



MASSACHUSETTS WATER RESOURCES AUTHORITY

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

Frederick A. Laskey
Executive Director

Telephone: (617) 242-6000
Fax: (617) 788-4899
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COMMITTEE OF THE WHOLE

HEARINGS ON THE DRAFT FINAL FY16 CAPITAL IMPROVEMENT PROGRAM AND CURRENT EXPENSE BUDGET

to be held on

Wednesday, June 3, 2015

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

Time: 10:00 a.m.

AGENDA

- Advisory Board Integrated Comments and Recommendations on the MWRA's Proposed FY16 CIP and CEB
- MWRA's FY16 Draft Final Budget Hearings Presentation



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ADMINISTRATION, FINANCE & AUDIT COMMITTEE MEETING

Chair: (vacant)
Vice-Chair: H. Vitale
Committee Members:
J. Carroll
K. Cotter
J. Foti
A. Pappastergion
J. Walsh

to be held on

Wednesday, June 3, 2015

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

Time: Immediately following Budget Hearings

AGENDA

A. Approvals

1. Appointment of Proxy for Fore River Railroad Corporation
2. MWRA FY16 Insurance Program Renewal
3. Delegation of Authority to Execute Contracts for the Purchase and Supply of Electric Power for the Deer Island Treatment Plant and MWRA Interval Accounts
4. Approval of Memorandum of Understanding with the Town of Winthrop (materials to follow)
5. Approval of Memorandum of Understanding with the City of Quincy (materials to follow)

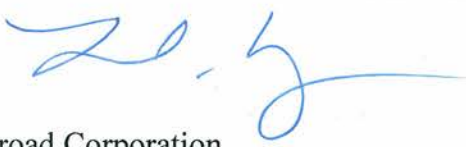
B. Information

1. MWRA Retirement System Update

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6/3/15
(revised)


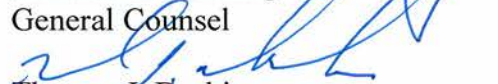
STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: June 3, 2015
SUBJECT: Appointment of Proxy for Fore River Railroad Corporation



COMMITTEE: Administration, Finance & Audit

VOTE
 INFORMATION


Steven A. Remsberg
General Counsel

Thomas J. Durkin
Director of Finance

Sean R. Cordy, Financial Planner *SRC*
Matthew R. Horan, Treasurer
Preparer/Title

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 Kathy Soni, 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:

- | | | |
|--------------------|----------------------|--------------------|
| Godfrey O. Ezeigwe | Lisa R. Grollman | Steven A. Remsberg |
| Thomas J. Durkin | Michael J. Hornbrook | John P. Vetere |
| Michele S. Gillen | Frederick A. Laskey | 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 Fore River Railroad Corporation.

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.

The current Board Members are listed below:

Joel A. Barrera
Godfrey O. Ezeigwe
Michele S. Gillen

Lisa R. Grollman
Michael J. Hornbrook
Frederick A. Laskey

Steven A. Remsberg
John P. Vetere
John J. Walsh

Staff recommend that all current members be reappointed to serve on the FRRC Board in 2015.

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 Kathy Soni 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 stockholders meetings and to sign any waivers of notice to be taken thereat, with all the powers the undersigned would possess if personally present.

Godfrey O. Ezeigwe
Thomas J. Durkin
Michele S. Gillen

Lisa R. Grollman
Michael J. Hornbrook
Frederick A. Laskey

Steven A. Remsberg
John P. Vetere
John J. Walsh

MASSACHUSETTS WATER RESOURCES
AUTHORITY

By: _____
Matthew A Beaton
Chairman
Board of Directors

Dated: Boston, Massachusetts
June 3, 2015

Massachusetts Water Resources Authority: 1,470 Shares

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: June 3, 2015
SUBJECT: MWRA FY16 Insurance Program Renewal



COMMITTEE: Administration, Finance & Audit

 INFORMATION

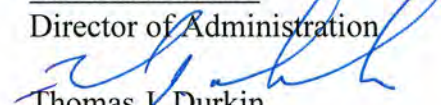
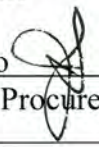
 X VOTE

Paul F. Whelan, Risk Manager
Preparer/Title



Michele S. Gillen
Director of Administration

John Sabino
Director of Procurement



Thomas J. Durkin
Director of Finance

MWRA's Insurance Program is renewed on an annual basis at the beginning of each fiscal year. Annual renewals are required due to the insurance industry's reluctance to provide firm pricing for more than a one-year period. In an effort to take advantage of favorable market conditions and to address the issue of market fatigue, staff made an effort to solicit multi-year policies for the various lines of coverage and received one multi-year policy for property insurance. This year's recommended program renewal totals \$1,612,731 which is \$31,417 or 2% less than the expiring FY15 program.

