomed Chair Card to the MWRA Board of Directors and congratulated her on her appointment as EEA Secretary.

Board members and MWRA Advisory Board staff also welcomed the new Chair.

Mr. Laskey then advised that on May 20 U.S. District Court Judge Stearns had issued a Schedule Seven Compliance Order in the Boston Harbor case relating to MWRA's Long-Term CSO Control Plan. Next, he noted that anniversary celebrations were underway for the Boston Harbor Islands National and State Parks, and that MWRA staff were providing support for these events. Finally, Mr. Laskey invited Board members and meeting participants to attend Reel Fun Fishing Day at the new Deer Island Fish Pier on June 4, 2022. (ref. III)

### FY2023 BUDGET HEARINGS

#### MWRA Advisory Board Integrated Comments and Recommendations on the MWRA's Proposed FY2023 CIP and CEB

MWRA Advisory Board ("Advisory Board") Chair Louis Taverna invited Advisory Board staff to present Integrated Comments and Recommendations on the MWRA's Proposed FY2023 Capital Improvement Plan (CIP) and Current Expense Budget (CEB). Advisory Board Executive Director Joseph Favaloro presented an overview of the Advisory Board's historical role in the MWRA budgeting process. He advised that the Advisory Board's current recommendation for MWRA's combined FY2023 rate increase was 2.85%, with 3.93% for water and 3.14% for wastewater services. Next, Advisory Board Director of Finance James Guiod described the FY2023 budget review process and presented an overview of recommendations related to MWRA's debt service assistance; personnel and vacancy rates; and, rate stabilization. Advisory Board Deputy Executive Director Matthew Romero then presented comments and recommendations for MWRA's Retirement System funding. Mr. Guiod then summarized comments and recommendations for capital financing and comments on the CIP.

There was brief discussion to clarify that the MWRA Retirement Board had not yet voted on the Advisory Board's pension funding proposal.

(Ms. Wolowicz joined the meeting during the presentation.)

#### MWRA's FY2023 Draft Final Budget Hearings Presentation

MWRA Finance Director Thomas Durkin and staff presented an update on MWRA's FY2023 Draft Final Budget. Mr. Durkin described key budgetary challenges for MWRA, including inflation; interest rates; staffing; and, supply chains. Next, MWRA Budget Director Michael Cole provided

more detail on wages and the effects of the costs for utilities and chemicals on MWRA budgets. MWRA Deputy Finance Director/Treasurer Matthew Horan then described the projected impacts of interest rates on MWRA's borrowings, debt and investments. Finally, Mr. Durkin briefly described the next steps in the FY2023 budget process.

There was general discussion about inflation and interest rates. (ref. IV)

### EXECUTIVE SESSION

Chair Card requested that the Board move into Executive Session to discuss real estate 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 Watershed Land Acquisition and a Collective Bargaining Update. She announced that the Board would return to Open Session after the conclusion of Executive Session. Chair Card also advised that when the Board returned to Open Session it would begin with Personnel & Compensation, and the first two items would be the Annual Meeting of the Personnel & Compensation Committee Independent of Management and annual review of Mr. Laskey's performance and contract.

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 are 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		
Cook		
Foti		
Pappastergion		
Peña		
Vitale		
J. 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 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 1:57pm and adjourned at 2:11pm.

\*\*\* CONTINUATION OF OPEN SESSION \*\*\*

Open Session resumed at 2:12pm. Chair Card presided.

PERSONNEL AND COMPENSATION

Annual Meeting of the Personnel and Compensation Committee Independent of Management Authority Accountability and Transparency Act Compliance Review and Extension of Contract for the Executive Director

The Annual Meeting of the Personnel and Compensation Committee Independent of Management was held virtually, in accordance with Massachusetts General Law Chapter 29, Section 29K (the Authority Accountability and Transparency Act), for the purpose of generally reviewing and comparing salaries and benefits of private sector companies, charitable institutions and state agencies with those of MWRA's "executives," which include the Executive Director, Chief Operating Officer, Director of Finance and General Counsel. Ms. Francisco Murphy gave a brief explanation of the Authority Accountability and Transparency Act and then asked MWRA non-union managers to leave the meeting. In accordance with the Act, no Authority employee with management responsibilities was present to advise, participate in or influence any discussions which the Board undertook. Chair Card presided.

Present remotely from the Board, in addition to Chair Card, were Ms. Wolowicz and Messrs. Cook, Foti, Pappastergion, Peña, Vitale, and J. Walsh. Messrs. Carroll, Flanagan and P. Walsh were absent. Kristin MacDougall, MWRA Assistant to the Board of Directors, and Michael Curtis, MWRA IT Asset Management Analyst, MIS also participated remotely. No MWRA management staff were present or participated remotely. The meeting remained open to the public. The meeting was called to order at 2:12pm. (ref. VI.A)

Board members reviewed and discussed Mr. Laskey's work performance, the extension of his contract, and appointment and compensation.

At Board members' request, General Counsel Francisco Murphy briefly returned to the meeting to answer a question about rating scale for Mr. Laskey's job performance. Ms. Francisco Murphy then left the meeting.

There was discussion about Mr. Laskey's FY2022 accomplishments, work performance and contract. There was also general discussion about inflation, collective bargaining agreements, executive compensation at comparable state and US water and sewer utilities, and a potential compensation study.

A motion was duly made and seconded that the performance of Frederick A. Laskey, MWRA Executive Director, for Fiscal Year 2022 be rated as Excellent; further, to extend the term of the Executive Director's employment agreement and his appointment as the Executive Director by 1 year(s) through June 30, 2025; and, further, to increase the Executive Director's current salary by 3% effective July 1, 2022.

Hearing no further discussion or objections, Chair Card requested a roll call vote.

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

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

(ref. VI B)

The meeting adjourned at 2:29pm.

Chair Card advised Ms. MacDougall and Mr. Curtis that management staff may return to the Open Session meeting in progress.

Management staff returned to the meeting at 2:31pm.

#### ANNOUNCEMENT OF REVIEW AND EXTENSION OF CONTRACT FOR EXECUTIVE DIRECTOR

Chair Card advised that during the Annual Meeting of the Personnel and Compensation Committee Independent of Management, Board Members had reviewed and discussed the performance of Frederick A. Laskey, MWRA Executive Director, and that the Board had voted that Mr. Laskey's performance for Fiscal Year 2022 be rated as Excellent; further, to extend the term of his employment agreement and his appointment as the Executive Director by 1 year(s) through June 30, 2025; and, further, to increase his current salary by 3% effective July 1, 2022.

The Chair and Board members commended Mr. Laskey for his outstanding leadership in challenging times.

#### Information

##### Staffing Recruitment and Retention

MWRA Director of Administration Michele Gillen presented an overview of significant workforce recruitment and retention challenges at MWRA. She then described short- and long-term tools

and strategies to meet these challenges, including targeted recruitment of licensed operators; and the proposed addition of a new Human Resources position.

There was discussion about co-op and internship programs; the promotion of MWRA's role as an environmental steward and its commitment to diversity, equity and inclusion; the potential to contract with retirees to fill key positions on a limited basis; workforce challenges across state and local agencies, and the proposed addition of a new HR position dedicated to staff recruitment and retention.

Hearing no further questions or discussion, Committee Chair Wolowicz proceeded to the next agenda item. (ref. VI C.1)

### Approvals

#### PCR Amendments – May 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 described ten proposed PCR amendments, including a new position in the Administration Division; a title and grade change to one filled position in the Operations Division per union agreement; and salary adjustments to eight filled positions in the Operations Division per union agreement, due to new recruitment rates.

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

#### Appointment of Director, Design and Construction, Tunnel Redundancy

A motion was duly made and seconded to approve the appointment of Mr. Paul V. Savard to the position of Director of Design and Construction, Tunnel Redundancy Department (Non-Union, Grade 16) at an annual salary of \$157,000, commencing on a date to be determined by the Executive Director.

Ms. Murphy summarized the proposed candidate's work history, experience, education, and qualifications.

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

#### Non-Union Compensation and Extension of Employment Contract, Director, Tunnel Redundancy Program

Chair Card announced that she would recuse herself from this agenda item. She then requested that an individual roll call vote be conducted and that Board Secretary Pappastergion serve as Chair in her absence. MWRA staff then removed Chair Card from the virtual panel for the duration of the discussion and vote.



A motion was duly made and seconded that the Board of Directors take the following actions for MWRA's FY21 and FY23 non-union compensation review: authorize the Executive Director to implement a 1.5% across-the-board compensation adjustment for eligible non-union managers effective with the first FY21 payroll; authorize the Executive Director to implement a 2.0% across-the-board compensation adjustment for non-union managers effective with the first FY23 payroll; authorize the Executive Director to implement a 1.5% one-time payment for current nonunion managers based on the employee's salary as of June 1, 2022; and, approve a revision to the non-union salary ranges for FY21, FY22 and FY23 presented in Attachment A of the May 25, 2022 Staff Summary and filed with the records of the meeting. Further, that the Board of Directors adopt the Executive Director's performance rating of Excellent for Kathleen M. Murtagh, Director of Tunnel Redundancy Program, for FY22 and extend the term of her employment agreement to June 3, 2025 and adjust her salary consistent with other non-union managers.

There was general discussion about non-union compensation at MWRA and other state agencies.

Mr. Laskey thanked MWRA's non-union managers for their hard work and dedication.

There was brief discussion about Attachment A to the associated Staff Summary.

Acting Chair Pappastergion asked if there was further discussion or any objections.

Hearing none, a roll call vote was taken in which the members were recorded as follows:

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Cook		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
Wolowicz		
(ref. VI D.3)		

(Chair Card returned to the meeting, and Ms. Wolowicz left the meeting after the roll call vote.)

#### WASTEWATER POLICY AND OVERSIGHT

##### Information

Update on Combined Heat and Power Study – Deer Island Treatment: Black & Veatch Corporation, Contract 6963A

This item was postponed due to time constraints. (ref. VII A.1)

Contract AwardsStruvite, Scum, Sludge and Grit Removal Services at the Deer Island Treatment Plant: Moran Environment Recovery, LLC, Purchase Order Contract WRA-5128

A motion was duly made and seconded to approve the award of Purchase Order Contract WRA-5128 to provide struvite, scum, sludge and grit removal services at the Deer Island Treatment Plant to the lowest responsive bidder, Moran Environment Recovery, LLC and to authorize the Executive Director, on behalf of the Authority to execute said purchase order contract in an amount not to exceed \$1,370,000 for a period of two years, from July 1, 2022 through June 30, 2024.

MWRA Deer Island Treatment Plant Director David Duest summarized the purpose of the proposed contract and noted that the recommended contractor was the lowest responsive bidder.

There was brief discussion about the bid prices presented in the associated Staff 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. VII B.1)

Annual Renewal of Wastewater Advisory Committee Contract

This item was postponed due to time constraints. (ref. VII B.2)

WATER POLICY AND OVERSIGHTApprovalsMemorandum of Agreement with the City of Waltham - Section 101 Extension Water Main Project

A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to execute a revised Memorandum of Agreement with the City of Waltham, substantially in the form attached to the May 25, 2022 Staff Summary presented and filed with the records of the meeting and/or such other terms which the Executive Director determines are in the best interest of the Authority, related to reimbursement to MWRA for design and construction costs associated with the installation of City of Waltham local water, sewer and drain lines and appurtenances. This authorization is contingent on the Authority reaching an agreement with the City of Waltham on the terms of the revised Memorandum of Agreement.

Mr. Laskey provided a general overview of the project in partnership with the City of Waltham and negotiations with the City.

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

Contract AwardsSection 101 Extension Water Main Project: Waltham: Baltazar Contractors, Inc., Contract 7457

A motion was duly made and seconded to approve the award of Contract 7457, Section 101 Pipeline Extension (Waltham), to the lowest responsible and eligible bidder, Baltazar Contractors, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute said contract

in the bid amount of \$31,900,000 for a contract term of 635 calendar days from the Notice to Proceed.

MWRA Chief Engineer John Colbert presented a summary the project's scope; Engineer's estimate; the volatility of material prices; the procurement process; and, the proposed contractor's related experience and favorable references.

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

#### Annual Renewal of Water Supply Citizens Advisory Committee Contract

This item was postponed due to time constraints. (ref. VIII B.2)

#### Contract Amendments/Change Orders

##### Marlborough Emergency Pump Station Connection: GVC Construction Inc., Contract 7791, Change Order 3

A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to approve Change Order 3 to Contract 7791, Marlborough Emergency Pump Station Connection, with GVC Construction, Inc. for a not-to-exceed amount of \$600,000, increasing the contract amount from \$919,007.57 to \$1,519,007.57, with no increase in contract term; Further, to authorize the Executive Director to approve additional change orders as may be needed to Contract 7791 in an amount not to exceed the aggregate of \$224,182.50, and to extend the contract duration 180 days in accordance with the Management Policies and Procedures of the Board of Directors.

Mr. Laskey explained that the proposed change order was needed due to an error, and that MWRA would seek cost recovery and provide future updates to Board members. MWRA Director of Construction Cori Barrett affirmed Mr. Laskey's remarks and requested Board approval.

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

#### ADMINISTRATION, FINANCE AND AUDIT

##### Information

##### FY2022 Third Quarter Orange Notebook

This item was postponed due to time constraints. (ref. IX A.1)

##### Delegated Authority Report – April 2022

This item was postponed due to time constraints. (ref. IX A.2)

##### FY2022 Financial Update and Summary as of April 2022

This item was postponed due to time constraints. (ref. IX A.3)

ApprovalsBond Defeasance of Future Debt Service

A motion was duly made and seconded to authorize the Executive Director or his designee, on behalf of the Authority, to enter into, execute and deliver all necessary agreements and other instruments and to take such other actions necessary to effectuate the redemption and defeasance of an aggregate principal amount of \$30,670,000 of outstanding MWRA senior bonds including to cause the escrow of cash and/or securities in an amount necessary to fund such redemption and defeasance, in order to reduce the debt service requirement by \$35,689,000 in the FY23 through FY26 timeframe.

Mr. Durkin explained that annual bond defeasance of future debt service was an effective tool for managing MWRA's short- and long-term assessment increases.

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

Contract Amendments/Change OrdersMWRA FY2023 Insurance Program Renewal

A motion was duly made and seconded to approve awards to the lowest eligible and responsive proposers for insurance policies, bonds, and related broker services for MWRA's FY2023 Insurance Program, and to authorize the Executive Director, on behalf of the Authority, to execute contracts for broker services, for the terms, premiums, and fees described in the May 25, 2022 Staff Summary presented to the Board and filed with the records of the meeting, and incorporated by reference for the record, including as detailed in the recommendation section of said Staff Summary, resulting in a total program amount not to exceed \$3,640,660.

Mr. Durkin described the terms of the annual procurement for insurance program renewal, and noted a net increase of 1.8%.

Board Member Vitale complimented MWRA Manager, Risk Management Paul Whelan and staff on the quality of the staff 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. IX C.1)

OMNIBUS ROLL CALL VOTE

Chair Card called for an omnibus roll call vote on the motions made and seconded, with the exception of agenda item VI D.3, Non-Union Compensation and Extension of Employment Contract, Director, Tunnel Redundancy Program, for which an individual roll call vote was taken.

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		

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Cook		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		

Voted: to approve the minutes of the Board of Directors' meeting of April 13, 2022; (ref. I)

Further, voted: that the performance of Frederick A. Laskey, MWRA Executive Director, for Fiscal Year 2022 be rated as Excellent; further, voted: to extend the term of the Executive Director's employment agreement and his appointment as the Executive Director by 1 year(s) through June 30, 2025; and, further, voted: to increase the Executive Director's current salary by 3% effective July 1, 2022; (ref. VI B)

Further, voted: to approve amendments to the Position Control Register (PCR) as presented and filed with the records of this meeting; (ref. VI D.1)

Further, voted: to approve the appointment of Mr. Paul V. Savard to the position of Director of Design and Construction, Tunnel Redundancy Department (Non-Union, Grade 16) at an annual salary of \$157,000, commencing on a date to be determined by the Executive Director; (ref. VI D.2)

Further, voted: to approve the award of Purchase Order Contract WRA-5128 to provide struvite, scum, sludge and grit removal services at the Deer Island Treatment Plant to the lowest responsive bidder, Moran Environment Recovery, LLC and to authorize the Executive Director, on behalf of the Authority to execute said purchase order contract in an amount not to exceed \$1,370,000 for a period of two years, from July 1, 2022 through June 30, 2024; (ref VII B.1)

Further, voted: to authorize the Executive Director, on behalf of the Authority, to execute a revised Memorandum of Agreement with the City of Waltham, substantially in the form attached to the May 25, 2022 staff summary presented and filed with the records of the minutes and/or such other terms which the Executive Director determines are in the best interest of the Authority, related to reimbursement to MWRA for design and construction costs associated with the installation of City of Waltham local water, sewer and drain lines and appurtenances. This authorization is contingent on the Authority reaching an agreement with the City of Waltham on the terms of the revised Memorandum of Agreement; (ref. VIII A.1)

Further, voted: to approve the award of Contract 7457, Section 101 Pipeline Extension (Waltham), to the lowest responsible and eligible bidder, Baltazar Contractors, Inc., and to authorize the Executive Director, on behalf of the Authority, to execute said contract in the bid amount of \$31,900,000 for a contract term of 635 calendar days from the Notice to Proceed; (ref. VIII B.1)

Further, voted: to authorize the Executive Director, on behalf of the Authority, to approve Change Order 3 to Contract 7791, Marlborough Emergency Pump Station Connection, with GVC Construction, Inc. for a not-to-exceed amount of \$600,000, increasing the contract amount from \$919,007.57 to \$1,519,007.57, with no increase in contract term; further, voted: to authorize the Executive Director to approve additional change orders as may be needed to Contract 7791 in an amount not to exceed the aggregate of \$224,182.50, and to extend the contract duration 180 days

in accordance with the Management Policies and Procedures of the Board of Directors; (ref. VIII C.1)

Further, voted: to authorize the Executive Director or his designee, on behalf of the Authority, to enter into, execute and deliver all necessary agreements and other instruments and to take such other actions necessary to effectuate the redemption and defeasance of an aggregate principal amount of \$30,670,000 of outstanding MWRA senior bonds including to cause the escrow of cash and/or securities in an amount necessary to fund such redemption and defeasance, in order to reduce the debt service requirement by \$35,689,000 in the FY23 through FY26 timeframe. (ref. IX B.1)

Further, voted: to approve awards to the lowest eligible and responsive proposers for insurance policies, bonds, and related broker services for MWRA's FY2023 Insurance Program, and to authorize the Executive Director, on behalf of the Authority, to execute contracts for broker services, for the terms, premiums, and fees described in the May 25, 2022 Staff Summary presented to the Board and filed with the records of the meeting, and incorporated by reference for the record, including as detailed in the recommendation section of said Staff Summary, resulting in a total program amount not to exceed \$3,640,660. (ref. IX C.1)

#### 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		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		


The meeting adjourned at 3:09pm.

Approved: June 22, 2022

Attest:

\_\_\_\_\_  
Andrew M. Pappastergion, Secretary

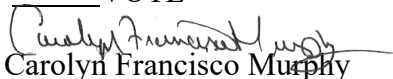
## STAFF SUMMARY

**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 22, 2022  
**SUBJECT:** Open Meeting Law – Remote Participation of Members of a Public Body

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**COMMITTEE:** Administration, Finance and Audit

X  INFORMATION  
VOTE

  
Carolyn Francisco Murphy  
General Counsel

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### RECOMMENDATION

For information only.

### DISCUSSION

In response to the COVID-19 pandemic, temporary changes to the Open Meeting Law have been in place since March of 2020. Those temporary measures have two components. The first relates to the meeting space. The Open Meeting Law requires that all meetings of a public body “shall be open to the public.” This includes holding meetings in a location that is physically open and accessible to the public. The temporary changes allow public bodies to provide live “adequate, alternative means” of public access to meetings, instead of holding meetings in a public place that is open and physically accessible to the public. “Adequate, alternative means” includes providing public access through telephone, internet, or satellite enabled audio or video conferencing or any other technology that enables the public to clearly follow the proceedings of the public body in real time.

The second component of the temporary changes concerns the public body’s participation at the meetings. The Open Meeting Law permits remote participation of the public body provided the public body votes to allow remote participation and certain other conditions are met, including that a quorum of the public body and the chair be physically present at the meeting location. The temporary changes authorized members of a public body to participate in meetings remotely, without the requirement that a quorum (including the chair) be physically present at the meeting location.<sup>1</sup>

These temporary changes are set to expire on July 15, 2022. There is a pending Senate budget amendment that would extend the temporary measures until December 15, 2023. If the temporary changes are not extended beyond July 15 and expire: (i) public body meetings will return to the existing requirement of, at a minimum, an open and physically accessible meeting location; and (ii) remote participation of the public body will only be permitted pursuant to the existing requirements of the Open Meeting Law. Those requirements include the following:<sup>2</sup>

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<sup>1</sup> Other Open Meeting Law requirements for remote participation such as, for example, roll call votes, remained in effect.

<sup>2</sup> Certain exceptions apply to a local commission on disability.

- The public body must vote to allow remote participation in accordance with the requirements of 940 CMR 29.10.
- A quorum of the body, including the chair (or person authorized to chair the meeting), shall be physically present at the meeting location.
- A member may participate remotely only if “physical attendance would be unreasonably difficult.”
- A member who wishes to participate remotely shall, as soon as reasonably possible prior to the meeting, notify the chair (or the person authorized to chair the meeting) of their desire to do so and the reason for and facts supporting their request.
- Members of the public body must be clearly audible to each other and to members of the public at all times.
- At the start of the meeting the chair shall announce the name of any members who are participating remotely, with such information recorded in the minutes.
- All votes taken during any meeting in which a member participates remotely shall be by roll call vote.
- At the start of an executive session members who are participating remotely shall state that no other person is present and/or able to hear the discussion at the remote location, unless the public body approved the presence of that individual.

There are also various technology related requirements and provisions for distribution of materials to be used during the meeting in advance.

Should the Board seek to adopt remote participation for its members, in the event the temporary changes set to expire on July 15 are not extended or otherwise, an affirmative vote to allow remote participation under the Open Meeting Law in accordance with the requirements of 940 CMR 29.10 would be required. Such affirmative vote would apply to all subsequent meetings.

A final note regarding the public’s access to meetings. The Open Meeting Law currently does not require that public bodies offer a remote access option for the public as a matter of course, as long as the meeting is held in a location that is physically open and accessible to the public.<sup>3</sup> However, there is no doubt that the availability to the public of remote access to public meetings during the pandemic has increased and improved public engagement and participation in government. Indeed, to maximize transparency, the Attorney General’s Office recommends that public bodies offer multiple methods for members of the public to access meetings when feasible.

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<sup>3</sup> Remote access may be required as a reasonable accommodation for a qualified individual with a disability.



## STAFF SUMMARY

**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director *Frederick A. Laskey*  
**DATE:** June 22, 2022  
**SUBJECT:** Delegated Authority Report – May 2022

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**COMMITTEE:** Administration, Finance & Audit

INFORMATION  
 VOTE

Jacqueline Collins, Administrative Coordinator  
Barbara Aylward, Administrator A & F  
Preparer/Title

*Michele S. Gillen*  
Michele S. Gillen

Director, Administration

*Douglas J. Rice*  
Douglas J. Rice  
Director of Procurement

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### RECOMMENDATION:

For information only. Attached is a listing of actions taken by the Executive Director under delegated authority for the period May 1 – 31, 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 MAY 1 - 31, 2022


NO.	DATE OF AWARD	TITLE AND EXPLANATION	CONTRACT	AMEND/CO	COMPANY	FINANCIAL IMPACT
C-1.	05/06/22	<b>PHASE 10 SEWER MANHOLE REHABILITATION</b> FINAL BALANCING CHANGE ORDER TO DECREASE THE FOLLOWING BID ITEMS: POLICE DETAIL ALLOWANCE, COVID-19 SAFETY ALLOWANCE, PRICE ADJUSTMENT ALLOWANCE.	OP-423	1	GREEN MOUNTAIN PIPELINE SERVICES, LLC	(\$25,397.00)
C-2.	05/06/22	<b>MANAGED SECURITY SERVICES</b> EXTEND CONTRACT BY SIX MONTHS FROM JULY 4, 2022 THROUGH JANUARY 4, 2023 TO PROVIDE CONTINUED CYBER SECURITY SERVICES WHILE DEALING WITH PRODUCTS REACHING THEIR END OF LIFE.	7499	3	NWN CORPORATION	\$202,973.25
C-3.	05/11/22	<b>SOUTHBOROUGH HEADQUARTERS ELECTRICAL SYSTEM UPGRADE</b> AWARD OF A CONTRACT TO THE LOWEST RESPONSIVE BIDDER FOR THE SOUTHBOROUGH HEADQUARTERS ELECTRICAL SYSTEM UPGRADES FOR A TERM OF 365 CALENDAR DAYS.	7425	AWARD	DAGLE ELECTRICAL CONSTRUCTION CORP.	\$2,617,452.00
C-4.	05/18/22	<b>KEY PROJECT WORK CREW SERVICES AT DEER ISLAND TREATMENT PLANT AND NUT ISLAND</b> AWARD OF CONTRACT TO A NON-PROFIT, DEPARTMENT OF CHILDREN AND FAMILIES APPROVED ORGANIZATION TO PERFORM ADDITIONAL LANDSCAPING AND PUBLIC ACCESS AREA CLEANING SERVICES AT DEER ISLAND AND NUT ISLAND FOR A TERM OF SEVEN MONTHS.	OP-443	AWARD	ROCA, INC.	\$50,000.00
C-5.	05/18/22	<b>THERMAL AND HYDRO POWER PLANT MAINTENANCE</b> INCREASE NON-EMERGENCY MAINTENANCE AND REPAIR SERVICES HOURS BY 2,625 TO ENSURE PROPER COVERAGE UNTIL CONTRACT EXPIRATION.	5597	1	O'CONNOR CORPORATION	\$312,375.00
C-6.	05/20/22	<b>PHASE 11 SEWER MANHOLE REHABILITATION</b> AWARD OF A CONTRACT TO THE LOWEST RESPONSIVE BIDDER FOR PHASE 11 SEWER MANHOLE REHABILITATION FOR A TERM OF 150 CALENDAR DAYS.	OP-440	AWARD	VORTEX SERVICES, LLC	\$136,006.00

## PURCHASING DELEGATED AUTHORITY ITEMS MAY 1 - 31

NO.	DATE OF AWARD	TITLE AND EXPLANATION	CONTRACT	AMENDMENT	COMPANY	
P-1	05/06/22	<b>PAYMENT AND DELIVERY OF DIESEL FUEL TO COLUMBUS PARK HEADWORKS</b> Confirming of purchase order payment under State Contract ENE47 for Ultra Low Sulfur Diesel Fuel to the Columbus Park Headworks Facility.			Dennis K. Burke, Inc.	\$28,808.23
P-2	05/06/22	<b>PAYMENT AND DELIVERY OF DIESEL FUEL TO PRISON POINT COMBINED SEWER OVERFLOW FACILITY</b> Confirming of purchase order payment under State Contract ENE47 for Ultra Low Sulfur Diesel Fuel to the Prison Point Combined Sewer Overflow Facility.			Dennis K. Burke, Inc.	\$29,849.04
P-3	05/06/22	<b>PAYMENT AND DELIVERY OF DIESEL FUEL TO WARD STREET HEADWORKS</b> Confirming of purchase order payment under State Contract ENE47 for Ultra Low Sulfur Diesel Fuel to the Ward Street Headworks Facility.			Dennis K. Burke, Inc.	\$29,863.96
P-4	05/06/22	<b>PAYMENT AND DELIVERY OF DIESEL FUEL TO COLUMBUS PARK HEADWORKS</b> Confirming of purchase order payment under State Contract ENE47 for Ultra Low Sulfur Diesel Fuel to the Columbus Park Headworks Facility.			Dennis K. Burke, Inc.	\$35,994.91
P-5	05/06/22	<b>PURCHASE OF TWO TOTAL KJELDAHL NITROGEN DIGESTION SYSTEMS</b> Award of a purchase order to the lowest responsive bidder for two Total Kjeldahl Nitrogen Digestion Systems. Total Kjeldahl Nitrogen digesters are necessary in conducting vital nitrogen level analysis.	WRA-5094Q		Fisher Scientific Company, LLC	\$37,978.36
P-6	05/06/22	<b>PURCHASE OF 14 MEDIUM VOLTAGE DRIVE BLOWERS FOR THE DEER ISLAND TREATMENT PLANT</b> Award of a purchase order to the lowest responsive bidder for fourteen Medium Voltage Drive Blowers for the Deer Island Treatment Plant. These parts will serve as back up units for any of the 10 raw wastewater pumps that pump raw wastewater from the NMPS to the Grit Facility for pretreatment.	WRA-5131		US Electrical Services, Inc.	\$74,298.00
P-7	05/10/22	<b>PURCHASE OF AQUATIC INVASIVE PLANT MONITORING AND CONTROL AT THE CHESTNUT HILL RESERVOIR</b> Award of a purchase order contract to the lowest responsive bidder to provide Aquatic Invasive Plant Monitoring and Control at the Chestnut Hill Reservoir.	WRA-5097		Solitude Lake Management, LLC	\$137,417.00
P-8	05/10/22	<b>PURCHASE TO PROVIDE DIVER ASSISTED SUCTION HARVESTING OF INVASIVE AQUATIC PLANTS AT WACHUSETT RESERVOIR LOWER BASIN AND COVES</b> Award of a purchase order contract to the lowest responsive bidder to provide Diver Assisted Suction Harvesting of Aquatic Invasive Plants at the Wachusett Reservoir Lower Basin and Coves. These aquatic invasive plants are known to aggressively displace native vegetation and grow nuisance densities with associated impairments to water quality.	WRA-5100		AW Commercial Diving Services, Inc.	\$444,500.00
P-9	05/11/22	<b>PURCHASE OF TWO 24-INCH VERTICAL AND TWO 24-INCH HORIZONTAL RESILIENT SEAT GATE VALVES</b> Award of a purchase order to the lowest responsive bidder for two 24-inch vertical and two 24-inch horizontal gate valves. Operations' Water Pipeline Unit replaces approximately twenty main line valves of varying sizes each year. In the event of a sudden break, it is vital to have these spare parts available to respond.	WRA-5090		Billerica Winwater Works Company	\$80,194.00
P-10	05/13/22	<b>PURCHASE OF MONTHLY OZONE GENERATOR MAINTENANCE AT THE DEER ISLAND TREATMENT PLANT</b> Award of a two-year purchase order contract to the lowest responsive bidder for Monthly Ozone Generator Maintenance at the Deer Island Treatment Plant. The cooling towers in the Maintenance/Warehouse Building at the DITP are used to cool condenser water used by the mechanical cooling system for the Admin Laboratory, Maintenance/Warehouse, and Reception/Training building campus' air conditioning systems.	WRA-5135Q		Fin-Tek Corporation	\$26,040.00
P-11	05/15/22	<b>PURCHASE OF ONE 40-TON AIR CONDITIONING UNIT FOR THE DEER ISLAND TREATMENT PLANT</b> Award of a purchase order to the lowest responsive bidder for one 40-ton Air Conditioning Unit for the Deer Island Treatment Plant.	WRA-5130Q		Trane U.S., Inc.	\$30,500.00
P-12	05/13/22	<b>CONTINUOUS MONITORING OF CHLOROPHYLL FROM CAPE ANN BUOY</b> Award of a Sole Source purchase order contract with Bowdoin College to Continue Permit-required Continuous Monitoring of Chlorophyll at the Buoy off Cape Ann. The MWRA monitors chlorophyll in order to characterize phytoplankton conditions.			Bowdoin College	\$35,000.00
P-13	5/13/22	<b>PROVIDE PREVENTION AND CORRECTIVE SERVICES FOR THE DEPARTMENT OF LABORATORY SERVICES' O.I. CORPORATION'S CYANIDE ANALYZER</b> Award of a three-year purchase order contract to the lowest responsive bidder to Provide Preventative and Corrective Services for the Department of Laboratory Services' (DLS) O.I. Corporation cyanide analyzer. The DLS supports the laboratory testing programs of several internal and external client groups including and several drinking water communities.			O.I. Corporation	\$38,842.16
P-14	05/13/22	<b>PEST CONTROL SERVICES FOR THE DEER ISLAND TREATMENT PLANT</b> Award of a three-year purchase order contract Under State Contract FAC117 to the lowest responsive bidder for Pest Control Services to the Deer Island Treatment Plant. Pest control is necessary to prevent the migration of pests to adjacent properties and to safeguard the health of Deer Island staff, contractors, and visitors.	WRA-5134Q		Freedom Pest Control Company, Inc.	\$43,164.00
P-15	05/13/22	<b>SOLE SOURCE CONTRACT WITH UNIVERSITY OF MAINE FOR CAPE ANN BUOY CONTINUOUS MONITORING</b> Award of a sole source purchase order contract with the University of Maine to continue permit-required continuous oceanographic monitoring at the buoy off Cape Ann. Measurements made at the buoy are used as a part of MWRA's outfall monitoring program to help detect potential outfall effects and monitor regional trends in the Gulf of Maine that may affect Massachusetts Bay.			University of Maine	\$50,000.00
P-16	05/17/22	<b>PURCHASE FOR DATA ANALYST CONSULTANT</b> Award of a purchase order contract under State Contract ITS77 Category 1A and 1B to the lowest responsive bidder to provide a Data Analyst Consultant for MIS. This is a vacated role within the MWRA and the role needs to be filled to complete the Enterprise Content Management project.	WRA-5126Q		Clovity Inc.	\$82,875.00

P-17	05/18/22	<b>PURCHASE OF ORACLE PROCESSOR LICENSES, MAINTENANCE AND SUPPORT</b> Award of a one-year purchase order contract under State Contract ITS64 for Oracle Processor Licenses, maintenance and support. The Oracle Database Management System (DBMS) has become a standard for enterprise applications at the Authority.		Oracle America, Inc.	\$203,484.20
P-18	05/18/22	<b>SUPPLY AND DELIVERY OF SODIUM HYDROXIDE</b> Award of a one-year purchase order contract to the lowest responsive bidder for the Supply and Delivery of Sodium Hydroxide to the Deer Island Treatment Plant. Standard grade sodium hydroxide is used for pH correction in the wet scrubber systems to control hydrogen sulfide emissions.	WRA-5119	Borden & Remington Corporation	\$341,100.50
P-19	05/23/22	<b>PURCHASE TO PROVIDE PRESCRIPTION SAFETY GLASSES AND SERVICES</b> Award of a one-year purchase order contract to the lowest responsive bidder to provide Prescription Safety Glasses and Services to employees the MWRA Chelsea, Deer Island, Southborough facilities as well as the Clinton Wastewater Treatment Plant.	WRA-5143Q	Dennis J. Cabral, dba All Around Optical Safety	\$29,060.00
P-20	05/23/22	<b>PAYMENT AND DELIVERY OF DIESEL FUEL TO WARD STREET HEADWORKS</b> Confirming of purchase order payment under State Contract ENE47 for Ultra Low Sulfur Diesel Fuel to the Ward Street Headworks Facility.		Dennis K. Burke Inc.	\$33,553.04
P-21	05/23/22	<b>PURCHASE OF TWO GRIT SCREWS FOR THE DEER ISLAND TREATMENT PLANT</b> Award of a purchase order to the lowest responsive bidder for two Grit Screws for the Deer Island Treatment Plant. Grit screws perform an essential function in the 16 grit chambers located at this facility used for treating water.		Eastern Bearings, Inc.	\$37,263.00
P-22	05/23/22	<b>PAYMENT AND DELIVERY OF DIESEL FUEL TO COLUMBUS PARK HEADWORKS</b> Confirming of purchase order payment under State Contract ENE47 for Ultra Low Sulfur Diesel Fuel to the Columbus Park Headworks Facility.		Dennis K. Burke, Inc.	\$42,760.27

## STAFF SUMMARY


**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 22, 2022  
**SUBJECT:** MWRA's Energy Program, Presentation of Incentives and Grants Received

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**COMMITTEE:** Administration, Finance and Audit

X  INFORMATION  
  VOTE

Carolyn M. Fiore, Deputy Chief Operating Officer  
Denise Breiteneicher, Program Manager, Energy & Env. Mgmt.  
Preparer/Title

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

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*MWRA has adopted procedures to utilize more renewable energy sources, reduce dependence on the electric grid, and reduce our carbon footprint. In addition to the environmental benefits, the programs generate income from the renewable resources and grants and incentives from the utilities and other entities. This staff summary provides the Board with an update of the incentives and grants received over the past three years and those anticipated for the near future.*

### RECOMMENDATION:

For information only.

### DISCUSSION:

In the process of implementing energy efficiency initiatives, staff seek grant, rebate and other monetary incentives provided by a variety of funding sources, including electric utilities operating in the areas of our facilities. As reported previously, given MWRA's energy-intensive operations, staff negotiated Memoranda of Understanding (MOUs) with both National Grid and Eversource to provide monetary incentives at rates higher than otherwise available to their customers. The MOU with Eversource guarantees MWRA an incentive of \$0.325/kWh saved, while the MOU with NGRID provides MWRA with an incentive of \$0.30/kWh saved, instead of the \$0.25/kWh provided by both utilities to entities without MOUs.

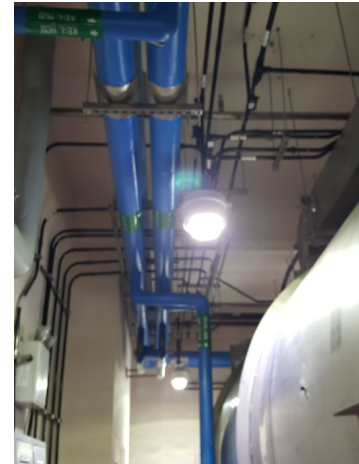
Incentives received from the utilities for either standalone energy efficiency projects or those incorporated into facility rehabilitations over the past three years total \$858,160, and include the following:

- Nut Island Headworks: \$340,000 awarded, to be paid when project is completed
- Chelsea Creek Headworks: \$241,975
- Nut Island lighting upgrades: \$16,550
- John J. Carroll Water Treatment Plant and Clinton Wastewater Treatment Plant lighting upgrades: \$70,635
- Deer Island North Main Pump Station rehabilitation and pump epoxy coating: \$59,000
- Deer Island Variable Frequency Drive on three 50 Horse Power water pumps: \$74,000

- Deer Island lighting upgrade at North Main Pump Station: \$30,000
- Deer Island Lighting Upgrade at North Main Pump Station, Thermal Plant, and the Liquid Train building: \$26,000

Energy efficiency initiatives are routinely included in all new designs for facility rehabilitation or new construction. Although total incentives cannot yet be determined, the following projects will receive monetary incentives consistent with the applicable MOUs.

- Ward and Columbus Park Headworks
- Rehabilitation Braintree-Weymouth Relief Pump Station
- Hayes Pump Station
- Hingham Pump Station
- Quabbin Maintenance Building Rehabilitation
- Clinton Wastewater Treatment Plant Screw Pumps



Additionally, MWRA will receive a \$37,500 rebate from the Massachusetts Department of Environmental Protection for five electric vehicles ordered in FY22.




Staff seek grant opportunities for various projects. MWRA has been approved for one under Eversource’s EV Make Ready Grant Program for the Chelsea Administration Facility for CY2022. This program provides electric vehicle (EV) infrastructure for multiple EV chargers, saving MWRA the construction costs. MWRA has been approved for the infrastructure for charging 35 electric vehicles, 15 dual port Level II Chargers that will accommodate 30 EVs and five Direct Current Fast Chargers. MWRA has also submitted applications for similar charging station infrastructure (though for a smaller number of chargers) under this program for the Deer Island and Southborough facilities. Staff expect these applications to be approved in late 2022 or early 2023. Once the infrastructure is in, MWRA will order the EV chargers, which opens up the opportunity to apply to the

MADEP’s EV Incentive Program that, if approved, will provide a rebate of up to 60% on the cost of the Level II charging stations.

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

As a Standard Operating Procedure, MWRA pursues energy grants, rebates, and other incentives to improve energy efficiency and reduce project and operating costs. Over the past three years, MWRA has collected \$858,160 from these funding sources. These funds are typically reported as Other Revenues in MWRA’s financial reporting.