RECOMMENDATION:

To approve awards to the lowest eligible and responsive proposers for insurance policies, bonds and related broker services for MWRA's FY16 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 below, and incorporated by reference for the record, resulting in a total program amount not to exceed \$1,612,731 for FY16:

- (1) Workers' Compensation Excess Policy with New York Marine Insurance Co., submitted by broker Willis of Massachusetts, for the period beginning July 1, 2015, through June 30, 2016, with a \$25 million limit and a \$500,000 self-insured retention, for a premium of \$159,161;
- (2) Property Policy (including Boiler & Machinery coverage) with FM Global Insurance Co., for the period beginning July 1, 2015, through June 30, 2017, with various limits of coverage, a \$2.5 million self-insured retention, and a fixed rate two-year term, resulting in a FY16 premium of \$713,577, and an amount to be determined for FY17, based upon the established fixed rate;

- (3) General Liability Policies (including Automobile Liability, Marine Liability, Wharfingers, and Employment Practice Liability) with Lexington Insurance Company submitted by broker Richards Robinson Sheppard, for the period beginning July 1, 2015, through June 30, 2016, with a \$25 million limit and a \$2.5 million self-insured retention, for a premium of \$325,000;
- (4) Excess Liability Policies with insurance companies to be determined and submitted by broker Richards Robinson Sheppard, for the period beginning July 1, 2015, through June 30, 2016, providing a combined total of \$75 million of excess liability coverage for a total combined premium not to exceed \$290,000;
- (5) Public Official's Liability Policy with ACE USA Insurance Co., submitted by broker William Gallagher Associates, for the period beginning July 1, 2015, through June 30, 2016, with a \$5 million limit and a \$1 million deductible, for a premium of \$47,187;
- (6) Fiduciary Liability Policy with AXIS Insurance Co., submitted by broker William Gallagher Associates, for the period beginning July 1, 2015, through June 30, 2016, with a \$5 million limit and a \$1 million deductible, for a premium of \$10,902;
- (7) Public Official's/Crime Bond with Great American Insurance Co., submitted by broker Richards Robinson Sheppard, for the period beginning July 1, 2015, through June 30, 2016, with a \$1 million limit and a \$25,000 deductible for a premium of \$5,154;
- (8) Treasurer's Bond with a \$1 million limit with a vendor to be determined in an amount not to exceed \$2,500, with a one-year term beginning January 2016; and
- (9) Broker contracts with Richards Robinson Sheppard for an amount of \$44,000, Willis of Massachusetts for an amount of \$15,250, and William Gallagher Associates for various commissions included within policy premiums, from notice of award through June 30, 2016.

BACKGROUND:

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

MWRA's General Revenue Bond Resolution. All policies under the current program (except the Treasurer's Bond) expire on June 30, 2015, and require renewal.

DISCUSSION:

MWRA's insurance program has been renewed on an annual basis for more than ten years due to the reluctance on the part of insurance companies to issue policies for more than a one-year term. The existing (FY15) insurance program was procured through a competitive process for all lines of coverage. For FY16, staff again conducted a full competitive process for all lines of coverage in an effort to obtain the most competitive pricing and coverage available. Staff anticipated a flat to modest increase in rates and premiums on all lines of coverage as insurance companies have continued to benefit from a favorable stock market performance and the absence of major catastrophic losses. When combined with variables specific to MWRA, such as the increased replacement value of insured property due to inflation and added facilities (such as Spot Pond Covered Storage) and the projected increase in payrolls, staff anticipated a 5% increase in the overall insurance program cost.

This year, in an effort to take advantage of favorable market conditions and to address the issue of market fatigue associated with public procurement of the insurance program every year, staff made an effort to solicit multi-year policies for the various lines of coverage. Staff tailored specifications and assembled an in-house advisory group to allow for the receipt, review and acceptance of multi-year policies. The results were favorable in that one multi-year fixed rate policy was received for MWRA's property insurance policy which spans two years (FY16 and FY17) with a fixed rate for each year. MWRA also qualified for a membership credit of \$80,403 for the FY16 property policy. Premiums for other policies either remained the same as the expiring policy or decreased, with the exception of the Workers Compensation Excess policy which came in at a nine percent increase in premium. Overall, the insurance program recommended is two percent less than the expiring FY15 program. The net decrease is primarily due to the receipt of a membership credit afforded by FM Global under the property insurance policy and very competitive pricing for the General Liability policy and associated broker fees received from Richards Robinson Sheppard.