## STAFF SUMMARY

**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 22, 2022  
**SUBJECT:** FY22 Financial Update and Summary through May 2022


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**COMMITTEE:** Administration, Finance & Audit

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

X INFORMATION

     VOTE

  
Thomas J. Durkin  
Director, Finance

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### RECOMMENDATION:

For information only. This staff summary provides the financial results and variance highlights for Fiscal Year 2022 through May 2022, comparing actual spending to the budget, and includes a projection to June 30, 2022.

### DISCUSSION:

MWRA is continuing the practice of setting aside favorable Capital Finance variances into the Defeasance Account to be utilized in the defeasance approved by the Board at the May 25, 2022 meeting. Targeted defeasances are a critical component of the Authority's multi-year rate management strategy. As such, in May the year-to-date debt related savings of \$19.3 million was transferred to the Defeasance Account. This variance is primarily due to lower than budgeted variable interest expense, the beneficial impact of the refunding, and the timing of the new money and SRF transactions.

The total Year-to-Date variance for the FY22 CEB is \$19.8 million, due to lower direct expenses of \$12.9 million, lower indirect expenses of \$1.4 million, and higher revenue of \$5.4 million. The year-end favorable variance is projected at \$45.1 million, of which \$27.9 million is related to debt service. The strategic use of this surplus will continue to be a valuable tool to assist MWRA in managing its long-term rate projections. Beyond debt service savings, staff project a surplus of approximately \$17.1 million at year-end of which \$11.6 million would be from lower direct expenses, \$1.6 million from lower indirect expenses, and \$3.9 million from greater than budgeted revenues.



## **FY22 Current Expense Budget**

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

- Lower Direct Expenses of \$12.9 million or 5.6% under budget. Spending was lower for Wages & Salaries, Maintenance, Other Materials, Workers's Compensation, Fringe Benefits, Professional Services, Chemicals, Training & Meetings, and Overtime. Spending was higher than budget for Utilities and Other Services.
- Lower Indirect Expenses of \$1.4 million or 2.9% under budget primarily due to lower Watershed Reimbursements and HEEC expenses. Spending was higher for insurance payments/claims.
- Debt Service expenses were right on budget after the transfer to the defeasance account, driven by lower than budgeted variable interest expense, the beneficial impact of the refunding, and the timing of the new money and SRF transactions.

**FY22 Budget and FY22 Actual Variance by Expenditure Category**  
(in millions)

	<b>FY22 Budget YTD</b>	<b>FY22 Actual YTD</b>	<b>\$ Variance</b>	<b>% Variance</b>
Direct Expenses	\$231.5	\$218.5	-\$12.9	-5.6%
Indirect Expenses	\$48.5	\$47.1	-\$1.4	-2.9%
Capital Financing	\$426.5	\$426.5	\$0.0	0.0%
<b>Total</b>	<b>\$706.4</b>	<b>\$692.1</b>	<b>-\$14.4</b>	<b>-2.0%</b>

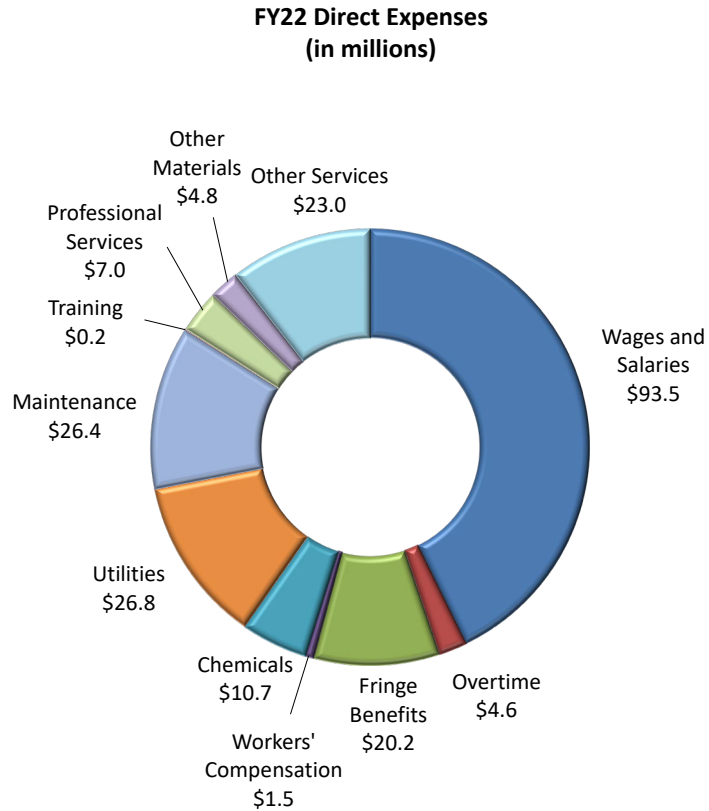
*Totals may not add due to rounding*

Total Revenues of \$755.9 million were \$5.4 million or 0.6% over budget driven by higher Other Revenue, Other User Charges, the receipt of Debt Service Assistance from the Commonwealth, and Investment Income.

*Please refer to Attachment 1 for a more detailed comparison by line item of the budget variances for FY22.*

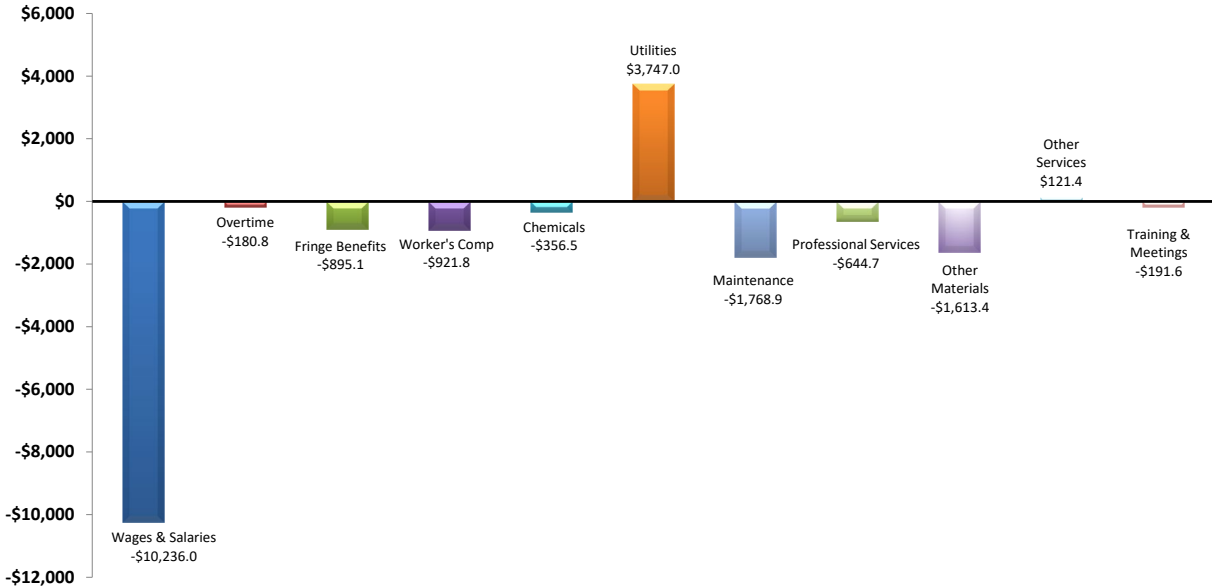
**Direct Expenses**

FY22 direct expenses through May totaled \$218.5 million, which was \$12.9 million or 5.6% less than budgeted.



Lower spending for Wages & Salaries, Maintenance, Other Materials, Worker’s Compensation, Fringe Benefits, Professional Services, Chemicals, Training & Meetings, and Overtime. Spending was higher than budget for Utilities and Other Services.

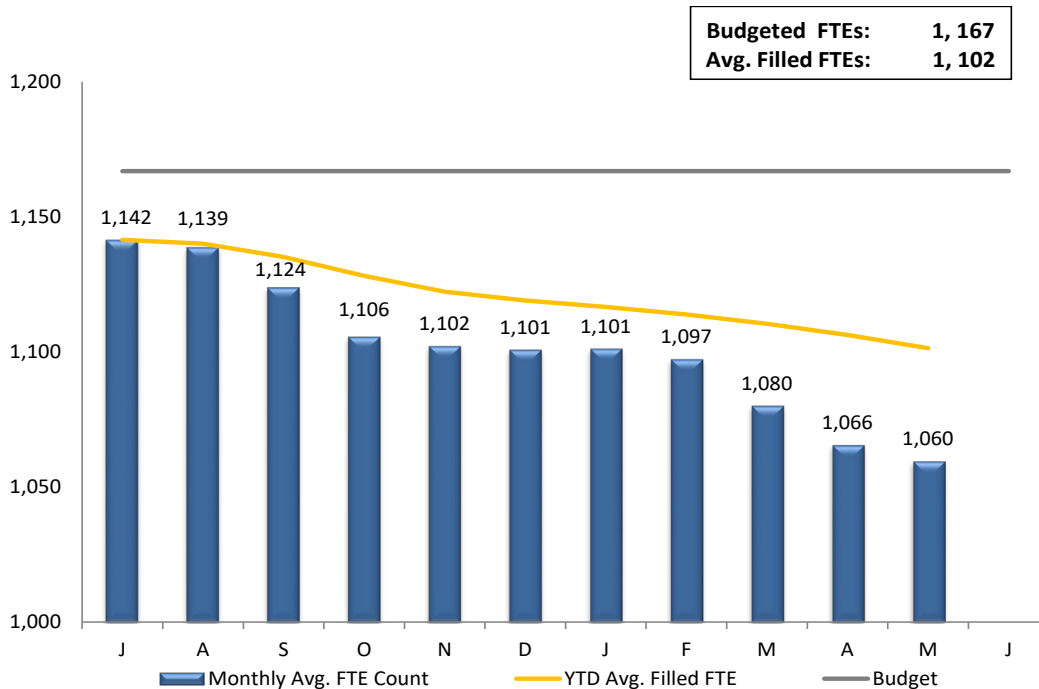
### FY22 Direct Expense Variance (in thousands)



### Wages and Salaries

Wages and Salaries are under budget by \$10.2 million or 9.9%. Through May, there were 65 fewer average FTEs (1,102 versus 1,167 budget) or 5.6% and lower average salaries for new hires versus retirees. The timing of backfilling vacant positions also contributed to Regular Pay being under budget.

### FY22 MWRA Full Time Equivalent (FTE) Position Trend



## **Maintenance**

Maintenance was less than budget by \$1.8 million or 6.3%, largely driven by the timing of projects. Maintenance Materials are under budget by \$1.3 million, driven by Plant and Machine Materials of \$646,000, Special Equipment Materials of \$338,000, and HVAC Materials of \$337,000, all largely due to timing. Maintenance Services are under budget by \$0.5 million driven by Building & Grounds Services of \$735,000 due to timing of service contracts, Special Equipment Services of \$447,000 primarily due to timing of service contracts and a lower award than budgeted for the telephone system maintenance contract, and Computer Services of \$221,000 due to HP and Cisco Smartnet renewal contracts being less than budgeted and the Distributed Antenna System Support agreement at Deer Island being delayed. This is partially offset by higher P&M Services of \$581,000 and Computer Software Licenses of \$322,000 primarily due to timing.

## **Other Materials**

Other Materials were lower than budget by \$1.6 million or 25.2%, driven by less than budgeted spending for Other Materials of \$1.8 million primarily due to funding for the office space modifications now coming from the CIP, Vehicle Purchases/Replacements of \$488,000, Equipment/Furniture of \$210,000, Computer Software of \$96,000, and Office Supplies of \$86,000, all largely due to the timing of purchasing. This underspending was partially offset by Computer Hardware of \$1.1 million in MIS due to additional hardware purchased for teleworking.

## **Worker's Compensation**

Worker's Compensation expenses were lower than budget by \$0.9 million or 38.5%. The lower expenses were due to favorable variances in Compensation Payments of \$574,000, Medical Payments of \$293,000, and Administrative Expenses of \$54,000. Due to uncertainties of when spending will happen, the budget is spread evenly throughout the year.

## **Fringe Benefits**

Fringe Benefit spending was lower than budget by \$0.9 million or 4.3%. This is primarily driven by lower Health Insurance costs of \$636,000 due to fewer than budgeted participants in health insurance plans, increased contribution by new hires vs. lower contribution rates of staff retiring, and the shift from family to individual plans, which are less expensive.

## **Professional Services**

Professional Services were lower than budget by \$0.6 million or 8.5%. The overall underspending is driven by lower spending in Computer Systems Consultant of \$896,000 in MIS primarily due to a reduction in scope of Managed Security Services Provider (MSSP) Year 5 monitoring extension and delay in Internet/Intranet Pipeline Upgrade project and Engineering of \$279,000 primarily in Field Operations, partially offset by higher Other Services of \$465,000 primarily for initial design work for the move from the Charlestown Navy Yard to Deer Island and Chelsea.

## **Chemicals**

Chemicals were lower than budget by \$0.4 million or 3.2%. Lower than budget spending on Hydrogen Peroxide of \$249,000 driven by Deer Island based on usage as excessive rainfall helped lower H<sub>2</sub>S levels, Activated Carbon of \$163,000 primarily driven by Deer Island due to timing of replacements, Soda Ash of \$143,000 driven by Water Operations due to lower average flows at Carroll, Polymer of \$87,000 driven by Deer Island due to less usage for centrifuge operations, and Carbon Dioxide of \$76,000 driven by Water Operations due to lower dosing combined with lower flows. This is partially offset by higher Ferric Chloride of \$281,000 driven by Deer Island to keep the orthophosphate levels in the digesters at the desired target level. Deer Island flows are 7.6% higher than the budget and Carroll flows are 0.3% lower than the budget through May. 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.

## **Training & Meetings**

Training & Meetings expenses were lower than budget by \$0.2 million or 50.1% driven by reduced spending during the pandemic, as well as the timing of spending.

## **Overtime**

Overtime expenses were less than budget by \$0.2 million or 3.8%. Lower spending mainly in Field Operations of \$368,000 primarily for planned and emergency overtime being under budget and Engineering & Construction of \$96,000, are partially offset by higher spending at Deer Island of \$247,000 and Clinton of \$43,000 for storm and shift coverage. Year-to-date rainfall was a major contributor for the increased overtime at Deer Island and Clinton. In addition, vacancies at the Thermal/Power Plant and Deer Island Operations continue to drive higher overtime costs than anticipated.

## **Other Services**

Other Services were greater than budget by \$0.1 million or 0.5%. Higher than anticipated sludge palletization costs of \$433,000 were due to a higher inflation adjustment per the terms of the contract for the second half of FY22. This is partially offset by lower than budgeted spending for Health/Safety of \$90,000, Telecommunication costs of \$90,000, Grit and Screenings of \$59,000 due to lower quantities.

## **Utilities**

Utilities were greater than budget by \$3.7 million or 16.3%. Overspending in Electricity of \$2.8 million primarily at Deer Island of \$2.0 million driven by power demand charges being more than budgeted based on flows, T&D rates from Eversource, and higher real time market prices for the non-block purchases under the Direct Energy contract. Also, Field Operations of \$776,000 is over budget primarily due to new T&D rates and quantity. Diesel Fuel is overspent by \$887,000 driven by Deer Island due to higher quantity purchase at a higher price.

## Indirect Expense

Indirect Expenses totaled \$47.1 million, which is \$1.4 million or 2.9% under budget. The variance is driven by lower Watershed Reimbursements of \$1.1 million and lower HEEC costs of \$341,000.

Based on FY22 operating activity only, the Watershed Division is \$845,000 or 5.5% under budget. Lower spending on Maintenance, Equipment, Telecommunications, and Fringe are the drivers of the underspending. When factoring in the FY21 balance forward (\$69,000) which was paid during Q1 of FY22, Watershed Reimbursement is \$779,000 or 5.0% below budget through May 2022. In addition, the PILOT payment is \$336,000 or 3.8% below budget.

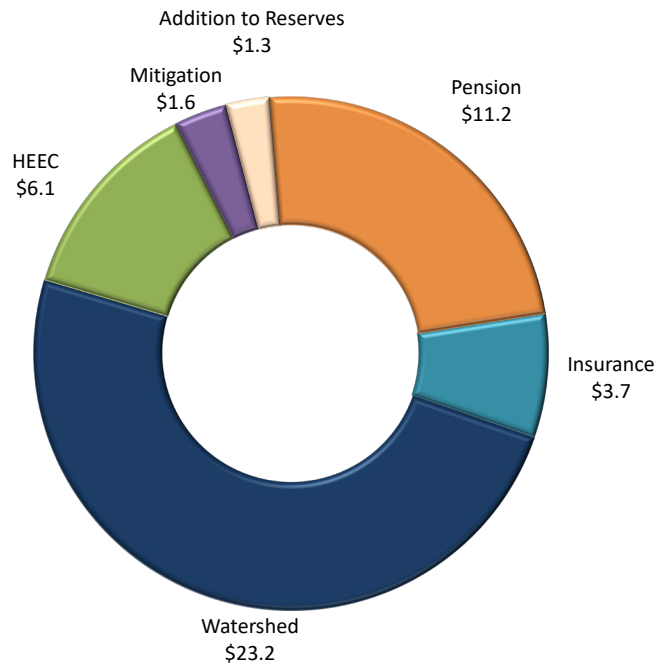
### FY22 Watershed Variance

\$ in millions	YTD Budget	YTD Actual	YTD \$ Variance	YTD % Variance
Operating Expenses	16.4	15.8	-0.6	-3.9%
Operating Revenues - Offset	0.9	1.1	0.2	24.1%
<b>FY22 Operating Totals</b>	<b>15.5</b>	<b>14.7</b>	<b>-0.8</b>	<b>-5.5%</b>
DCR Balance Forward (FY21 4th quarter accrual true-up)	0.0	0.1	0.1	
<b>FY22 Adjusted Operating Totals</b>	<b>15.5</b>	<b>14.7</b>	<b>-0.8</b>	<b>-5.0%</b>
PILOT	8.8	8.5	-0.3	-3.8%
<b>Total Watershed Reimbursement</b>	<b>24.3</b>	<b>23.2</b>	<b>-1.1</b>	<b>-4.6%</b>

*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 true-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. The FTE count at the end of May was 139 (and 135.5 on a year-to-date basis) vs. a budget of 150.

**FY22 Indirect Expenses  
(in millions)**

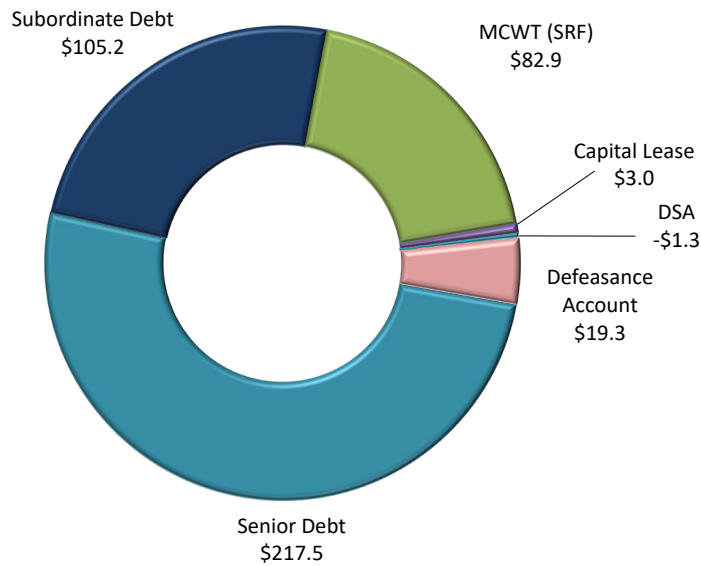


**Capital Financing**

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.

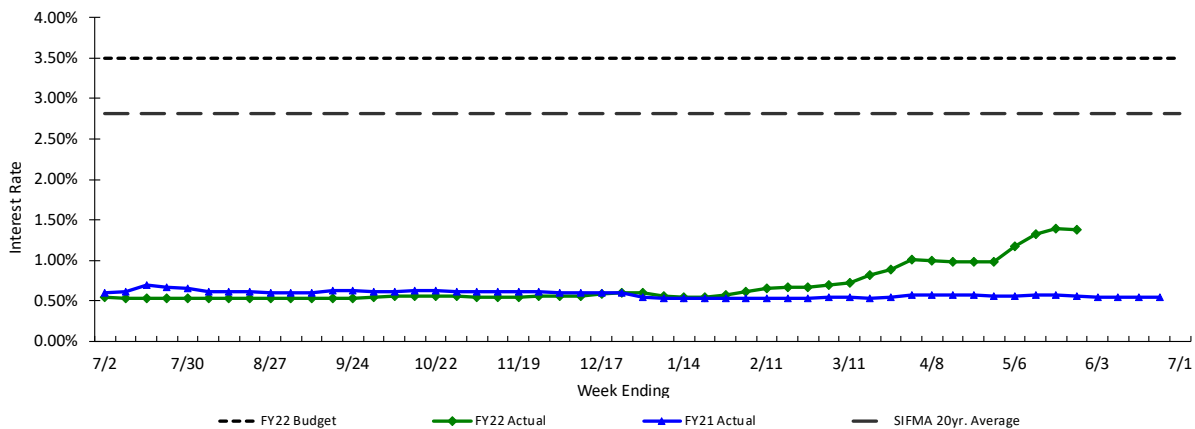
Capital Financing expenses for FY22 through May totaled \$426.5 million, which is on budget after the transfer of \$19.3 million to the Defeasance account, driven by lower than budgeted variable interest expense of \$9.3 million due to lower interest rates, \$5.5 million related to the refunding and timing of new money transactions, and lower SRF spending of \$4.5 million as a result of timing.

**Capital Finance  
(\$ in millions)**



The graph below reflects the FY22 actual variable rate trend by week against the FY22 Budget.

**Weekly Average Interest Rate on MWRA Variable Rate Debt  
(Includes liquidity support and remarketing fees)**



**Revenue & Income**

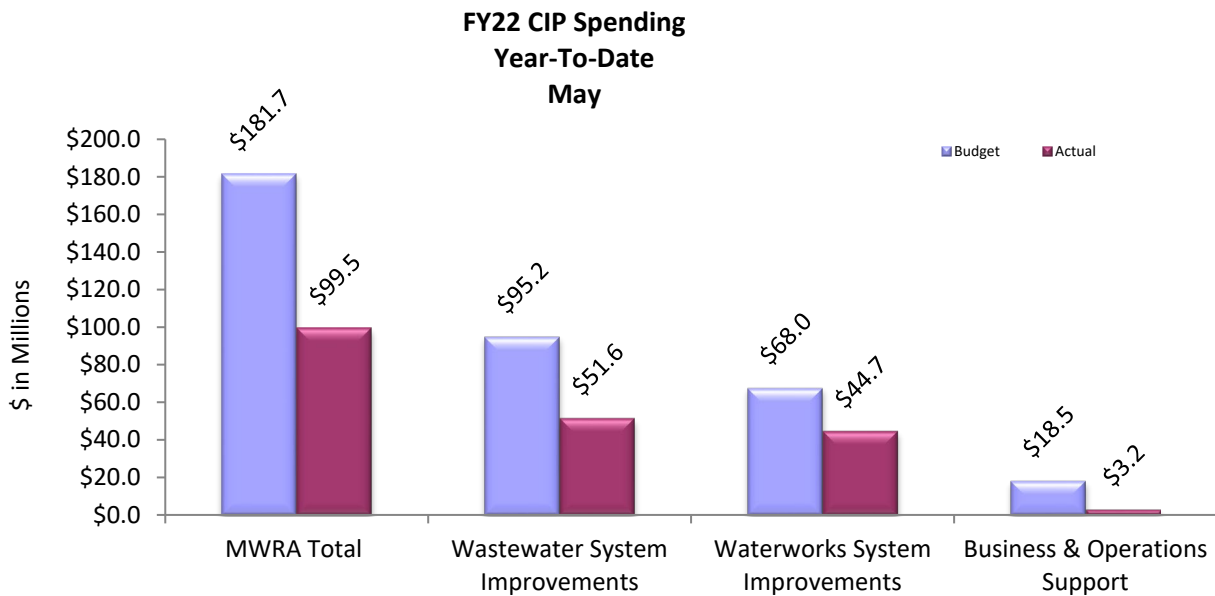
Revenues of \$755.9 million were \$5.4 million or 0.6% over budget. Other Revenue was \$3.3 million or 55.0% over budget due to Payments from the Commonwealth of Massachusetts of \$1.2 million for Debt Service Assistance, higher Miscellaneous Revenue of \$1.0 million driven by \$443,000 million in reimbursement from the Commonwealth of Massachusetts for Biobot costs associated with FY21, Energy Revenue of \$579,000, Income from the Disposal of Equipment of \$316,000, and Energy Rebates of \$289,000. Other User Charges were over budget by \$1.3 million or 15.2% primarily for unplanned water use by the Town of Burlington. Investment Income was \$776,000 or 21.5% over budget due to higher than budgeted interest rates and average balances.



## FY22 Capital Improvement Program

Capital expenditures in Fiscal Year 2022 through May total \$99.5 million, \$82.2 million or 45.2% 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 \$84.6 million, \$52.4 million or 38.3% under budget.



Overall, CIP spending reflects the underspending in Wastewater Improvements (\$43.6 million), Waterworks (\$23.2 million) and Business and Operations Support (\$15.3 million). Major variances in Wastewater are primarily due to Prison Point Rehabilitation contract on hold, timing of community grants and loans for the I/I Local Financial Assistance Program, timing of final work for the Winthrop Terminal Facility VFD Replacement contract, completion of some design and inspection tasks later than anticipated for the Ward Street and Columbus Park Headworks Upgrades Design/ESDC, and updated schedules for Deer Island Motor Control Center & Switchgear Replacements, Primary & Secondary Clarifier Rehab, and Fire Alarm Replacement contracts. This was partially offset by planned FY21 work completed in FY22 for the Chelsea Creek Headworks Upgrades.

Waterworks variances are primarily due to updated schedules for NIH Section 89 & 29 Replacement, timing of community loan distributions for the Water Loan Program, and reduction in scope for Sections 50 & 57 Water Pipeline. This was partially offset by contractor progress for WASM 3 Rehabilitation, CP-1 and WASM/Spot Pond Supply Mains Pressure Reducing Valves Construction and earlier than anticipated land purchase for the Metropolitan Tunnel Redundancy Administration, Legal, Public Outreach contract.

**FY22 Budget and FY22 Actual Variance by Program  
(in millions)**

\$ in Millions	Budget	Actuals	\$ Var.	% Var.
<b>Wastewater System Improvements</b>				
Interception & Pumping	43.5	30.3	(13.2)	-30.4%
Treatment	23.0	4.9	(18.0)	-78.5%
Residuals	0.0	0.0	(0.0)	0.0%
CSO	3.6	4.7	1.1	31.1%
Other	25.1	11.7	(13.4)	-53.4%
<b>Total Wastewater System Improvements</b>	<b>\$95.2</b>	<b>\$51.6</b>	<b>(\$43.6)</b>	<b>-45.8%</b>
<b>Waterworks System Improvements</b>				
Drinking Water Quality Improvements	3.0	3.9	0.9	30.0%
Transmission	25.8	27.3	1.5	6.0%
Distribution & Pumping	16.6	10.0	(6.6)	-39.5%
Other	22.6	3.5	(19.1)	-84.5%
<b>Total Waterworks System Improvements</b>	<b>\$68.0</b>	<b>\$44.7</b>	<b>(\$23.2)</b>	<b>-34.2%</b>
<b>Business &amp; Operations Support</b>	<b>\$18.5</b>	<b>\$3.2</b>	<b>(\$15.3)</b>	<b>-82.9%</b>
<b>Total MWRA</b>	<b>\$181.7</b>	<b>\$99.5</b>	<b>(\$82.2)</b>	<b>-45.2%</b>

*Totals may not add due to rounding*

**FY22 Spending by Program:**

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

**Other Waterworks:** Net underspending of \$19.1 million

- \$17.6 million for Local Financial Assistance due to timing of community loan distributions.
- \$0.4 million for Carroll Water Treatment Plant SCADA Upgrades – Construction due to timing of work.
- \$0.3 million for Water System Hydraulic Model due to slower than anticipated start-up.
- \$0.3 million for New Roofs at Water Pumping Stations due to updated schedule.

**Wastewater Treatment:** Net underspending of \$18.0 million

- \$3.7 million for Motor Control Center and Switchgear Replacement - Design/ESDC/REI and Construction, \$2.8 million for Clarifier Rehabilitation Phase 2 – Construction, \$2.4 million for Fire Alarm System Replacement - Design/CA and Construction, \$1.5 million for Deer Island Dystor Membrane Replacements, and \$0.7 million for Clinton Screw Pump Replacement all due to updated construction schedules.
- \$1.8 million for Winthrop Terminal Facility VFD and Motors Replacements, \$0.6 million for Gravity Thickener Rehabilitation, and \$0.6 million for Miscellaneous VFD Replacements due to timing of work.

**Business & Operations Support:** Net underspending of \$15.3 million

- \$2.4 million for As-Needed Technical Assistance and Resident Engineering and Inspection Services due to lower than projected task order work.

- \$2.2 million for Cabling, \$1.5 million for Lawson Upgrade, \$1.4 million for MSSP/SIEM, \$0.8 million for Sans Storage, \$0.6 million for Enterprise Data Management, and \$0.3 million for Instrumentation & Controls all due to updated schedules and timing of work.
- \$1.7 million for Vehicle Purchases due to timing of purchases.
- \$1.0 million for Office Space Modifications due to updated schedule.

**Other Wastewater:** Net underspending of \$13.4 million

- \$13.4 million for Infiltration/Inflow Financial Assistance due to timing of grant and loan distributions.

**Interception & Pumping:** Net underspending of \$13.2 million

- \$9.0 million for Prison Point Design CA/RI and Construction due to project on hold.
- \$1.7 million for Ward Street & Columbus Park Headworks - Design/CA due to completion of some design and inspection tasks later than anticipated.
- \$0.8 million for Interceptor Renewal No. 3, Dorchester Interceptor Sewer – Construction due to timing of contractor work. Contract is substantially complete.
- This underspending was partially offset by overspending of \$1.5 million for Chelsea Creek Headworks Upgrades - Construction and REI and \$0.9 million for Wastewater Metering Construction due to work scheduled for FY21 performed in FY22.

**Water Distribution and Pumping:** Net underspending of \$6.6 million

- \$4.5 million for Section 89 & 29 Replacement Construction and REI due to updated schedules.
- \$1.2 million for Sections 50 & 57 Water Rehabilitation - Design/ESDC due to contract scope reduction.
- \$1.1 million for CP-3 Sections 23, 24, 47 Final Design/CA/RI due to less than anticipated Final Design and CA/RI work.
- \$0.6 million for Cathodic Protection Shafts N & W due to schedule change.
- \$0.4 million for SEH Redundancy Design CA/RI due to less than anticipated budgeted spending.
- This underspending was partially offset by overspending of \$1.0 million for CP3-Sections 23, 24, 47 due to contract awarded higher than budgeted.

**Waterworks Transmission:** Net overspending of \$1.5 million

- \$2.7 million for WASM 3 Rehabilitation, CP-1, and \$1.5 million for WASM/Spot Pond Supply Mains Pressure Reducing Valves Improvements due to contractor progress.
- \$1.9 million for Metropolitan Tunnel Redundancy Administration, Legal & Public Outreach due to earlier than anticipated land purchase.
- \$0.3 million for Wachusett Dam Bridge Crane Removal for FY21 planned work completed in FY22.
- \$0.3 million for Program Support Services due to timing of consultant work.
- This overspending was partially offset by underspending of \$1.0 million for Wachusett Lower Gatehouse Pipe and Boiler Replacement, \$0.7 million for CP2 Shaft 5, and \$0.5 million for Chestnut Hill Emergency Pumping Station Improvements due to updated construction schedules.

- \$0.7 million for Tunnel Redundancy Preliminary Design & MEPA Review due to timing of consultant work.

**Combined Sewer Overflow:** Net overspending of \$1.1 million

- \$0.7 million for East Boston CSO Control - BOS014 due to work completed earlier than anticipated.
- \$0.6 million for Dorchester Inflow Removal Construction due to timing of payment.
- \$0.5 million for Somerville Marginal In-System Storage due to timing of payment.
- This overspending was partially offset by underspending of \$0.3 million for CSO Performance Assessment due to time extension.

**Drinking Water Quality Improvements:** Net overspending of \$0.9 million

- \$0.7 million for Marlboro Pump Station Construction due to award greater than budgeted and additional scope of work.
- \$0.6 million for Ancillary Modifications – Construction due to contractor progress.
- \$0.4 million for As-Needed Technical Assistance due to greater than projected task order work.-
- This overspending was partially offset by underspending of \$0.4 million for Carroll Water Treatment Plant Parapet Wall Repairs due to updated schedule and \$0.3 million for Existing Facilities Modifications - CP7 due to timing of work.

**Construction Fund Balance**

The construction fund balance was \$137.3 million as of the end of May. Commercial Paper/Revolving Loan available capacity was \$177 million.

**ATTACHMENTS:**

Attachment 1 – Variance Summary May 2022

Attachment 2 – Current Expense Variance Explanations

Attachment 3 – Capital Improvement Program Variance Explanations

Attachment 4 – Year-End Current Expense Projections vs. Budget

ATTACHMENT 1  
FY22 Actuals vs. FY22 Budget

	May 2022 Year-to-Date				
	Period 11 YTD Budget	Period 11 YTD Actual	Period 11 YTD Variance	%	FY22 Approved
<b><u>EXPENSES</u></b>					
WAGES AND SALARIES	\$ 103,741,974	\$ 93,505,982	\$ (10,235,992)	-9.9%	\$ 116,680,341
OVERTIME	4,756,738	4,575,979	(180,759)	-3.8%	5,156,681
FRINGE BENEFITS	21,057,549	20,162,486	(895,063)	-4.3%	23,253,137
WORKERS' COMPENSATION	2,396,312	1,474,517	(921,795)	-38.5%	2,614,159
CHEMICALS	11,087,103	10,730,618	(356,485)	-3.2%	12,202,286
ENERGY AND UTILITIES	23,006,079	26,753,051	3,746,972	16.3%	24,749,865
MAINTENANCE	28,158,031	26,389,114	(1,768,917)	-6.3%	32,442,382
TRAINING AND MEETINGS	382,409	190,781	(191,628)	-50.1%	473,994
PROFESSIONAL SERVICES	7,622,412	6,977,713	(644,699)	-8.5%	8,773,258
OTHER MATERIALS	6,393,697	4,780,268	(1,613,429)	-25.2%	8,334,774
OTHER SERVICES	22,881,546	23,002,905	121,359	0.5%	25,129,234
<b>TOTAL DIRECT EXPENSES</b>	<b>\$ 231,483,850</b>	<b>\$ 218,543,414</b>	<b>\$ (12,940,435)</b>	<b>-5.6%</b>	<b>\$ 259,810,111</b>
INSURANCE	\$ 3,640,246	\$ 3,675,858	\$ 35,612	1.0%	\$ 3,943,600
WATERSHED/PILOT	24,307,957	23,192,887	(1,115,070)	-4.6%	26,731,490
HEEC PAYMENT	6,454,111	6,113,143	(340,968)	-5.3%	6,991,953
MITIGATION	1,563,102	1,563,102	-	0.0%	1,693,360
ADDITIONS TO RESERVES	1,303,981	1,303,981	-	0.0%	1,412,647
RETIREMENT FUND	11,205,000	11,205,000	-	0.0%	11,205,000
POST EMPLOYEE BENEFITS	-	-	-	---	4,673,624
<b>TOTAL INDIRECT EXPENSES</b>	<b>\$ 48,474,397</b>	<b>\$ 47,053,970</b>	<b>\$ (1,420,427)</b>	<b>-2.9%</b>	<b>\$ 56,651,674</b>
STATE REVOLVING FUND	\$ 87,378,108	\$ 82,859,534	\$ (4,518,574)	-5.2%	\$ 95,673,399
SENIOR DEBT	222,927,647	217,461,973	(5,465,674)	-2.5%	244,957,128
DEBT SERVICE ASSISTANCE	(1,287,870)	(1,287,870)	-	0.0%	(1,287,870)
CURRENT REVENUE/CAPITAL	-	-	-	---	17,200,000
SUBORDINATE MWRA DEBT	114,497,825	114,497,825	-	0.0%	125,046,218
LOCAL WATER PIPELINE CP	-	-	-	---	6,120,127
CAPITAL LEASE	2,969,594	2,969,594	-	0.0%	3,217,060
VARIABLE DEBT	-	(9,318,010)	(9,318,010)	---	-
DEFEASANCE ACCOUNT	-	19,302,259	19,302,259	---	-
DEBT PREPAYMENT	-	-	-	---	5,609,355
<b>TOTAL CAPITAL FINANCE EXPENSE</b>	<b>\$ 426,485,304</b>	<b>\$ 426,485,304</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ 496,535,417</b>
<b>TOTAL EXPENSES</b>	<b>\$ 706,443,551</b>	<b>\$ 692,082,688</b>	<b>\$ (14,360,862)</b>	<b>-2.0%</b>	<b>\$ 812,997,202</b>
<b><u>REVENUE &amp; INCOME</u></b>					
RATE REVENUE	\$ 731,154,461	\$ 731,154,461	\$ -	0.0%	\$ 792,084,000
OTHER USER CHARGES	8,498,047	9,792,639	1,294,592	15.2%	9,222,883
OTHER REVENUE	6,087,335	9,434,040	3,346,705	55.0%	6,479,203
RATE STABILIZATION	1,153,846	1,153,846	-	0.0%	1,250,000
INVESTMENT INCOME	3,611,234	4,386,551	775,317	21.5%	3,961,116
<b>TOTAL REVENUE &amp; INCOME</b>	<b>\$ 750,504,923</b>	<b>\$ 755,921,538</b>	<b>\$ 5,416,613</b>	<b>0.7%</b>	<b>\$ 812,997,202</b>

**ATTACHMENT 2**  
**Current Expense Variance Explanations**

Total MWRA	FY22 Budget YTD May	FY22 Actuals May	FY22 YTD Actual vs. FY22 Budget		Explanations
			\$	%	
<b>Direct Expenses</b>					
Wages & Salaries	103,741,974	93,505,982	(10,235,992)	-9.9%	Wages and Salaries are under budget by \$10.2 million. Year to date, there have been 65 fewer average FTEs (1,102 versus 1,167 budget), lower average new hire salaries versus retirees, the timing of backfilling vacant positions.
Overtime	4,756,738	4,575,979	(180,759)	-3.8%	Overtime expenses were less than budget by \$181,000 or 3.8%. Lower spending mainly in Field Operations of \$368,000 primarily for planned and emergency overtime being under budget, Engineering & Construction of \$96,000, are partially offset by higher spending at Deer Island of \$247,000 and Clinton of \$43,000 for storm and shift coverage. Year-to-date rainfall was a major contributor for the increased overtime. In addition, vacancies at the Thermal Power Plant and DITP Operations continue to drive higher overtime costs than anticipated.
Fringe Benefits	21,057,549	20,162,486	(895,063)	-4.3%	Lower than budget in <b>Health Insurance</b> of \$0.6 million, 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, <b>Unemployment Insurance</b> of \$67,000 and <b>Medicare</b> of \$55,000 were lower than budget.
Worker's Compensation	2,396,312	1,474,517	(921,795)	-38.5%	The lower expenses were due to favorable variances in <b>Compensation Payments</b> of \$574,000, <b>Medical Payments</b> of \$293,000, and <b>Administrative Expenses</b> of \$54,000. Due to uncertainties of when spending will happen, the budget is spread evenly throughout the year.
Chemicals	11,087,103	10,730,618	(356,485)	-3.2%	Chemicals were lower than budget by \$0.4 million or 3.2%. Lower than budget spending on <b>Hydrogen Peroxide</b> of \$249,000 driven by DITP based on usage as excessive rainfall helped lower H2S levels, <b>Activated Carbon</b> of \$163,000 primarily driven by Deer Island due to timing of replacements, <b>Soda Ash</b> of \$143,000 driven by Water Operations due to lower average flows at CWTP, <b>Polymer</b> of \$87,000 driven by DITP due to less usage for centrifuge operations, and <b>Carbon Dioxide</b> of \$76,000 driven by Water Operations due to lower dosing combined with lower flows. This is partially offset by <b>Ferric Chloride</b> of \$281,000 driven by DITP to keep the orthophosphate levels in the digesters at the desired target level. DITP flows are 7.6% higher than the budget and CWTP flows are 0.3% lower than the budget through May. 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	23,006,079	26,753,051	3,746,972	16.3%	Utilities were greater than budget by \$3.7 million or 16.3%. Overspending in <b>Electricity</b> of \$2.8 million primarily at DITP of \$2.0 million driven by power demand charges being more than budgeted based on flows, T&D rates from Eversource, and higher real time market prices for the non-block purchases under the Direct Energy contract. Also, Field Operations of \$0.8 million is over budget primarily due to new T&D rates and quantity. <b>Diesel Fuel</b> is overspent by \$887,000 driven by Deer Island Treatment Plant due to higher quantity purchase at a higher price.