PROCUREMENT PROCESS:

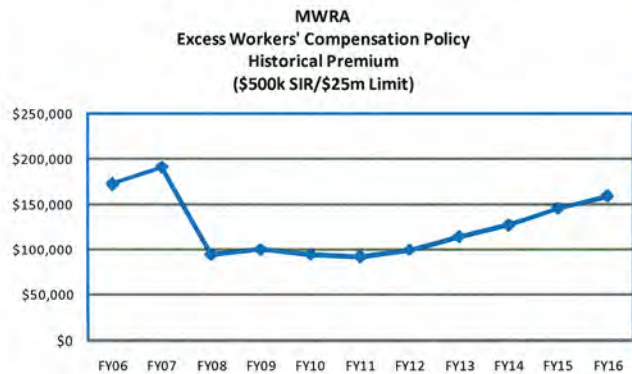
In February, staff began the procurement process by advertising for Letters of Interest from insurance brokers and direct writers¹. In addition, staff sent direct solicitations to 20 brokers and direct writers that were known to staff as having an interest or had participated in previous MWRA insurance procurements. In response to the solicitation, five brokers and one direct writer indicated their interest in participating and provided their list of preferred insurance markets. Staff reviewed all requests and assigned more than 25 insurance companies to the brokers. Technical specifications and rating data were prepared and sent to the six firms. During the procurement process, staff received and responded to multiple questions and requests for additional information and issued two

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

information items providing answers to questions, further information, and rating data. On Friday, May 8th, four proposals were received from three brokers and one direct writer.

Proposals received varied with respect to the lines of coverage. As shown on the attached chart, multiple proposals were received for some lines of coverage and others were limited. MWRA reserved its right to select different lines of coverage from different broker proposals. All proposals were reviewed by MWRA’s Insurance Consultant, Kevin F. Donoghue and Associates, for adherence to insurance technical specifications and then ranked by cost and coverage. In addition, the advisory group conducted a review of the multi-year proposal for property insurance submitted by FM Global. The approvals requested herein represent those recommended by MWRA’s Insurance Consultant for each line of coverage sought. The attached chart provides a summary of all lines of coverage with the limits, deductibles, and premiums comparing the expiring FY15 premiums with the proposed FY16 policies. Below is a brief summary of each line of coverage.

Workers’ Compensation Excess – One proposer, Willis of Massachusetts, submitted two options for this line of coverage with New York Marine Insurance Co. (the incumbent provider). A quote for a policy with a \$500,000 self-retention level and a \$25 million limit, for an annual premium of \$159,161 was provided. This quote is \$13,145 (or 9%) more than last year’s cost for this same coverage. This increase in premium is the result of a 5% rate increase applied to



MWRA’s estimated payroll for FY16. As requested, New York Marine Insurance Co. also provided a quote for a similar policy with a \$750,000 self-insured retention. This premium was \$34,951 less than the premium with a \$500,000 self-insured retention. Staff have reviewed historical workers compensation claims data and have concluded that the potential premium savings does not justify assuming the risk of an additional \$250,000 for each claim or occurrence, as just one catastrophic claim would eliminate more than ten years of accumulated premium savings. In addition, the maximum self-retention level currently allowed by the Division of Insurance is \$500,000. Staff recommend the purchase of the policy from New York Marine Insurance Co. with a \$500,000 per occurrence self-insured retention and \$25 million limit through broker Willis of Massachusetts for a premium amount of \$159,161, with an associated broker fee of \$15,250. The graph above shows MWRA’s historical premium cost for this line of coverage over the past ten years.

Property Insurance (including Boiler & Machinery) – One multi-year proposal was received for this line of coverage from direct writer FM Global Insurance Company (FM Global), the incumbent provider. The proposed policy spans two years from 7/1/15 to 6/30/17 with a fixed rate charge applicable to each year. The first year’s premium (FY16) is based on a proposed fixed rate applied to a 4% increase in the MWRA’s Total Insured Value (TIV) and a FY16 membership credit of

\$80,403². The second year premium will be calculated in the same manner base on the proposed fixed rate applied to an updated TIV, and if available, a FY17 membership credit. An in-house advisory group was assembled to review multi-year proposals and this group deemed this policy to be in the Authority's best interest because the flat rate offered for the two-year policy was lower than the historical average. Staff will report the final FY17 premium in next year's annual insurance approval staff summary to the Board.

The option shown on the attached chart and recommended by staff includes a policy limit of \$300 million with a \$2.5 million self-retention for a FY16 net premium of \$713,577, which is \$11,620 (or 2%) less than the expiring FY15 premium. The FM Global proposal also contained various policy limit options ranging from \$200 million to \$500 million in coverage. The recommended limit of \$300 million matches the expiring policy limit and was selected based upon MWRA's Maximum Foreseeable Loss (MFL) estimates. FM Global also submitted pricing options with a higher self-retention level of \$5 million. These options were not deemed to be cost effective since they exposed the Authority to an additional \$2.5 million of risk exposure in return for relatively small annual premium savings that would quickly evaporate with just one loss event over a span of more than 25 years. Because FM Global is a direct writer, there are no broker fees associated with this policy.

General Liability – Two responses were received for General Liability offering the specified \$25 million in coverage. Of these two, the lowest cost proposal received was from broker Richards Robinson Sheppard with Lexington Insurance Company, for a premium of \$325,000 with an associated broker fee of \$43,500. The second proposal was from the incumbent broker William Gallagher Associates with insurers C.V. Starr/Civic Risk, for a premium of \$367,474 and an associated broker fee of \$60,000. MWRA's Insurance Consultant, KFDA, reviewed the terms, conditions and coverage afforded by the proposed policies and while some terms and conditions varied between the two policies, the lower cost Lexington Insurance Company policy was recommended. This premium represents a \$32,118 (or 9%) decrease from the expiring policy and a significant reduction in broker fees. Staff recommend the acceptance of the proposal from Richards Robinson Sheppard with a policy provided by Lexington Insurance Company for a premium of \$325,000 with an associated broker fee to Richard Robinson Sheppard of \$43,500, which includes fees associated with placement of the Excess General Liability policies outlined below.

Excess General Liability – The recommended broker for General Liability coverage, Richards Robinson Sheppard, was directed to solicit quotes from insurance companies for the additional excess layers of liability coverage³. The companies and final premium costs for the additional \$75 million of excess liability coverage were still being developed and negotiated and were not available in time for this Board meeting. In order to keep all insurance related items together in one staff summary, staff are recommending a not to exceed amount of \$290,000 for this item. This amount represents a 5% increase in premium above the expiring FY15 policies, however, staff believe this

² The membership credit represents 10% of last year's premium and is available to the MWRA based on its favorable tenure with FM Global and the company's annual financial condition. Membership credits are determined on an annual basis.

³ Excess liability policies cannot be purchased until the underlying policy is first established.

coverage will be available at a cost equal to or less than the expiring coverage based on the reduction in price for the underlying policy. Staff will report back to the Board on the status of this item as part of the FY16 Final Current Expense Budget staff summary and presentation on June 24, 2015.

Public Official's Liability – One proposal was received from the incumbent broker, William Gallagher Associates, with the incumbent carrier, ACE USA, for a premium of \$47,187. This premium is the same cost as the expiring policy. ACE USA also included a second proposal with a \$10 million limit for a premium of \$80,095 which was deemed to be more coverage than required by the solicitation. Staff recommend the placement of this coverage with ACE USA for a premium of \$47,187, including broker commissions, through William Gallagher Associates.

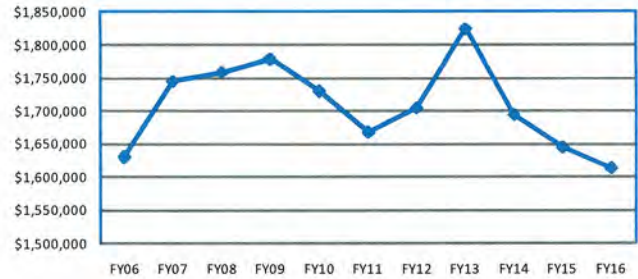
Fiduciary Liability – Two proposals were received for this line of coverage with the specified \$5 million limit and \$1 million retention. One from incumbent, AXIS Insurance Company, submitted through William Gallagher Associates, for a premium of \$10,902 and another from Ironshore Insurance submitted by Richards Robinson Sheppard, for a premium of \$15,712. Both of these proposals include a self-insured retention of \$1 million. A second option with a lower self retention of \$25 thousand was also provided by AXIS for a premium of \$15,891. MWRA's Insurance Consultant, Kevin F. Donoghue & Associates, reviewed the policies offered and recommends the coverage offered by the AXIS policy with the \$1 million retention level. While both policies had some degree of non-conformance with the specifications, the AXIS policy provided higher limits of coverage for certain types of loss. The AXIS option with the lower retention was not considered to be worthwhile as MWRA can financially support a higher retention level. Staff recommend approval of the AXIS policy offered through William Gallagher Associates with a \$5 million limit and \$1 million self retention, for a premium of \$10,902, including broker commissions. This represents a flat premium charge from the expiring FY15 policy.