**ATTACHMENT 2**  
**Current Expense Variance Explanations**

Total MWRA	FY22 Budget YTD May	FY22 Actuals May	FY22 YTD Actual vs. FY22 Budget		Explanations
			\$	%	
Maintenance	28,158,031	26,389,114	(1,768,917)	-6.3%	Maintenance was less than budget by \$1.8 million or 6.3%, largely driven by the timing of projects. <i>Maintenance Materials</i> are under budget by \$1.3 million, driven by <b>Plant and Machine Materials</b> of \$646,000, <b>Special Equipment Materials</b> of \$338,000, <b>HVAC Materials</b> of \$337,000, and <b>Pipe Materials</b> of \$196,000, all largely due to timing. <i>Maintenance Services</i> are under budget by \$0.5 million driven by <b>Building &amp; Grounds Services</b> of \$735,000 due to timing of service contracts, <b>Special Equipment Services</b> of \$447,000 primarily due to timing of service contracts and a lower award than budgeted for the telephone system maintenance contract, and <b>Computer Services</b> of \$221,000 due to HP and Cisco Smartnet renewal contracts being less than budgeted and the Distributed Antenna System Support agreement at DITP being delayed. This is partially offset by <b>Computer Software Licenses</b> of \$322,000 primarily due to timing.
Training & Meetings	382,409	190,781	(191,628)	-50.1%	Lower than budget spending on <b>Training &amp; Meetings</b> by \$192,000 is driven by MIS of \$96,000, Tunnel Redundancy of \$23,000, DITP of \$15,000, Procurement of \$9,000, and Field Operations of \$4,000, partially offset by higher spending in Engineering & Construction of \$7,000.
Professional Services	7,622,412	6,977,713	(644,699)	-8.5%	Lower than budget spending primarily for <b>Computer Systems Consultant</b> of \$896,000 in MIS primarily due to a reduction in scope of Managed Security Services Provider (MSSP) Year 5 monitoring extension and delay in Internet/Intranet Pipeline Upgrade project and <b>Engineering</b> of \$279,000 primarily in Field Operations, partially offset by <b>Other Services</b> of \$465,000 primarily for design work for the move from CNY to DI and Chelsea.
Other Materials	6,393,697	4,780,268	(1,613,429)	-25.2%	Other Materials were lower than budget by \$1.6 million or 25.2%, driven by less than budgeted spending for <b>Other Materials</b> of \$1.8 million primarily due to funding for the office space modifications now coming from the CIP, <b>Vehicle Purchases/Replacements</b> of \$488,000, <b>Equipment/Furniture</b> of \$210,000, <b>Computer Software</b> of \$96,000, and <b>Office Supplies</b> of \$86,000, all largely due to the timing of purchasing. This underspending was partially offset by <b>Computer Hardware</b> of \$1.1 million in MIS due to additional hardware purchased for teleworking.
Other Services	22,881,546	23,002,905	121,359	0.5%	Other Services were higher than budget by \$0.1 million or 0.5%. Lower than budgeted spending for <b>Health/Safety</b> of \$90,000, <b>Telecommunication</b> costs of \$90,000, <b>Grit and Screenings</b> of \$59,000 due to lower quantities, partially offset by <b>Sludge Pelletization</b> of \$433,000 due to higher inflation adjustment per the terms of the contract for the second half of FY22.
<b>Total Direct Expenses</b>	<b>231,483,850</b>	<b>218,543,414</b>	<b>(12,940,436)</b>	<b>-5.6%</b>	

**ATTACHMENT 2**  
**Current Expense Variance Explanations**

Total MWRA	FY22 Budget YTD May	FY22 Actuals May	FY22 YTD Actual vs. FY22 Budget		Explanations
			\$	%	
<b>Indirect Expenses</b>					
Insurance	3,640,246	3,675,858	35,612	1.0%	Higher Payments/Claims of \$50,000 and lower Premiums of \$14,000 than budgeted.
Watershed/PILOT	24,307,957	23,192,887	(1,115,070)	-4.6%	Lower Watershed Reimbursement of \$0.9 million favorable variance to budget driven by lower spending on (1) Maintenance (2) Equipment (3) Telecommunications (4) and Fringe Benefits. Also, PILOT is \$336,000 below budget.
HEEC Payment	6,454,111	6,113,143	(340,968)	-5.3%	Decrease is due to HEEC Revenue Requirement (\$470,000), partially offset by and HEEC O&M charge (\$129,000).
Mitigation	1,563,102	1,563,100	(2)	0.0%	
Addition to Reserves	1,303,981	1,303,981	-	0.0%	
Pension Expense	11,205,000	11,205,000	-	0.0%	
Post Employee Benefits	-	-	-		
<b>Total Indirect Expenses</b>	<b>48,474,397</b>	<b>47,053,969</b>	<b>(1,420,428)</b>	<b>-2.9%</b>	
<b>Debt Service</b>					
Debt Service	427,773,175	427,773,175	-	0.0%	Debt Service matches the budget after the transfer of \$19.3 million to the Defeasance account, driven by lower than budgeted variable interest expense of \$9.3 million due to lower interest rates, lower Senior Debt spending of \$5.5 million as a result of the refunding and new money transactions, and lower SRF spending of \$4.5 million as a result of timing.
Debt Service Assistance	(1,287,870)	(1,287,870)	-	0.0%	
<b>Total Debt Service Expenses</b>	<b>426,485,305</b>	<b>426,485,305</b>	<b>-</b>	<b>0.0%</b>	
<b>Total Expenses</b>					
<b>Total Expenses</b>	<b>706,443,552</b>	<b>692,082,688</b>	<b>(14,360,864)</b>	<b>-2.0%</b>	



**ATTACHMENT 2**  
**Current Expense Variance Explanations**

Total MWRA	FY22 Budget YTD May	FY22 Actuals May	FY22 YTD Actual vs. FY22 Budget		Explanations
			\$	%	
<b>Revenue &amp; Income</b>					
Rate Revenue	731,154,461	731,154,462	1	0.0%	
Other User Charges	8,498,047	9,792,639	1,294,592	15.2%	Unplanned water use by the town of Burlington.
Other Revenue	6,087,335	9,434,041	3,346,706	55.0%	Other Revenue was \$3.3 million or 35.6% over budget due to <b>Payment From the Commonwealth of Massachusetts</b> of \$1.2 million for debt service assistance, <b>Miscellaneous Revenue</b> of \$1.0 million driven by the reimbursement from the Commonwealth of Massachusetts for Biobot costs associated with FY21, <b>Energy Revenue</b> of \$579,000, <b>Energy Rebates</b> of \$289,000, and <b>Income from the Disposal of Equipment</b> of \$316,000.
Rate Stabilization	1,153,846	1,153,846	-	0.0%	HEEC Reserve.
Investment Income	3,611,234	4,386,551	775,317	21.5%	Investment Income is over budget is due to higher than budgeted interest rates and average balances.
<b>Total Revenue</b>	<b>750,504,923</b>	<b>755,921,539</b>	<b>5,416,616</b>	<b>0.7%</b>	
<b>Net Revenue in Excess of Expenses</b>	<b>44,061,371</b>	<b>63,838,851</b>	<b>19,777,480</b>		

**ATTACHMENT 3  
FY22 CIP Year-to-Date Variance Report (\$000's)**

	FY22 Budget YTD May	FY22 Actuals YTD May	YTD Actuals vs. Budget		Explanations
			\$	%	
<b>Wastewater</b>					
Interception & Pumping (I&P)	\$43,510	\$30,296	(\$13,214)	-30.4%	<u>Underspending</u> Prison Point Design CA/RI and Construction: \$9.0M (project on hold) Ward Street & Columbus Park Headworks Upgrades - Design/ESDC: \$1.7M (completed some design and inspection tasks later than anticipated) Interceptor Renewal No. 3, Dorchester Interceptor Sewer - Construction: \$846k (timing of contractor work. Contract is substantially complete.) <u>Offset Overspending</u> Chelsea Creek Headworks Upgrades - Construction, CA and REI: \$1.5M (work scheduled for FY21 performed in FY22) Wastewater Metering Asset Protection/Equipment Purchase: \$912k (work scheduled for FY21 completed in FY22. Contract is substantially complete.)
Treatment	\$22,991	\$4,943	(\$18,048)	-78.5%	<u>Underspending</u> Winthrop Terminal Facility (WTF) VFD and Motors Replacement - Construction: \$1.8M, Gravity Thickener Rehabilitation: \$628k, and Miscellaneous VFD Replacements FY19-FY23: \$642k (timing of work) Motor Control Center and Switchgear Replacement - Design/ESDC/REI and Construction: \$3.7M, Clarifier Rehabilitation Phase 2 - Construction: \$2.8M, Fire Alarm System Replacement - Design/CA and Construction: \$2.4M, DI Dystor Membrane Replacements: \$1.5M, Clinton Screw Pump Replacement: \$700k, Eastern Seawall Design/ESDC/REI: \$373k, and Gas Protection System Replacement - Phase 2: \$242k (updated construction schedules), Digester & Storage Tank Rehabilitation - Design/ESDC: \$411k, Odor Control Rehab - Design/ESDC: \$400k, and Cryogenics Plant Equipment Replacement - Design: \$363k (updated schedules) As-Needed Technical Assistance: \$705k (lower than projected task order work) Clarifier Rehabilitation Phase 2 - Design: \$276k (time extension) <u>Offset Overspending</u> Chemical Tank and Digester Pipe: \$202k (timing of final work) Clinton Wastewater Treatment Plant Valves and Pipe Replacement: \$183k (contractor progress)
Residuals	\$44	\$1	(\$43)	-96.6%	

**ATTACHMENT 3  
FY22 CIP Year-to-Date Variance Report (\$000's)**

	FY22 Budget YTD May	FY22 Actuals YTD May	YTD Actuals vs. Budget		Explanations
			\$	%	
CSO	\$3,554	\$4,659	\$1,105	31.1%	<u>Overspending</u> Somerville Marginal In-System Storage: \$467k (timing of payment) East Boston CSO Control - BOS014: \$727k (work completed earlier than anticipated) Dorchester Inflow Removal Construction: \$572k (timing of payment) <u>Offset Underspending</u> CSO Performance Assessment: \$338k (time extension) Chelsea 008 Pipe Replacement: \$323k (schedule change)
Other Wastewater	\$25,114	\$11,698	(\$13,416)	-53.4%	<u>Underspending</u> I/I Local Financial Assistance: \$13.4M (timing of community distributions of grants and loans)
<b>Total Wastewater</b>	<b>\$95,214</b>	<b>\$51,597</b>	<b>(\$43,616)</b>	<b>-45.8%</b>	

**ATTACHMENT 3  
FY22 CIP Year-to-Date Variance Report (\$000's)**

	FY22 Budget YTD May	FY22 Actuals YTD May	YTD Actuals vs. Budget		Explanations
			\$	%	
<b>Waterworks</b>					
Drinking Water Quality Improvements	\$2,980	\$3,874	\$894	30.0%	<u>Overspending</u> Marlboro Pump Station Construction: \$703k (contract award greater than budgeted and additional scope of work) Ancillary Modifications - Construction: \$570k (contractor progress) CWTP As-Needed Technical Assistance: \$373k (greater than projected task order work) <u>Offset Underspending</u> CWTP Parapet Wall Repairs: \$417k (updated schedule) Existing Facilities Modifications - CP7: \$299k (timing of work)
Transmission	\$25,778	\$27,322	\$1,545	6.0%	<u>Overspending</u> WASM 3 Rehabilitation, CP-1: \$2.7M, and WASM/Spot Pond Supply Mains West Pressure Reducing Valves - Construction: \$1.5M (contractors progress) Metropolitan Tunnel Redundancy Administration, Legal & Public Outreach: \$1.9M (timing of land purchase), and Program Support Services: \$329k (timing of consultant work) Wachusett Dam Bridge Crane Removal: \$291k (FY21 planned work completed in FY22) Shaft 2 - Construction: \$289k (timing of work) <u>Offset Underspending</u> Tunnel Redundancy Preliminary Design & MEPA Review: \$725k (timing of consultant work) CP2 Shafts 5: \$694k, Wachusett Lower Gatehouse Pipe and Boiler Replacement - Construction: \$1.0M, and Chestnut Hill Emergency Pump Station Improvements - Construction: \$500k (updated construction schedules) Chestnut Hill Emergency Pump Station Improvements - Design/CA: \$321k, and River Road Improvements-Wachusett: \$253k (timing of work)

**ATTACHMENT 3  
FY22 CIP Year-to-Date Variance Report (\$000's)**


	FY22 Budget YTD May	FY22 Actuals YTD May	YTD Actuals vs. Budget		Explanations
			\$	%	
Distribution & Pumping	\$16,600	\$10,035	(\$6,565)	-39.5%	<u>Underspending</u> Section 89/29 Replacement - Construction and RE/RI Services: \$4.5M (updated schedule) Sections 50 & 57 Water Pipeline Rehabilitation - Design/ESDC; \$1.2M (contract scope reduction) New Connecting Mains CP3-Sections 23, 24, 47 Final Design/CA/RI: \$1.1M (less than anticipated Final Design and CA/RI work) Cathodic Protection Shafts N & W: \$600k (schedule change) SEH Redundancy Pipeline Phase 1 - Design/CA/RI: \$365k (Construction Administration and Resident Inspection services less than anticipated budgeted spending) <u>Offset Overspending</u> CP3-Sections 23, 24, 47 Rehabilitation: \$989k (awarded higher than budgeted), and CP-1 NEH Improvements: \$830k (contractor progress)
Other Waterworks	\$22,618	\$3,514	(\$19,104)	-84.5%	<u>Underspending</u> Local Water Pipeline Financial Assistance Program: \$17.6M (timing of community loan distributions) CWTP SCADA Upgrades - Construction: \$435k (timing of work) Water System Hydraulic Model: \$265k (slower than anticipated start-up) New Roofs at Water Pumping Stations - Construction: \$349k (updated schedule) and REI:\$200k (work being done in-house)
<b>Total Waterworks</b>	<b>\$67,976</b>	<b>\$44,745</b>	<b>(\$23,230)</b>	<b>-34.2%</b>	
<b>Business &amp; Operations Support</b>					
<b>Total Business &amp; Operations Support</b>	<b>\$18,491</b>	<b>\$3,170</b>	<b>(\$15,320)</b>	<b>-82.9%</b>	<u>Underspending</u> As-Needed Technical Assistance and CS/REI Services: \$2.4M (lower than projected task order work) FY19-23 Vehicle Purchases: \$1.7M (due to timing) Cabling: \$2.2M, Lawson Upgrade: \$1.5M, MSSP/SIEM: \$1.4M, Sans Storage: \$848k, Archiving & Data Management: \$454k, Enterprise Data Management: \$577k, Instrumentation & Controls: \$310k, and Security Equipment & Installation: \$263k (updated schedules and timing of work) Office Space Modifications: \$993k (updated schedule)
<b>Total MWRA</b>	<b>\$181,680</b>	<b>\$99,513</b>	<b>(\$82,167)</b>	<b>-45.2%</b>	

**Attachment 4**  
**FY22 Budget vs. FY22 Projection**

TOTAL MWRA	FY22 Budget	FY22 Projection	Change FY22 Budget vs FY22 Projection	
			\$	%
<b>EXPENSES</b>				
WAGES AND SALARIES	\$ 116,680,341	\$ 107,378,367	\$ (9,301,974)	-8.0%
OVERTIME	5,156,681	5,030,378	(126,303)	-2.4%
FRINGE BENEFITS	23,253,137	22,209,351	(1,043,786)	-4.5%
WORKERS' COMPENSATION	2,614,159	1,960,619	(653,540)	-25.0%
CHEMICALS	12,202,286	12,255,355	53,069	0.4%
ENERGY AND UTILITIES	24,749,865	28,684,687	3,934,822	15.9%
MAINTENANCE	32,442,381	30,066,732	(2,375,649)	-7.3%
TRAINING AND MEETINGS	473,994	314,875	(159,119)	-33.6%
PROFESSIONAL SERVICES	8,773,258	7,895,932	(877,326)	-10.0%
OTHER MATERIALS	8,334,774	7,501,297	(833,477)	-10.0%
OTHER SERVICES	25,129,236	24,877,944	(251,292)	-1.0%
<b>TOTAL DIRECT EXPENSES</b>	<b>\$ 259,810,111</b>	<b>\$ 248,175,536</b>	<b>\$ (11,634,575)</b>	<b>-4.5%</b>
INSURANCE	\$ 3,943,600	\$ 3,943,600	-	0.0%
WATERSHED/PILOT	26,731,490	25,450,160	(1,281,330)	-4.8%
HEEC PAYMENT	6,991,953	6,640,819	(351,134)	-5.0%
MITIGATION	1,693,360	1,693,360	-	0.0%
ADDITIONS TO RESERVES	1,412,647	1,412,647	-	0.0%
RETIREMENT FUND	11,205,000	11,205,000	-	0.0%
POSTEMPLOYMENT BENEFITS	4,673,624	4,673,624	-	0.0%
<b>TOTAL INDIRECT EXPENSES</b>	<b>\$ 56,651,673</b>	<b>\$ 55,019,209</b>	<b>\$ (1,632,464)</b>	<b>-2.9%</b>
STATE REVOLVING FUND	\$ 95,673,399	\$ 89,764,498	(5,908,901)	-6.2%
SENIOR DEBT	244,957,128	238,650,582	(6,306,546)	-2.6%
SUBORDINATE DEBT	125,046,217	114,008,631	(11,037,587)	-8.8%
LOCAL WATER PIPELINE CP	6,120,127	1,431,079	(4,689,048)	-76.6%
CURRENT REVENUE/CAPITAL	17,200,000	17,200,000	-	0.0%
CAPITAL LEASE	3,217,060	3,217,060	-	0.0%
DEBT PREPAYMENT	5,609,355	5,609,355	(0)	0.0%
DEFEASANCE ACCOUNT	-	-	-	-
DEBT SERVICE ASSISTANCE	(1,287,870)	(1,287,870)	-	0.0%
HEEC CABLE CAPACITY RESERVE FUND	-	-	-	-
<b>TOTAL DEBT SERVICE</b>	<b>\$ 496,535,417</b>	<b>\$ 468,593,335</b>	<b>\$ (27,942,082)</b>	<b>-5.6%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 812,997,202</b>	<b>\$ 771,788,080</b>	<b>\$ (41,209,122)</b>	<b>-5.1%</b>
<b>REVENUE &amp; INCOME</b>				
RATE REVENUE	\$ 792,084,000	\$ 792,084,000	-	0.00%
OTHER USER CHARGES	9,222,884	10,693,360	1,470,477	15.9%
OTHER REVENUE	6,479,202	8,739,663	2,260,462	34.9%
RATE STABILIZATION	1,250,000	1,250,000	-	0.0%
INVESTMENT INCOME	3,961,116	4,100,116	139,000	3.5%
<b>TOTAL REVENUE &amp; INCOME</b>	<b>\$ 812,997,202</b>	<b>\$ 816,867,140</b>	<b>\$ 3,869,938</b>	<b>0.5%</b>

**VARIANCE:** **\$ (45,079,060) \$ (45,079,060) -5.5%**

## STAFF SUMMARY


**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 22, 2022  
**SUBJECT:** Approval of the FY2023 Final Capital Improvement Program

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**COMMITTEE:** Administration, Finance & Audit

INFORMATION  
 VOTE

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

  
Thomas J. Durkin  
Director, Finance

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### RECOMMENDATION:

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.

### DISCUSSION:

The Fiscal Year 2023 Final Capital Improvement Program (CIP) represents an update to the program presented to the Board in January 2022. This budget includes the latest cost estimates and revised schedules that were the result of prioritizing the planned projects to support the MWRA's core operations, and meet regulatory requirements.

The FY23 Final CIP projects \$278.5 million in spending for FY23, of which \$109.8 million supports Wastewater System Improvements, \$133.1 million supports Waterworks System Improvements, and \$35.7 million is for Business and Operations Support. The projects with significant spending include Local Water System Assistance Program, Inflow and Infiltration (I/I) Local Financial Assistance, Nut Island Odor Control and HVAC Improvements, Office Space Modifications at Deer Island and Chelsea, Waltham Water Pipeline Construction, and CP-3 Section 23, 24, 47 Rehabilitation.

Several upcoming projects have seen increases in cost estimates including the Western Aqueduct Supply Mains (WASM) 3 Rehab CP-2 (\$28 million), Deer Island Primary & Secondary Clarifier Rehab Phase 2 (\$20 million), Combined Heat & Power (\$19 million), and Eastern Seawall Construction (\$11 million).

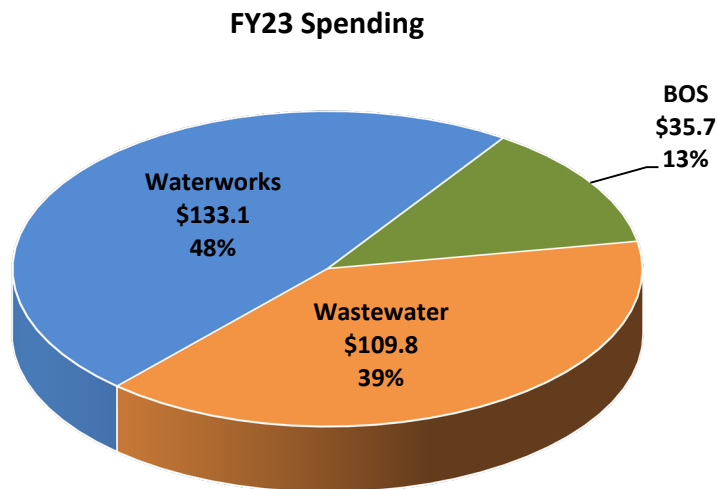
The CIP Program continues to address critical redundancy improvements for the Metropolitan Tunnel System. The FY23 Final CIP includes approximately \$1.5 billion in spending for this project, the same as in the FY23 Proposed budget. The initial contract for Program Support Services was awarded in March 2019 with a budget of \$17.5 million and spanning over a nine-year period. The second contract, Preliminary Design and MEPA Review (Massachusetts

Environmental Policy Act), for \$15.7 million was awarded in May 2020 with projected spending through FY24.

Today, the Authority is better positioned to reinvest in rehabilitation and replacement of aging facilities as a result of conservative fiscal management which includes judicious control of expenses, and the fact that MWRA has implemented the practice of utilizing available funds for defeasances resulting in the reduction of debt service expense. MWRA projects an overall reduction in outstanding principal of debt during the FY19-23 cap period.

### **FY23 Final CIP Spending**

The FY23 Final Capital Improvement Program projects \$278.5 million spending for FY23, of which \$109.8 million supports Wastewater System Improvements, \$133.1 million supports Waterworks System Improvements, and \$35.7 million is for Business and Operations Support.



The FY23 Final CIP includes \$48.5 million for community assistance programs, which are a combination of loan and partial grant programs, with net expenditures of \$25.1 million for the local Infiltration/Inflow Program and net expenditures of \$23.4 million for the Local Water Pipeline Program.

The following table lists project contracts with projected FY23 spending greater than \$5.0 million, excluding local community assistance programs, totaling \$112.8 million and account for 40.5% of projected annual spending.



Project	Subphase	FY23 \$s in Millions
Corrosion & Odor Control	NI Odor Ctrl HVAC Improvements Construction Phase 2	\$16.1
DI Treatment Plant Asset Protection	Clarifier Rehabilitation Phase 2 - Construction	\$16.0
MWRA Facilities Management	Office Space Modifications	\$15.3
Metro Redundancy Interim Improvements	Waltham Water Pipeline Construction	\$14.5
New Connecting Mains-Shaft 7	CP3-Sect 23,24,47, Rehabilitation	\$12.2
Metro Redundancy Interim Improvements	WASM/SPSM West PRV Construction	\$7.9
NIH Redundancy & Storage	Section 89 & 29 Repl - Construction	\$7.6
Northern Extra High Service New Pipelines	CP-1 NEH Improvements	\$6.5
Central Monitoring System	CWTP SCADA Upgrade Construction	\$5.9
Facility Asset Protection	Ward St & Colum Pk Headworks Des/CA	\$5.6
Metro Redundancy Interim Improvements	WASM 3 CP-1	\$5.3
	<b>Top Spending Subphases FY19-23</b>	\$112.8
	<b>% of FY23 Spending</b>	40.5%
	<b>Remaining FY19-23 Spending</b>	\$165.7
	<b>Total Projected FY19-23 Spending</b>	\$278.5

**Nut Island Odor Control and HVAC Improvements - Construction Phase 2** - \$16.1 million (\$60.6 million total construction cost). Improvements to the Nut Island Headworks odor control, HVAC and energy management systems. This contract began in February 2020. These are the long-term improvement projects that arose following the January 2016 fire, and the evaluation contract of the odor control, HVAC, and energy management completed in February 2017.

**Clarifier Rehabilitation Phase 2 Construction** - \$16.0 million (\$180.0 million total construction cost). This project will rehabilitate the sludge removal system in the primary tanks and the aeration/recirculation systems in the secondary tanks. The influent gates, effluent launders and aeration systems, and concrete corrosion in primary clarifiers will also be addressed and repaired. This contract is expected to be award in the Fall of 2022.

**MWRA Facilities Management Office Space Modifications** - \$15.3 million (\$15.3 million total construction cost). Office space reconfiguration required as MWRA leaves Charlestown for space at Deer Island and Chelsea facilities.

**Waltham Water Pipeline Construction** - \$14.5 million (\$27.6 million total construction cost). This contract will include installation of approximately 8,920 linear feet of new 36-inch diameter water main along Lexington Street in Waltham, from Meter 182 to a new meter near Totten Pond Road, including installation of valves, meters and other appurtenances, by-pass pumping, replacement of certain utilities, pavement restoration, traffic and environmental controls.

**CP3 Sections 23, 24 and 47 Rehabilitation** - \$12.2 million (\$24.2 million total construction cost). This contract includes cleaning and cement mortar lining approximately 4,500 linear feet of Section 23, which is a 36-inch diameter cast iron water main, 10,800 feet of 20-inch Section 24 and Section 47 cast iron water mains, and 500 feet of 20-inch steel water main along Section 24.

The construction work will also include installing, by open-cut, 3,600 feet of 36-inch ductile iron Section 23 water main, 6,400 feet of 24-inch ductile iron Section 24 water main, and new valves and appurtenances, and replacing the check valve assembly at Boston Meter 120. Additionally, the construction contract will include replacing approximately 2,400 linear feet of City of Newton 20-inch diameter, 140 year old cast iron water main on Ward Street between Manet Road and Waverly Avenue. This contract was awarded in October 2021.

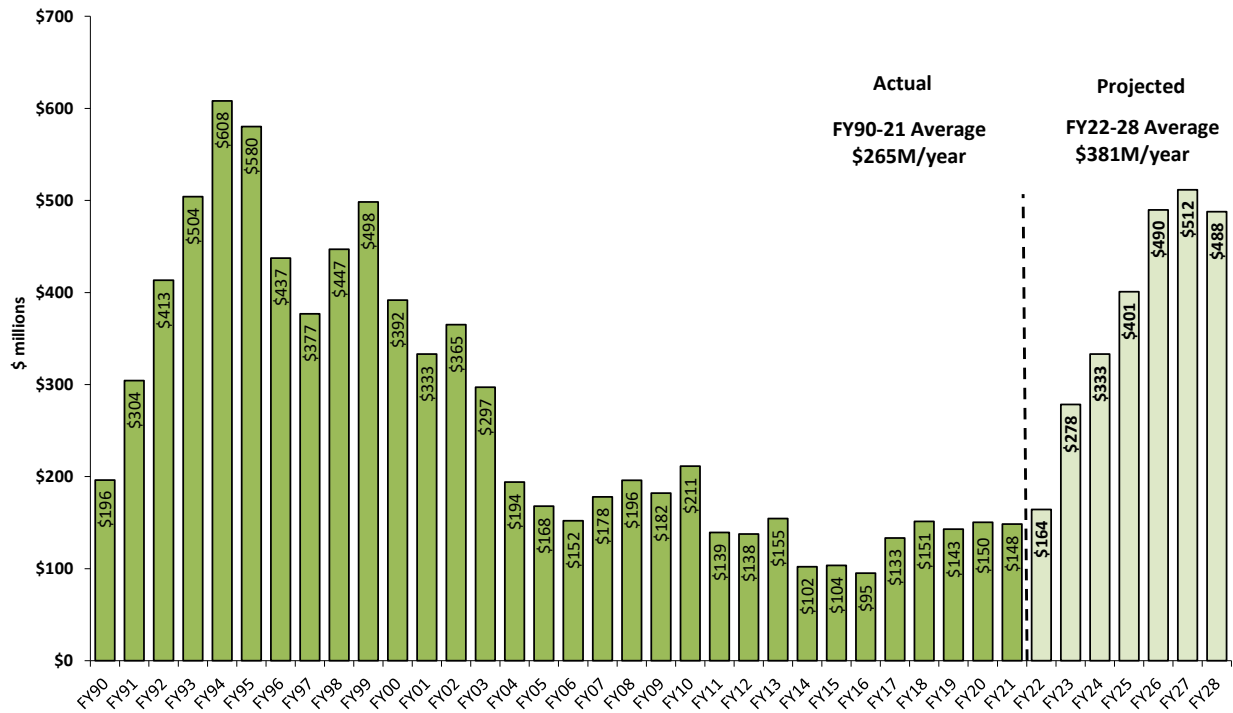
**Western Aqueduct Supply Mains (WASM)/Spot Pond Supply Mains (SPSM) West Pressure Reducing Valve Construction** - \$7.9 million (\$11.6 million total construction cost). The project will allow the Low Service system to be utilized to increase the supply to the Gillis Pump Station in Stoneham to avoid the need to pump out of the Spot Pond Reservoir in an emergency. The Low Service pipelines would be operated at grade lines consistent with WASM 3 grade line to push additional flow to the Gillis Pump Station in an emergency. Some Low Service revenue meters may require pressure reducing valves to lower pressures to communities along the way. In addition, PRV's on WASM 3/4 would also require replacement to maximize the supply to the north. This contract began in June 2021.

**Northern Intermediate High Redundancy Section 89 and 29 Replacement Construction** - \$7.6 million (\$32.6 million total construction cost). This is a redundancy project for MWRA's Northern Intermediate High service area. Section 89 will be replaced now that the redundant pipeline is completed. This contract was awarded in May 2021.

### **Historical and Projected Spending**

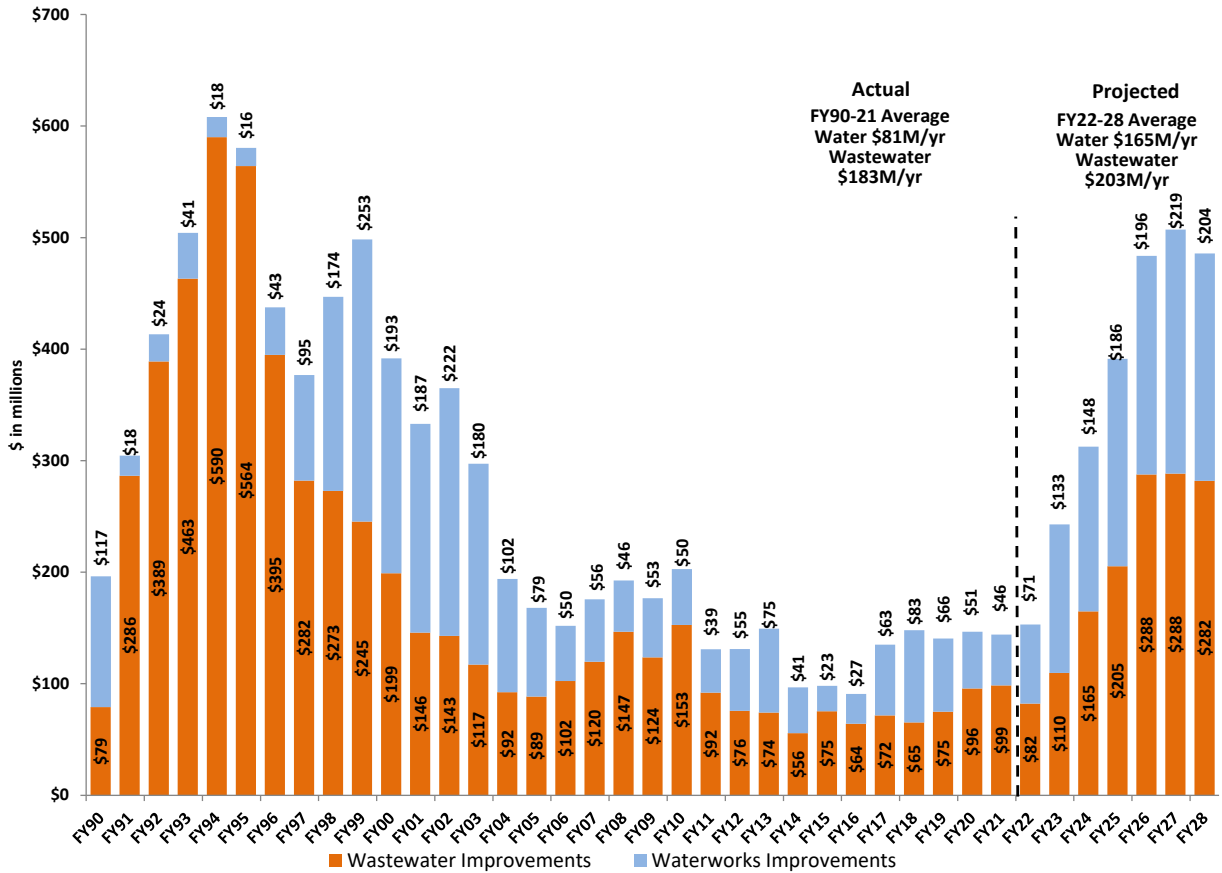
The following chart captures the historical CIP spending through FY21 and projects spending through FY28 based on the FY23 Final CIP. Average annual CIP spending through FY21 was \$265 million. Average annual CIP spending for the FY21-28 period is projected to be \$381 million.

## Annual CIP Spending



The following chart shows the historical CIP spending from FY90 through FY21 by utility with projections through FY28. Average annual CIP spending through FY21 was \$81 million for Waterworks and \$183 million for Wastewater. Average annual CIP spending for the proposed FY21-28 period is projected to be \$165 million for Waterworks and \$203 million for Wastewater.

### Annual CIP Spending by Utility



The spending projections set forth here include updates to FY23 Proposed CIP with the latest cost estimates, revised schedules, and new projects.

### FY19-23 Expenditures & Five-Year Spending Cap

Spending during the FY19-23 timeframe is planned to be \$884.5 million, including local community spending of \$160.3 million for the I/I loan and grant program and \$68.4 million for the water pipeline loan program. Yearly projected expenditures for the FY19-23 Cap period by Division are shown below in millions:

	FY19	FY20	FY21	FY22	FY23	Total FY19-23
Wastewater System Improvements	\$74.8	\$95.7	\$98.6	\$82.2	\$109.8	\$461.1
Waterworks System Improvements	\$65.6	\$50.9	\$45.6	\$70.8	\$133.1	\$366.1
Business & Operations Support	\$2.4	\$3.7	\$4.2	\$11.3	\$35.7	\$57.3
<b>Total MWRA</b>	<b>\$142.9</b>	<b>\$150.4</b>	<b>\$148.4</b>	<b>\$164.4</b>	<b>\$278.5</b>	<b>\$884.5</b>

The FY19-23 cap cash flow totals \$672.6 million, \$312.3 million below the approved Cap of \$984.8 million and \$74.7 million under the FY23 Proposed Cap calculation. Annual cash flows for the proposed Cap period are shown below in millions:

FY23 Final		FY19	FY20	FY21	FY22	FY23	Total FY19-23
	Projected Expenditures	\$142.9	\$150.4	\$148.4	\$164.4	\$278.5	\$884.5
I/I Program	(39.6)	(33.7)	(31.3)	(30.6)	(25.1)	(160.3)	
Water Loan Program	(13.8)	(4.3)	(14.9)	(12.0)	(23.4)	(68.4)	
<b>MWRA Spending</b>	<b>\$89.4</b>	<b>\$112.3</b>	<b>\$102.2</b>	<b>\$121.8</b>	<b>\$230.0</b>	<b>\$655.8</b>	
Contingency	0.0	0.0	0.0	0.0	14.6	14.6	
Inflation on Unawarded Construction	0.0	0.0	0.0	0.0	2.2	2.2	
Chicopee Valley Aqueduct Projects	(0.0)	0.0	0.0	0.0	0.0	(0.0)	
<b>FY23 Proposed FY19-23 Spending</b>	<b>\$89.4</b>	<b>\$112.3</b>	<b>\$102.2</b>	<b>\$121.8</b>	<b>\$246.8</b>	<b>\$672.6</b>	

The format of the Cap table has changed to account separately for MWRA spending, which excludes the local I/I grant and loan program and the local water pipeline loan spending which are both outside of MWRA's control. As in past Caps, contingency for each fiscal year is incorporated into the CIP to fund the uncertainties inherent to construction. The contingency budget is calculated as a percentage of budgeted expenditure outlays. Specifically, contingency is 7% for non-tunnel projects and 15% for tunnel projects. Inflation is added for unawarded construction contracts. Finally, the Cap excludes Chicopee Valley Aqueduct system projects.

It is important to emphasize that the majority of spending within the Wastewater and Waterworks programs is concentrated in several larger projects with significant spending in the FY19-23 timeframe. Project contracts with expenditures greater than \$13 million for the FY19-23 timeframe total \$267.2 million, which excludes local community assistance programs, and accounts for slightly over 30% of total spending. Large initiatives include, Nut Island Odor Control HVAC Improvement at \$60.6 million (\$60.6 million total cost), Chelsea Creek Upgrades at \$52.6 million (\$84.1 million total cost), Clarifier Rehab at Deer Island \$16.0 million (\$180.0 million total cost), and Office Space Rehabilitation at \$15.3 million (\$15.3 million total cost).

The table below highlights major project spending in the FY19-23 timeframe:

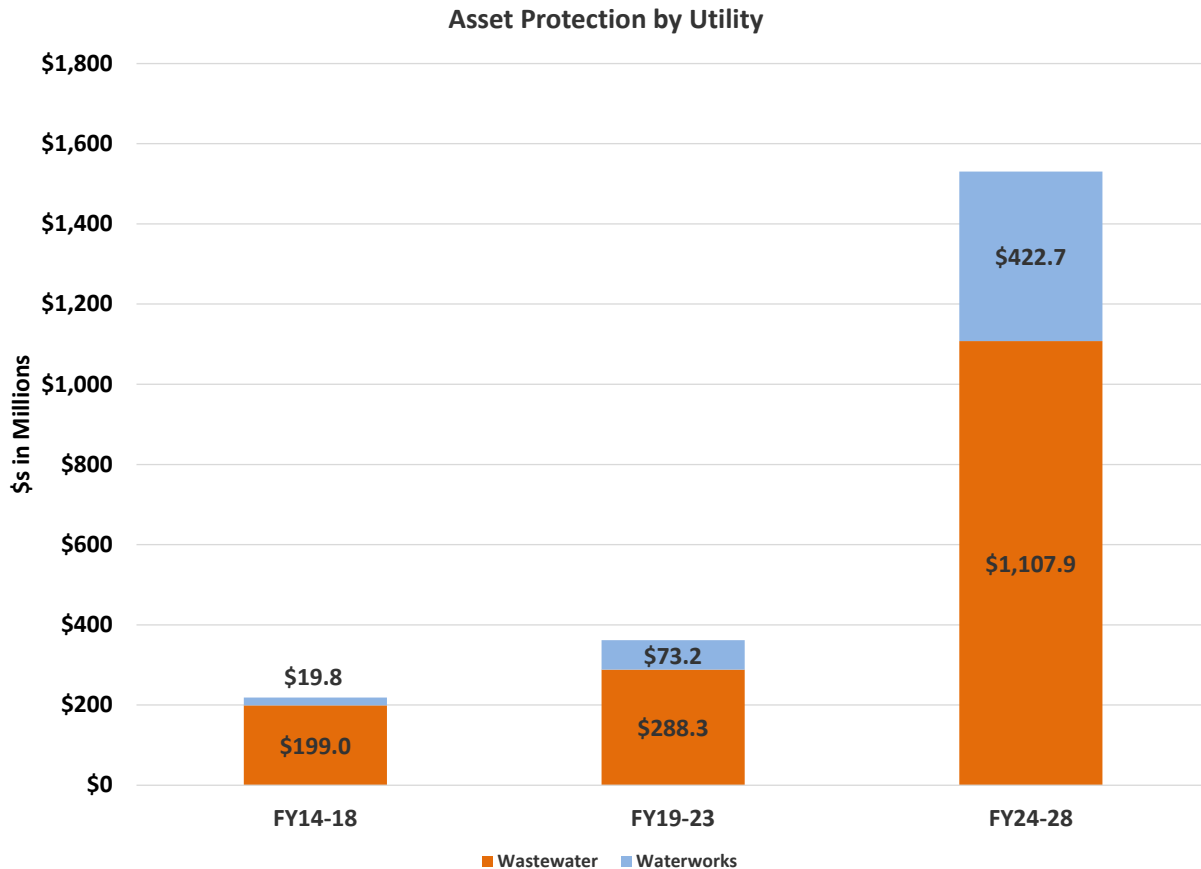
Project	Subphase	FY19-23 \$s in Millions
Corrosion & Odor Control	NI Odor Ctrl HVAC Imp Construction Phase 2	\$60.6
Facility Asset Protection	Chelsea Creek Upgrades - Construction	\$52.6
SEH Redundancy & Storage	Redundancy Pipeline Sect 111 - Construction 3	\$20.0
DI Treatment Plant Asset Protection	Gravity Thickener Rehabilitation	\$20.0
NIH Redundancy & Storage	Section 89 & 29 Redundancy Construction Phase 2	\$19.8
Metro Redundancy Interim Improvements	WASM 3 CP-1	\$19.3
DI Treatment Plant Asset Protection	Clarifier Rehab Phase 2 - Construction	\$16.0
MWRA Facilities Management	Office Space Modifications	\$15.3
New Connecting Mains-Shaft 7	CP3-Sect 23,24,47, Rehabilitation	\$15.3
Metro Redundancy Interim Improvements	Waltham Water Pipeline Construction	\$14.5
SEH Redundancy & Storage	Redundancy Pipeline Sect 111 - Construction 2	\$13.9
<b>Top Spending Subphases FY19-23</b>		\$267.2
<b>% of FY19-23 Spending</b>		30.2%
<b>Remaining FY19-23 Spending</b>		\$617.3
<b>Total Projected FY19-23 Spending</b>		\$884.5

Asset Protection accounts for the largest share of capital expenditures for the FY19-23 period. The FY23 Final CIP includes \$372.8 million for asset protection initiatives, representing 42.1% of total MWRA spending in the FY19-23 timeframe. Wastewater and Waterworks Asset Protection are \$288.3 million and \$73.2 million, respectively. Deer Island Treatment Plant Asset Protection alone accounts for \$84.6 million of Asset Protection spending. Spending for water system redundancy projects total \$201.3 million in the same FY19-23 period, accounting for 22.8% of projected spending.

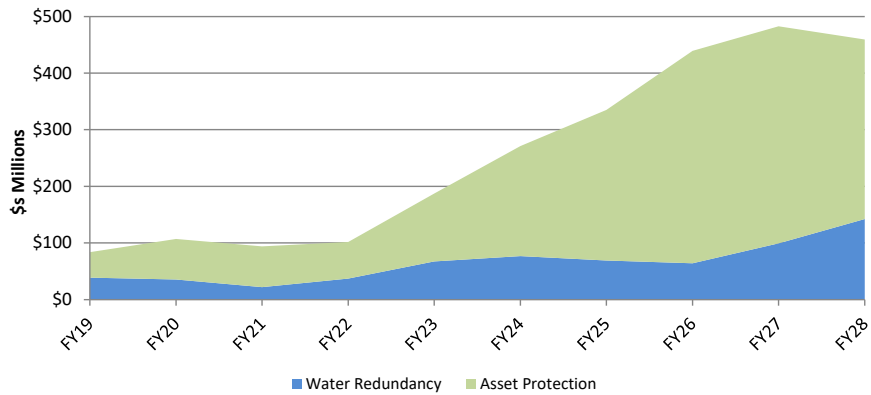
#### Changing Nature of the CIP by Category

Project Category	Total Contract	FY14-18	FY19-23	FY24-28
Asset Protection	\$3,447.7	\$222.8	\$372.8	\$1,535.2
Water Redundancy	\$3,208.7	\$174.6	\$201.3	\$452.0
CSO	\$890.8	\$64.7	\$12.3	\$0.8
Other	\$1,506.5	\$123.5	\$298.1	\$235.3
<b>Total</b>	<b>\$9,053.7</b>	<b>\$585.6</b>	<b>\$884.5</b>	<b>\$2,223.3</b>
<b>Asset Protection</b>	<b>38.1%</b>	<b>38.0%</b>	<b>42.1%</b>	<b>69.1%</b>
<b>Water Redundancy</b>	<b>35.4%</b>	<b>29.8%</b>	<b>22.8%</b>	<b>20.3%</b>
CSO	9.8%	11.0%	1.4%	0.0%
Other	16.6%	21.1%	33.7%	10.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

In terms of utility spending, wastewater asset protection accounts for nearly 33% of the FY19-23 projected spending at \$288.3 million of which \$84.6 million is designated for the Deer Island Wastewater Treatment Plant and \$203.7 million for headworks, pump stations, residuals facility, and pipelines. The \$73.2 million targeted for waterworks asset protection which includes \$36.6 million for water pipelines represents just over 8% of FY19-23 projected spending.



As illustrated in the following graph, the next two waves of spending over the FY19-23 period and the FY24-28 period will be for asset protection and water redundancy. This reflects MWRA’s commitment to maintaining its physical plant and addressing the need for water system redundancy in some critical service areas. Total asset protection spending for FY19-23 is projected at \$372.8 million or 42.1% of projected spending. Similarly, water redundancy spending for FY19-23 is projected at \$201.3 million or 22.8% of projected FY19-23 spending. For the FY24-28 spending window, total asset protection is projected at \$1.5 billion or 69.1% of projected spending. Similarly, water redundancy spending for FY24-28 is projected at \$452.0 million or 20.3% of projected FY24-28 spending.



## New Projects

The FY23 budget cycle includes spending for 7 new projects totaling \$26.4 million with \$9.5 million designated for wastewater and \$16.9 million targeted for waterworks. Nearly all new project spending is expected in the FY24-28 timeframe. The two largest projects are Belle Island Sandcatcher and Carroll Water Treatment Plant Permanent Corrosion Control with projected spending of \$5.0 million and \$12.5 million, respectively. Some new project details and spending are presented in the table below. Additional new project details are available in Attachment C.

Project	Total Contract Amount	FY24-28 Spending
Belle Isle Sandcatcher Rehabilitation Design & Construction	\$5.0	\$4.9
Phase IV Fuel Oil Tank Replacement	\$1.5	\$1.5
Phase V Fuel Oil Tank Replacement	\$1.5	\$1.5
Somerville Marginal New Pipe Connection	\$1.3	\$1.3
Intermediate Pump Station Transformer Replacement	\$0.3	\$0.2
<b>Total Wastewater</b>	<b>\$9.5</b>	<b>\$9.4</b>
Interim Corrosion Control REI & Construction	\$4.4	\$4.4
Permanent Corrosion Control Design & REI & Construction	\$12.5	\$12.5
<b>Total Waterworks</b>	<b>\$16.9</b>	<b>\$16.9</b>
<b>7 New Projects</b>	<b>\$26.4</b>	<b>\$26.3</b>



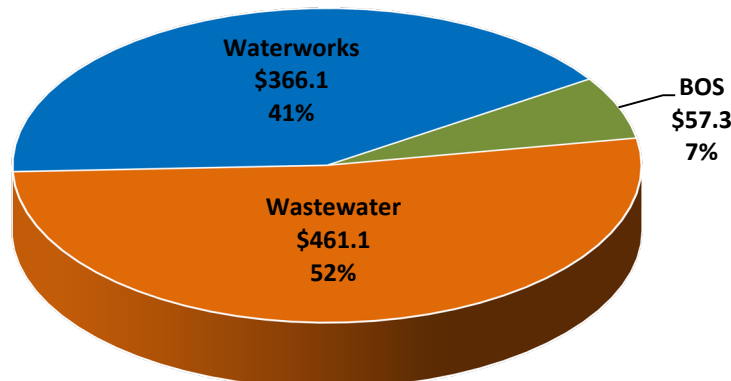
## FY23 CIP Future Expenditures

The FY23 Final CIP contains future spending (beyond FY23) estimated at \$3.9 billion. The table below represents the projected spending by the major project categories:

	Future Spending Beyond FY21	FY19	FY20	FY21	FY22	FY23	Total FY19-23	Beyond 23
<b>Wastewater System Improvements</b>	<b>\$1,823.0</b>	<b>\$74.8</b>	<b>\$95.7</b>	<b>\$98.6</b>	<b>\$82.2</b>	<b>\$109.8</b>	<b>\$461.1</b>	<b>\$1,631.0</b>
Interception & Pumping	589.7	23.1	33.1	45.9	39.1	38.9	180.1	511.7
Treatment	1,035.2	10.0	14.2	17.6	7.7	43.1	92.7	984.4
Residuals	90.6	0.8	13.4	1.4	0.0	0.0	15.7	90.6
CSO	9.5	1.2	1.3	2.3	4.8	2.7	12.3	2.1
Other Wastewater	97.9	39.6	33.7	31.3	30.6	25.1	160.3	42.2
<b>Waterworks System Improvements</b>	<b>\$2,425.4</b>	<b>\$65.6</b>	<b>\$50.9</b>	<b>\$45.6</b>	<b>\$70.8</b>	<b>\$133.1</b>	<b>\$366.1</b>	<b>\$2,221.5</b>
Drinking Water Quality Improvements	78.3	0.8	1.5	1.6	4.8	4.1	12.8	69.5
Transmission	1,811.6	9.9	12.8	17.5	33.6	58.9	132.7	1,719.2
Distribution & Pumping	569.4	36.6	26.6	10.7	15.3	35.1	124.4	519.0
Other Waterworks	(34.0)	18.4	9.9	15.8	17.1	35.1	96.2	(86.2)
<b>Business &amp; Operations Support</b>	<b>\$89.9</b>	<b>\$2.4</b>	<b>\$3.7</b>	<b>\$4.2</b>	<b>\$11.3</b>	<b>\$35.7</b>	<b>\$57.3</b>	<b>\$42.9</b>
<b>Total MWRA</b>	<b>\$4,338.3</b>	<b>\$142.9</b>	<b>\$150.4</b>	<b>\$148.4</b>	<b>\$164.4</b>	<b>\$278.5</b>	<b>\$884.5</b>	<b>\$3,895.5</b>

Spending over the FY19-23 period totals \$884.5 million with Wastewater projects accounting for \$461.1 million of total period spending or 52.1% and Waterworks planned spending following at \$366.1 million or 41.4%. Spending beyond FY23 totals \$3.9 billion, including \$1.6 billion for Wastewater projects and \$2.2 billion for Waterworks projects. Beyond FY23, spending is split between Redundancy and Asset Protection initiatives with projected spending of \$1.8 billion and \$2.1 billion, respectively. Beyond FY23 spending for the Metro Tunnel Redundancy project is estimated at \$1.5 billion. Redundancy project spending accelerates in the FY24-28 window.

**FY19-23 Spending**



## Major Planned Contract Awards for FY23

In Fiscal Year 2023, 69 contracts totaling \$503.6 million are projected to be awarded. The largest ten projected contract awards total \$359.6 million and account for 71.5% of expected awards and are presented in the following table.

Project	Subphase	Notice to Proceed	Total Contract Amount \$s in Millions
DI Treatment Plant Asset Protection	Clarifier Rehab Phase 2 - Construction	Oct-22	\$180.0
Metro Redundacy Interim Improvements	WASM 3 Rehab CP-2	Jan-23	\$49.8
DI Treatment Plant Asset Protection	Fire Alarm System Replacement -	Mar-23	\$31.0
DI Treatment Plant Asset Protection	MCC & Switchgear Replacement	Oct-22	\$19.5
MWRA Facilities Management	Office Space Modifications	Aug-22	\$15.3
DI Treatment Plant Asset Protection	CHP Des/ESDC/REI	Jan-23	\$14.5
New Connecting Mains-Shaft 7	Sect 25 & 24 - Construction CP-2	Apr-23	\$14.2
Metro Tunnel Redundancy	Geotechnical Support Services	Dec-22	\$13.5
New Connecting Mains-Shaft 7	Section 75 Extension - Construction CP-1	May-23	\$12.1
Braintree-Weymouth Relief	B/W Improvements - Construction	Aug-22	\$10.0
<b>Top 10 Planned Contract Awards</b>			<b>\$359.9</b>
<b>% of Total Planned Awards</b>			<b>71.5%</b>
<b>69 Planned Contract Awards</b>			<b>\$503.6</b>

Of the 69 planned contract awards for FY23, 33 Wastewater 24 are for Waterworks, and 12 Business and Operation Services with associated dollar awards of \$345.9 million, \$127.6 million, and \$30.0 million, respectively. Deer Island's Clarifier Rehabilitation Phase 2 Construction is the largest planned award at \$180.0 million with a targeted notice to proceed of October 2022.

### ATTACHMENTS:

- A. FY23 Project Level Expenditure Forecast
- B. Overview of the FY23 Final CIP and Changes from the FY22 Final CIP
- C. New Capital Projects

**ATTACHMENT A**  
**FY23 Final CIP**  
**Expenditure Forecast at Project Level**

Program / Project / Contract	Total Contract Amount	Payments through FY21	Remaining Balance	FY22	FY23	FY19-FY23	FY24-FY28	Beyond FY28
<b>Total MWRA</b>	<b>9,053,707,598</b>	<b>4,715,382,655</b>	<b>4,338,324,943</b>	<b>164,369,899</b>	<b>278,485,151</b>	<b>884,475,401</b>	<b>2,223,252,837</b>	<b>1,672,217,025</b>
<b>Wastewater</b>	<b>4,153,423,923</b>	<b>2,330,409,091</b>	<b>1,823,014,828</b>	<b>82,224,925</b>	<b>109,752,157</b>	<b>461,069,061</b>	<b>1,228,234,045</b>	<b>402,803,685</b>
<b>Interception &amp; Pumping</b>	<b>1,294,210,406</b>	<b>704,520,464</b>	<b>589,689,940</b>	<b>39,092,648</b>	<b>38,928,015</b>	<b>180,140,995</b>	<b>376,408,305</b>	<b>135,260,973</b>
<b>102 Quincy Pump Facilities Total</b>	<b>25,907,202</b>	<b>25,907,202</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>104 Braintree-Weymouth Relief Facilities Total</b>	<b>243,824,679</b>	<b>228,818,901</b>	<b>15,005,777</b>	<b>30,009</b>	<b>4,440,000</b>	<b>5,584,290</b>	<b>9,675,121</b>	<b>860,645</b>
<b>105 New Neponset Valley Relief Sewer Total</b>	<b>30,300,304</b>	<b>30,300,304</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>106 Wellesley Extension Replacement Sewer Total</b>	<b>64,358,543</b>	<b>64,358,543</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>107 Framingham Extension Relief Sewer Total</b>	<b>47,855,986</b>	<b>47,855,986</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>127 Cummingsville Replacement Sewer Total</b>	<b>8,998,768</b>	<b>8,998,768</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>130 Siphon Structure Rehabilitation Total</b>	<b>19,422,582</b>	<b>2,146,510</b>	<b>17,276,072</b>	<b>676,000</b>	<b>2,775,900</b>	<b>4,658,641</b>	<b>13,824,172</b>	
<b>131 Upper Neponset Valley Sewer System Total</b>	<b>54,174,077</b>	<b>54,174,077</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>132 Corrosion &amp; Odor Control Total</b>	<b>101,976,988</b>	<b>31,272,866</b>	<b>70,704,122</b>	<b>23,545,056</b>	<b>17,588,563</b>	<b>66,226,543</b>	<b>28,694,718</b>	<b>875,785</b>
<b>136 West Roxbury Tunnel Total</b>	<b>11,313,573</b>	<b>10,313,573</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>
<b>137 Wastewater Central Monitoring Total</b>	<b>27,482,036</b>	<b>19,925,773</b>	<b>7,556,263</b>	<b>40,000</b>	<b>50,000</b>	<b>233,737</b>	<b>7,368,263</b>	<b>98,000</b>
<b>139 South System Relief Project Total</b>	<b>4,939,244</b>	<b>3,439,244</b>	<b>1,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500,000</b>	<b>-</b>
<b>141 Wastewater Process Optimization Total</b>	<b>8,310,171</b>	<b>1,903,229</b>	<b>6,406,942</b>	<b>299,444</b>	<b>-</b>	<b>700,906</b>	<b>2,953,830</b>	<b>3,153,668</b>
<b>142 Wastewater Meter System - Equipment Replacement Total</b>	<b>21,029,908</b>	<b>8,538,679</b>	<b>12,491,230</b>	<b>3,332,369</b>	<b>32,521</b>	<b>6,179,200</b>	<b>-</b>	<b>9,126,341</b>
<b>143 Regional I/I Management &amp; Planning Total</b>	<b>168,987</b>	<b>168,987</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>

**ATTACHMENT A  
FY23 Final CIP  
Expenditure Forecast at Project Level**

Program / Project / Contract	Total Contract Amount	Payments through FY21	Remaining Balance	FY22	FY23	FY19-FY23	FY24-FY28	Beyond FY28
145 Facility Asset Protection Total	618,449,858	166,397,822	452,052,034	11,169,770	14,041,031	96,557,678	305,694,701	121,146,534
146 Deer Island Cross Harbor Tunnel Total	5,000,000	-	5,000,000	-	-	-	5,000,000	-
147 Randolph Trunk Sewer Relief Total	697,500	-	697,500	-	-	-	697,500	-
<b>Treatment</b>	<b>1,378,266,149</b>	<b>343,052,748</b>	<b>1,035,213,397</b>	<b>7,679,486</b>	<b>43,106,508</b>	<b>92,681,957</b>	<b>730,848,236</b>	<b>253,579,168</b>
182 Deer Island Primary and Secondary Treatment Total	(957,878)	(957,878)	-	-	-	-	-	-
200 Deer Island Plant Optimization Total	33,278,598	33,278,598	-	-	-	-	-	-
206 Deer Island Treatment Plant Asset Protection Total	1,308,808,739	292,370,599	1,016,438,137	6,533,915	38,086,508	84,631,586	718,989,446	252,828,268
210 Clinton Wastewater Treatment Plant Total	34,925,016	16,149,755	18,775,260	1,145,571	5,020,000	8,050,371	11,858,790	750,900
211 Laboratory Services Total	2,211,674	2,211,674	-	-	-	-	-	-
<b>Residuals</b>	<b>171,338,027</b>	<b>80,694,984</b>	<b>90,643,043</b>	<b>13,862</b>	<b>-</b>	<b>15,661,823</b>	<b>8,986,093</b>	<b>81,643,088</b>
261 Residuals Total	63,810,848	63,810,848	-	-	-	-	-	-
271 Residuals Asset Protection Total	107,527,179	16,884,136	90,643,043	13,862	-	15,661,823	8,986,093	81,643,088
<b>CSO</b>	<b>916,743,461</b>	<b>907,211,034</b>	<b>9,532,427</b>	<b>4,801,799</b>	<b>2,663,000</b>	<b>12,279,416</b>	<b>2,067,611</b>	<b>0</b>
<b>CSO MWRA Managed</b>	<b>436,194,311</b>	<b>433,534,310</b>	<b>2,660,000</b>	<b>0</b>	<b>1,400,000</b>	<b>1,400,000</b>	<b>1,260,000</b>	<b>0</b>
339 North Dorchester Bay Total	221,509,794	221,509,793	-	-	-	-	-	-
347 East Boston Branch Sewer Relief Total	85,637,164	85,637,164	-	-	-	-	-	-
348 BOS019 Storage Conduit Total	14,287,581	14,287,581	-	-	-	-	-	-
349 Chelsea Trunk Sewer Total	31,179,319	29,779,320	1,400,000	-	1,400,000	1,400,000	-	-

**ATTACHMENT A**  
**FY23 Final CIP**  
**Expenditure Forecast at Project Level**

Program / Project / Contract	Total Contract Amount	Payments through FY21	Remaining Balance	FY22	FY23	FY19-FY23	FY24-FY28	Beyond FY28
350 Union Park Detention Treatment Facility Total	49,583,407	49,583,407	-			-	-	-
353 Upgrade Existing CSO Facilities Total	22,385,200	22,385,200	-			-	-	-
354 Hydraulic Relief Projects Total	3,554,549	2,294,549	1,260,000	-	-	-	1,260,000	-
355 MWR003 Gate & Siphon Total	4,424,220	4,424,219	-			-	-	-
357 Charles River CSO Controls Total	3,633,077	3,633,077	-			-	-	-
<b>CSO Community Managed</b>	<b>423,780,127</b>	<b>421,026,785</b>	<b>2,753,341</b>	<b>2,753,324</b>	<b>0</b>	<b>3,763,053</b>	<b>0</b>	<b>0</b>
340 Dorchester Bay Sewer Separation (Fox Point) Total	55,028,985	55,028,985	-			-	-	-
341 Dorchester Bay Sewer Separation (Commercial Point) Total	61,443,027	60,871,370	571,658	571,657	-	1,581,386	-	-
342 Neponset River Sewer Separation Total	2,491,747	2,491,747	-			-	-	-
343 Constitution Beach Sewer Separation Total	3,731,315	3,731,315	-			-	-	-
344 Stony Brook Sewer Separation Total	44,319,314	44,319,314	-			-	-	-
346 Cambridge Sewer Separation Total	104,552,056	104,552,054	-			-	-	-
351 BWSC Floatables Controls Total	945,936	945,936	-			-	-	-
352 Cambridge Floatables Controls Total	1,126,708	1,126,708	-			-	-	-
356 Fort Point Channel Sewer Separation Total	11,507,257	11,507,256	-			-	-	-
358 Morrissey Boulevard Drain Total	32,181,036	32,181,034	-			-	-	-
359 Reserved Channel Sewer Separation Total	70,524,212	70,524,205	-			-	-	-
360 Brookline Sewer Separation Total	24,715,291	24,715,291	-			-	-	-
361 Bulfinch Triangle Sewer Separation Total	9,031,576	9,031,575	-			-	-	-

**ATTACHMENT A**  
**FY23 Final CIP**  
**Expenditure Forecast at Project Level**

Program / Project / Contract	Total Contract Amount	Payments through FY21	Remaining Balance	FY22	FY23	FY19-FY23	FY24-FY28	Beyond FY28
<b>362 East Boston CSO Control Total</b>	<b>2,181,667</b>	<b>-</b>	<b>2,181,667</b>	<b>2,181,667</b>	<b>-</b>	<b>2,181,667</b>	<b>-</b>	<b>-</b>
<b>CSO Planning &amp; Support</b>	<b>56,769,023</b>	<b>52,649,939</b>	<b>4,119,086</b>	<b>2,048,475</b>	<b>1,263,000</b>	<b>7,116,363</b>	<b>807,611</b>	<b>0</b>
<b>324 CSO Support Total</b>	<b>56,769,023</b>	<b>52,649,939</b>	<b>4,119,086</b>	<b>2,048,475</b>	<b>1,263,000</b>	<b>7,116,363</b>	<b>807,611</b>	<b>-</b>
<b>Other Wastewater</b>	<b>392,865,880</b>	<b>294,929,861</b>	<b>97,936,021</b>	<b>30,637,130</b>	<b>25,054,634</b>	<b>160,304,870</b>	<b>109,923,800</b>	<b>(67,679,544)</b>
<b>128 I/I Local Financial Assistance Total</b>	<b>392,585,004</b>	<b>294,648,985</b>	<b>97,936,021</b>	<b>30,637,130</b>	<b>25,054,634</b>	<b>160,304,870</b>	<b>109,923,800</b>	<b>(67,679,544)</b>
<b>138 Sewerage System Mapping Upgrades Total</b>	<b>280,876</b>	<b>280,876</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>Waterworks</b>	<b>4,698,981,860</b>	<b>2,273,591,850</b>	<b>2,425,389,999</b>	<b>70,825,251</b>	<b>133,078,739</b>	<b>366,080,583</b>	<b>952,072,663</b>	<b>1,269,413,340</b>
<b>Drinking Water Quality Improvements</b>	<b>732,200,449</b>	<b>653,893,486</b>	<b>78,306,953</b>	<b>4,794,055</b>	<b>4,059,950</b>	<b>12,775,120</b>	<b>41,181,947</b>	<b>28,271,000</b>
<b>542 Carroll Water Treatment Plant (CWTP) Total</b>	<b>442,141,035</b>	<b>426,191,923</b>	<b>15,949,112</b>	<b>3,251,568</b>	<b>1,243,716</b>	<b>7,570,785</b>	<b>11,453,827</b>	<b>-</b>
<b>543 Quabbin Water Treatment Plant Total</b>	<b>19,972,883</b>	<b>19,972,879</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>544 Norumbega Covered Storage Facility Total</b>	<b>106,674,147</b>	<b>106,674,146</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>545 Blue Hills Covered Storage Total</b>	<b>40,082,837</b>	<b>40,082,837</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>550 Spot Pond Covered Storage Facility Total</b>	<b>60,126,092</b>	<b>60,126,087</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>555 Carroll Water Treatment Plant (CWTP) Asset Protection Total</b>	<b>63,203,455</b>	<b>845,614</b>	<b>62,357,841</b>	<b>1,542,487</b>	<b>2,816,234</b>	<b>5,204,335</b>	<b>29,728,120</b>	<b>28,271,000</b>
<b>Transmission</b>	<b>2,677,079,742</b>	<b>865,448,013</b>	<b>1,811,631,728</b>	<b>33,564,254</b>	<b>58,883,061</b>	<b>132,695,058</b>	<b>379,131,838</b>	<b>1,340,052,575</b>
<b>597 Winsor Station Pipeline Total</b>	<b>59,086,679</b>	<b>5,937,805</b>	<b>53,148,875</b>	<b>1,693,003</b>	<b>46,001</b>	<b>1,942,924</b>	<b>50,757,371</b>	<b>652,500</b>
<b>601 Sluice Gate Rehabilitation Total</b>	<b>9,158,411</b>	<b>9,158,411</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>604 MetroWest Tunnel Total</b>	<b>700,184,178</b>	<b>697,182,356</b>	<b>3,001,823</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,001,822</b>	<b>-</b>

**ATTACHMENT A**  
**FY23 Final CIP**  
**Expenditure Forecast at Project Level**

Program / Project / Contract	Total Contract Amount	Payments through FY21	Remaining Balance	FY22	FY23	FY19-FY23	FY24-FY28	Beyond FY28
615 Chicopee Valley Aqueduct Redundancy Total	8,666,292	8,666,291	-			-	-	-
616 Quabbin Transmission System Total	24,125,656	9,363,976	14,761,680	1,086,523	8,136,044	9,919,700	5,489,113	50,000
617 Sudbury/Weston Aqueduct Repairs Total	12,814,780	4,122,756	8,692,024	747,392	-	2,638,420	7,277,632	667,000
620 Wachusett Reservoir Spillway Improvements Total	9,287,460	9,287,460	-			-	-	-
621 Watershed Land Total	29,000,000	26,546,900	2,453,100	1,027,999	1,425,101	6,153,600	-	-
622 Cosgrove Tunnel Redundancy Total	58,618,586	58,618,586	-			6,600,691	-	-
623 Dam Projects Total	8,322,800	3,459,582	4,863,218	226,141	202,600	772,577	4,434,477	-
625 Metropolitan Tunnel Redundancy Total	1,557,718,409	8,801,114	1,548,917,294	10,615,273	9,770,000	25,730,420	196,708,946	1,331,823,075
628 Metropolitan Redundancy Interim Improvements Total	176,731,402	23,183,409	153,547,992	16,615,392	35,178,315	72,139,828	99,154,286	2,600,000
630 Watershed Division Capital Improvements Total	23,365,089	1,119,367	22,245,722	1,552,531	4,125,000	6,796,898	12,308,191	4,260,000

**ATTACHMENT A**  
**FY23 Final CIP**  
**Expenditure Forecast at Project Level**

Program / Project / Contract	Total Contract Amount	Payments through FY21	Remaining Balance	FY22	FY23	FY19-FY23	FY24-FY28	Beyond FY28
<b>Distribution And Pumping</b>	<b>1,107,746,284</b>	<b>538,299,911</b>	<b>569,446,374</b>	<b>15,349,438</b>	<b>35,074,111</b>	<b>124,365,968</b>	<b>439,344,478</b>	<b>79,678,347</b>
618 Peabody Pipeline Project Total	1,447,968	1,447,967	-			388,886	-	-
677 Valve Replacement Total	22,635,349	12,016,378	10,618,971	5	-	5	6,747,302	3,871,664
678 Boston Low Service - Pipe & Valve Rehabilitation Total	23,690,863	23,690,863	-			-	-	-
683 Heath Hill Road Pipe Replacement Total	19,358,036	19,358,036	-			-	-	-
689 James L. Gillis Pump Station Rehabilitation Total	33,419,007	33,419,008	-			-	-	-
692 Northern High Service (NHS) - Section 27 Improvements Total	2,163,779	123,646	2,040,133	19,443	8,063	27,506	2,012,627	-
693 NHS - Revere & Malden Pipeline Improvements Total	84,861,372	32,707,408	52,153,964	1,189,194	1,723,043	7,058,337	46,589,849	2,651,879
702 New Connecting Mains - Shaft 7 to WASM 3 Total	88,293,121	15,041,836	73,251,285	4,550,750	14,010,975	20,678,947	54,689,559	-
704 Rehab of Other Pump Stations Total	51,572,308	30,090,462	21,481,846	-	-	32,610	19,499,501	1,982,345
706 NHS - Connecting Mains from Section 91 Total	2,360,194	2,360,194	-			-	-	-
708 Northern Extra High Service (NEH) - New Pipelines Total	51,303,918	3,775,595	47,528,324	3,047,721	7,703,520	10,894,717	36,437,000	340,082
712 Cathodic Protection Of Distribution Mains Total	39,284,412	1,160,129	38,124,283	-	2,531,000	3,421,500	34,769,036	824,247
713 Spot Pond Supply Mains Rehabilitation Total	66,696,809	65,492,909	1,203,900	314,900	89,000	407,500	800,000	-
714 Southern Extra High Sections 41 & 42 Total	3,657,244	3,657,244	-			-	-	-
719 Chestnut Hill Connecting Mains Total	43,503,992	18,286,518	25,217,474	-	-	-	24,940,633	276,841
720 Warren Cottage Line Rehabilitation Total	1,204,821	1,204,821	-			-	-	-
721 Southern Spine Distribution Mains Total	104,191,439	38,201,537	65,989,902	443,190	323,635	2,285,260	64,515,391	707,686
722 Northern Intermediate High (NIH) Redundancy & Storage Tot	141,220,655	74,440,899	66,779,756	4,758,793	8,533,990	38,838,527	53,486,972	-



**ATTACHMENT A**  
**FY23 Final CIP**  
**Expenditure Forecast at Project Level**

Program / Project / Contract	Total Contract Amount	Payments through FY21	Remaining Balance	FY22	FY23	FY19-FY23	FY24-FY28	Beyond FY28
<b>723 Northern Low Service Rehabilitation - Section 8 Total</b>	<b>69,346,263</b>	<b>5,591,574</b>	<b>63,754,689</b>	<b>338,908</b>	<b>12,513</b>	<b>2,988,380</b>	<b>62,174,155</b>	<b>1,229,115</b>
<b>725 Hydraulic Model Update Total</b>	<b>598,358</b>	<b>598,358</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>727 Southern Extra High (SEH) Redundancy &amp; Storage Total</b>	<b>146,425,455</b>	<b>64,963,699</b>	<b>81,461,757</b>	<b>685,409</b>	<b>83,000</b>	<b>37,287,296</b>	<b>19,967,990</b>	<b>60,725,358</b>
<b>730 Weston Aqueduct Supply Mains (WASM) Total</b>	<b>80,457,224</b>	<b>80,402,977</b>	<b>54,247</b>	<b>-</b>	<b>54,247</b>	<b>54,247</b>	<b>-</b>	<b>-</b>
<b>731 Lynnfield Pipeline Total</b>	<b>5,625,829</b>	<b>5,625,828</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>732 Walnut St. &amp; Fisher Hill Pipeline Rehabilitation Total</b>	<b>2,717,141</b>	<b>2,717,141</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>735 Section 80 Rehabilitation Total</b>	<b>21,710,727</b>	<b>1,924,884</b>	<b>19,785,843</b>	<b>1,125</b>	<b>1,125</b>	<b>2,250</b>	<b>12,714,463</b>	<b>7,069,130</b>
<b>Other Waterworks</b>	<b>181,955,385</b>	<b>215,950,445</b>	<b>(33,995,058)</b>	<b>17,117,504</b>	<b>35,061,617</b>	<b>96,244,438</b>	<b>92,414,400</b>	<b>(178,588,583)</b>
<b>753 Central Monitoring System Total</b>	<b>43,156,733</b>	<b>22,364,406</b>	<b>20,792,327</b>	<b>3,964,747</b>	<b>6,887,373</b>	<b>12,511,950</b>	<b>9,940,206</b>	<b>-</b>
<b>763 Distribution Systems Facilities Mapping Total</b>	<b>3,087,386</b>	<b>1,036,368</b>	<b>2,051,018</b>	<b>360,238</b>	<b>288,467</b>	<b>648,705</b>	<b>1,402,313</b>	<b>-</b>
<b>764 Local Water Infrastructure Rehab Total</b>	<b>7,487,762</b>	<b>7,487,762</b>	<b>-</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>765 Local Water System Assistance Program Total</b>	<b>-</b>	<b>173,296,889</b>	<b>(173,296,888)</b>	<b>11,959,581</b>	<b>23,407,570</b>	<b>68,390,828</b>	<b>1,530,621</b>	<b>(210,194,662)</b>
<b>766 Waterworks Facility Asset Protection Total</b>	<b>128,223,504</b>	<b>11,765,020</b>	<b>116,458,485</b>	<b>832,938</b>	<b>4,478,207</b>	<b>14,692,955</b>	<b>79,541,260</b>	<b>31,606,079</b>

**ATTACHMENT A**  
**FY23 Final CIP**  
**Expenditure Forecast at Project Level**

Program / Project / Contract	Total Contract Amount	Payments through FY21	Remaining Balance	FY22	FY23	FY19-FY23	FY24-FY28	Beyond FY28
<b>Business &amp; Operations Support</b>	<b>201,301,830</b>	<b>111,381,714</b>	<b>89,920,116</b>	<b>11,319,725</b>	<b>35,654,256</b>	<b>57,325,758</b>	<b>42,946,130</b>	<b>0</b>
881 Equipment Purchase Total	42,357,367	25,290,690	17,066,677	2,875,881	3,660,600	9,970,261	10,530,194	-
925 Technical Assistance Total	1,300,000	-	1,300,000	433,000	432,000	865,000	435,000	-
930 MWRA Facility - Chelsea Total	9,812,071	9,812,071	-			-	-	-
931 Business Systems Plan Total	24,562,104	24,562,104	-	-	-	(500)	-	-
932 Environmental Remediation Total	1,478,602	1,478,602	-			-	-	-
933 Capital Maintenance Planning/Development Total	28,764,059	18,704,199	10,059,860	3,720,857	2,193,483	10,417,877	4,145,520	-
934 MWRA Facilities Management & Planning Total	18,375,285	370,533	18,004,752	2,330	15,304,750	15,307,080	2,697,672	-
935 Alternative Energy Initiatives Total	26,183,717	18,183,712	8,000,004	-	-	(233,852)	8,000,000	-
940 Applications Improvements Program Total	21,458,670	3,792,308	17,666,361	2,161,095	4,999,001	8,060,274	10,506,266	-
942 Information Security Program (ISP) Total	8,427,814	2,337,653	6,090,161	557,097	1,502,973	2,689,818	4,030,092	-
944 Information Technology Management Program Total	1,566	1,566	-	-	-	1,566		-
946 IT Infrastructure Program Total	18,580,577	6,848,277	11,732,300	1,569,464	7,561,449	10,248,234	2,601,386	-

**ATTACHMENT B**  
**Overview of the FY23 Final CIP and Changes from the FY22 Final CIP**

Program and Project	FY22 Final			
	Total Budget Amount	FY19-23	FY24-28	Beyond 28
<b>Total MWRA</b>	<b>8,622,863</b>	<b>986,483</b>	<b>2,005,231</b>	<b>1,357,392</b>
<b>Wastewater</b>	<b>3,948,852</b>	<b>573,167</b>	<b>1,150,131</b>	<b>164,234</b>
<b>Interception &amp; Pumping</b>	<b>1,254,100</b>	<b>233,562</b>	<b>342,826</b>	<b>75,312</b>
102 Quincy Pump Facilities	25,907	-	-	-
104 Braintree-Weymouth Relief Facilities	242,386	10,080	4,601	-
105 New Neponset Valley Relief Sewer	30,300	-	-	-
106 Wellesley Extension Replacement Sewer	64,359	-	-	-
107 Framingham Extension Relief Sewer	47,856	-	-	-
127 Cummingsville Replacement Sewer	8,999	-	-	-
130 Siphon Structure Rehabilitation	19,023	8,513	9,570	-
131 Upper Neponset Valley Sewer	54,174	-	-	-
132 Corrosion & Odor Control	100,175	64,414	28,741	840
136 West Roxbury Tunnel	11,314	-	1,000	-
137 Wastewater Central Monitoring	27,482	747	6,953	-
139 South System Relief Project	4,939	-	1,500	-
141 Wastewater Process Optimization	8,310	701	4,531	1,577
142 Wastewater Meter System-Equipment	21,938	7,087	-	9,126
143 Regional I/I Management Planning	169	-	-	-
145 Facility Asset Protection	581,071	142,020	280,232	63,769
146 D.I. Cross Harbor Tunnel Inspection	5,000	-	5,000	-
147 Randolph Trunk Sewer Relief	698	-	698	-
<b>Treatment</b>	<b>1,218,236</b>	<b>154,000</b>	<b>672,878</b>	<b>90,200</b>
182 DI Primary and Secondary	(958)	-	-	-
200 DI Plant Optimization	33,279	-	-	-
206 DI Treatment Plant Asset Protection	1,150,209	145,502	662,147	90,201
210 Clinton Wastewater Treat Plant	33,494	8,498	10,731	-
211 Laboratory Services	2,212	-	-	-
<b>Residuals</b>	<b>170,503</b>	<b>16,616</b>	<b>23,114</b>	<b>65,726</b>
261 Residuals	63,811	-	-	-
271 Residuals Asset Protection	106,692	16,616	23,114	65,726