Public Official's/Crime Bond – Two proposals were received for this line of coverage with the most responsive being from broker Richards Robinson Sheppard with Great American Insurance Company, offering a premium cost of \$5,654 (including \$500 broker fee). This cost is \$1,069 dollars lower than the next offer, from broker William Gallagher Associates, utilizing insurer Hartford with a premium cost of \$6,723. Both policies were reviewed by MWRA's Insurance Consultant and the policy form and coverage provided by the Great American policy was recommended. Broker commissions are included in the costs shown on the attached chart. Staff recommend purchase of this policy from Great American through Richards Robinson Sheppard for an amount of \$5,154 and an associated \$500 broker fee.

Treasurer's Bond – The Treasurer's Bond is required by the MWRA Enabling Act and is written in the name of the person holding the position of Treasurer. Due to personnel changes in this position, the renewal of this bond is off-cycle from the rest of the insurance program and does not expire until January 2016. To keep all insurance program approvals consolidated in one staff summary, staff included a not-to-exceed amount of \$2,500 for the renewal of this bond upon its expiration. The broker fee associated with placement or renewal of this bond is included in the broker scope of services.

In conclusion, staff recommend the renewal of MWRA's insurance program for FY16, with the various coverages, limits and self-insured retention levels from various brokers and insurance companies as outlined above and as included on the attached chart, including a two-year policy for property insurance covering FY16 and FY17. If approved, the FY16 total insurance cost will be \$1,612,731 representing a 2% decrease in costs from the expiring FY15 program. The chart at right provides MWRA's Insurance Program historical costs for the past ten fiscal years.

MWRA
Insurance Program
Historical Premium Costs



BUDGET/FISCAL IMPACT:

The Draft Final FY16 CEB includes \$2.2 million for the total cost of maintaining MWRA's insurance program; consisting of \$1.7 million for the payment of premiums and fees and \$.5 million for payment of estimated claims and damages in FY16. The budget contains sufficient funds for the renewal of the insurance program outlined above.

MBE/WBE PARTICIPATION:

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

MWRA FY16 INSURANCE PROPOSALS

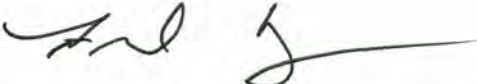
Item #	Coverage	Deductible/ Limit	Actual FY15 Premium	Current (FY15) Insurance Co. (Broker)	Recommended FY16 Bids	FY16 Insurer (Broker)	Notes
1	Excess Workers Comp.	\$500K / \$25M \$750K/\$25M	146,016	N.Y. Marine (Willis of MA)	159,161 124,210	N.Y. Marine (Willis of MA) N.Y. Marine (Willis of MA)	Net premium increase of 9% comprised of 5% rate increase applied to FY16 payroll estimate. \$500K deductible is maximum allowed by Division of Insurance.
2	Property Insurance (including Boiler & Machinery)	\$2.5M / \$200M \$2.5M / \$300M \$2.5M / \$500M \$5M / \$200M \$5M / \$300M \$5M / \$500M	725,197	FM Global (No Broker)	698,289 713,577 747,145 634,811 649,767 681,007	FM Global (No Broker)	FY16 bids are based on a 5% rate decrease applied to a 4% increase in Total Insured Value. FY16 bids shown are net of \$80,403 membership credit available to MWRA. \$300M limit recommended based on Maximum Foreseeable Loss (MFL) estimates. Policy is two-year term.
3	General Liability (Incl., Auto, Marine, Wharfingers, and Employment Practice Liability)	\$2.5M/\$25M	357,118	C.V. Starr/Civic Risk (W. Gallagher)	325,000 367,474	Lexington Insurance Co. (Richards Robinson Sheppard) C.V. Starr/Civic Risk (W. Gallagher)	Net premium decrease of 9%. Lexington Ins. quote includes 4% surplus lines fees.
4	Excess Liability	\$25M/\$100M	276,880	Ironshore, Great American, ACE (W. Gallagher)	290,000	To Be Determined (Richards Robinson Sheppard)	Premium shown is not-to-exceed amount. This coverage must follow the selection of the General Liability coverage. Amount shown is 5% increase from expiring but will likely be less.
5	Public Official's Liability	\$1M / \$5M \$1M/\$10M	47,187	ACE USA (W. Gallagher)	47,187 80,095	ACE USA (W. Gallagher)	Premium is flat from last year. Bid shown includes Broker Commission.
6	Fiduciary Liability	\$1M / \$5M \$1M / \$5M \$25K / \$5M	10,902	AXIS (W. Gallagher)	10,902 15,712 15,891	AXIS (W. Gallagher) Ironshore (Richards Robinson Sheppard) AXIS (W. Gallagher)	Premium is flat from last year. Recommended AXIS bid includes commission.
7	Public Official's/Crime Bond	\$25K / \$1M	6,714	Hartford (W. Gallagher)	6,723 5,154	Hartford (W. Gallagher) Great American (Richards Robinson Sheppard)	Premium decrease of \$1,560 or 23%. Hartford Bid Includes commission. Broker Fee for Great American Policy is \$500
8	Treasurer's Bond	\$0/\$1M	1,884	The Hartford (W. Gallagher)	2,500	To Be Determined (Richards Robinson Sheppard)	Renews in January 2016. Amount shown is not-to-exceed amount.
9	Broker Fees -Various		72,250	Various - See Note 2	59,250	Various - See Note 3	Decrease of \$13,000 (or 18%) from FY15
Total Program Cost			\$ 1,644,148		\$ 1,612,731		Total Program Decrease of \$31,417 or 2%

Note 1: Proposed for approval shown in bold.

Note 2: Broker Fees include \$57,000 for W. Gallagher and \$15,250 for Willis of MA.

Note 3: Broker Fees are \$44,000 for Richards Robinson Sheppard and \$15,250 for Willis of MA. All other broker fees are included in policy premiums shown.

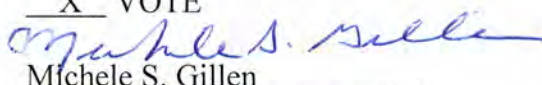
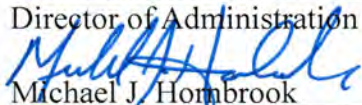
STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director 
DATE: June 3, 2015
SUBJECT: Delegation of Authority to Execute Contracts for the Purchase and Supply of Electric Power for the Deer Island Treatment Plant and MWRA Interval Accounts

COMMITTEE: Administration, Finance & Audit

 INFORMATION
 X VOTE

John P. Vetere, Deputy Chief Operating Officer
Kristen Patneau, Program Manager, Energy
Preparer/Title


Michele S. Gillen
Director of Administration

Michael J. Hornbrook
Chief Operating Officer

MWRA has been competitively procuring electricity since 2001. In the competitive bid process, the challenge is to determine the level of risk/certainty that MWRA is willing to assume, and to estimate the potential budget impacts for a variety of options. The current contract for Deer Island expires at the end of October 2015, and the contract for the Interval Accounts (larger facilities) expires in November 2015. Staff traditionally take electricity bids in spring and fall because the energy market historically takes a downward trend during these seasons.

In a commodity market where prices change within a very short period of time, MWRA must be prepared to award each contract almost immediately after bids are received to lock in the pricing. The exact bid opening dates for these power procurements are not yet established. However, on the day bids are received, staff will evaluate the bids based on market conditions and pricing received. To ensure that MWRA is prepared to execute replacement power contracts if the pricing received is favorable, staff recommend that the Board authorize the Executive Director to award contracts to the successful bidders. Staff will report to the Board on the bid results and on any new contracts that are executed for electric power supply for these accounts.