FY23 Final			
Total Budget Amount	FY19-23	FY24-28	Beyond 28
<b>9,053,709</b>	<b>884,477</b>	<b>2,223,255</b>	<b>1,672,220</b>
<b>4,153,426</b>	<b>461,069</b>	<b>1,228,234</b>	<b>402,803</b>
<b>1,294,212</b>	<b>180,142</b>	<b>376,409</b>	<b>135,262</b>
25,907	-	-	-
243,825	5,584	9,675	861
30,300	-	-	-
64,359	-	-	-
47,856	-	-	-
8,999	-	-	-
19,423	4,659	13,824	-
54,174	-	-	-
101,977	66,227	28,695	876
11,314	-	1,000	-
27,482	234	7,368	98
4,939	-	1,500	-
8,310	701	2,954	3,154
21,030	6,179	-	9,126
169	-	-	-
618,450	96,558	305,695	121,147
5,000	-	5,000	-
698	-	698	-
<b>1,378,267</b>	<b>92,682</b>	<b>730,848</b>	<b>253,578</b>
(958)	-	-	-
33,279	-	-	-
1,308,809	84,632	718,989	252,828
34,925	8,050	11,859	751
2,212	-	-	-
<b>171,338</b>	<b>15,662</b>	<b>8,986</b>	<b>81,643</b>
63,811	-	-	-
107,527	15,662	8,986	81,643

Change from Final FY22			
Total Budget Amount	FY19-23	FY24-28	Beyond 28
<b>430,844</b>	<b>(102,007)</b>	<b>218,025</b>	<b>314,825</b>
<b>204,574</b>	<b>(112,098)</b>	<b>78,103</b>	<b>238,569</b>
<b>40,112</b>	<b>(53,420)</b>	<b>33,583</b>	<b>59,950</b>
-	-	-	-
1,439	(4,496)	5,074	861
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
400	(3,854)	4,254	-
-	-	-	-
1,802	1,813	(46)	36
-	-	-	-
-	(513)	415	98
-	-	-	-
-	-	(1,577)	1,577
(908)	(908)	-	-
-	-	-	-
37,379	(45,462)	25,463	57,378
-	-	-	-
-	-	-	-
<b>160,031</b>	<b>(61,318)</b>	<b>57,970</b>	<b>163,378</b>
-	-	-	-
-	-	-	-
158,600	(60,870)	56,842	162,627
1,431	(448)	1,128	751
-	-	-	-
<b>835</b>	<b>(954)</b>	<b>(14,128)</b>	<b>15,917</b>
-	-	-	-
835	(954)	(14,128)	15,917

**ATTACHMENT B**  
**Overview of the FY23 Final CIP and Changes from the FY22 Final CIP**

Program and Project	FY22 Final				FY23 Final				Change from Final FY22			
	Total Budget Amount	FY19-23	FY24-28	Beyond 28	Total Budget Amount	FY19-23	FY24-28	Beyond 28	Total Budget Amount	FY19-23	FY24-28	Beyond 28
<b>CSO</b>	<b>913,147</b>	<b>10,606</b>	<b>143</b>	<b>-</b>	<b>916,743</b>	<b>12,278</b>	<b>2,067</b>	<b>-</b>	<b>3,596</b>	<b>1,672</b>	<b>1,924</b>	<b>-</b>
324 CSO Support	55,210	6,221	144	-	56,769	7,116	808	-	1,559	895	664	-
339 North Dorchester Bay	221,510	-	-	-	221,510	-	-	-	-	-	-	-
340 Dorchester Bay Sewer Separation (Fox Point)	55,029	-	-	-	55,029	-	-	-	-	-	-	-
341 Dorchester Bay Sewer Separation (Commercial Point)	61,443	1,581	-	-	61,443	1,581	-	-	-	-	-	-
342 Neponset River Sewer Separation	2,492	-	-	-	2,492	-	-	-	-	-	-	-
343 Constitution Beach Sewer Separation	3,731	-	-	-	3,731	-	-	-	-	-	-	-
344 Stony Brook Sewer Separation	44,319	-	-	-	44,319	-	-	-	-	-	-	-
346 Cambridge Sewer Separation	104,552	-	-	-	104,552	-	-	-	-	-	-	-
347 East Boston Branch Sewer Relief	85,637	-	-	-	85,637	-	-	-	-	-	-	-
348 BOS019 Storage Conduit	14,288	-	-	-	14,288	-	-	-	-	-	-	-
349 Chelsea Trunk Sewer	30,402	623	-	-	31,179	1,400	-	-	777	777	-	-
350 Union Park Detention Treatment Facility	49,583	-	-	-	49,583	-	-	-	-	-	-	-
351 BWSC Floatables Controls	946	-	-	-	946	-	-	-	-	-	-	-
352 Cambridge Floatables Control	1,127	-	-	-	1,127	-	-	-	-	-	-	-
353 Upgrade Existing CSO Facilities	22,385	-	-	-	22,385	-	-	-	-	-	-	-
354 Hydraulic Relief Projects	2,295	-	-	-	3,555	-	1,260	-	1,260	-	1,260	-
355 MWR003 Gate & Siphon	4,424	-	-	-	4,424	-	-	-	-	-	-	-
356 Fort Point Channel Sewer Separation	11,507	-	-	-	11,507	-	-	-	-	-	-	-
357 Charles River CSO Controls	3,633	-	-	-	3,633	-	-	-	-	-	-	-
358 Morrissey Boulevard Drain	32,181	-	-	-	32,181	-	-	-	-	-	-	-
359 Reserved Channel Sewer Separation	70,524	-	-	-	70,524	-	-	-	-	-	-	-
360 Brookline Sewer Separation	24,715	-	-	-	24,715	-	-	-	-	-	-	-
361 Bulfinch Triangle Sewer Separation	9,032	-	-	-	9,032	-	-	-	-	-	-	-
362 East Boston CSO Control	2,182	2,182	-	-	2,182	2,182	-	-	-	-	-	-
<b>Other Wastewater</b>	<b>392,866</b>	<b>158,383</b>	<b>111,170</b>	<b>(67,004)</b>	<b>392,866</b>	<b>160,305</b>	<b>109,924</b>	<b>(67,680)</b>	<b>-</b>	<b>1,922</b>	<b>(1,246)</b>	<b>(676)</b>
128 I/I Local Financial Assistance	392,585	158,383	111,170	(67,004)	392,585	160,305	109,924	(67,680)	-	1,922	(1,246)	(676)
138 Sewerage System Mapping Upgrade	281	-	-	-	281	-	-	-	-	-	-	-
<b>Total Waterworks</b>	<b>4,493,700</b>	<b>359,949</b>	<b>829,185</b>	<b>1,193,161</b>	<b>4,698,980</b>	<b>366,083</b>	<b>952,075</b>	<b>1,269,417</b>	<b>205,280</b>	<b>6,134</b>	<b>122,890</b>	<b>76,256</b>
<b>Drinking Water Quality</b>	<b>709,234</b>	<b>13,527</b>	<b>17,464</b>	<b>28,271</b>	<b>732,200</b>	<b>12,775</b>	<b>41,182</b>	<b>28,271</b>	<b>22,966</b>	<b>(752)</b>	<b>23,718</b>	<b>-</b>
542 Carroll Water Treatment Plant	438,843	6,477	9,250	-	442,141	7,571	11,454	-	3,298	1,094	2,204	-
543 Quabbin Water Treatment Plant	19,973	-	-	-	19,973	-	-	-	-	-	-	-
544 Norumbega Covered Storage	106,674	-	-	-	106,674	-	-	-	-	-	-	-
545 Blue Hills Covered Storage	40,083	-	-	-	40,083	-	-	-	-	-	-	-
550 Spot Pond Storage Facility	60,126	-	-	-	60,126	-	-	-	-	-	-	-
555 CWTP Asset Protection	43,535	7,050	8,214	28,271	63,203	5,204	29,728	28,271	19,668	(1,846)	21,514	-

**ATTACHMENT B**  
**Overview of the FY23 Final CIP and Changes from the FY22 Final CIP**

Program and Project	FY22 Final				FY23 Final				Change from Final FY22			
	Total Budget Amount	FY19-23	FY24-28	Beyond 28	Total Budget Amount	FY19-23	FY24-28	Beyond 28	Total Budget Amount	FY19-23	FY24-28	Beyond 28
<b>Transmission</b>	<b>2,562,768</b>	<b>128,934</b>	<b>321,699</b>	<b>1,286,941</b>	<b>2,677,081</b>	<b>132,698</b>	<b>379,133</b>	<b>1,340,055</b>	<b>114,313</b>	<b>3,764</b>	<b>57,434</b>	<b>53,114</b>
597 Winsor Station Pipeline	52,770	993	45,391	653	59,087	1,943	50,757	653	6,317	950	5,366	-
601 Sluice Gate Rehabilitation	9,158	-	-	-	9,158	-	-	-	-	-	-	-
604 MetroWest Tunnel	700,184	-	3,002	-	700,184	-	3,002	-	-	-	-	-
615 Chicopee Valley Aqueduct Redundancy	8,666	-	-	-	8,666	-	-	-	-	-	-	-
616 Quabbin Transmission System	21,598	9,009	3,897	25	24,126	9,920	5,489	50	2,528	911	1,592	25
617 Sudbury/Weston Aqueduct Repairs	12,958	2,804	7,255	667	12,815	2,638	7,278	667	(143)	(166)	23	-
620 Wachusett Reservoir Spillway Improvement	9,287	-	-	-	9,287	-	-	-	-	-	-	-
621 Watershed Land	29,000	6,154	-	-	29,000	6,154	-	-	-	-	-	-
622 Cosgrove/Wachusett Redundancy	58,628	6,610	-	-	58,619	6,601	-	-	(9)	(9)	-	-
623 Dam Projects	7,223	3,583	525	-	8,323	773	4,434	-	1,100	(2,810)	3,909	-
625 Metro Tunnel Redundancy	1,500,218	22,939	188,228	1,285,594	1,557,718	25,730	196,709	1,331,823	57,500	2,791	8,481	46,229
628 Metro Redundancy Interim Improvement	129,526	69,815	56,874	-	176,731	72,140	99,154	2,600	47,205	2,325	42,280	2,600
630 Watershed Division Capital Improvement	23,550	7,025	16,525	-	23,365	6,797	12,308	4,260	(185)	(228)	(4,217)	4,260
<b>Distribution &amp; Pumping</b>	<b>1,053,151</b>	<b>130,297</b>	<b>395,512</b>	<b>62,987</b>	<b>1,107,743</b>	<b>124,366</b>	<b>439,346</b>	<b>79,678</b>	<b>54,592</b>	<b>(5,931)</b>	<b>43,834</b>	<b>16,691</b>
618 Peabody Pipeline	1,448	389	-	-	1,448	389	-	-	-	-	-	-
677 Valve Replacement	22,249	-	6,747	3,485	22,635	-	6,747	3,872	386	-	-	387
678 Boston Low Service-Pipe & Valve Rehabilitation	23,691	-	-	-	23,691	-	-	-	-	-	-	-
683 Heath Hill Road Pipe Replacement	19,358	-	-	-	19,358	-	-	-	-	-	-	-
689 James L. Gillis Pump Station Rehabilitation	33,419	-	-	-	33,419	-	-	-	-	-	-	-
692 NHS - Section 27 Improvements	1,665	28	1,514	-	2,164	28	2,013	-	499	-	499	-
693 NHS - Revere & Malden Pipeline Improvement	85,985	9,880	45,350	2,193	84,861	7,058	46,590	2,652	(1,124)	(2,822)	1,240	459
702 New Connect Mains-Shaft 7 to WASM 3	60,694	16,546	31,224	-	88,293	20,679	54,690	-	27,599	4,133	23,466	-
704 Rehabilitation of Other Pump Stations	51,290	780	20,453	-	51,572	33	19,500	1,982	282	(747)	(953)	1,982
706 NHS-Connecting Mains from Section 91	2,360	-	-	-	2,360	-	-	-	-	-	-	-
708 Northern Extra High Service New Pipelines	42,467	5,440	33,000	395	51,304	10,895	36,437	340	8,837	5,455	3,437	(55)
712 Cathodic Protection Of Distrubution Mains	61,586	4,815	56,502	-	39,284	3,422	34,769	824	(22,302)	(1,393)	(21,733)	824
713 Spot Pond Supply Mains Rehabilitation	66,534	545	500	-	66,697	408	800	-	163	(137)	300	-
714 Southern Extra High Sections 41 & 42	3,657	-	-	-	3,657	-	-	-	-	-	-	-
719 Chestnut Hill Connecting Mains	38,886	-	20,590	9	43,504	-	24,941	277	4,618	-	4,351	268
720 Warren Cottage Line Rehabilitation	1,205	-	-	-	1,205	-	-	-	-	-	-	-
721 South Spine Distribution Mains	89,798	2,587	50,302	226	104,191	2,285	64,515	708	14,393	(302)	14,213	482
722 NIH Redundancy & Storage	140,130	44,640	46,585	10	141,221	38,839	53,487	-	1,091	(5,801)	6,902	(10)
723 Northern Low Service Rehabilitation Section 8	60,834	5,901	51,290	688	69,346	2,988	62,174	1,229	8,512	(2,913)	10,884	541
724 Northern High Service - Pipeline Rehabilitation	-	-	-	-	-	-	-	-	-	-	-	-
725 Hydraulic Model Update	598	-	-	-	598	-	-	-	-	-	-	-
727 Southern Extra High Redundancy & Storage	140,513	37,951	18,136	55,981	146,425	37,287	19,968	60,725	5,912	(664)	1,832	4,744
730 Weston Aqueduct Supply Mains	80,457	54	-	-	80,457	54	-	-	-	-	-	-
731 Lynnfield Pipeline	5,626	-	-	-	5,626	-	-	-	-	-	-	-
732 Walnut St. & Fisher Hill Pipeline Rehabilitation	2,717	-	-	-	2,717	-	-	-	-	-	-	-

**ATTACHMENT B**  
**Overview of the FY23 Final CIP and Changes from the FY22 Final CIP**

Program and Project	FY22 Final				FY23 Final				Change from Final FY22			
	Total Budget Amount	FY19-23	FY24-28	Beyond 28	Total Budget Amount	FY19-23	FY24-28	Beyond 28	Total Budget Amount	FY19-23	FY24-28	Beyond 28
733 NHS Pipeline Rehabilitation 13-18 & 48	-	-	-	-	-	-	-	-	-	-	-	-
734 Southern Extra High Pipelines-Sections 30, 39,40, & 44	-	-	-	-	-	-	-	-	-	-	-	-
735 Section 80 Rehabilitation	15,985	742	13,318	-	21,711	2	12,714	7,069	5,726	(740)	(604)	7,069
<b>Other</b>	<b>168,547</b>	<b>87,191</b>	<b>94,510</b>	<b>(185,040)</b>	<b>181,956</b>	<b>96,244</b>	<b>92,414</b>	<b>(178,589)</b>	<b>13,409</b>	<b>9,053</b>	<b>(2,096)</b>	<b>6,451</b>
753 Central Monitoring System	43,729	14,954	8,070	-	43,157	12,512	9,940	-	(572)	(2,442)	1,870	-
763 Distribution Systems Facilities Mapping	2,799	885	878	-	3,087	649	1,402	-	288	(236)	524	-
764 Local water infrastructure rehabilitation Assistance	7,488	-	-	-	7,488	-	-	-	-	-	-	-
765 Local Water Pipeline Improvement Loan Program	-	55,104	20,215	(215,592)	-	68,391	1,531	(210,195)	-	13,287	(18,684)	5,397
766 Waterworks Facility Asset Protection	114,531	16,249	65,347	30,552	128,224	14,693	79,541	31,606	13,693	(1,556)	14,194	1,054
<b>Business &amp; Operations Support</b>	<b>180,311</b>	<b>53,367</b>	<b>25,915</b>	<b>-</b>	<b>201,303</b>	<b>57,325</b>	<b>42,946</b>	<b>-</b>	<b>20,990</b>	<b>3,957</b>	<b>17,032</b>	<b>-</b>
881 Equipment Purchase	41,106	10,092	9,157	-	42,357	9,970	10,530	-	1,251	(122)	1,373	-
925 Technical Assistance	1,350	899	451	-	1,300	865	435	-	(50)	(34)	(16)	-
930 MWRA Facility - Chelsea	9,812	-	-	-	9,812	-	-	-	-	-	-	-
931 Business Systems Plan	24,562	(1)	-	-	24,562	(1)	-	-	-	-	-	-
932 Environmental Remediation	1,479	-	-	-	1,479	-	-	-	-	-	-	-
933 Capital Maintenance Planning	26,869	12,669	-	-	28,764	10,418	4,146	-	1,895	(2,251)	4,146	-
934 MWRA Facilities Management	5,071	3,075	1,625	-	18,375	15,307	2,698	-	13,304	12,232	1,073	-
935 Alternative Energy Initiatives	23,684	(234)	5,500	-	26,184	(234)	8,000	-	2,500	-	2,500	-
940 Applicat Improv Program	20,227	11,417	5,918	-	21,459	8,060	10,506	-	1,232	(3,357)	4,588	-
942 Info Security Program ISP	7,976	4,568	1,700	-	8,428	2,690	4,030	-	452	(1,878)	2,330	-
944 Info Tech Mgmt Program	200	200	-	-	2	2	-	-	(198)	(198)	-	-
946 IT Infrastructure Program	17,977	10,683	1,563	-	18,581	10,248	2,601	-	604	(435)	1,038	-

**Attachment C  
New Capital Projects Added to the FY23 CIP**


Program	Project	Subphase	Contract Number	Total Contract Amount	NTP	SC	FY23	FY24	FY25	FY26	FY27	FY28	FY24-28	Total Expenditures
Interception & Pumping	Facility Asset Protection	Belle Isle Sandcatcher Rehab Design/ESDC/REI	7989	\$ 1,000,000	Nov-22	Nov-26	\$ 104,166	\$ 250,000	\$ 250,000	\$ 250,000	\$ 145,834		\$ 895,834	\$ 1,000,000
Interception & Pumping	Facility Asset Protection	Belle Isle Sandcatcher Rehabilitation	7988	\$ 4,000,000	Jan-23	Jul-24		\$ 3,000,000	\$ 1,000,000				\$ 4,000,000	\$ 4,000,000
Interception & Pumping	Facility Asset Protection	Fuel Oil Tank Replacement - Phase 4 Construction	7986	\$ 1,500,000	Jul-24	Dec-25			\$ 750,000	\$ 750,000			\$ 1,500,000	\$ 1,500,000
Interception & Pumping	Facility Asset Protection	Fuel Oil Tank Replacement - Phase 5 Construction	7987	\$ 1,500,000	Jan-26	Jun-27				\$ 750,000	\$ 750,000		\$ 1,500,000	\$ 1,500,000
CSO MWRA Managed	Hydraulic Relief Projects	Somerville Marginal New Pipe Connection	7985	\$ 1,260,000	Jul-23	Jan-24		\$ 1,260,000					\$ 1,260,000	\$ 1,260,000
Interception & Pumping	Braintree-Weymouth Relief	Intermediate Pump Station Transformer Replacement	7995	\$ 250,000	Jul-22	Dec-23	\$ 50,000	\$ 200,000					\$ 200,000	\$ 250,000
Drinking Water Quality Improvements	CWTP Asset Protection	Interim Corrosion Control Construction	7999	4,000,000	Sep-23	Mar-25		1,555,554	2,444,446				\$ 4,000,000	\$ 4,000,000
Drinking Water Quality Improvements	CWTP Asset Protection	Interim Corrosion Control REI	8000	400,000	Sep-23	Mar-25		155,554	244,446				\$ 400,000	\$ 400,000
Drinking Water Quality Improvements	CWTP Asset Protection	Permanent Corrosion Control Design	8001	2,000,000	Sep-23	Mar-27		333,333	571,428	571,428	523,811		\$ 2,000,000	\$ 2,000,000

**Attachment C  
New Capital Projects Added to the FY23 CIP**

Program	Project	Subphase	Contract Number	Total Contract Amount	NTP	SC	FY23	FY24	FY25	FY26	FY27	FY28	FY24-28	Total Expenditures
Drinking Water Quality Improvements	CWTP Asset Protection	Permanent Corrosion Control Construction	8002	10,000,000	Sep-24	Sep-26			2,916,662	4,999,992	2,083,346		\$ 10,000,000	\$ 10,000,000
Drinking Water Quality Improvements	CWTP Asset Protection	Permanent Corrosion Control REI	8003	500,000	Sep-24	Sep-26			145,831	249,996	104,173		\$ 500,000	\$ 500,000
<b>SUMMARY:</b>														
<b>Total Wastewater Projects</b>				\$ 9,510,000			\$ 154,166	\$ 4,710,000	\$ 2,000,000	\$ 1,750,000	\$ 895,834	\$ -	\$ 9,355,834	\$ 9,510,000
<b>Total Water Projects</b>				\$ 16,900,000			\$ -	\$ 2,044,441	\$ 6,322,813	\$ 5,821,416	\$ 2,711,330	\$ -	\$ 16,900,000	\$ 16,900,000
<b>Total Projects</b>				\$ 26,410,000			\$ 154,166	\$ 6,754,441	\$ 8,322,813	\$ 7,571,416	\$ 3,607,164	\$ -	\$ 26,255,834	\$ 26,410,000



## STAFF SUMMARY


**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 22, 2022  
**SUBJECT:** Approval of the Final FY23 Current Expense Budget

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**COMMITTEE:** Administration, Finance & Audit

INFORMATION  
 VOTE

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

  
Thomas J. Durkin  
Director, Finance

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*The Proposed FY23 Current Expense Budget (CEB) submitted to the Advisory Board at the February 2022 Board meeting included a 3.42% combined assessment increase.*

*The MWRA Advisory Board presented its comments and recommendations to the Board in May 2022, which recommended a combined assessment increase of 2.85% representing a \$4.5 million decrease to the Proposed FY23 Rate Revenue Requirement. The Authority has updated the Proposed Budget with the latest information, incorporated many of the Advisory Board recommendations and was able to achieve a 2.85% combined assessment increase.*

*As every year, the main focus is on next year's budget, but always with the goal of continuing to utilize MWRA's multi-year rate management strategy to provide sustainable, and predictable assessment increases to its member communities. To achieve this goal again this year, MWRA has continued to employ conservative budgeting and fiscal discipline which includes controlled spending and use of historical variable rate assumptions. The combination of these measures resulted in assessment increase projections below 3.5% for the next several years.*

### RECOMMENDATION:

1. To adopt the Final FY23 Current Expense Budget set forth in Attachments A and B, with current revenue and expense of \$840,190,871.
2. To adopt the Final FY23 Operating Budget (Trustee's Budget) set forth in Attachment C.

### DISCUSSION:

This staff summary presents the Final FY23 Current Expense Budget (CEB). Discussions and materials are provided herein outlining changes to the budget since the transmittal of the FY23 Proposed CEB in February 2022. In working with the MWRA Advisory Board, staff revisited all major line items of the budget and evaluated options to reduce the Rate Revenue Requirement to 2.85%.

For a line item comparison between the Proposed FY23 CEB and the Final FY23 CEB, please refer to Attachment A.

## **Summary**

The Final FY23 Budget recommends a combined increase in rates and charges of 2.85%. Total expenses are \$840.2 million, an increase of \$27.2 million or 3.3% over the FY22 Budget. Capital Financing costs remain the largest component of the CEB and account for 60.2% of total expenses. The Final FY23 Budget assumes an offset of \$1.2 million for Debt Service Assistance (DSA) received in March 2022.

Total expenses include \$506.0 million for Capital Financing costs and \$334.2 million for operating expenses, of which \$273.7 million is for Direct Expenses and \$60.5 million is for Indirect Expenses. The \$27.2 million increase in total expenses is due to higher Direct Expenses of \$13.9 million, Indirect Expenses of \$3.8 million, and higher Capital Financing costs of \$9.4 million.

The FY23 Final Budget revenues, excluding rate revenue, total \$25.5 million, an increase of \$4.6 million or 22.1% over the FY22 Budget. The FY23 Final Budget non-rate revenue estimates include \$16.0 million in Other User Charges and Other Revenue, \$8.6 million for Investment Income, and \$1.0 million in Rate Stabilization.

The FY23 Final Rate Revenue Requirement is \$814.6 million, an increase of \$22.6 million or 2.85% over the FY22 Budget.

*Table 1 on the following page provides a comparison of the Final FY23 CEB to the Approved FY22 CEB by major categories. Additional detail by line item is provided in Attachment A.*

<b>Table 1</b>				
<b>MWRA Current Expense Budget</b>				
<b>FY23 Final Budget versus FY22 Approved Budget</b>				
(\$ in Millions)	FY22 Approved Budget	FY23 Final Budget	\$ Change	% Change
Directs	\$ 259.8	\$ 273.7	\$ 13.9	5.4%
Indirects	56.7	60.5	3.8	6.8%
<b>Sub-Total Operating Expenses</b>	<b>\$ 316.5</b>	<b>\$ 334.2</b>	<b>\$ 17.8</b>	<b>5.6%</b>
Capital Financing (before Offsets)	497.8	507.2	9.3	1.9%
Offsets: Bond Redemption <sup>1</sup>	-	-	-	0.0%
Variable Debt Savings	-	-	-	0.0%
Debt Service Assistance	(1.3)	(1.2)	0.1	-8.2%
<b>Sub-Total Capital Financing</b>	<b>\$ 496.5</b>	<b>\$ 506.0</b>	<b>\$ 9.4</b>	<b>1.9%</b>
<b>Total Expenses</b>	<b>\$ 813.0</b>	<b>\$ 840.2</b>	<b>\$ 27.2</b>	<b>3.3%</b>
Investment Income	\$ 4.0	\$ 8.6	\$ 4.6	116.8%
Non-Rate Revenue	15.7	16.0	0.3	1.7%
Rate Stabilization <sup>1</sup>	1.3	1.0	(0.3)	-21.6%
<b>Sub-Total Non-Rate Revenue</b>	<b>\$ 20.9</b>	<b>\$ 25.5</b>	<b>\$ 4.6</b>	<b>22.1%</b>
Rate Revenue	792.1	814.6	22.6	2.85%
<b>Total Revenue &amp; Income</b>	<b>\$ 813.0</b>	<b>\$ 840.2</b>	<b>\$ 27.2</b>	<b>3.3%</b>
<b>FY23 Rate Revenue Increase</b>				<b>2.85%</b>
<b>Combined Use of Reserves</b>	<b>\$ 1.3</b>	<b>\$ 1.0</b>		

<sup>1</sup> MWRA has two reserve funds (Bond Redemption and Rate Stabilization) which can be used at the discretion of the Authority to manage the rate revenue requirement. Use of the Bond Redemption Fund reduces total expenses and the Rate Stabilization Fund increases total revenue. Under the terms of the General Bond Resolution the annual use of Rate Stabilization funds cannot exceed 10% of the year's senior debt service. Bond Redemption funds can be used only to retire or prepay outstanding debt. There is no annual limit on the amount of Bond Redemption funds used in a year, however the use is tied to the bonds' maturity dates and it is utility specific.

**EXPENSES:**

Direct Expenses

FY23 Direct Expenses total \$273.7 million, an increase of \$13.9 million, or 5.4% from the FY22 Budget.

<b>FY23 FINAL CURRENT EXPENSE BUDGET</b>				
<b>MWRA DIRECT EXPENSES BY LINE ITEM</b>				
Line Item	FY22 Approved Budget	FY23 Final Budget	Change FY23 vs FY22	
WAGES AND SALARIES	\$116,680,341	\$118,980,689	\$2,300,348	2.0%
OVERTIME	\$5,156,681	\$5,337,896	\$181,215	3.5%
FRINGE BENEFITS	\$23,253,137	\$23,961,641	\$708,504	3.0%
WORKERS' COMPENSATION	\$2,614,159	\$2,519,751	(\$94,408)	-3.6%
CHEMICALS	\$12,202,286	\$14,994,036	\$2,791,750	22.9%
ENERGY AND UTILITIES	\$24,749,865	\$30,896,365	\$6,146,500	24.8%
MAINTENANCE	\$32,442,381	\$33,241,022	\$798,641	2.5%
TRAINING AND MEETINGS	\$473,994	\$492,197	\$18,204	3.8%
PROFESSIONAL SERVICES	\$8,773,258	\$8,197,575	(\$575,683)	-6.6%
OTHER MATERIALS	\$8,334,774	\$6,728,862	(\$1,605,912)	-19.3%
OTHER SERVICES	\$25,129,236	\$28,372,237	\$3,243,001	12.9%
<b>TOTAL</b>	<b>\$259,810,111</b>	<b>\$273,722,272</b>	<b>\$13,912,161</b>	<b>5.4%</b>

- *Wages and Salaries* – The budget includes \$119.0 million for Wages and Salaries versus \$116.7 million in the FY22 Budget, an increase of \$2.3 million or 2.0%. Regular Pay makes up \$117.1 million or 98.4% of the total Wages and Salaries. The FY23 Budget funds 1,167 Full Time Equivalents, the same as the FY22 Budget. As always, new hires and backfilling of vacant positions will be managed at the agency level and addressed on a case-by-case basis by senior management. A vacancy adjustment (reduction) of \$2.7 million is factored in to the FY23 Final Budget.
- *Overtime* – The budget includes \$5.3 million for Overtime, an increase of \$181,000 or 3.5% as compared to the FY22 Budget mainly due to wage increases and recent trends in planned overtime for off-hours maintenance, emergency, and planned projects that include construction.
- *Fringe Benefits* – The budget includes \$24.0 million for Fringe Benefits, an increase of \$709,000 or 3.0% over the FY22 Budget. Health Insurance premiums total \$20.5 million, an increase of \$738,000 or 3.7% over the FY22 Budget largely due to an increase in the health plans rates and utilization.

- *Workers' Compensation* – The budget includes \$2.5 million for Workers' Compensation. This is \$94,000 or 3.6% less than the prior year's level and is based on a three-year historical average.
- *Chemicals* – The budget includes \$15.0 million for Chemicals, an increase of \$2.8 million or 22.9% over the FY22 Budget. Inflation is driving higher pricing, partially offset by lower volumes for some chemicals. Several chemicals increased including Sodium Hypochlorite by \$1.9 million or 58.5%, Ferric Chloride by \$476,000 or 25.2%, Polymer by \$179,000 or 35.5%, Aqua Ammonia by \$125,000 or 75.6%, Sodium Bisulfite by \$122,000 or 38.1%, and \$101,000 or 30.2%. For chemical contracts that will be procured during FY23, a 15% inflation factor has been applied across the board. The FY23 Budget does not include any funding for the new Deer Island National Pollutant Discharge Elimination System (NPDES) permit, which is projected to have more stringent requirements for enterococcus treatment compliance.
- *Utilities* – The budget includes \$30.9 million for Utilities, which is an increase of \$6.1 million or 24.8% over the FY22 Budget. The budget funds \$23.1 million for Electricity, an increase of \$4.3 million or 22.8% over the FY22 budget primarily due to higher pricing. The Diesel Fuel budget of \$4.1 million is \$1.5 million or 59.6% higher than the FY22 budget primarily due to increased price and volume at Deer Island.
- *Maintenance* – The budget includes \$33.2 million for Maintenance projects, an increase of \$799,000 or 2.5% over the FY22 Budget. The increase is driven by Building and Grounds Services of \$604,000 primarily for the Griffin Way traffic signal and floating dock rehab work at Deer Island, Computer Software Licenses of \$439,000 primarily due to new Sequel Server Enterprise Software Assurance license and CrowdStrike software maintenance, Electrical Materials of \$238,000 driven by Deer Island for new equipment including PLCs for flares and breakers for the South System Pump Station and Winthrop Terminal Facility, Computer Services of \$208,000 primarily for SCADA software maintenance and updated cost for Microsoft Premier Services. These increases are partially offset by lower Plant and Machinery Materials of \$735,000 for materials that were purchased in FY22 including Deer Island strainers and other reductions to as-needed items.
- *Training and Meetings* – The budget includes \$492,000 for Training and Meetings, an increase of \$18,000 or 3.8% over the FY22 Budget, now that COVID-19 restrictions are easing up and staff are attending conferences again.
- *Professional Services* – The budget includes \$8.2 million for Professional Services, a decrease of \$576,000 or 6.6% from the FY22 Budget. The decrease is driven by MIS for a reduction in scope for Managed Security Service Provider (MSSP) of \$474,000, internet and intranet upgrades of \$275,000, and Oracle Professional Services of \$100,000 that are planned in FY22. This decrease was partially offset by increase in Security costs of \$368,000 based on updated contract rates.

- *Other Materials* – The budget includes \$6.7 million for Other Materials, a decrease of \$1.6 million or 19.3% from the FY22 Budget. The decrease reflects \$2.1 million in Other Materials due to office space modifications costs for staff moving from the Charlestown Navy Yard to Chelsea and Deer Island, that are now funded in the CIP. This is partially offset by Vehicle Expense of \$411,000 driven by the purchase and installation of fifteen electric vehicle chargers and five Direct Current fast electric vehicle chargers for the Chelsea Facility.
- *Other Services* – The budget includes \$28.4 million for Other Services, an increase of \$3.2 million or 12.9% over the FY22 Budget. The increase reflects \$2.4 million for Sludge Pelletization due mainly to the projected cost increase of the NEFCo contract extension primarily due to inflation, partially offset by reduced sludge quantities based on historical trends. Also, Telecommunications of \$350,000 primarily based on updated network costs, Space/Lease Rentals increased by \$332,000 primarily due to the Rock Core Shed lease and shelving for the Water Redundancy Program Management, and Printing/Duplicating of \$123,000 primarily due to Records Center scanning for workplace consolidation.

### Indirect Expenses

Indirect Expenses for FY23 total \$60.5 million, an increase of \$3.8 million or 6.8% over the FY22 Budget. Below are the highlights of major changes:

- The budget includes \$3.9 million for Insurance, a decrease of \$28,000 or 0.7% from the FY22 Budget. This reflects an anticipated 10% property premium credit. Claim payments were reduced based on a 5-year average.
- The budget includes \$28.9 million for the Watershed Management budget, an increase of \$2.2 million or 8.1% over the FY22 Budget. The budget includes \$20.0 million for reimbursement of operating expenses net of revenues, and \$8.9 million for Payment in Lieu of Taxes (PILOT). The budget increase is driven by contractual increases and healthcare costs. A vacancy adjustment of -\$328,000 has been applied to reflect the actual timing of hiring. The PILOT payments increased by \$98,000 or 1.1% over FY22.
- The budget includes \$6.2 million for the Harbor Energy Electric Company (HEEC), a decrease of \$766,000 or 11.0% from the FY22 Budget. The budget reflects the latest cost estimates.
- The budget includes \$1.7 million for Mitigation payments to the City of Quincy and Town of Winthrop in accordance with mitigation agreements, which expire in FY25.
- Funding for the Operating Reserve for FY23 is \$2.4 million. The Operating Reserve balance is in compliance with MWRA General Bond Resolution which requires a balance of one-sixth of annual operating expenses. Based on the FY23 Final Budget, the required balance is \$49.7 million versus the \$47.3 million required in FY22.

- The budget includes \$12.6 million for the Retirement Fund, which is level to planning estimates, but an increase of \$1.4 million or 12.1% over the FY22 budget. The increase is per the the January 2021 actuarial valuation. MWRA's pension fund is at the 88.2% funding level and projected to be fully funded by June 30, 2030.
- The Authority has complied with the GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB)*, by disclosing this liability in the year-end Financial Statements. As part of the multi-year strategy to address its unfunded liabilities for OPEB and pension holistically, the Board approved a plan to pay down the pension liability and upon reaching full funding, move to address the OPEB obligation. To maximize the benefits in terms of returns and accounting treatment, an irrevocable OPEB Trust was established with Board approval and funding started on April 23, 2015. The OPEB Trust balance was \$66.3 million as of December 31, 2021. Starting in FY18, GASB 75 is the governing regulation for employee OPEB contributions. The proposed \$4.8 million budget is based on 50% of the contribution determined in the January 1, 2020 actuarial report. MWRA recently received an updated actuarial valuation as of January 1, 2022 which reduced the FY23 contribution to \$2.9 million. Staff propose keeping the OPEB funding at current levels to mitigate against actuarial losses as a result of volatile market conditions.

### Capital Financing

As a result of the Authority's Capital Improvement Program, capital financing as a percent of total expenses (before offsets) has increased from 36% in 1990 to 60.2% in the FY23 Final Current Expense Budget. Much of this debt service is for completed projects, primarily the Boston Harbor Project, the Integrated Water Supply Improvement Program, and the Combined Sewer Overflow (CSO) projects. MWRA's capital spending, from its inception, has been dominated by projects mandated by court ordered or regulatory requirements, which in total have accounted for ~72% of capital spending to date. Going forward, the majority of spending will be focused on asset protection and water redundancy initiatives.

The Authority has actively managed its debt structure to take advantage of favorable interest rates. Tools used by MWRA to lower borrowing costs and manage rates include current and advanced refunding of outstanding debt, maximizing the use of the subsidized State Revolving Fund (SRF) debt, issuance of variable rate debt, swap agreements, and the use of surplus revenues to defease debt. MWRA also uses tax exempt commercial paper to minimize the financing cost of construction in process

The FY22 Final Budget capital financing costs total \$506.0 million and remains the largest portion of the MWRA's budget.

The FY23 Final Budget includes the benefit of a defeasance of \$34.9 million in June 2022 which will reduce debt by approximately \$1.5 million in FY23, \$9.6 million in FY24, \$1.1 million in FY25, and \$23.6 million in FY26.

The FY23 Final Budget assumes a 3.50% interest rate for variable rate debt ,which is the same as the FY22 rate. The Authority’s variable rate debt assumption is comprised of three separate elements: the interest rate for the weekly series; liquidity fees for the Standby Bond Purchase Agreement, Letter of Credit, and Direct Purchase providers; and remarketing fees. While MWRA continues to experience low interest rates, they are not reflective of historical averages. MWRA has observed increases to variable interest rates as the Federal Reserve tightens monetary policy.

The FY23 Final Budget capital financing costs increased by \$9.4 million or 1.9% compared to the FY22 Budget. This increase in the MWRA’s debt service is the result of projected FY23 borrowings and the structure of the existing debt, partially offset by the impact of the projected defeasance.

The FY23 capital financing budget includes:

- \$302.2 million in principal and interest payments on MWRA’s senior fixed rate bonds. This amount includes \$12.7 million to support new money issuances of \$125.0 million in October 2022 and \$100.0 million in June 2023;
- \$75.5 million in principal and interest payments on subordinate bonds;
- \$96.3 million in principal and interest payments on SRF loans. This amount includes \$8.8 million to support an issuances of \$105.0 million in the spring of 2023;
- \$18.2 million to fund ongoing capital projects with current revenue and to meet coverage requirements;
- \$5.5 million in debt prepayment;
- \$6.2 million to fund the interest expense related to the Local Water Pipeline Assistance Program;
- \$3.2 million for the Chelsea Lease; and
- \$1.2 million offset to Debt Service for the Debt Service Assistance received in FY22.

## **Revenue**

FY23 non-rate revenue totals \$25.5 million, which is an increase of \$4.6 million or 22.1% versus the FY22 Budget. The FY23 non-rate revenue budget includes:

- \$9.8 million in Other User Charges, including \$5.5 million for the Chicopee Valley Aqueduct (CVA) communities, \$2.2 million for Deer Island water usage, \$208,000 for entrance fees from member communities, and \$500,000 for the Commonwealth’s partial reimbursement for Clinton Wastewater Treatment Plant expenses. Other User Charges are \$614,000 or 6.7% higher than the FY22 Budget.



- \$6.1 million in Other Revenue, a decrease of \$340,000 from the FY22 Budget. Other Revenue includes \$2.2 million from the sale of the Authority's Renewable Portfolio Credits, revenue from participating in load response programs, and the sale of generated power to the grid. Energy related revenue decreased \$106,000 reflecting decreased power sales revenue and reduced pricing for Renewable Portfolio Credits. The balance of Other Revenue includes \$2.5 million in permit fees and penalties, a decrease of \$208,000 from the FY22 Budget.
- \$8.6 million in Investment Income, an increase of \$4.6 million or 116.8% over the FY22 Budget. The budget reflects the impacts of increasing interest rates as a result of current market conditions.

The Rate Revenue Requirement for FY23 is \$814.6 million, an increase \$22.6 million or 2.85% over the FY22 Budget. The Rate Revenue Requirement is the difference between total expenses of \$840.2 million, less non-rate revenue of \$25.5 million.

### **Planning Estimates and Future Rate Projections**

MWRA's planning estimates are projections based on a series of assumptions about future spending (operating and capital), interest rates, inflation, and other factors. MWRA uses the planning estimates to model and project what future rate increases might be based upon these assumptions, as well as to test the impact of changes to assumptions on future rate increases. The planning estimates are not predictions of what rate increases will be but rather they provide the context and framework for guiding MWRA financial policy and management decision making that ultimately determine the level of actual rate increases on an annual basis. Historically, the planning estimates were based on conservative financial assumptions. Conservative projections of future rate increases benefit the MWRA by providing assurance to all stakeholders, including the rating agencies that MWRA anticipates raising revenues sufficient to pay for its operations and outstanding debt obligations now and over the long-term. Additionally, conservative forecasts of rate revenue requirements enable member communities to adequately plan and budget for future payments to MWRA.

Table 3 below presents the combined estimated future rate increases and household charges based on the Final FY23 Budget. The planning estimates shown below include \$1.2 million in Debt Service Assistance from the Commonwealth received in FY22 and applied to FY23. The rate projections include the use of Rate Stabilization through FY29. Rate Stabilization includes the use of the HEEC reserve (\$2.8 million) to mitigate the increases as a result new cable. In addition to the HEEC reserve, the projections includes \$2.5 million use of Rate Stabilization which provides a 50 percent reduction to the year over year increase to the water utility's annual share of the pension contribution.

**Table 3**

<b>Rates &amp; Budget Projections</b>						
<b>Proposed FY23 CEB</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
Total Rate Revenue (\$000)	\$ 792,084	\$ 814,648	\$ 842,064	\$ 870,610	\$ 899,989	\$ 928,994
Rate Revenue Change from Prior Year (\$000)	\$ 22,699	\$ 22,564	\$ 27,416	\$ 28,546	\$ 29,379	\$ 29,005
Rate Revenue Increase	3.0%	2.8%	3.4%	3.4%	3.4%	3.2%
Use of Reserves (\$000)	\$ 1,250	\$ 980	\$ 1,105	\$ 917	\$ 809	\$ 780

***Estimated Household Bill***

Based on annual water usage of 61,000 gallons	\$1,275	\$1,328	\$1,386	\$1,447	\$1,510	\$1,576
Based on annual water usage of 90,000 gallons	\$1,881	\$1,959	\$2,045	\$2,135	\$2,228	\$2,325

**CEB Review and Adoption Process**

In February, the MWRA transmitted the Proposed FY23 Budget to the Advisory Board for its review and comments. MWRA staff have worked closely with MWRA Advisory Board staff in an effort to review the budget and reduce the rate revenue requirement from 3.42% in the FY23 Proposed Budget to 2.85% in the FY23 Final Budget.

**ATTACHMENTS:**

- Attachment A FY23 Final Budget vs. FY23 Proposed Budget vs. FY22 Approved Budget
- Attachment B FY23 Final Direct Expense Budget by Division
- Attachment C FY23 Final Operating Budget (Trustee's Budget)
- Attachment D FY23 Final Budget vs. FY22 Projections
- Attachment E MWRA Responses to Advisory Board's FY23 Integrated CIP and CEB Comments and Recommendations

ATTACHMENT A

FY23 Final Budget vs. FY23 Proposed Budget vs. FY22 Approved Budget

TOTAL MWRA	FY22 Approved Budget	FY23 Proposed Budget	FY23 Final Budget	Change FY23 Final Budget vs FY22 Approved Budget		Change FY23 Final Budget vs FY23 Proposed Budget	
				\$	%	\$	%
<b>EXPENSES</b>							
WAGES AND SALARIES	\$ 116,680,341	\$ 119,281,491	\$ 118,980,689	\$ 2,300,348	2.0%	\$ (300,802)	-0.3%
OVERTIME	5,156,681	5,337,896	5,337,896	181,215	3.5%	-	0.0%
FRINGE BENEFITS	23,253,137	24,287,374	23,961,641	708,504	3.0%	(325,733)	-1.3%
WORKERS' COMPENSATION	2,614,159	2,519,751	2,519,751	(94,408)	-3.6%	-	0.0%
CHEMICALS	12,202,286	12,997,814	14,994,036	2,791,750	22.9%	1,996,222	15.4%
ENERGY AND UTILITIES	24,749,865	26,926,612	30,896,365	6,146,500	24.8%	3,969,753	14.7%
MAINTENANCE	32,442,381	32,730,687	33,241,022	798,641	2.5%	510,335	1.6%
TRAINING AND MEETINGS	473,994	492,197	492,197	18,204	3.8%	-	0.0%
PROFESSIONAL SERVICES	8,773,258	8,254,714	8,197,575	(575,683)	-6.6%	(57,139)	-0.7%
OTHER MATERIALS	8,334,774	6,702,897	6,728,862	(1,605,912)	-19.3%	25,965	0.4%
OTHER SERVICES	25,129,236	28,120,922	28,372,237	3,243,001	12.9%	251,315	0.9%
<b>TOTAL DIRECT EXPENSES</b>	<b>\$ 259,810,111</b>	<b>\$ 267,652,357</b>	<b>\$ 273,722,272</b>	<b>\$ 13,912,160</b>	<b>5.4%</b>	<b>\$ 6,069,915</b>	<b>2.3%</b>
INSURANCE	\$ 3,943,600	\$ 3,916,002	\$ 3,916,002	\$ (27,598)	-0.7%	-	0.0%
WATERSHED/PILOT/DEBT	26,731,490	28,023,798	\$ 28,890,762	2,159,272	8.1%	866,964	3.1%
HEEC PAYMENT	6,991,953	6,225,566	\$ 6,225,566	(766,387)	-11.0%	-	0.0%
MITIGATION	1,693,360	1,735,694	\$ 1,735,694	42,334	2.5%	-	0.0%
ADDITIONS TO RESERVES	1,412,647	1,406,800	\$ 2,418,452	1,005,806	71.2%	1,011,652	71.9%
RETIREMENT FUND	11,205,000	12,555,203	\$ 12,555,203	1,350,203	12.1%	-	0.0%
POSTEMPLOYMENT BENEFITS	4,673,624	4,754,061	\$ 4,754,061	80,438	1.7%	-	0.0%
<b>TOTAL INDIRECT EXPENSES</b>	<b>\$ 56,651,673</b>	<b>\$ 58,617,124</b>	<b>\$ 60,495,741</b>	<b>\$ 3,844,068</b>	<b>6.8%</b>	<b>\$ 1,878,616</b>	<b>3.2%</b>
STATE REVOLVING FUND	\$ 95,673,399	\$ 99,402,956	\$ 96,342,495	\$ 669,096	0.7%	\$ (3,060,461)	-3.1%
SENIOR DEBT	244,957,128	305,911,389	302,169,940	57,212,812	23.4%	(3,741,449)	-1.2%
SUBORDINATE DEBT	125,046,217	75,491,975	75,491,975	(49,554,242)	-39.6%	-	0.0%
LOCAL WATER PIPELINE CP	6,120,127	6,243,882	6,233,882	113,755	1.9%	(10,000)	-0.2%
CURRENT REVENUE/CAPITAL	17,200,000	18,200,000	18,200,000	1,000,000	5.8%	-	0.0%
CAPITAL LEASE	3,217,060	3,217,060	3,217,060	-	0.0%	-	0.0%
DEBT PREPAYMENT	5,609,355	5,500,000	5,500,000	(109,355)	-1.9%	-	0.0%
DEBT SERVICE ASSISTANCE	(1,287,870)	-	(1,182,494)	105,376	-8.2%	(1,182,494)	0.0%
<b>TOTAL DEBT SERVICE</b>	<b>\$ 496,535,417</b>	<b>\$ 513,967,263</b>	<b>\$ 505,972,858</b>	<b>\$ 9,437,441</b>	<b>1.9%</b>	<b>\$ (7,994,405)</b>	<b>-1.6%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 812,997,202</b>	<b>\$ 840,236,744</b>	<b>\$ 840,190,871</b>	<b>\$ 27,193,669</b>	<b>3.3%</b>	<b>\$ (45,873)</b>	<b>0.0%</b>
<b>REVENUE &amp; INCOME</b>							
RATE REVENUE	\$ 792,084,000	\$ 819,138,000	\$ 814,648,000	\$ 22,564,000	2.85%	\$ (4,490,000)	-0.5%
OTHER USER CHARGES	9,222,884	9,870,899	9,836,508	613,624	6.7%	(34,391)	-0.3%
OTHER REVENUE	6,479,202	6,108,752	6,139,104	(340,098)	-5.2%	30,352	0.5%
RATE STABILIZATION	1,250,000	980,000	980,000	(270,000)	-21.6%	-	0.0%
INVESTMENT INCOME	3,961,116	4,139,091	8,587,259	4,626,143	116.8%	4,448,168	107.5%
<b>TOTAL REVENUE &amp; INCOME</b>	<b>\$ 812,997,202</b>	<b>\$ 840,236,744</b>	<b>\$ 840,190,871</b>	<b>\$ 27,193,670</b>	<b>3.3%</b>	<b>\$ (45,872)</b>	<b>0.0%</b>
<b>Rate Revenue Increase over FY22</b>		<b>3.42%</b>	<b>2.85%</b>				

## ATTACHMENT B

### FY23 Final Direct Expense Budget by Division

Division	FY22 Final Budget	FY23 Final Budget	Change FY23 Final Budget vs. FY22 Final Budget	
			\$	%
Executive	\$1,540,191	\$1,501,738	-\$38,453	-2.5%
Emergency Preparedness	3,108,835	4,030,440	\$921,605	29.6%
Administration	57,563,995	55,445,632	-\$2,118,363	-3.7%
Finance	4,635,289	6,044,982	\$1,409,693	30.4%
Law	1,927,006	2,027,649	\$100,643	5.2%
Affirmative Action	709,745	699,994	-\$9,751	-1.4%
Internal Audit	749,677	794,394	\$44,717	6.0%
Public Affairs	1,224,225	1,254,604	\$30,379	2.5%
Operations	188,351,148	201,922,839	\$13,571,690	7.2%
<b>Total Authority</b>	<b>\$259,810,111</b>	<b>\$273,722,272</b>	<b>\$13,912,160</b>	<b>5.4%</b>

**ATTACHMENT C**

**Massachusetts Water Resources Authority  
Fiscal Year 2023 Operating Budget for Filing with the Trustee  
Pursuant to Section 712 of General Bond Resolution Adopted January 24, 1990**

(\$000s)

Projected Monthly Deposits:

Fund	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Operating	\$23,301	\$29,126	\$23,301	\$23,301	\$29,126	\$23,301	\$23,301	\$29,126	\$23,301	\$23,301	\$29,126	\$23,301	\$302,909
Debt Service & Coverage	38,921	48,651	38,921	38,921	48,651	38,921	38,921	48,651	38,921	38,921	48,651	38,921	505,973
Debt Service Reserve	---	---	---	---	---	---	---	---	---	---	---	---	0
CORE	---	---	---	---	---	---	---	---	---	---	---	---	0
Commonwealth Obligations	---	---	4,997	---	---	4,997	---	---	13,900	---	---	4,997	28,891
Operating Reserve	186	233	186	186	233	186	186	233	186	186	233	186	2,418
Insurance Reserve	---	---	---	---	---	---	---	---	---	---	---	---	0
Renewal & Replacement Reserve	---	---	---	---	---	---	---	---	---	---	---	---	0
Rate Stabilization Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<u>\$62,408</u>	<u>\$78,010</u>	<u>\$67,405</u>	<u>\$62,408</u>	<u>\$78,010</u>	<u>\$67,405</u>	<u>\$62,408</u>	<u>\$78,010</u>	<u>\$76,308</u>	<u>\$62,408</u>	<u>\$78,010</u>	<u>\$67,405</u>	<u>\$840,191</u>

## Attachment D

### FY23 Final Budget vs. FY22 Projections

TOTAL MWRA	FY22 Projection	FY23 Final Budget	Change	% Change
<b>EXPENSES</b>				
WAGES AND SALARIES	\$ 107,378,367	\$ 118,980,689	\$ 11,602,323	10.8%
OVERTIME	\$ 5,030,378	\$ 5,337,896	307,518	6.1%
FRINGE BENEFITS	\$ 22,209,351	\$ 23,961,641	1,752,290	7.9%
WORKERS' COMPENSATION	\$ 1,960,619	\$ 2,519,751	559,132	28.5%
CHEMICALS	\$ 12,255,355	\$ 14,994,036	2,738,681	22.3%
ENERGY AND UTILITIES	\$ 28,684,687	\$ 30,896,365	2,211,678	7.7%
MAINTENANCE	\$ 30,066,732	\$ 33,241,022	3,174,290	10.6%
TRAINING AND MEETINGS	\$ 314,875	\$ 492,197	177,322	56.3%
PROFESSIONAL SERVICES	\$ 7,895,932	\$ 8,197,575	301,643	3.8%
OTHER MATERIALS	\$ 7,501,297	\$ 6,728,862	(772,435)	-10.3%
OTHER SERVICES	\$ 24,877,944	\$ 28,372,237	3,494,293	14.0%
<b>TOTAL DIRECT EXPENSES</b>	<b>\$ 248,175,536</b>	<b>\$ 273,722,272</b>	<b>\$ 25,546,736</b>	<b>10.3%</b>
INSURANCE	\$ 3,943,600	\$ 3,916,002	\$ (27,598)	-0.7%
WATERSHED/PILOT/DEBT	\$ 25,450,160	\$ 28,890,762	3,440,602	13.5%
HEEC PAYMENT	\$ 6,640,819	\$ 6,225,566	(415,253)	-6.3%
MITIGATION	\$ 1,693,360	\$ 1,735,694	42,334	2.5%
ADDITIONS TO RESERVES	\$ 1,412,647	\$ 2,418,452	1,005,806	71.2%
RETIREMENT FUND	\$ 11,205,000	\$ 12,555,203	1,350,203	12.1%
POSTEMPLOYMENT BENEFITS	\$ 4,673,624	\$ 4,754,061	80,438	1.7%
<b>TOTAL INDIRECT EXPENSES</b>	<b>\$ 55,019,209</b>	<b>\$ 60,495,741</b>	<b>\$ 5,476,532</b>	<b>10.0%</b>
STATE REVOLVING FUND	\$ 89,764,498	\$ 96,342,495	\$ 6,577,997	7.3%
SENIOR DEBT	\$ 238,650,582	\$ 302,169,940	63,519,358	26.6%
SUBORDINATE DEBT	\$ 114,008,631	\$ 75,491,975	(38,516,656)	-33.8%
LOCAL WATER PIPELINE CP	\$ 1,431,079	\$ 6,233,882	4,802,803	335.6%
CURRENT REVENUE/CAPITAL	\$ 17,200,000	\$ 18,200,000	1,000,000	5.8%
CAPITAL LEASE	\$ 3,217,060	\$ 3,217,060	-	0.0%
DEBT PREPAYMENT	\$ 5,609,355	\$ 5,500,000	(109,355)	-1.9%
DEBT SERVICE ASSISTANCE	\$ (1,287,870)	\$ -	1,287,870	-100.0%
<b>TOTAL DEBT SERVICE</b>	<b>\$ 468,593,335</b>	<b>\$ 505,972,858</b>	<b>\$ 37,379,523</b>	<b>8.0%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 771,788,080</b>	<b>\$ 840,190,871</b>	<b>\$ 68,402,791</b>	<b>8.9%</b>
<b>REVENUE &amp; INCOME</b>				
RATE REVENUE	\$ 792,084,000	\$ 814,648,000	\$ 22,564,000	2.8%
OTHER USER CHARGES	\$ 10,693,360	\$ 9,836,508	(856,852)	-8.0%
OTHER REVENUE	\$ 8,739,663	\$ 6,139,104	(2,600,559)	-29.8%
RATE STABILIZATION	\$ 1,250,000	\$ 980,000	(270,000)	-21.6%
INVESTMENT INCOME	\$ 4,100,116	\$ 8,587,259	4,487,143	109.4%
<b>TOTAL REVENUE &amp; INCOME</b>	<b>\$ 816,867,140</b>	<b>\$ 840,190,871</b>	<b>\$ 23,323,731</b>	<b>2.9%</b>

**ATTACHMENT E**

**MWRA's Responses to the Advisory Board's FY2023 Integrated CIP and CEB Recommendations and Comments**

Advisory Board Recommendations	MWRA Responses
<p>Continuation of the Advisory Board's "Pay it Forward" Principle, applying</p> <p><b>1.</b> FY22 Debt Service Assistance towards FY23 Budget. Water: \$-105,309 Sewer: \$-1,077,185</p>	<p>Agreed.</p>
<p>Consultation via a compensation and staffing study to review the new MWRA staffing trends to retain current personnel and hire new personnel from pandemic into endemic.</p> <p><b>2.</b></p>	<p>Agreed.</p>
<p>For FY23, the Advisory Board also recommends adjusting the proposed FTE for a total Personnel expense reduction of \$2,700,000. vacancy rate of 21 FTE to 27 Water: \$-1,100,000 Sewer: \$-1,600,000</p> <p><b>3.</b></p>	<p>Agreed.</p>
<p>If the 2021 actuarial study numbers are favorable, MWRA should use the pension contribution costs in the final FY23 CEB and accompanying updated numbers to recalculate the projected future planning projections</p> <p><b>4.</b></p>	<p>MWRA's planning estimates include pension funding schedule approved at the MWRA Retirement Board meeting on June 1, 2022.</p>
<p>Consistent with the "two sides of the same coin" approach endorsed by the MWRA Board of Directors, MWRA should shift the OPEB contribution in the water utility FY23 CEB to the pension line item and continue to do so until "virtual full funding" level is achieved (95%-105%).</p> <p><b>5.</b></p>	<p>MWRA intends to keep the OPEB funding at current levels to mitigate against actuarial losses as a result of volatile market conditions.</p>
<p>The MWRA should shift optional debt prepayments in the sewer utility FY23 CEB into the pension line item and continue to do so until full funding (not virtual) is achieved.</p> <p><b>6.</b></p>	<p>MWRA intends to maintain the optional debt prepayment at current levels as part of its long-term rates management strategy to mitigate against raising interest rates and other inflationary pressures.</p>
<p>The MWRA should propose to the Retirement Board a one-time use of water rate stabilization funds to the pension calculated to achieve no less than 90% funding on the overall pension unfunded liability, keeping this deposit in either cash or a stable capital preservation vehicle to isolate it from potential negative market impacts. This one-time deposit will be contingent upon: A vote of the Retirement Board to extend the date for full funding of the retirement fund to 2033, and to delegate authority to the Executive Director of the Retirement Board to request that PERAC approve a one-year extension in future if certain criteria are met to simulate a rolling 10-year funding schedule up through 2040.</p> <p><b>7.</b></p>	<p>MWRA shares the Advisory Board's concerns about the increases to the Annual Required Contributions presented in the funding schedule. The MWRA Retirement System vote on June 1, 2022 did not include any of these provisions. Staff have utilized Rate Stabilization Funds to mitigate the impact of pension system increases between FY24 and FY29.</p>


**ATTACHMENT E**

**MWRA's Responses to the Advisory Board's FY2023 Integrated CIP and CEB Recommendations and Comments**

Advisory Board Recommendations	MWRA Responses
<p><b>8.</b> MWRA should work with the Advisory Board, and other retirement system stakeholders to secure legislation to amend MGL Chapter 32 to authorize the state actuary to develop a plan that addresses well-funded, short-to-full amortization systems like the MWRA, with the goal of shifting to a rolling date for full funding if certain criteria are met (e.g. the system must be 90%+ funded)</p>	<p>Agreed.</p>
<p><b>9.</b> The MWRA should shift optional debt prepayments in the sewer utility FY23 CEB into the pension line item, and continue to do so until full funding (not virtual) is achieved.</p>	<p>MWRA intends to maintain the optional debt prepayment at current levels as part of its long-term rates management strategy to mitigate against raising interest rates and other inflationary pressures.</p>
<p><b>10.</b> MWRA anticipates a lower than proposed capital financing cost. Differences should be adjusted in RRR. Water: \$-500,000 Sewer: \$-1,000,000</p>	<p>Agreed. Debt Service was lowered by: water \$-3.2 million and sewer \$-4.4 million</p>




## STAFF SUMMARY

**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 22, 2022  
**SUBJECT:** Final FY23 Water and Sewer Assessments

**COMMITTEE:** Administration, Finance & Audit

INFORMATION  
 VOTE

Michael Cole, Budget Director  
Leo Norton, Asst. Mgr, Rates, Revenue and Finance  
Preparer/Title

  
Thomas J. Durkin  
Director of Finance

*The Proposed FY23 Current Expense Budget (CEB) was submitted to the Advisory Board at the February 2022 Board meeting and included a 3.4% combined assessment increase.*

*MWRA's long-term goal has been to provide sustainable and predictable assessments to its member communities. In the past few years, the Advisory Board challenged MWRA to limit the assessment increases at a level less than 4%. MWRA has continuously been successful in achieving this goal by utilizing a multi-year rates management strategy, which includes controlled spending, the use of historical variable rate assumptions, and the practice of targeted debt defeasance.*

*Consistent with the FY23 Final Budget, the combined assessment increase of 2.85% includes a 2.27% increase for sewer assessments, and a 3.93% increase for water assessments.*

### RECOMMENDATION:

To adopt the following effective July 1, 2022:

- 1) Water system assessments of \$288,304,865 and sewer system assessments of \$526,343,135 for FY23.
- 2) FY23 sewer assessments of \$500,000 for the Town of Clinton and \$459,884 for the Lancaster Sewer District.
- 3) FY23 charge to the City of Worcester of \$210,531 representing approximately 7.9% of the direct operating expenses for the Clinton Wastewater Treatment Plant.
- 4) FY23 water assessments of \$3,804,390 for the City of Chicopee, \$805,465 for South Hadley Fire District #1, and \$845,127 for the Town of Wilbraham.
- 5) A wholesale water rate of \$4,628.12 per million gallons.
- 6) A retail sewer rate of \$7,993.14 per million gallons.

**DISCUSSION:**

The Final FY23 Current Expense Budget includes a Rate Revenue Requirement of \$814,648,000, an increase of 2.85% over the FY22 requirement.

	Rate Revenue Requirement		Change from FY22	
	FY23 Final	FY22 Final	Dollars	Percent
<b>Water</b>	\$288,304,865	\$277,415,068	\$10,889,797	3.93%
<b>Sewer</b>	\$526,343,135	\$514,668,932	\$11,674,203	2.27%
<b>Total</b>	\$814,648,000	\$792,084,000	\$22,564,000	2.85%

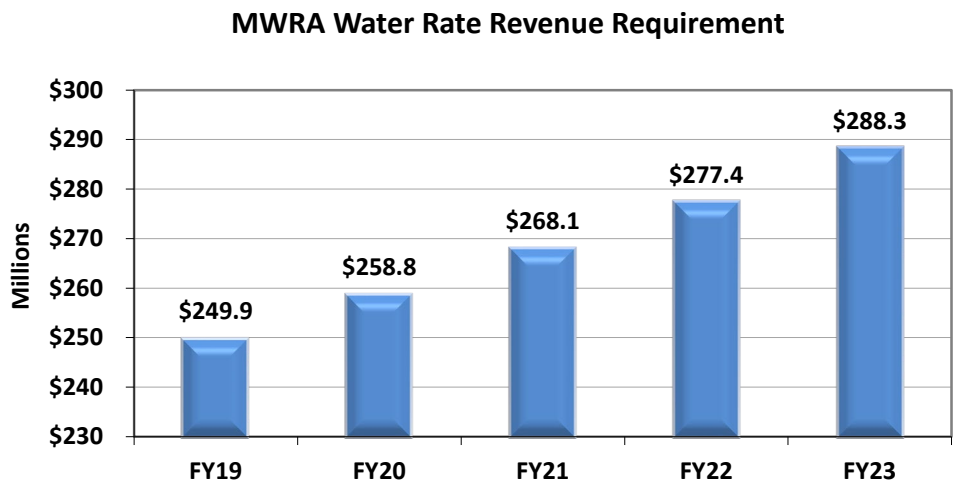
*Attachment 1 details the FY23 wholesale water and sewer charges for each MWRA community.*

The estimated annual impact of the FY23 assessment increase on the MWRA portion of the average household bill for water and sewer service in a fully served MWRA community that uses close to the system average of 61,000 gallons of water per year is approximately \$17.

**Water Assessments**

MWRA calculates water assessments for customer communities by apportioning the water rate revenue requirement according to each community’s share of total water use for the most recent calendar year. FY23 water assessments are based on each community's share of CY21 water use of 62.294 billion gallons, a 1.48% decrease compared to CY20 water use of 63.232 billion gallons. Changes in FY23 water assessments for customer communities compared to FY22 assessments will vary considerably, depending on each community's use of water and how that use factors into their share of the water system in CY21 compared to CY20. This is particularly true for communities that receive only part of their water from MWRA.

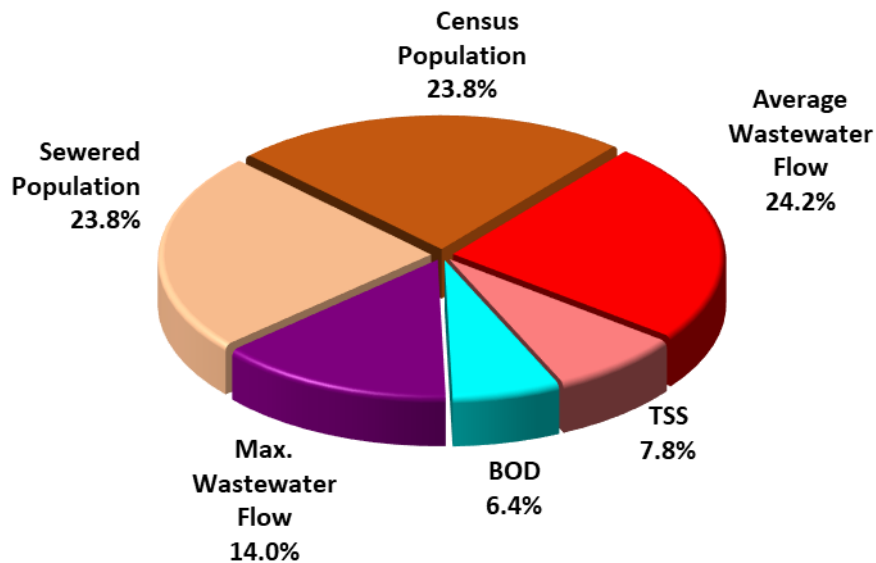
The graph below illustrates the water Rate Revenue Requirement for the past 5 years. The changes from FY22 to FY23 are primarily the result of increased debt service related to water system rehabilitation and improvements.



## Sewer Assessments

MWRA allocates sewer assessments based on each community's share of the following allocation parameters: three-year average of annual wastewater flow, maximum month flow, strength of flow, census population, and sewer population.

On average, approximately 52% of a community's FY23 sewer assessment is based on each community's share of wastewater flow and strength of flow (total suspended solids or TSS and biochemical oxygen demand or BOD), and approximately 48% is based on population as illustrated in the following graph.

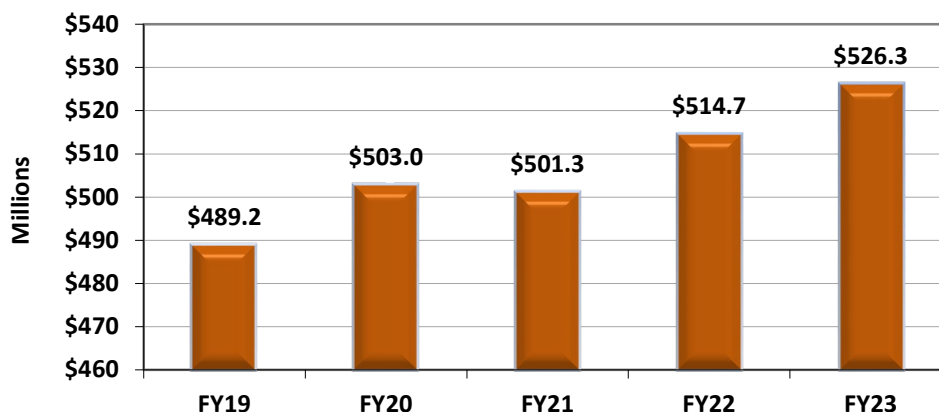


The population component of the FY23 assessments were calculated using the 2020 Census, as well as the percentage of total population receiving municipal sewer service as reported by each MWRA community.

The flow component of the FY23 assessments were calculated using the average of CY19, CY20 and CY21 wastewater flows and strength of flows. CY19 and CY20 flows are based on actual metered flow, and CY21 flows were estimated during the sewer system meter replacement project.

The graph below illustrates the sewer Rate Revenue Requirement for the past 5 years. As with the water utility, the annual changes continue to be primarily the result of increased debt service related to sewer system rehabilitation and improvements.

### MWRA Sewer Rate Revenue Requirement



### Clinton Sewer Service Area Assessments

FY23 operating and maintenance (O&M) and capital expenses attributable to the Clinton Wastewater Treatment Plant are \$4,878,261, an increase of 12.8% from FY22 expenses. This includes a 9.2% increase in operating costs, and a 20.9% increase in capital expenses.

In accordance with the agreement that allows the City of Worcester to take water from the Wachusett watershed, Worcester is charged approximately 7.9% of the direct operating expenses for the Clinton Wastewater Treatment Plant. FY23 direct operating expenses for the plant total \$2,661,253, resulting in a FY23 charge of \$210,531 for the City of Worcester. Worcester has been paying this annual charge to MWRA or its predecessors since 1914.

The Town of Clinton and the Lancaster Sewer District are allocated proportional shares of the remaining expenses based on annual metered wastewater flow to the Clinton Plant. Based on FY23 expenses and CY21 wastewater flows, Lancaster's FY23 charge is \$459,884, an increase of 3.6% from FY22.

The FY23 charge for the Town of Clinton is \$4,193,345. However, pursuant to Chapter 307, Section 8 of the Acts of 1987, Clinton is only liable for the first \$500,000 of its share of O&M and capital costs.

*Attachment 2* details the expenses and corresponding charges for the Clinton Sewer Service Area.

### CVA Water Assessments

Based on the Final FY23 CIP and CEB for the Chicopee Valley Aqueduct (CVA) water system, the FY23 system assessment is \$5,454,982, an increase of 3.5% from FY22 assessments.

MWRA's CVA water assessment methodology allocates CVA assessments to the three communities served by the CVA system based on their share of prior calendar year water use. Based on CY21 water use, FY23 assessments are as follows:

- City of Chicopee: \$3,804,390 (+5.7%)
- South Hadley Fire District #1: \$ 805,465 (+1.0%)
- Town of Wilbraham: \$ 845,127 (-3.1%)

As with the metropolitan water system, changes in FY23 water assessments for each CVA community compared to FY22 assessments vary depending on their water use and how that use factors into their share of the CVA water system in CY21 compared to CY20.

*Attachment 3* details the expenses and corresponding assessments for the CVA Water Service Area.

**Wholesale Water Rate**

MWRA’s wholesale water rate per million gallons is applied to customers purchasing MWRA water on a pay-as-you-go basis (including customers with emergency agreements). The wholesale water rate for FY23 is \$4,628.12 per million gallons. The FY23 CEB includes revenue of \$174,199 from these customers.

**Retail Sewer Rate**

MWRA provides direct retail sewer service to Regis College in Weston and the New England Center for Children in Southborough. In accordance with MWRA Policy #OP.11, “Admission of New Community to MWRA Sewer System and Other Requests for Sewer Service to Locations Outside MWRA Sewer Service Area”, both entities are charged a modified per million gallon “retail” rate that captures both sanitary and non-sanitary flows. Based on FY23 sewer assessments, the FY23 retail sewer rate will be \$7,993.14 per million gallons. The Final FY23 CEB includes revenue of \$63,526 from these customers.

**ATTACHMENTS:**

1. FY23 Water and Sewer Assessments
2. Clinton Wastewater Treatment Plant Sewer User Charge Determination
3. Chicopee Valley Aqueduct System Assessment

MWRA Fully Served Water and Sewer Customers	Final FY22 Water Assessment	Final FY23 Water Assessment	Percent Change from FY22	Final FY22 Sewer Assessment	Final FY23 Sewer Assessment	Percent Change from FY22	Final FY22 Combined Assessment	Final FY23 Combined Assessment	Dollar Change from FY22	Percent Change from FY22
ARLINGTON	\$5,958,052	\$5,648,095	-5.2%	\$9,124,432	\$9,392,510	2.9%	\$15,082,484	\$15,040,605	(\$41,879)	-0.3%
BELMONT	3,321,668	3,134,847	-5.6%	5,482,714	5,677,766	3.6%	8,804,382	8,812,613	8,231	0.1%
BOSTON (BWSC)	93,962,296	99,390,501	5.8%	148,872,321	149,691,861	0.6%	242,834,617	249,082,362	6,247,745	2.6%
BROOKLINE	8,011,141	8,018,472	0.1%	13,660,245	14,277,389	4.5%	21,671,386	22,295,861	624,475	2.9%
CHELSEA	5,460,223	5,460,876	0.0%	8,986,504	9,362,783	4.2%	14,446,727	14,823,659	376,932	2.6%
EVERETT	6,272,641	6,422,774	2.4%	9,618,364	10,050,685	4.5%	15,891,005	16,473,459	582,454	3.7%
FRAMINGHAM	9,287,668	9,531,024	2.6%	13,764,605	13,631,736	-1.0%	23,052,273	23,162,760	110,487	0.5%
LEXINGTON	8,743,912	8,493,467	-2.9%	8,177,213	8,432,792	3.1%	16,921,125	16,926,259	5,134	0.0%
MALDEN	8,378,155	8,758,033	4.5%	13,820,322	14,707,650	6.4%	22,198,477	23,465,683	1,267,206	5.7%
MEDFORD	7,036,071	7,666,268	4.2%	12,538,844	13,036,794	4.0%	19,898,915	20,703,062	804,147	4.0%
MELROSE	3,511,330	3,499,715	-0.3%	6,842,727	7,179,811	4.9%	10,354,057	10,679,526	325,469	3.1%
MILTON	3,884,900	4,022,582	3.5%	5,910,238	6,075,106	2.8%	9,795,138	10,097,688	302,550	3.1%
NEWTON	13,717,608	14,157,661	3.2%	22,344,621	22,803,628	2.1%	36,062,229	36,961,289	899,060	2.5%
NORWOOD	4,409,127	4,502,690	2.1%	8,482,434	8,789,282	3.6%	12,891,561	13,291,972	400,411	3.1%
QUINCY	13,440,835	13,856,502	3.1%	21,473,437	22,536,755	5.0%	34,914,272	36,393,257	1,478,985	4.2%
READING	2,831,288	2,807,828	-0.8%	5,376,119	5,378,338	0.0%	8,207,407	8,186,166	(21,241)	-0.3%
REVERE	5,756,009	6,348,919	10.3%	11,066,469	12,301,594	11.2%	16,822,478	18,650,513	1,828,035	10.9%
SOMERVILLE	8,973,256	9,471,778	5.6%	17,020,189	17,021,558	0.0%	25,993,445	26,493,336	499,891	1.9%
STONEHAM	3,561,396	3,289,382	-7.6%	5,585,497	5,652,293	1.2%	9,146,893	8,941,675	(205,218)	-2.2%
WALTHAM	10,338,346	11,044,210	6.8%	14,299,920	14,787,237	3.4%	24,638,266	25,831,447	1,193,181	4.8%
WATERTOWN	4,166,126	4,147,401	-0.4%	6,806,903	6,800,246	-0.1%	10,973,029	10,947,647	(25,382)	-0.2%
WINTHROP	2,074,166	1,918,276	-7.5%	3,831,735	3,970,822	3.6%	5,905,901	5,889,098	(16,803)	-0.3%
<b>TOTAL</b>	<b>\$233,420,214</b>	<b>\$241,591,301</b>	<b>3.5%</b>	<b>\$373,085,853</b>	<b>\$381,558,636</b>	<b>2.3%</b>	<b>\$606,506,067</b>	<b>\$623,149,937</b>	<b>\$16,643,870</b>	<b>2.7%</b>

MWRA Sewer and Partial Water Customers	Final FY22 Water Assessment	Final FY23 Water Assessment	Percent Change from FY22	Final FY22 Sewer Assessment	Final FY23 Sewer Assessment	Percent Change from FY22	Final FY22 Combined Assessment	Final FY23 Combined Assessment	Dollar Change from FY22	Percent Change from FY22
ASHLAND	\$0	\$0	-	\$2,752,284	\$2,886,173	4.9%	\$2,752,284	\$2,886,173	\$133,889	4.9%
BURLINGTON	0	1,253,355	-	6,168,357	6,021,746	-2.4%	6,168,357	7,275,101	1,106,744	17.9%
CANTON	1,507,385	2,022,211	34.2%	4,765,395	4,862,295	2.0%	6,272,780	6,884,506	611,726	9.8%
NEEDHAM	1,670,433	1,464,186	-12.3%	6,614,690	6,760,854	2.2%	8,285,123	8,225,040	(60,083)	-0.7%
STOUGHTON	167,480	118,822	-29.1%	5,434,313	5,471,762	0.7%	5,601,793	5,590,584	(11,209)	-0.2%
WAKEFIELD	2,825,130	2,617,209	-7.4%	6,748,184	6,848,043	1.5%	9,573,314	9,465,252	(108,062)	-1.1%
WELLESLEY	2,301,709	3,325,451	44.5%	6,082,193	6,273,587	3.1%	8,383,902	9,599,038	1,215,136	14.5%
WILMINGTON	1,098,672	716,510	-34.8%	3,013,693	3,230,781	7.2%	4,112,365	3,947,291	(165,074)	-4.0%
WINCHESTER	2,093,282	1,943,817	-7.1%	4,535,279	4,592,959	1.3%	6,628,561	6,536,776	(91,785)	-1.4%
WOBURN	4,936,119	5,385,782	9.1%	9,490,135	9,810,358	3.4%	14,426,254	15,196,140	769,886	5.3%
<b>TOTAL</b>	<b>\$16,600,210</b>	<b>\$18,847,343</b>	<b>13.5%</b>	<b>\$55,604,523</b>	<b>\$56,758,558</b>	<b>2.1%</b>	<b>\$72,204,733</b>	<b>\$75,605,901</b>	<b>\$3,401,168</b>	<b>4.7%</b>

MWRA Sewer-only Customers	Final FY22 Water Assessment	Final FY23 Water Assessment	Percent Change from FY22	Final FY22 Sewer Assessment	Final FY23 Sewer Assessment	Percent Change from FY22	Final FY22 Combined Assessment	Final FY23 Combined Assessment	Dollar Change from FY22	Percent Change from FY22
BEDFORD				\$3,616,974	\$3,696,479	2.2%	\$3,616,974	\$3,696,479	\$79,505	2.2%
BRAINTREE				10,463,134	10,873,621	3.9%	10,463,134	10,873,621	410,487	3.9%
CAMBRIDGE				27,759,220	28,578,485	3.0%	27,759,220	28,578,485	819,265	3.0%
DEDHAM				6,076,744	6,153,066	1.3%	6,076,744	6,153,066	76,322	1.3%
HINGHAM SEWER DISTRICT				2,061,694	2,132,150	3.4%	2,061,694	2,132,150	70,456	3.4%
HOLBROOK				1,883,097	1,936,893	2.9%	1,883,097	1,936,893	53,796	2.9%
NATICK				6,126,567	6,287,041	2.6%	6,126,567	6,287,041	160,474	2.6%
RANDOLPH				6,830,622	6,940,968	1.6%	6,830,622	6,940,968	110,346	1.6%
WALPOLE				4,280,744	4,449,485	3.9%	4,280,744	4,449,485	168,741	3.9%
WESTWOOD				3,247,430	3,274,616	0.8%	3,247,430	3,274,616	27,186	0.8%
WEYMOUTH				13,632,330	13,703,137	0.5%	13,632,330	13,703,137	70,807	0.5%
<b>TOTAL</b>				<b>\$85,978,556</b>	<b>\$88,025,941</b>	<b>2.4%</b>	<b>\$85,978,556</b>	<b>\$88,025,941</b>	<b>\$2,047,385</b>	<b>2.4%</b>