RECOMMENDATION:

To authorize the Executive Director, on behalf of the Authority, to execute contracts for the supply of electric power to the Deer Island Treatment Plant and the Interval Accounts, consisting of the John J. Carroll Water Treatment Plant and larger Field Operations and Facility Management Accounts, with the lowest responsive and responsible bidders, for the period and pricing structure selected, as determined by staff to be in MWRA's best interest, and for a contract supply term not to exceed 36 months for the Deer Island account, and not to exceed 43 months for the Interval Accounts. This delegation of authority is necessary because MWRA will be required to notify the selected bidders within a few hours of bid submittal to lock in the bid prices in a constantly changing market.

BACKGROUND:

Based on MWRA account load profiles, and working in consultation with energy advisors, MWRA has established three distinct electricity supply contracts. The largest contract is for the Deer Island Treatment Plant, which represents 68% of MWRA's total purchased electricity Deer Island currently (FY2015 through month 10) self generates approximately 26% of its *total* plant electrical demand. The next largest contract is for the larger "Interval" Accounts, which include the Carroll Water Treatment Plant, the Nut Island Headworks, and the Clinton Treatment Plant, representing 28% of MWRA's total purchased load. The third contract is for the smaller, non-time-of-use accounts, known as "Profile" Accounts, (e.g., CSOs, pump stations, and the Charlestown Navy Yard), representing the remaining 4% of MWRA's total purchased load¹. The current contracts for the Deer Island account and the Interval Account expire in October and November 2015, respectively.

The existing supply contract for Deer Island is for the purchase of a 10MW (peak hours)/3MW (off-peak hours) fixed-price block, with the balance of the load purchased from the variable-rate spot market. This electricity contract provides 74% of Deer Island's total plant demand, because, as mentioned above, Deer Island generates approximately 26% of its total plant demand – utilizing digester gas, wind turbines, solar panels, and hydroelectricity. The current contract structure is approximately 50% fixed and 50% variable. Locking in fixed pricing does carry a premium, but it balances the risk taken when purchasing a commodity from a sometimes volatile market.

The Interval Accounts contract includes three different fixed-price blocks of energy, grouped by ISO-NE zone, with the balance of the load purchased from the variable-rate spot market. The Interval Account contract structure provides a fixed-price portion of approximately 70%, with 30% in the open position (spot market).

Historically, bids are taken for several different contract structures and durations for the Deer Island and Interval Accounts, including a 100% variable-rate, spot market contract for Deer Island, and also a fixed-price block with the balance of the load purchased from the variable-rate spot market. In preparation for the receipt of bids, staff review market conditions and electricity price forecasts with MWRA's energy consultant, to obtain a sense of what premium may be included in the fixed energy bid prices or potential anticipated volatility (up or down) in the market. This helps staff quantify price impacts of the various contract structures, important for determining the ideal structure to execute at that time. Although the electricity market is unpredictable and there can be price swings in either direction, during the past 18 months of the current Deer Island contract MWRA saved more than \$1,400,000 as compared to having a completely open position in the market. The majority of these savings occurred during the winter months.

It is important to note that this assessment is based on historical price comparisons between contract prices and spot market prices, which may not be good indicators of future relationships between these two data sets.

¹ The Profile Accounts are under a contract that will expire in March 2017.

DISCUSSION:

Staff recommend that MWRA continue to procure electric power supply for the Deer Island Account separate from the Interval Accounts. There are no apparent economies of scale savings on the base block if the loads are combined, and there may be a price increase to the adder (administrative fee to purchase the variable load electricity) due to the additional administrative responsibilities with the multiple Interval Accounts. In addition, the two separate contracts will be structured to have laddered end dates to minimize the risk of having 96% of MWRA's load bid at the same time during potential future high-price market conditions. The electricity supply contract for MWRA's smaller Profile Accounts are also procured separately because these accounts are based on an "all-in" pricing structure and typically have higher administrative contract management costs, which make them less attractive to prospective bidders.

As mentioned earlier, the current Deer Island and Interval Accounts contracts expire in October and November 2015, respectively, and staff most often take electricity bids in spring and fall because the energy market historically takes a downward trend during these seasons, severe weather and geopolitical issues notwithstanding, as compared to the more volatile summer and winter months, which typically have higher energy demand.

Bids for the Deer Island Account will be sought to supply a base block of power at a fixed-price per kWh (based upon various peak and off peak fixed blocks), plus a fixed-fee adder to purchase and supply a variable amount of electricity above the base block that will be purchased on the open market at market clearing prices. All ancillary charges and any congestion charges would be passed through to MWRA at cost.

The fixed-price block will protect MWRA from potential winter price spike, similar to previous years, due to competing interests for natural gas and associated regional pipeline constraints, which are expected to persist for the next couple of years.