MWRA Water-only Customers	Final FY22 Water Assessment	Final FY23 Water Assessment	Percent Change from FY22	Final FY22 Sewer Assessment	Final FY23 Sewer Assessment	Percent Change from FY22	Final FY22 Combined Assessment	Final FY23 Combined Assessment	Dollar Change from FY22	Percent Change from FY22
LYNNFIELD WATER DISTRICT	\$861,938	\$865,543	0.4%				\$861,938	\$865,543	\$3,605	0.4%
MARBLEHEAD	3,092,888	2,941,372	-4.9%				3,092,888	2,941,372	(151,516)	-4.9%
NAHANT	533,340	578,355	8.4%				533,340	578,355	45,015	8.4%
SAUGUS	4,860,987	5,020,868	3.3%				4,860,987	5,020,868	159,881	3.3%
SOUTHBOROUGH	1,232,930	984,014	-20.2%				1,232,930	984,014	(248,916)	-20.2%
SWAMPSCOTT	2,581,317	2,552,649	-1.1%				2,581,317	2,552,649	(28,668)	-1.1%
WESTON	2,837,540	2,456,156	-13.4%				2,837,540	2,456,156	(381,384)	-13.4%
<b>TOTAL</b>	<b>\$16,000,940</b>	<b>\$15,398,957</b>	<b>-3.8%</b>				<b>\$16,000,940</b>	<b>\$15,398,957</b>	<b>(\$601,983)</b>	<b>-3.8%</b>

MWRA Partial Water-only Customers	Final FY22 Water Assessment	Final FY23 Water Assessment	Percent Change from FY22	Final FY22 Sewer Assessment	Final FY23 Sewer Assessment	Percent Change from FY22	Final FY22 Combined Assessment	Final FY23 Combined Assessment	Dollar Change from FY22	Percent Change from FY22
DEDHAM-WESTWOOD WATER DISTRICT	\$620,024	\$256,078	-58.7%				\$620,024	\$256,078	(\$363,946)	-58.7%
LYNN (LWSC)	125,688	187,732	49.4%				125,688	187,732	62,044	49.4%
MARLBOROUGH	6,589,994	6,733,069	2.2%				6,589,994	6,733,069	143,075	2.2%
NORTHBOROUGH	1,760,228	1,508,715	-14.3%				1,760,228	1,508,715	(251,513)	-14.3%
PEABODY	2,297,770	3,781,670	64.6%				2,297,770	3,781,670	1,483,900	64.6%
<b>TOTAL</b>	<b>\$11,393,704</b>	<b>\$12,467,264</b>	<b>9.4%</b>				<b>\$11,393,704</b>	<b>\$12,467,264</b>	<b>\$1,073,560</b>	<b>9.4%</b>
<b>SYSTEMS TOTAL</b>	<b>\$277,415,068</b>	<b>\$288,304,865</b>	<b>3.93%</b>	<b>\$514,668,932</b>	<b>\$526,343,135</b>	<b>2.27%</b>	<b>\$792,084,000</b>	<b>\$814,648,000</b>	<b>\$22,564,000</b>	<b>2.85%</b>

Massachusetts Water Resources Authority  
Clinton Wastewater Treatment Plant  
Sewer User Charge Determination

BUDGETED EXPENSES: Final FY23	
Clinton Direct Operating Expenses:	\$2,661,253
MWRA Support Allocation:	617,203
Subtotal O&M Expenses:	\$3,278,456
Total Debt Service Expenses:	\$1,599,804
Total Clinton Service Area Expenses	\$4,878,261
Less Revenue (City of Worcester Payment)	-210,531
Clinton WWTP Rate Revenue Requirement:	\$4,667,729

WASTEWATER FLOW and FLOW SHARES:	CY2021		
	Town of Clinton Flow	Lancaster Sewer District Flow	Total Wastewater Flow
Average Daily Flow (MGD)	2.436	0.276	2.712
Average Flow (MG/YR)	889.276	100.602	989.878
Proportional Share of Flow	89.84%	10.16%	100.0%

Sewer User Charge Determination

TOWN OF CLINTON	
O&M Expenses	\$3,278,456
Less Revenue (City of Worcester Payment)	-210,531
O&M Expenses to be Recovered	\$3,067,925
Clinton's Share of Flow	89.84%
Clinton's Share of O&M Costs	\$2,756,130
<b>Total Clinton O&amp;M Charge</b>	<b>\$2,756,130</b>

LANCASTER SEWER DISTRICT	
O&M Expenses	\$3,278,456
Less Revenue (City of Worcester Payment)	-210,531
O&M Expenses to be Recovered	\$3,067,925
Lancaster's Share of Flow	10.16%
Lancaster's Share of O&M Costs	\$311,795
<b>Total Lancaster Sewer District O&amp;M Charge</b>	<b>\$311,795</b>

Debt Service Costs to be Recovered	\$1,599,804
Clinton's Share of Wastewater Flow	89.84%

Debt Service Costs to be Recovered	\$1,599,804
Lancaster's Share of Wastewater Flow	10.16%

<b>Total Clinton Debt Service Charge</b>	<b>\$1,437,215</b>
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<b>Total Lancaster Sewer District Debt Service Charge</b>	<b>\$162,589</b>
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<b>Total Clinton O&amp;M and Debt Service Charge</b>	<b>\$4,193,345</b>
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<b>Total Lancaster O&amp;M and Debt Service Charge</b>	<b>\$474,384</b>
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<b>Less MWRA Water Ratepayer Subsidy</b>	<b>-3,693,345</b>
Billable Charge to the Town of Clinton as per CH. 307, Section 8 The Acts of 1987	\$500,000

Billable Charge to Lancaster Sewer District	\$474,384
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Clinton WWTP Charges and Payment Schedule

Sewer Customer	Billable Charges	Change from Prior Year	
		Change	%
Town of Clinton (billable)	\$500,000	\$0	0.0%
Lancaster Sewer District (before adj.)	\$474,384		
Lancaster Sewer District (prior yr. adj.)	-\$14,500		
Lancaster Sewer District (billable)	\$459,884	\$16,001	3.6%
<b>Total Billable Sewer Use Charges</b>	<b>\$959,884</b>		
<b>City of Worcester</b>	<b>\$210,531</b>	<b>\$190,780</b>	<b>10.4%</b>

Payment 1 on or before Sept 15, 2022	Payment 2 on or before Nov 15, 2022	Payment 3 on or before Feb 15, 2023	Payment 4 on or before May 15, 2023
\$125,000	\$125,000	\$125,000	\$125,000
\$114,971	\$114,971	\$114,971	\$114,971
<b>\$239,971</b>	<b>\$239,971</b>	<b>\$239,971</b>	<b>\$239,971</b>
<b>\$0</b>	<b>\$0</b>	<b>\$210,531</b>	<b>\$0</b>

# Massachusetts Water Resources Authority

## Chicopee Valley Aqueduct Water System Assessment

### FY2023 Budget and Assessments

CVA Operating Budget	FY22	FY23	Change from Prior Year	
			Dollars	Percent
CVA Cost Center Expenses	\$955,678	\$1,077,970	\$122,292	12.8%
Allocated Waterworks Expenses	151,498	149,654	-1,844	-1.2%
Allocated Watershed/PILOT	463,776	509,913	46,137	9.9%
Allocated Watershed Land Acquisition	28,792	30,433	1,641	5.7%
Allocated MWRA Indirect Expenses	661,503	700,654	39,152	5.9%
<b>SUBTOTAL OPERATING BUDGET</b>	<b>\$2,261,246</b>	<b>\$2,468,624</b>	<b>\$207,378</b>	<b>9.2%</b>

CVA Capital Budget	FY22	FY23	Change from Prior Year	
			Dollars	Percent
Capital Expenses	\$3,048,338	\$3,047,744	-\$594	0.0%
<b>TOTAL CVA BUDGET</b>	<b>\$5,309,585</b>	<b>\$5,516,368</b>	<b>\$206,783</b>	<b>3.9%</b>

BASE COMMUNITY ASSESSMENT	FY22 <sup>1</sup>	FY23 <sup>2</sup>	Change from Prior Year	
			Dollars	Percent
Chicopee	\$3,628,248	\$3,847,836	\$219,588	6.1%
South Hadley Fire District #1	803,078	814,572	11,493	1.4%
Wilbraham	878,258	853,960	-24,298	-2.8%
<b>CVA BASE SYSTEM ASSESSMENT</b>	<b>\$5,309,585</b>	<b>\$5,516,368</b>	<b>\$206,783</b>	<b>3.9%</b>

PRIOR PERIOD ADJUSTMENTS	FY22 <sup>3</sup>	FY23 <sup>3</sup>	Change from Prior Year	
			Dollars	Percent
Chicopee	-\$27,865	-\$43,446	-\$15,581	55.9%
South Hadley Fire District #1	-5,844	-9,107	-3,263	55.8%
Wilbraham	-5,699	-8,833	-3,134	55.0%
<b>TOTAL ADJUSTMENTS</b>	<b>-\$39,408</b>	<b>-\$61,386</b>	<b>-\$21,978</b>	<b>55.8%</b>

ADJUSTED ASSESSMENT	FY22	FY23	Change from Prior Year	
			Dollars	Percent
Chicopee	\$3,600,383	\$3,804,390	\$204,007	5.7%
South Hadley Fire District #1	797,235	805,465	8,230	1.0%
Wilbraham	872,559	845,127	-27,432	-3.1%
<b>ADJUSTED ASSESSMENT</b>	<b>\$5,270,177</b>	<b>\$5,454,982</b>	<b>\$184,805</b>	<b>3.51%</b>

<sup>1</sup> Based on CY2020 water use and before prior period adjustments.

<sup>2</sup> Based on CY2021 water use and before prior period adjustments.

<sup>3</sup> Prior period adjustment to account for budget to actual expenses.



**STAFF SUMMARY**

**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director *Frederick A. Laskey*  
**DATE:** June 22, 2022  
**SUBJECT:** Appointment of Proxy for Fore River Railroad Corporation

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**COMMITTEE:** Administration, Finance & Audit

X VOTE  
     INFORMATION

*Carolyn Francisco Murphy*  
Carolyn Francisco Murphy  
General Counsel

Sean R. Cordy, Senior Financial Analyst  
Matthew R. Horan, Deputy Director, Finance/Treasurer  
Preparer/Title

*Thomas J. Durkin*  
Thomas J. Durkin  
Director of Finance

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**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 members. With the retirement of two FRRC Board Members staff propose that Rose Marie Convery be appointed to serve on the board. Staff propose that the

remaining current Board Members be reappointed to serve on the FRRC Board in 2022. The members are listed below:

David W. Coppes  
Michele S. Gillen  
Brian Peña

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

Carolyn M. Fiore  
Carolyn M. Francisco Murphy

**ATTACHMENT:**

Form of Proxy

## 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  
June 22, 2022

Massachusetts Water Resources Authority: 1,470 Shares

## STAFF SUMMARY

**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director  
**DATE:** June 22, 2022  
**SUBJECT:** Office Consolidation Boston and Chelsea  
WES Construction Corp.  
Contract 7980



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**COMMITTEE:** Administration Finance and Audit

       INFORMATION

  X   VOTE



Michele S. Gillen

Director of Administration

John Colbert, P.E., Chief Engineer  
Ria Convery, Special Assistant  
Patrick Barrett, Senior Program Manager  
Preparer/Title



David W. Coppes, P.E.

Chief Operating Officer

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### RECOMMENDATION:

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.

### DISCUSSION:

Like the Commonwealth of Massachusetts and several other public entities, the pandemic has shown MWRA that telework is a viable and effective option for many of its employees, allowing for a number of staff to share offices and workstations. For most of the office workers, MWRA's hybrid model allows for no more than 50% of their work time at home and 50% in the office over a two week period. This "Future of Work" model has a number of benefits, including the reduced carbon footprint of those who drive in every day, a better work/homelife balance and the expectations of a new generation of workers who are looking for hybrid schedules.

The Charlestown Navy Yard lease expires in May 2023 and, after a review of space at the Chelsea and Deer Island facilities, it was determined that there is enough room at those locations to house Navy Yard staff. Not renewing the Navy Yard lease will result in annual savings of approximately \$2 million.

The office space at both Deer Island and Chelsea will be upgraded to accommodate hybrid work spaces, replace old furniture and generally update the office spaces, electrical system and MIS services. The Deer Island and Chelsea office spaces have been in service 26 and 21 years, respectively. Both facilities have had only minimal updating of carpeting, painting, lighting and ceiling tiles which are in need of replacement. All cubicles and desk chairs need to be replaced. Existing office desks will be reused and refurbished, as needed, by in-house staff. Under this

contract, the MIS Data systems and communication infrastructure, which is original to each facility, will be updated. This is significant as all new data cables will be installed to change from the use of desktop computers to the use of laptops that will plug-in to the network. The electrical supply feeds to all cubicles will be replaced due to new office configuration, cubicle sizes and collaboration spaces. A separate design contract is being prepared for HVAC improvements in the Deer Island Administration and Lab Building and this construction will follow this contract.

Both facilities will be remodeled to update the mechanical building systems and add or update existing offices to meet current standards and allow for more in-person, collaborative space as well as more effective hybrid work spaces. As Deer Island is located within the City of Boston, it will become the new MWRA headquarters, housing the Executive Office, Board Room, Chief Operating Officer's Office, Administration Director, Law and part of the Finance Division. Internal Audit, Public Affairs and Environmental Management will relocate to Chelsea. In addition, the MWRA Advisory Board will move their offices to a separate space within the Chelsea Facility.

Both facilities will have ample swing spaces available so that staff from Human Resources, Procurement and other departments will be embedded with the Operations, Engineering and Construction and other groups they are supporting. This will allow for more in-person collaboration among departments working on projects and issues together. It is anticipated that these improvements and modernization of work environment space will be more conducive to hybrid work schedules as well as recruitment and retention of staff.

The design was prepared using the MWRA Agency-Wide Technical Assistance Consulting Services Contract 7692, with CDM Smith Inc. The task orders included architectural, electrical, plumbing, HVAC, fire protection and bidding services. Additional engineering services, including Engineering Services during Construction and limited Resident Engineering Inspections to support the construction will also be provided by CDM Smith. A recommendation to approve an amendment to Contract 7692 to cover these additional services is being presented in a separate staff summary at this Board meeting.

## **Procurement Process**

Contract 7980 was advertised and bid utilizing MWRA's e-procurement system (Event 5001-3) in accordance with Massachusetts General Laws, Chapter 149. MWRA staff conducted significant outreach to encourage participation and competition. Specifically, MWRA staff directly solicited 18 contractors who had sufficient DCAMM single project limits, while 13 other contractors with sufficient DCAMM single project limits were solicited through the MWRA Supplier Portal. MWRA staff also solicited the Association of General Contractors and requested that they pass along the project information to potential bidders. Despite this outreach, one bid was received and opened on May 20, 2022. The bid results are as follows:

<u>Bidders</u>	<u>Bid Amount</u>
<i>Engineers Estimate</i>	<i>\$15,200,000</i>
WES Construction Corp.	\$19,587,883*

\* The final bid price has been adjusted to reflect correction to filed sub bids tab.

The bid from WES Construction Corp. is 28.8% higher than the Engineer's Estimate. The U.S. Census Bureau estimates that during the first three months of 2022, construction spending is

approximately 12% above construction spending for the same period in 2021. The current economic inflationary conditions, along with the current bidding environment and risks associated with supply chain issues, have resulted in public construction projects receiving a lower than average number of bids and higher bid prices.

MWRA staff have met with representatives of WES Construction Corp. and confirmed that the bid price reflects all work as described in the contract documents. The higher cost over the Engineer's Estimate is directly related to the current volatile construction industry material supply costs.

WES Construction has successfully completed three projects for MWRA including Upgrades to the Chelsea Screen House, Commonwealth Avenue Pumping Station Improvements and Weston Aqueduct Stop Plank Gates Rehabilitation. References for these projects, and external references, were reviewed and found to be satisfactory. WES also is the selected contractor for the upcoming construction of the Remote Headworks Shaft Access Improvements.

As part of the evaluation, staff reviewed OSHA records for the past five years. The OSHA review found a violation in 2018 that a bi-directional machine alarm on a piece of heavy equipment had been disabled. The employee disabled the audible alarm because the noise was disturbing a nearby resident. WES reached a settlement with OSHA, hired an outside safety consultant to review WES's safety procedures and guidelines, trained employees, and updated its Heavy Equipment Program Safety Plan to include a section related to equipment warning alarms being operational for all work activities.

MWRA and CDM Smith have concluded that WES Construction Corp. possesses the skill, ability and qualifications necessary to perform the work under this contract. Wes Construction Corp. has the available capacity to complete this contract along with their other ongoing work. Staff have determined that the bid price is reasonable, complete and includes the payment of prevailing wage rates, as required. Therefore, staff recommend that Contract 7980 be awarded to WES Construction Corp. as the lowest responsible and eligible bidder.


**BUDGET/FISCAL IMPACT:**

The draft final FY23 CIP includes a budget of \$15,304,750 for Contract 7980. The award amount is \$19,587,883, or \$4,283,133 greater than the CIP amount. This amount will be absorbed within the five- year CIP spending cap.

**MBE/WBE/PARTICIPATION:**

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

## STAFF SUMMARY

**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 22, 2022  
**SUBJECT:** Wastewater Advisory Committee Contract

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**COMMITTEE:** Wastewater Policy & Oversight

INFORMATION

VOTE

Carolyn M. Fiore, Deputy Chief Operating Officer  
Wendy Leo, Senior Program Manager  
Katherine Ronan, Environmental Analyst  
Preparer/Title

Sean Navin 

Director, Intergovernmental Affairs

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### RECOMMENDATION:

To authorize the Executive Director, on behalf of the Authority, to execute a contract, substantially in the form attached hereto, with the Wastewater Advisory Committee for a term of one year, from July 1, 2022 to June 30, 2023, for a total contract cost of \$80,144.

### 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 Wastewater Advisory Committee (WAC) and the Water Supply Citizens Advisory Committee (WSCAC). A separate staff summary presented at this meeting recommends authorization for the Executive Director to execute a similar contract with WSCAC for FY23.

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

The proposed FY23 WAC contract is 3.02% higher than the FY22 contract. Health insurance increased by 5.8%, while hourly salaries increased by 2% and other reimbursable expense items increased by \$400 to cover the cost of a virtual meeting platform and of increased mileage reimbursement if WAC returns to in-person meetings. Health insurance is budgeted at 80% reimbursement for the Executive Director only, not to exceed \$11,740, with an optional health insurance buy-out program similar to that offered to MWRA employees who do not use MWRA's health insurance benefit. Office space and support services for WAC are provided by MWRA at the Charlestown Navy Yard Headquarters. The proposed total FY23 WAC funding is \$80,144.

WAC's monthly meetings are geared towards engendering discussion and facilitating timely recommendations to MWRA's Board of Directors and staff on wastewater policies, projects, and program initiatives directly related to MWRA, and public concerns. Current topics of interest to WAC include reissuance of MWRA NPDES permits, operations and maintenance, combined sewer overflows, green energy, PFAS, treatment technologies, climate change, and wastewater/water policy and funding initiatives in Massachusetts.

WAC elects its chair 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. Pursuant to the terms of the attached contract, WAC's members are approved by MWRA's Board of Directors.

**BUDGET/FISCAL IMPACT:**

Sufficient funds for the WAC contract are included in the Draft Final FY23 Current Expense Budget.

**ATTACHMENT:**

Agreement between Massachusetts Water Resources Authority and Wastewater Advisory Committee.



**AGREEMENT**  
**BETWEEN**  
**MASSACHUSETTS WATER RESOURCES AUTHORITY**  
**AND**  
**WASTEWATER ADVISORY COMMITTEE**

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

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

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

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

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

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

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

**ARTICLE 1. EFFECTIVE DATE**

This Agreement shall be effective from July 1, 2022 through June 30, 2023, inclusive.

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

2.1 The Authority shall make funds available as follows:

(a) Executive Director Salary.

In order to minimize the WAC's expenses and for the WAC's convenience, the Authority shall make direct payments to the WAC for the WAC Executive Director salary. Such payments shall not exceed \$66,330 from July 1, 2022 through June 30, 2023, inclusive. The hourly salary rate (inclusive of payroll taxes) shall be \$45.84 with annual total hours of 1,447 (average 30 hours per week for 49 weeks).

(b) Reimbursable expenses.

The Authority shall reimburse the WAC for 80% of the non-employer-sponsored health insurance for the WAC Executive Director (not to exceed \$11,740), and for stationery, payroll services expenses, bank expenses, and for mileage costs, public transportation costs, highway tolls and parking expenses for meeting attendance by WAC's Executive Director and membership, and for other miscellaneous expenses of the WAC staff approved by the Authority on a case-by-case basis. Such expenses will be reimbursed when submitted to the Public Affairs Unit. Mileage costs will be reimbursed at the prevailing Authority rate per mile.

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

Health insurance buy-out: The WAC Executive Director may elect a monetary allowance in lieu of reimbursement of health insurance costs, provided he or she has health insurance coverage through another employer-sponsored plan that meets Internal Revenue Service "minimum value" criteria, throughout that six-month period. The amount of the allowance will be \$1000 to waive family coverage or \$700 for waiving individual coverage. The WAC Executive Director is responsible for any withholding taxes on these payments with WAC being responsible for the employer share of payroll taxes.

The total annual expense reimbursement to WAC, excluding health insurance reimbursements or buy-out, shall not exceed \$2,074.

(c) Non-reimbursable expenses.

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

ARTICLE 3. RESPONSIBILITIES OF THE AUTHORITY AND WAC.

- (a) The WAC shall employ an Executive Director who is prohibited from being a member of the WAC while serving his or her term as a paid employee. The Authority Public Affairs Office must concur with and approve the selection of the WAC Executive Director by the WAC. The duties of the Executive Director shall be in accordance with the job description prepared by the WAC, and on file with the Authority.
- (b) The WAC shall submit weekly statements to the Authority requesting payment for expenses listed in Article 2. Such requests shall be supplemented or accompanied by time sheets, travel and expense vouchers, and by such other supporting data as may be required by the Authority.
- (c) The WAC shall maintain accounts, records, documents, and other evidence directly pertinent to performance of work under this Agreement. The parties and their duly authorized representatives shall have access to such records, documents, and other evidence for the purpose of inspection, audit, and copying.
- (d) The Authority or its duly authorized agent shall have the right at any and all reasonable times, to examine and audit WAC's records, documents and other evidence.
- (e) This Agreement is subject to the laws dealing with the expenditures of public funds, including Chapter 12A of the Massachusetts General Laws.
- (f) The parties shall agree to any reasonable modifications or changes in this contract that may be required by the Commonwealth of Massachusetts or any of its agencies.
- (g) The WAC acknowledges that the Authority is a state agency for purposes of Chapter 268A of the General Laws (the Massachusetts Conflict of Interest Law) and understands that for the purposes of that law, WAC staff and members are special state employees.
- (h) The WAC shall be responsible for compliance with all applicable provisions and requirements of the Massachusetts Open Meeting Law.

ARTICLE 4. RESPONSIBILITIES OF THE WAC STAFF.

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

- (a) aiding the WAC in its tasks under Article 6, educating the public, and acting as liaison with the Authority and its staff;
- (b) maintaining financial records, minutes of the WAC meetings, and other WAC records;
- (c) providing to the Authority copies of the notices for and minutes of all meetings of WAC and of all WAC correspondence relative to Authority projects and proposals as soon as such materials are available; and

(d) administering and maintaining compliance by all its members and staff with the provisions of the Massachusetts Conflict of Interest Law including, without limitation, those mandatory provisions relating to: (i) annual distribution to members and staff of the State Ethics Commission's (SEC) Summary of Law and maintenance and archiving of acknowledgements of receipt of the Summary of Law from all members and staff, and (ii) compliance by members and staff with the SEC's bi-annual educational training exercises.

## ARTICLE 5. MEMBERSHIP, MEETINGS, TERMS.

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

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

## ARTICLE 6. WAC TASKS.

The WAC shall undertake the following tasks:

### 6.1 Wastewater Policies and Programs Review.

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

### 6.2 Outreach and Education.

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

6.3 Working Group Representation.

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

6.4 Recommendations on Long Term Public Involvement.

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

6.5 Recommendations and Discussion Documents.

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

ARTICLE 7. MISCELLANEOUS REQUIREMENTS.

7.1 Nondiscrimination and Equal Employment Opportunity

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

ARTICLE 8. GENERAL PROVISIONS.

8.1 Termination of Contract.

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

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

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

- (1) not less than forty-five days' written notice delivered by certified mail, return receipt requested, of intent to terminate; and
- (2) an opportunity for consultation with the other party prior to termination, or
- (3) by mutual agreement of the parties.

8.2 Assignability.

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

8.3 Integration Clause.

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

8.4 Amendment.

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

8.5 Severability of Provisions.

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

8.6 Massachusetts Law to Govern.

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

8.7 Duplicate Originals.

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

8.8 Notices.

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

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

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

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

IN WITNESS WHEREOF, this Agreement is executed as of this \_\_\_\_th day of  
June, 2022.


FOR; WASTEWATER ADVISORY COMMITTEE

By: \_\_\_\_\_  
Wayne Chouinard, Chair

FOR: MASSACHUSETTS WATER RESOURCES AUTHORITY

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

## STAFF SUMMARY

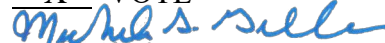
**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 22, 2022  
**SUBJECT:** Agreement for Contract Extension, Operations and Maintenance of the Fore River Pelletizing Plant with New England Fertilizer Company  
Contract S345, Amendment 3 - Exercise Optional Third Year

**COMMITTEE:** Wastewater Policy & Oversight

Stephen D. Cullen, Director, Wastewater  
David F. Duest, Director, Deer Island WWTP  
Carl Pawlowski, Manager, Residuals Operations  
Preparer/Title

INFORMATION

X VOTE



Michele S. Gillen

Director of Administration



David W. Coppes, P.E.

Chief Operating Officer

*The Pellet Plant Operations and Maintenance contract extension expires on December 31, 2022. The current amended contract terms with the New England Fertilizer Company, included a two-year extension with an optional third year approved by the Board of Directors in October 2020. This staff summary requests approval to exercise the optional third year at the same terms. This recommendation is in light of the continued regulatory uncertainty around per and polyfluoroalkyl substances (PFAS) in wastewater and its impact on beneficial use of the pellets.*

### RECOMMENDATION:

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.

### 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



Figure 1: MWRA's Pelletizing Plant



dryers (as shown in Figures 2 and 3 below). The resulting pellets are beneficially marketed and used as a Class A Exceptional Quality fertilizer. The pellets are currently distributed throughout the northeast and eastern United States; 23% of the product was distributed within Massachusetts between 2017 and 2021.



Figure 2: Dewatering Centrifuges

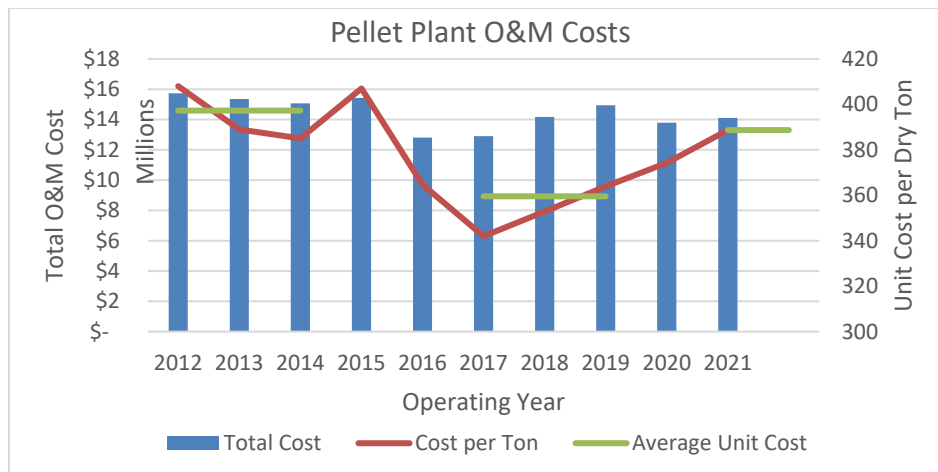


Figure 3: Thermal Dryers

Operation of the Pelletizing Plant began in December 1991 following a competitive procurement process that resulted in MWRA awarding the first operations and maintenance contract to the New England Fertilizer Company (“NEFCo”). The successor contract, Contract S345, also competitively bid, was awarded to NEFCo in 2001 in the amount of \$146,925,856, plus escalation and adjustments for excess quantities, with a contract expiration of December 31, 2015.

There have been three amendments to the Contract. On March 11, 2015, the Board of Directors approved Amendment 1 to Contract S345 in the amount of \$63,260,721, plus escalation, excess quantity charges and a 15% design and administration payment for MWRA CIP projects, and extending the contract term five years, from January 1, 2016 through December 31, 2020. On January 16, 2019, the Board approved Amendment 2 to Contract S345 in the amount of \$440,000 for additional costs arising out of NEFCo’s loss of use of remote silos due to the required demolition of nearby Building 11. On October 14, 2020, the Board of Directors approved Amendment 3 to Contract S345 in the amount of \$30,719,338, plus escalation and adjustments for excess quantities, and extending the contract term by two years, from January 1, 2021 through December 31, 2022, with an optional third year extension subject to further Board approval. (Amendment 3 was actually executed in the amount of \$27,336,954, plus escalation and adjustments for excess quantities; \$13,668,477 for each of the first two years of the extension.) At the time staff negotiated the terms of Amendment 3 it secured pricing from NEFCo for an optional third year, subject to Board approval.

Amendment 1 provided lower rates than the original contract, which was \$360 per dry ton vs. \$397 per dry ton (the average of the last four years of Contract S345) respectively, amounting to a 9.3% reduction in operating costs. Amendment 3 provided rates that are slightly higher (7.8%) than in Amendment 1 because of increases in marketing and disposal costs due to concerns over PFAS contamination in wastewater-derived biosolids. For comparison, the current rate of \$388 per dry ton is lower than the contract for the Greater Lawrence Sanitary District pelletizing operation, which charges on average \$457 per dry ton. Greater Lawrence is the only other publically-owned treatment works in Massachusetts that pelletizes its biosolids.



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 pellet plant maintenance and is required to return a fully operating plant to MWRA at the close of the contract.

Originally, MWRA decided to contract out this operation 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, only a few firms remain, such as NEFCo, that specialize in the operation and maintenance of these facilities.

Staff’s recommendation in 2020 to extend Contract S345 by two years, and its current recommendation to exercise the optional third year extension, was based on the regulatory uncertainty of emerging contaminants per- and polyfluoroalkyl substances (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 typically associated with the manufacturing of non-stick coatings, waterproofing and stain proofing treatments. They have also been associated with certain fire-fighting foams. The Environmental Protection Agency (EPA) has issued health advisories of 70 parts per trillion for two of the perfluorinated compounds in drinking water. In addition, the Massachusetts Department of Environmental Protection (MassDEP) has issued regulations that include a drinking water maximum contaminant level for six PFAS compounds that, when combined, cannot exceed 20 parts per trillion. MassDEP has also developed new soil limits within the Massachusetts Contingency Plan rules.

Over the past three years, regulatory and public concern relative to PFAS extended to the land application of biosolids. MassDEP has focused its attention on data gathering through increased monitoring and reporting for any new or renewed permits issued for biosolids. In November 2020, MassDEP updated MWRA’s permit to require this data gathering. MassDEP plans to use this data to evaluate the issue before any limits are set on these contaminants of concern.

The Maine Department of Environmental Protection (MeDEP) took a more aggressive approach in 2019 when biosolids generators were ordered to develop monitoring plans and conduct testing relative to certain screening concentrations for three specific PFAS compounds. Land application of biosolids exceeding specific trigger levels required approval by the department. NEFCo submitted results in May 2019 and was then reauthorized to market in the state, at slightly reduced application rates. In 2019, 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 believed to be attributed to PFAS concerns. NEFCo continues to submit PFAS test data to MeDEP according to its requirements with no change in status.

In April 2022, Maine passed a law restricting all land application of biosolids. MWRA continues to monitor these regulations and their impacts on the pelletizing operation -- specifically how the regulations may impact the new operations and maintenance contract.

Staff hope that the additional year extension will allow for further development of the science and additional focus on the policy implications, providing greater stability for future competitive bidding. The optional third year to the Amendment 3 extension of Contract S345 will be at the same terms as the first two years of the extension and provide rate stability for this major operations and maintenance contract. Concurrently, Staff are currently in the process of developing the scope and specifications for a successor long-term contract that will be procured competitively.

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


Amendment 3 was approved by the Board for \$30,719,338 plus escalation and adjustments for excess quantities assuming a sludge processing rate of 110 dry tons per day but was executed with NEFCo at \$27,336,954 plus escalation and adjustment for excess quantities. This amount assumed starting at the guaranteed base quantity of 94 dry tons per day. Actual spending for the first two years of Amendment 3 is predicted to total \$30,388,278.

The FY23 current 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.

#### **MBE/WBE PARTICIPATION:**

There were no MBE/WBE participation requirements for this contract; however, NEFCo committed to the following participation: MBE 1% and WBE 12%.

## STAFF SUMMARY


**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 22, 2022  
**SUBJECT:** Agency-Wide Technical Assistance Consulting Services  
Contract 7692, Amendment 2  
CDM Smith Inc.

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**COMMITTEE:** Wastewater Policy & Oversight

       INFORMATION  
  X   VOTE

John P. Colbert, P.E., Chief Engineer  
Meredith R. Norton, Program Manager  
Preparer/Title

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

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### RECOMMENDATION:

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.

### DISCUSSION:

Contract 7692 is an agency-wide multi-discipline technical assistance contract which makes available, on a continuing as-needed basis, the services of a qualified, professional engineering firm to assist MWRA staff on engineering study, design, and construction support initiatives. This contract includes several engineering disciplines such as civil, structural, environmental and sanitary, mechanical and process engineering, as well as related disciplines including architecture, geotechnical, surveying, fire protection, electrical, control systems, chemical, corrosion and odor control, permitting, and security. This technical assistance contract is used on high-priority and unanticipated projects, or projects that are not large enough to warrant a full procurement process, including engineering consultants' efforts to develop qualifications and cost proposals. This contract also provides expertise on short-term assignments requiring specialized disciplines that are not cost effective for MWRA to maintain in-house staff to provide. The contract is written to ensure that adequate resources are available to quickly and comprehensively respond to MWRA's needs, particularly when emergency or unanticipated situations arise.

On October 14, 2020, the Board approved the award of Contract 7692 to CDM Smith Inc. for a two-year contract in an amount not to exceed \$2,500,000. Subsequently, a Notice to Proceed was issued for this contract, which was effective November 23, 2020.

On March 28, 2022, the Executive Director, under delegated authority, approved Amendment 1 to Contract 7692 in an amount not to exceed \$500,000, increasing the contract amount from \$2,500,000 to \$3,000,000, and extending the contract term by twelve months from November 23, 2022 to November 23, 2023.

The following significant task orders have been executed under this contract:

- MWRA Consolidation of Office Space Boston/Chelsea Preliminary and Final Design, and Bidding Services for the MWRA Office Consolidation construction project at the Deer Island Treatment Plant and Chelsea Facility, including architectural, electrical, plumbing, HVAC and fire protection. Design work started in January 2021. Bids were recently received for the construction contract and a recommendation to award is a separate item at this Board meeting.
- Waltham Section 101 Design, Bidding, and Limited ESDC related task orders. This work started in October 26, 2021 and the construction contract was awarded at the May 2022 Board of Directors' Meeting for \$31,900,000. The City of Waltham has agreed to reimburse MWRA for a portion of the costs associated with these task orders.
- Facility Fuel Storage Tank Replacement Siting Evaluation, Final Design and Bidding and Award for the Caruso, DeLauri, Framingham, New Neponset, and Cottage Farm CSO Facilities is in progress with an anticipated construction notice to proceed of February 2023.
- MWRA System Expansion Study of the South Shore Basin area will provide MWRA with a preliminary plan for system expansion of the Southern System. The evaluation will quantify MWRA's existing system capacity available to serve new customers, identify the critical infrastructure needed to add capacity and deliver that available capacity to new communities, and provide planning-level cost estimates for the infrastructure needed to serve these new customers. The work associated with this \$300,000 task order began March 29, 2022 with completion anticipated for the end of December 2022. MWRA will be reimbursed for the costs associated with this effort through the federal aid being provided to Massachusetts under the American Rescue Plan Act (ARPA).
- MWRA System Expansion Study of the Ipswich River Basin will provide MWRA with a plan for system expansion into communities currently drawing from the Ipswich River Basin. Building from existing studies for the region, the study will identify how much additional capacity the MWRA could provide to the northern portion of its distribution system with pipeline upgrades and new pumping stations. The work associated with this \$250,000 task order began March 29, 2022 and has an anticipated December 2022 completion date. The MWRA will likewise be reimbursed for the costs associated with this effort through ARPA.

### **This Amendment**

This amendment increases the contract budget by \$1,000,000 with no increase in contract term. The primary reason for this amendment is to provide funding for a task order of \$715,640 for the Office Consolidation project. CDM Smith will provide one full-time Resident Engineer and Engineering Services During Construction including site inspections, project meetings, record drawings, warranty and first year certification. CDM Smith will review the acceptability of substitute materials and equipment and will review and respond to construction contractor submittals, such as proposed construction methods, Requests for Information, Change Order Requests, monitoring plans, shop drawings, product data, samples, results of tests and inspections,

and other data that the Contractor is required to submit, in accordance with the construction contract documents. The use of CDM for both Engineering Services During Construction and Resident Engineering Services is beneficial for this important project as CDM was the design engineer and has full knowledge of the contract requirements. The amount proposed by CDM is within industry standards when compared to the lowest responsible and eligible bid submitted by WES Construction Corp. of \$19,587,883. Staff recommendation to award that construction contract is a separate Board item presented at this meeting.

To date, \$2,679,843.19 of the total contract amount of \$3 million has been committed to executed task orders and amendments with an additional \$839,781.19 of task orders and amendments pending approval and execution, bringing the total committed contract funds to \$3,519,624.38. The increase in contract funds provided through this amendment will allow the proposed and new task orders to be approved, issued, and completed within the current contract duration.

**CONTRACT SUMMARY:**

	<b>AMOUNT</b>	<b>TIME</b>	<b>DATED</b>
Original Contract:	\$2,500,000.00	24 Months	11/23/20
Amendment 1*:	500,000.00	12 Months	05/02/22
Amendment 2:	\$1,000,000.00	0 Months	Pending
Amended Contract Amount:	\$4,000,000.00	36 Months	

\*Approved under delegated authority


**BUDGET/FISCAL IMPACTS:**

The FY23 CIP includes \$3,000,000 for Contract 7692. Reimbursement of \$550,000 for the System Expansion Studies from ARPA funding and the Waltham Design of \$130,000 from the City of Waltham will be credited to the CIP for this contract. This amendment of \$1,000,000 and the credits from reimbursements will increase the CIP for Contract 7692 to \$3,304,788. The additional \$304,788 will be absorbed in the five-year CIP Spending Cap. Some task order work under this contract has been and will continue to be charged to the Current Expense Budget.

**MBE/WBE PARTICIPATION:**

Due to the specialized and uncertain nature of this work, no minimum MBE or WBE participation requirements were established for these contracts. However, CDM Smith Inc. identified a commitment of 10% MBE participation.

## STAFF SUMMARY


**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 22, 2022  
**SUBJECT:** Water Supply Citizens Advisory Committee Contract

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**COMMITTEE:** Water Policy & Oversight

INFORMATION  
 VOTE

Carolyn M. Fiore, Deputy Chief Operating Officer  
Stephen Estes-Smargiassi, Director, Planning and Sustainability  
Katherine Ronan, Environmental Analyst  
Preparer/Title

  
Sean Navin, Director  
Intergovernmental Affairs

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### RECOMMENDATION:

To authorize the Executive Director, on behalf of the Authority, to execute a contract, substantially in the form attached hereto, with the Water Supply Citizens Advisory Committee for a one-year period beginning July 1, 2022 to June 30, 2023, with a total contract cost of \$116,978.

### 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). A separate staff summary presented at this meeting recommends authorization for the Executive Director to execute a similar contract with WAC for FY23.

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

The proposed FY23 WSCAC contract is 2.5% greater than the FY22 contract. Health insurance increased 5.8%, while hourly salaries increased 2% and other reimbursable expense items increased 3.21%. Health insurance is budgeted at 80% reimbursement for the Executive Director only, not to exceed \$11,740, with an optional health insurance buy-out program similar to that offered to MWRA employees who do not use MWRA's health insurance benefit. The proposed total FY23 WSCAC funding is \$116,978.

Current topics of interest to WSCAC include system redundancy, energy efficiency and carbon footprint, water system expansion issues, changing drinking water regulations, the Water System Master Plan, and watershed management and protection issues. The committee currently has 15 active members. WSCAC continues to work to identify additional members in categories which are not well represented on the committee.

WSCAC's office is located at Quabbin Reservoir in a Department of Conservation and Recreation building. Most meetings were held at MWRA's Southborough facility prior to the pandemic. Since

March 2020, meetings have been held virtually. WSCAC's Executive Director is Lexi Dewey (selected by WSCAC's Executive Committee), and the current Chairman is Gerald Eves, elected from among the members.

**BUDGET/FISCAL IMPACT:**

Sufficient funds for the WSCAC contract are included in the proposed FY23 Current Expense Budget.

**ATTACHMENT:**

Agreement between Massachusetts Water Resources Authority and Water Supply Citizens Advisory Committee



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

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

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

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

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

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

Article 1. Effective Date.

This Agreement shall be effective from July 1, 2022 through June 30, 2023, inclusive.

Article 2. Compensation, Budget, Payment, and Expenses.

2.1 The Authority shall make funds available as follows:

(a) Salaries and Duties.

Director. An Executive Director shall be chosen by WSCAC members at a salary not to exceed \$76,369 for the year commencing on July 1, 2022 through June 30, 2023, inclusive. The hourly salary rate (inclusive of payroll taxes) shall be \$45.84 with annual total hours of 1,666 (average 34 hours per week for 49 weeks). The duties of the Executive Director shall be in accordance with the job description prepared by the Executive Committee of WSCAC and on file with the Authority.

Administrative Assistant. A part-time Administrative Assistant shall be chosen by the WSCAC Executive Director in consultation with the Executive Committee of WSCAC at a salary not to exceed \$16,022 for the year commencing on July 1, 2022 through June 30, 2023, inclusive. The hourly salary rate shall be \$23.84 (inclusive of payroll taxes) with annual total hours of 672 (average 14 hours per week for 48 weeks). The duties of the Administrative Assistant shall be in accordance with the job description prepared by the Executive Committee of WSCAC and on file with the Authority.

(b) Reimbursable Expenses.

- (1) The Authority shall reimburse the WSCAC for 80% of the non-employer-sponsored health insurance for the WSCAC Executive Director (not to exceed \$11,740). The percentage rate for reimbursement of health insurance costs shall be changed to that of Authority staff if the Group Insurance Commission changes the rate.
- (2) Health insurance buy-out: The WSCAC Executive Director may elect a monetary allowance in lieu of reimbursement of health insurance costs, provided he or she has health insurance coverage through another employer-sponsored plan that meets Internal Revenue Service “minimum value” criteria, throughout that six-month period. The amount of the allowance will be \$1000 to waive family coverage or \$700 for waiving individual coverage. The WSCAC Executive Director is responsible for any withholding taxes on these payments with WSCAC being responsible for the employer share of payroll taxes.
- (3) Mileage costs, public transportation costs, highway tolls and parking expenses incurred by WSCAC staff and members from attendance at WSCAC meetings, pertinent conferences and seminars, or while performing other functions directly related to its scope of services. Mileage costs will be reimbursed at the prevailing Authority rate per mile.
- (4) Office supplies (such as letterhead, envelopes, pencils, paper clips), postage, office telephone and internet access, meeting expenses, and general administrative and office expenses;
- (5) The purchase or rental by WSCAC staff of books, films, cassettes, tapes, etc., if specifically approved by the Authority in advance, except that single copies of individual publications, books, and other written documents may be purchased for the WSCAC library use without prior approval, provided that the cost per item does not exceed \$200. All materials purchased under this section shall be considered property of the Authority.
- (6) Other miscellaneous expenses of the WSCAC staff approved by the Authority on a case-by-case basis. When possible, approval of the Authority should be received in advance of incurring such expenditures.

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

The annual total reimbursement to WSCAC for annual and miscellaneous expenses combined shall not exceed \$24,587 from July 1, 2022 through June 30, 2023, inclusive.

(c) Non-reimbursable expenses.

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

ARTICLE 3. RESPONSIBILITIES OF THE AUTHORITY AND WSCAC.

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

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

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

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

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

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

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

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

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

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

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

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

#### ARTICLE 5. MEMBERSHIP

5.1 Membership of WSCAC

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

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

ARTICLE 6. WSCAC TASKS.

WSCAC shall undertake the following tasks:

6.1 Water Supply Programs Review.

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

6.2 Outreach and Education.

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

6.3 Working Group Representation.

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

6.4 Recommendations on Long Term Public Involvement.

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

6.5 Recommendations and Discussion Documents.

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

ARTICLE 7. MISCELLANEOUS REQUIREMENTS.

7.1 Nondiscrimination and Equal Employment Opportunity.

(a) WSCAC agrees to comply with all Federal and State laws pertaining to Civil Rights and Equal Opportunity, including executive orders and rules and regulations regarding employment,

demotion, transfers, recruitment, layoffs or termination, rates of pay or other compensation and training, including apprenticeships. With regard to WSCAC membership, WSCAC agrees to affirmatively solicit minority representation.

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

## ARTICLE 8. GENERAL PROVISIONS.

### 8.1 Termination of Contract.

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

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

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

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

### 8.2 Ownership of Property.

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

### 8.3 Assignability.

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

### 8.4 Integration Clause.

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

8.5 Severability of Provisions.

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

8.6 Massachusetts Law to Govern.

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

8.7 Duplicate Originals.

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

8.8 Notices.

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

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

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

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

IN WITNESS WHEREOF, this Agreement is executed as of this      day of June, 2022.

FOR: WATER SUPPLY CITIZENS ADVISORY COMMITTEE

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


Dated:

FOR: MASSACHUSETTS WATER RESOURCES AUTHORITY

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

Dated:

## STAFF SUMMARY


**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director   
**DATE:** June 22, 2022  
**SUBJECT:** Appointment of Manager, Maintenance (Deer Island)  
Operations Division

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**COMMITTEE:** Personnel & Compensation

INFORMATION  
 VOTE

Andrea Murphy, Director, Human Resources  
David F. Duest, Director, Deer Island Treatment Plant  
Preparer/Title

  
David W. Coppes P.E.  
Chief Operating Officer

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### RECOMMENDATION:

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.

### DISCUSSION:

The position of Manager, Maintenance (Deer Island) is responsible for overseeing the maintenance program and activities of all staff within the Maintenance Department at the Deer Island Treatment Plant. The Manager, Maintenance directs 132 staff, including all trade groups: Electrical, Instrumentation, Mechanic, HVAC, Plumbers and facilities personnel. The position has six direct reports: four Area Managers, one Facility Manager and one Senior Program Manager responsible for Condition Monitoring. This position is responsible for implementing industry best maintenance practices to increase staff productivity, monitor asset performance indicators, and implement programs to maximize asset life while reducing equipment downtime. To be successful, the position must coordinate and communicate extensively with all departments to ensure equipment is maintained properly and is available to operations staff when required. The Deer Island Treatment Plant is now 27 years old. The maintenance program is critical to the success of the operation of the plant and must be evaluated on a continuous basis to ensure short term and long term equipment needs are met. This position reports to the Deputy Director of Maintenance, Deer Island Treatment Plant.

### Selection Process

The position was posted internally and externally. Seven candidates applied for the position. Three candidates met the minimum qualifications and were referred to the Operations Division. The Deer Island Director, Deputy Director of Maintenance, and Special Assistant for Affirmative Action interviewed all three candidates. Mr. Daniel Keough was unanimously selected as the best qualified candidate for the position.



Mr. Keough has over 31 years of proven maintenance experience in positions of increasing responsibility since starting with MWRA in 1991. Most recently, he has been a Maintenance Manager, Metro East for over seven years, responsible for supervising a multidisciplinary trades group of Mechanics, HVAC, facilities staff, Plumbers, and Electricians. He has experience coordinating startups and shutdowns of process equipment to support maintenance activities at Deer Island and at facilities within the Metro Operations service area.. During his career, he has worked at Deer Island for sixteen years and in Field Operations for fourteen years.

Mr. Keough has been a key leader in implementing best practices to increase productivity and in monitoring performance indicators to maximize asset life. He has increased the use of condition-monitoring techniques, such as vibration analysis and oil sampling programs within his team. He has also implemented laser and belt alignment with his mechanical staff. Mr. Keough has a great working relationship with his Operations counterparts and has worked diligently to ensure equipment availability to meet operational objectives.

Mr. Keough holds a Bachelor of Science degree from Wentworth Institute of Technology. He is a certified Reliability Centered Maintenance Facilitator and a certified machinery technician from the US Coast Guard.

**BUDGET/FISCAL IMPACT:**

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

**ATTACHMENTS:**

- Resume of Daniel Keough
- Position Description
- Organization Chart

## DANIEL P. KEOUGH

### **PROFILE:**

- Experienced Operations & Maintenance professional with over 31 years experience in both the public and private domain, including the military
- Strong Facilitation, Communication Verbal and Written skills
- Former Reliability Centered Maintenance Coordinator for The Deer Island Treatment supporting the overall Facility Assets Management Program (FAMP) Initiative
- Experienced Reliability Centered Maintenance Facilitator at the Massachusetts Water Resources Authority
- Manage, coordinate and direct staff consisting of one Water and Wastewater Supervisor, one Plumbing Operations Supervisor, three Unit Supervisors, fifteen M&O Specialists, eight Plumber/Pipefitters, one Tool Maker, one Master Welder, one Welder/Metal Fabricator
- Extensive supervisory experience at Deer Island Treatment Plant, Massachusetts Water Resources Authority (MWRA), Field Operations Division, MWRA and in the United States Coast Guard
- Highly developed application skills in reading schematics, diagrams, blueprints, manuals, and utilizing them to perform troubleshooting operational tasks
- Highly developed cross-functional ability as demonstrated through both operations and maintenance assignments at the Deer Island Treatment Plant MWRA, and the Field Operations Division MWRA
- Computer experience in Microsoft Word, Access, Excel, MAXIMO (CMMS), Reliability Centered Maintenance software, and Condition Monitoring Program

### **PROFESSIONAL EXPERIENCE:**

#### **Massachusetts Water Resources Authority, Field Operations Division**

##### **Manager, Maintenance Metro East**

*March 2015 – Present*

- Supervisor of 105 trade staff including Planning & Scheduling Coordinators, Electricians, Mechanics, Machinist's, Welders, HVAC Technicians, Painters, Carpenters, Masons, and Building and Grounds
- Responsible for the maintenance of all water and wastewater facilities including headwork's, pumping stations and combined sewer overflow facilities in eastern Massachusetts.
- Manage the efficient and effective maintenance of MWRA's wastewater pumping stations, CSOs, and headworks facilities
- Expand implemented Condition Monitoring Program

##### **Program Manager Trades Maintenance**

*October, 2008 – March 2015*

- Manages all aspects of the Maintenance Program relative to preventive, predictive, corrective, emergency, project, condition based maintenance activities for the Field Operations Division
- Manage the efficient and effective maintenance of MWRA's water pumping stations, wastewater pumping stations, combined sewer overflow (CSO) facilities, and headworks facilities
- Manage, train and assign maintenance personnel who perform tasks related to maintenance and construction
- Review assigned employee performance according to MWRA procedures
- Prepare, manage, and oversee contracts and purchase orders for the repair and purchase of maintenance equipment
- Develop the Current Expense Budget (CEB) for project work, training, and material purchases
- Approve and track spending, justify variances from budget
- Oversee expansion and proper utilization of spare parts inventory
- Generate inspection lists and maintenance reporting through the Computerized Maintenance Management System (CMMS)
- Assist in the development and administration of condition monitoring programs such as vibration analysis, load bank testing, thermography, oil analysis, acoustic ultrasonic testing
- Provide technical input for major maintenance projects and review new construction proposals to ensure maintainability
- Follow established Safety, Operating and Emergency Response procedures and policies

**Area Manager**

**October, 2003 – October, 2008**

- Manage all aspects of the Maintenance Program relative to preventive, predictive, corrective, project, and condition based maintenance activities at the Deer Island Treatment Plant Residuals and Liquid Train Areas, Digester Complex, Gravity Thickener Complex, Scum Screening Complex, Centrifuge Thickening Complex, Primary Clarifier Complex, Secondary Clarifier Complex, Grit Removal Complex, Odor Control Facilities, Cryogenic Oxygen Generation Facility, Oxygen Reactor Facility, Disinfection Facility
- Complete assigned employee performance reviews
- Manage maintenance activities (labor, materials, services), monitor performance against operational needs and requests
- Manage, train and assign maintenance personnel who perform tasks related to maintenance and construction
- Prepared budget for assigned operational area, and monitor performance against approved budget of \$2.7 million.
- Approve and track spending, justify variances from budget
- Oversee selection and proper utilization of spare parts inventory
- Review, monitor, evaluate work performed, and recommend improvements on systems, equipment, techniques, and procedures
- Manage and coordinate contracts of outside contract services including Cryogenics Facility, Disinfection Basin Mixer Replacement, and Oxygen Reactor Aerator Gear Box Refurbishment
- Provide technical input for major maintenance projects and review new construction proposals to ensure maintainability
- Recommend upgrades to plant equipment and facilities to ensure continued optimal operation
- Complete assigned employee performance reviews
- Follow established Safety, Operating and Emergency Response procedures and policies
- Design, write, review and implement policies and procedures with maintenance, operations and the Massachusetts Water Resources Authority

**Planning/Scheduling Coordinator**

**January, 2002 – October, 2003**

- Manage/Facilitate planning meetings to plan critical work with Unit Supervisors and Area Manager to support plant operational needs
- Coordinate and implement Reliability Centered Maintenance recommendations in the field and in MAXIMO (CMMS)
- Coordinate the availability of necessary staff, equipment, materials and facility operational availability to complete the necessary Preventive/Corrective maintenance
- Follow established Safety, Operating and Emergency Response procedures and policies
- Initiates, purchase requests for tools, parts, and service utilizing MAXIMO (CMMS) Lawson interface
- Monitor work order backlog, staffing requirements, staffing capabilities and prepare work schedules based upon priorities and available staff and materials
- Implement special instructions and considerations, review work completion status, and review future job plans for future job planning
- Record, document, track, trend and report results for MAXIMO (CMMS) to Senior Management
- Assist Engineering, Maintenance, Operational and Central Support staff with preparation of Preventive Maintenance and Predictive Maintenance work orders
- Design, write, review and implement policies and procedures with maintenance, operations and the Massachusetts Water Resources Authority
- Coordinate design/operational recommendations for ongoing system improvements

**Maintenance Specialist**

**December, 1996 - January, 2002**

- Inspect, maintain, troubleshoot, repair and install mechanical, pneumatic, and hydraulic equipment working from manufacturer's manuals and specifications, blueprints, schematics, and verbal instructions in various process areas of the Deer Island Treatment Plant
- Perform preventive, predictive, and corrective maintenance on equipment, documenting/reporting results in MAXIMO (CMMS)
- Work with the operations and maintenance teams in the Residuals Area, ensure that equipment is available for plant operations

**Power and Pump Plant Operating Engineer**

***September, 1993 – December, 1996***

- Supervised four diesel power plant operators, prepared and submitted operational logs, including reports of engine malfunctions together with observations and recommendations
- Supervised and participated in operating the appropriate number of units required to meet the pumping and power demands of the plant
- Executed necessary action in emergencies to avert any shut downs or equipment damage
- Operated large dual-fuel engines for power and pumping
- Synchronized newly started generating units and divided the load among operating generators
- Trained subordinates in plant power distribution and generating equipment, and operational principles of pumps, boilers, air compressors, pneumatic controls and valves

**Diesel Power Plant Operator**

***December, 1991 – September, 1993***

- Responsible for the oversight of the major pumping station for the Metropolitan Boston Sewer System
- Started, stopped and operated 16 cylinder Delavall diesel engine generators for power distribution, 1800 H.P. electric motors for proper sewage flow maintenance, and 12 cylinder Nordberg diesel engines
- Inspected all assigned equipment, i.e. air compressors, air driers, Cleaver Brooks boilers, condensate tanks and pumps, deaerator tanks and pumps, feed water pumps, chemical feed
- Transferred fuel oil from fuel farm to underground fuel tank
- Thorough knowledge of all related systems with ability to take immediate corrective action during normal and emergency operations

**TRAINING AND EDUCATION:**

- 2014 Graduate, Magna Cum Laude, Bachelor of Science, Project Management, Wentworth Institute of Technology
- Member Tau Alpha Phi, National Honors Society, Wentworth Institute of Technology
- Dean's list Wentworth Institute of Technology
- Certified Reliability Centered Maintenance Facilitator
- Completed 10 day 100 hour course on Reliability Centered Maintenance Facilitator Course provided by Spearhead Associates
- Completed 3 day 24 hour course on Reliability Centered Maintenance team course provided by Spearhead Associates
- Certified in MAXIMO Computerized Maintenance Management Software applications
- Certified Machinery Technician, United States Coast Guard

***United States Coast Guard – Active Duty and Reserves***

***April, 1983 – April, 1992***

**ACCOMPLISHMENTS**

- Prepared and presented paper and PowerPoint presentation on Reliability Centered Maintenance/Best Practices at SMRP Conference, Nashville, Tenn.
- Prepared and presented paper and PowerPoint presentation on Reliability Centered Maintenance/Best Practices at NEWEA Conference, Boston, Ma.
- Initiated the Thickened Primary Sludge (TPS) pump replacement project Deer Island Treatment Plant
- Initiated and implemented the upgrade of the Chemical delivery piping systems in the Residuals Gas Handling Facility, Residuals Odor Control Facility, East Odor Control Facility, and West Odor Control Facility Deer Island Treatment Plant
- Initiated and implemented the upgrade and overhaul of the Gravity Thickener tank scum system Deer Island Treatment Plant
- Initiated and implemented the replacement of Emergency Eyewash showers in the Sodium Hypochlorite Tank Farm, the work included converting an abandoned W3 piping system into a Tempered Water system Deer Island Treatment Plant
- Initiated and implemented installation of Sodium Hypochlorite bypass delivery piping system Deer Island Treatment Plant
- Initiated and Implemented Contract S-457 Disinfection Mixer Replacement Project, Wrote Scope of Services, reviewed bid proposals, Wrote Qualification memo and Staff Summary Deer Island Treatment Plant
- Completed the Primary Clarifier Wear Shoe replacement project Deer Island Treatment Plant
- Initiated and implemented the upgrade and overhaul of the Grit Collection System at Sewerage Headworks of the MWRA service area in Boston
- Initiated and implemented the upgrade of the chemical delivery piping systems at the Chelsea Creek and the Nut Island Headworks Odor Control Facilities, Field Operations Division, Metro East

**MWRA  
POSITION DESCRIPTION**

**POSITION:** Manager, Maintenance (Deer Island)

**PCR#:** 2988004

**DIVISION:** Operations

**DEPARTMENT:** Deer Island, Maintenance

**BASIC PURPOSE:**

Manages the maintenance activities of the Area Managers, Sr. Program Manager, Deer Island Maintenance, and Facilities Manager and their staff to ensure completion of maintenance work necessary to meet operational needs and asset preservation of a large municipal facility.

**SUPERVISION RECEIVED:**

Works under the general supervision of the Deer Island Treatment Plant Deputy Director, Maintenance.

**SUPERVISION EXERCISED:**

Exercises close supervision over the assigned Area Managers, Facilities Manager, and Sr. Program Manager, Deer Island Maintenance.

**ESSENTIAL DUTIES AND RESPONSIBILITIES:**

- Manages Area Managers, Facilities Manager, and Sr. Program Manager to ensure proper assignment and functioning of the maintenance unit.
- Reviews, monitors and evaluates work performed in all assigned areas and recommends appropriate improvements in equipment, techniques and procedures.
- In conjunction with the Sr. Program Manager, Deer Island Maintenance continues to implement predictive maintenance activities including oil analysis, vibration, acoustic ultrasonic, infrared thermography, motor analyses, thickness, and laser alignment.
- Coordinates with the Asset Management group, Operations, Power Generation, Capital Engineering and Process Control Group Managers to provide cost effective maintenance services ensuring optimum plant performance while maintaining equipment availability targets. Recommends overtime, when required, to meet equipment availability targets.

- Works with the Deputy Director of Maintenance, Assets Manager, and Engineering group to develop long-term maintenance strategies, implements new maintenance initiatives, capital projects, and required maintenance programs. Assigns work to ensure department meets maintenance milestones identified in the Authority's business plan.
- Manages the implementation of the Reliability Centered Maintenance strategy.
- Manages staff hiring of trades maintenance personnel. Prepares and submits organizational and personnel written recommendations to the Deputy Director as needed.
- Continuously reviews staff licensing and training requirements and works with the MWRA Training group and Occupational Health and Safety group to ensure staff are trained to perform their necessary maintenance activities in a safe and effective manner.
- Manages the development of the Maintenance Group's budget. Audits individual area manager's performance to budget. Identifies variances and works with staff and budget group to explain variances and take corrective action.
- Advises engineering personnel relative to the resolution of technical maintenance problems within the Facility.
- With the assistance of the Work Coordination Center Manager, generates, and reviews department's performance versus key performance indicators ("KPIs") such as work back log, preventive maintenance, and predictive maintenance. Develops new KPIs as needed. Recommends and implements corrective actions to department procedures as required.
- In conjunction with the Assets Manager and the Work Coordination Center Manager, ensures that the MAXIMO system and Work Coordination Group staff are delivering the necessary information and services required to meet day-to-day maintenance planning and work needs.
- Develops, in conjunction with the Asset Manager, comprehensive work practices that ensures proper data integrity within Maximo including updating equipment information as new equipment is purchased.
- Establishes maintenance service contract requirements, develops the appropriate Scope of Services and budgets, and manages contracted maintenance services as required. Responsible for writing and/or approving equipment specifications, justifications, staff summaries and maintenance reports to ensure maintenance materials and services are acquired as needed.
- Coordinates with maintenance staff, Operations, Engineering, Laboratory, PICS and Safety Departments to ensure all MWRA staff on Deer Island are receiving the required maintenance support.
- Performs quality assurance/quality control (QA/QC) audits on standard work procedures, such as but not limited to staff working on priority jobs, safety procedures being followed,

appropriate staff levels by job, material availability, daily dispatch compliance, and technician work documentation on work orders and in Maximo.

- Utilizes personal computers, data terminals, and special applications software to perform related duties such as Maximo, Lawson and PICS, etc.
- Promotes the MWRA safety program within the department including but not limited to supporting staff involvement in safety committee meetings, keeping informed of the crews' safety records and formally investigating accidents with the assistance of the Occupational Health and Safety department. Works with the Occupational Health and Safety Department to implement Safety Training and Tool Box Talks to ensure compliance with the MWRA's safety procedures.
- Reviews assigned employees' performance per MWRA procedures.
- Acts as liaison and promotes harmonious relations with other maintenance units, vendors and MWRA departments.
- Manages the Department in a manner that is consistent with MWRA's goals of Diversity, Equity, and Inclusion.
- Administers the application of collective bargaining provisions and personnel policies in the work place. Serves as Step I grievance Hearing Officer.

**SECONDARY DUTIES:**

- Assists employees with preparation of injury/illness reports, safety and maintenance work orders, and ensures that they keep high quality, accurate related documents and records.
- Assists in maintaining harmonious labor management relations through proper applications of collective bargaining agreement provisions and established personnel policies.
- Promotes and participates in the cross-functional work practices.
- Acts as lead senior manager on a rotating basis with other DITP senior management in DITP's Emergency Operation Center (EOC).
- Performs other related duties as required.

## **MINIMUM QUALIFICATIONS:**

Education and Experience:

- (A) A Bachelor's degree in Engineering, Facilities Management or related field; and
- (B) Eight (8) to ten (10) years of water / wastewater design, operations and/or maintenance experience, including five (5) years of management/supervisory experience, preferably in maintenance; or
- (C) Any equivalent combination of education and experience.

Necessary Knowledge, Skills and Abilities:

- (A) Working knowledge of the maintenance, repair, and replacement of equipment within a large industrial, water, wastewater treatment plant or liquid processing facility.
- (B) Ability to plan, organize, direct, train and assign work through subordinate managers, supervisors, and staff in a unionized environment.
- (C) Knowledge, experience and understanding of maintenance practices using a computerized maintenance management system such as but not limited to Maximo and Lawson.
- (D) Knowledge, experience and understanding of Reliability Centered Maintenance methodology. Familiar with its principles, application, and outcomes to increase maintenance effectiveness and productivity.
- (E) Excellent interpersonal, written, and verbal communication skills.

## **SPECIAL REQUIREMENTS:**

Is required to be part of an on-call rotation for emergencies 24 hours a day, 7 days a week

A valid Massachusetts Class D Motor Vehicle Operators License.

A Certified Maintenance and Reliability Professionals (CMRP) certification preferred.

## **TOOLS AND EQUIPMENT USED:**

Mobile radio, 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 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 10 pounds and occasionally lift and/or move up to 25 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:**

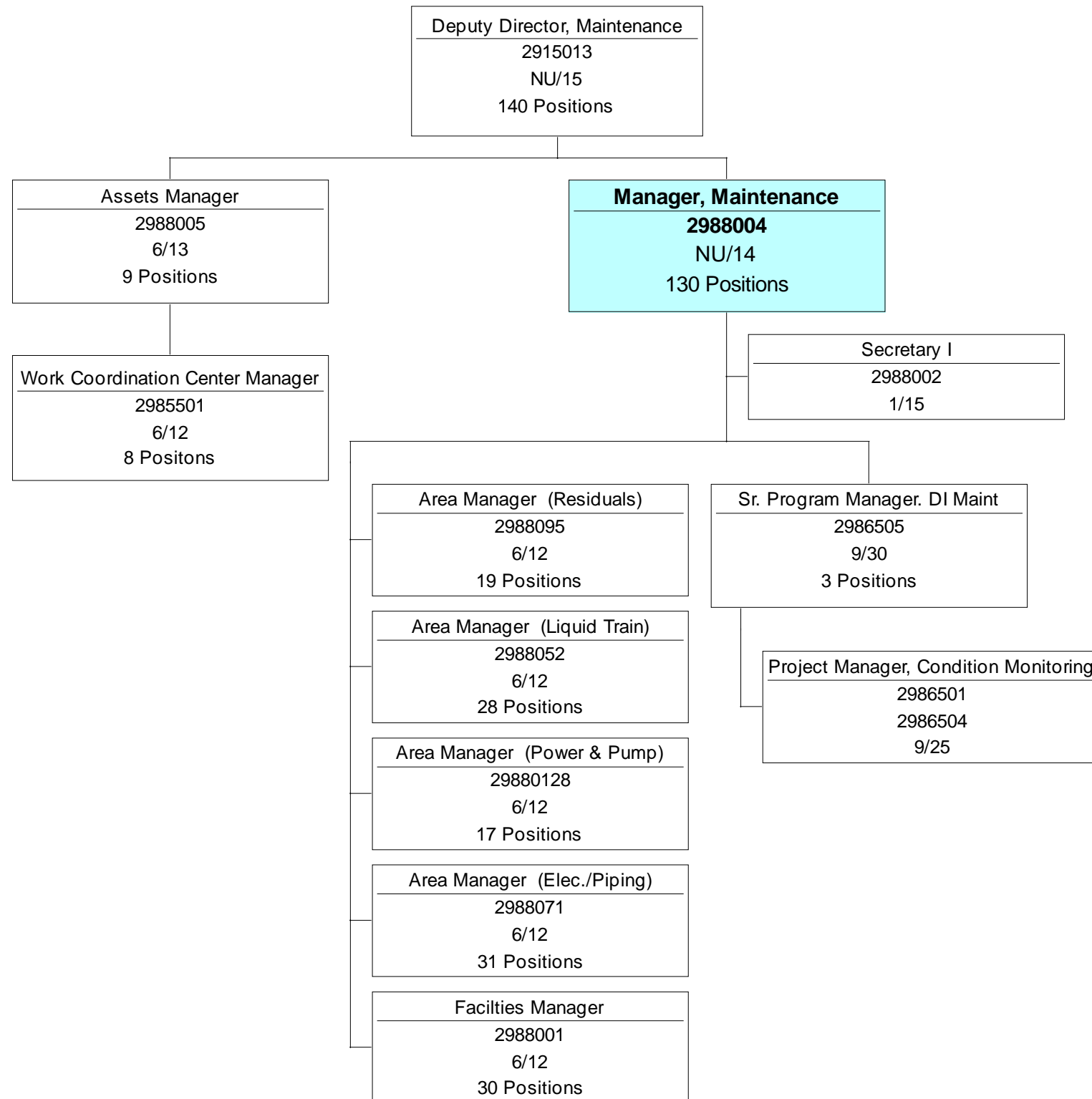
The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job.

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.

**March 2022**

Operations-Wastewater Treatment  
**Deer Island - Maintenance**  
 June, 2022



TO: Bethany A. Card, Chair, MWRA Board of Directors and Secretary of Energy & Environmental Affairs  
Lou Taverna, P.E., Chair, Executive Committee, MWRA Advisory Board  
Frederick A. Laskey, Executive Director, MWRA  
Joseph Favaloro, Executive Director, MWRA Advisory Board  
Tori Kim, Director, Massachusetts Environmental Policy Act  
Vandana Rao, Executive Director, Water Resources Commission

FROM: Marc Draisen, Executive Director, Metropolitan Area Planning Council

SUBJECT: Proposal to waive the entrance fee for new MWRA water service

DATE: June 15, 2022

Dear Chair Card and agency leaders:

As the MWRA Advisory Board considers a proposal to waive the entrance fee for new communities joining the MWRA water service district, MAPC would like to take this opportunity to offer our perspective on this issue.

First, I am sure that the leadership of the MWRA and the agencies addressed here are aware of the previous initiative, more than a decade ago, to establish policy criteria around expansion of the MWRA water system that would meet the water needs of the region as well as address the Commonwealth's goals for environmentally sustainable development, or "smart growth." MAPC played a significant role in those conversations, which culminated in a facilitated session in 2010. While several proposed approaches were discussed and a draft agreement was prepared by the Consensus Building Institute, the process did not ultimately result in the adoption of new policies at that time.

I refer to this initiative of 2010 as a starting point for our discussion of the current proposal, to contrast how conditions today differ significantly from a decade ago, while also highlighting issues that remain a concern today.

In reconsidering this issue in 2022, MAPC recognizes that today the region faces both constraints and opportunities that were not under consideration previously. These constraints and opportunities include:

- the widespread and growing threat of PFAS contamination in municipal water supplies,
- the need to support a sustainable water balance in the Ipswich River watershed,
- efforts to complete one of the region's largest mixed-use development in Weymouth, and
- the new housing requirements for MBTA communities.

MAPC's perspective on each of these issues is summarized below.

### **PFAS Contamination Region-Wide**

The most urgent factor to consider is the increasing problem of PFAS contamination of local water supplies across the region and state. The first round of testing has revealed PFAS contamination of finished (treated) water in 20 MAPC communities, and contamination of source groundwater in 22 additional communities. It is still early in this unfolding crisis; for example, federal standards have not even been brought to bear on this issue yet. The ubiquitous nature of these chemicals will present a growing challenge to safe drinking water for years to come.

Meanwhile, the MWRA is fortunate to have source waters in its reservoirs that are free of PFAS-contamination, and the existing water demand of their current users is only about 65% of the system's safe yield, leaving significant capacity potentially available to assist communities facing PFAS contamination.

However, the MWRA would not be a solution for all communities in the region facing PFAS contamination, but only for those communities in relatively close proximity to the MWRA system. All new MWRA water communities would have to bear the significant infrastructure costs of connecting to the MWRA, and perhaps the costs of treatment to address compatibility of blended MWRA and local water sources. Adding the entrance fee on top those already-significant costs would be a significant barrier to resolving the PFAS issue in the region, and a burden to communities already in distress because of the sudden loss of local water sources.

### **The Ipswich River: Seeking Sustainable Solutions for the Watershed**

On the North Shore, the issues relating to potential expansion of the MWRA water system are significantly different. The entire Ipswich River watershed has been oversubscribed for water withdrawals for decades, resulting in chronic stress on streamflow, up to and including low flow and even zero flow in some river segments during several summer seasons. To address this longstanding challenge, Senator Bruce Tarr has convened the communities of the Ipswich River watershed along with the Ipswich River Watershed Association, to seek long-term solutions to provide the municipal water supply needed while sustaining and restoring the Ipswich River watershed. The Ipswich River Water Resilience Task Force convened in the fall of 2021 and has initially identified two potential solutions: development of a new reservoir in Topsfield and connecting some of the communities to the MWRA.

Task Force communities are assessing the feasibility of interconnecting some of the towns to allow for "wheeling" of water to adjacent towns. The Task Force will also soon begin a technical analysis under an earmark sponsored by Senator Tarr. Finally, the MWRA has begun its own assessment of the feasibility of expanding water service to the North Shore, under another earmark. All three of these technical studies are expected to be completed by early 2023, providing the Task Force with the assessments needed to establish criteria to select the preferred water supply alternative(s) for implementation.

While it is premature to speculate about the outcome of these assessments, and whether MWRA will be seen as a preferred alternative for at least some of the Task Force communities, one thing is certain: any community that decides to move ahead with joining the MWRA would face significant costs for making the connection, as is the case for PFAS-impacted communities mentioned above. Similarly, adding an entrance fee on top of already-significant infrastructure costs would only serve as a disincentive to implementing potential sustainable solutions to the long-standing problems of the Ipswich River.

### **Water Supply on the South Shore: Union Point**

On the South Shore, the principal focus of potential MWRA water expansion is the Union Point development at the former South Weymouth Naval Air Station. Since the initial planning and MEPA review of this major development over 15 years ago, it has been clear that this mixed-use development could not achieve full buildout of its Master Plan without additional water sources beyond Weymouth's local system, and the MWRA was identified as the preferred alternative during MEPA review. The original master plan called for nearly 3,000 new residential units, and a revised plan later increased that

to nearly 4,000 units. Unfortunately, to date, fewer than 1,000 units have been built. Just as significantly, the non-residential component of this mixed-use development program, which includes several million square feet of research, office, and retail, has not yet commenced. While Union Point suffered from the Great Recession, which took place shortly after it was approved, as well as frequent changes in master developers, the lack of adequate water supply has been an ongoing contributing factor to the project's slow pace of development. As with the PFAS communities and the Ipswich River watershed, MWRA water has the potential to contribute to resolving this ongoing issue by helping to unlock the remaining development planned for Union Point. Also as with the other issues, the entrance fee would only serve to make this solution less attainable.

### **Housing Requirements for MBTA Communities**

The final change in context, which MAPC considers to be critical for development, is the recently adopted legislation requiring MBTA communities to zone for significantly more by-right multifamily housing at densities greater than traditionally allowed in many communities. An analysis has not yet been done comparing the potential additional housing with existing water supply (and wastewater) capacity, and MWRA water is not an appropriate solution for all parts of the MBTA district. However, even lacking such a quantitative analysis, it is likely that water supply availability could be a constraint to achieving these requirements in some non-MWRA communities, and that making MWRA water available could address this constraint in some of those cities and towns.

The confluence of the above trends places a very different complexion on the consideration of the future role of MWRA water supply in the region compared to the previous discussions. In all of the cases mentioned above, the policy change currently under consideration appears to be beneficial, including mitigating PFAS contamination, achieving a sustainable water balance in the Ipswich River, enabling the completion of a major regional mixed-use development on the South Shore, and supporting the implementation of the state's goals for housing in the MBTA service area. At this juncture, the MWRA entrance fee would only serve as a barrier to resolving these four critical challenges facing individual municipalities, the Greater Boston region, and the Commonwealth at large.

### **Remaining concerns: Low Density Development and Greenhouse Gas Emissions**

In contrast to the changed circumstances that portend numerous benefits of MWRA water system expansion, there remains a concern that such expansion, if not well implemented by newly joining municipalities, could facilitate more low-density development not served by transit, a transportation-inefficient land use pattern that typically increases reliance on automobile use and Vehicle Miles of Travel (VMT). This in turn increases emissions of Greenhouse Gases (GHG), which would be counter to the state's climate goals and commitments under the Global Warming Solutions Act (GWSA) and the more recently passed Act Creating A Next-Generation Roadmap for Massachusetts Climate Policy (Roadmap Act).

MAPC recognizes that not all new MWRA water service connections would necessarily cause low-density growth. New MWRA water provided to replace existing local sources lost to PFAS (or other contaminants) is one example. Using MWRA water to replace local sources in a stressed watershed like the Ipswich is another. And providing MWRA water to help a community meet the need for more and high-density housing near transit is a third.

However, when a community seeks MWRA water not to replace local sources but, rather, to accommodate new, low-density development far from transit, the impacts on public health, congestion, and GHG emissions are likely to be severe and deleterious, running counter to the state's smart growth goals. In such cases, the following are MAPC's suggestions for how these issues can be reviewed by the state to achieve the greatest benefit while avoiding potential negative impacts of expanded MWRA water service.

### **Suggestions for Review Process for Proposed New MWRA Water Service**

While MAPC recognizes that it is not in MWRA's mission or enabling legislation to address land use and GHG emission issues directly, it clearly is in the purview of the EOEEA to do so. EOEEA is the central state agency charged with implementing the GWSA and Roadmap Act, leading the state's efforts to meet the GHG emission reductions required for 2030 and 2050.

MAPC notes that EOEEA agencies have a key role in reviewing and approving each individual proposed new connection to the MWRA through two related mechanisms: a permit required by the Interbasin Transfer (IBT) Act, issued by the Water Resources Commission, and project review under the Massachusetts Environmental Policy Act (MEPA), administered by the MEPA Office. MEPA review is triggered by any Interbasin Transfer permit request.

MAPC suggests that, consistent with its responsibilities under the relevant climate statutes, EOEEA should incorporate consideration of GHG emissions into the decision-making framework for IBT permits and MEPA review in cases when new MWRA water would provide significant additional capacity for growth. Projects that would replace existing local sources, as described above, could be exempt from this additional review requirement.

The Department of Conservation & Recreation (DCR) could assist EOEEA in this effort by ensuring that the water needs projections underlying an IBT request are based on an assessment not only of the projected increase in population and/or employment, but also on an understanding of growth dynamics and zoning in the community. This would likely require an enhanced methodology, which would only be needed in those cases where GHG issues would be raised by a proposed connection to MWRA. MAPC would be glad to consult with EOEEA, DCR, and MWRA on approaches to modifying the water needs projections for this purpose.

### **Conclusion**

Given the suite of benefits discussed above, MAPC supports the proposal to waive the entry fees to the MWRA water system. The availability of reliable water supply is necessary for unlocking residential and economic growth in particular locations throughout our region. Mitigating PFAS contamination, restoring stressed watersheds, and encouraging high-density transit-oriented development are critical regional and state goals, for which the MWRA may be the best solution.

The entrance fee had its purpose when it was adopted early in MWRA's history, at a time when water demand was at or near the safe yield of 300 million gallons per day (mgd) and it made sense to disincentivize more demand on the system. Today, with demand on the MWRA at about 200 mgd, this disincentive is no longer needed, and in fact has become an obstacle to achieving environmental and public benefits on several fronts. The region and MWRA have outgrown the need for the entrance fee; overall, it has become obsolete and counterproductive.

However, in order to achieve these benefits while not losing ground on our state's climate mitigation and smart growth goals, MAPC requests that EOOEA undertake a process to integrate these concerns into the regulatory reviews under its purview, the IBT Act and MEPA review. Such a process would prioritize only those MWRA connections that go beyond replacing existing local water sources.

As the region's planning agency, MAPC stands ready to assist in this effort, as well as providing technical assistance to our cities and towns to help them plan for future growth and the infrastructure needed to support it. Thank you for the opportunity to share MAPC's perspectives on this important matter.