The off-peak block allows MWRA to potentially realize more savings in the off-peak hours when spot prices are typically lower and less volatile, and also accounts for the overall reduced plant demand, due to a number of energy efficiency and renewable energy efforts.

Bids will also be sought for an all-in, firm fixed price, with pricing to include all services and products necessary to provide firm delivery of energy to the Deer Island Account.

The Deer Island contract start date will be the November 1, 2015 meter read date and bids will be sought for various durations, ending October 31 for each alternative, not to exceed 36 months.

In the event that staff determine that it is not in the best interest of MWRA to enter into a fixed-price contract or a contract containing a mix of fixed block and variable pricing, bids will also be sought to purchase Deer Island's entire load at variable-rate market clearing prices. This 100% variable-rate supply contract would be awarded to the responsive supplier with the lowest transaction cost adder for purchasing the facility's entire load in the variable-rate market for a term of up to 24 months, and would provide for early termination after the first six months.

Bids for the Interval Accounts contract will be sought to supply a base block of power at a fixed-price per kWh, for one block at each of the three separate load zones (NEMA, WCMA, SEMA),

for a total of up to 4MW, plus a fixed-fee adder to purchase and supply a variable amount of electricity above the base block that will be purchased on the open market at market clearing prices. All ancillary charges and any congestion charges would be passed through to MWRA at cost. The size of the base blocks of power will be similar to the existing contract structure, with a fixed fraction of approximately 70%. Although there may be a moderate premium for the fixed blocks of power, this fixed strategy provides budget certainty with minimal risk, but still some opportunity to see potential real-time spot market price savings.

Bids will also be sought for an all-in, firm fixed price, with pricing to include all services and products necessary to provide firm delivery of energy to the Interval Accounts. The contract start date will be the first meter read date available for enrollment for each account in November 2015. Bids will be sought for various durations, ending in May for each alternative, not to exceed 43 months.

To ensure that MWRA is prepared to execute replacement power contracts if the bid pricing received is favorable, staff recommend that the Board authorize the Executive Director to award contracts to the successful bidders on the day the bids are received.

BUDGET/FISCAL IMPACT:

MWRA's total electricity budget for FY16 is \$18 million. This amount includes approximately \$10.8 million for electricity supply and \$7.2 million for the transmission and distribution costs charged by the local distribution companies. The authorization staff are recommending today for purchasing the electricity supply will cover approximately 96% of MWRA's demand, comprised of the Deer Island and Interval Accounts, for approximately \$10.4 million. As bids will be taken, staff will assess the impact in comparison with the budgeted amounts and update the Board accordingly.

MBE/WBE PARTICIPATION:

There will be no MBE or WBE participation requirements established for this procurement due to the lack of subcontracting opportunities.

Winthrop and Quincy Mitigation Agreements

IV.A.4
IV.A.5
6/3/15
(postponed)

To authorize the Executive Director, on behalf of the Authority, to enter into ten-year Memoranda of Understanding with the Town of Winthrop and the City of Quincy each in the amount of \$760,00 for the first year, adjusted for inflation beginning in FY2017 at 2.0%, or the change from the previous year as published by the Bureau of Labor Statistics "CPI-U Boston All Items," whichever is less, and reducing the inflation factor by 0.5% for each of the next three years. The last five years of the agreements will capped at the FY2020 amount:

Fiscal Year		Max. Inflation Factor
2016	\$760,000	
2017	\$775,200	2.0%
2018	\$786,828	1.5%
2019	\$794,696	1.0%
2020	\$798,670	0.5%
2021	\$798,670	0.0%
2022	\$798,670	0.0%
2023	\$798,670	0.0%
2024	\$798,670	0.0%
2025	\$798,670	0.0%
Total	\$7,908,743	

In addition, the MWRA shall conduct a study to determine the safety of the Deer Island truck route.

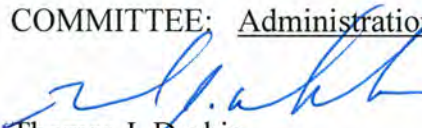
STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: June 3, 2015
SUBJECT: MWRA Retirement System Update



COMMITTEE: Administration, Finance & Audit

 VOTE
 X INFORMATION


Thomas J. Durkin
 Director of Finance

RECOMMENDATION:

For information only. The Board requested an update on the status of the MWRA Retirement System.

DISCUSSION:

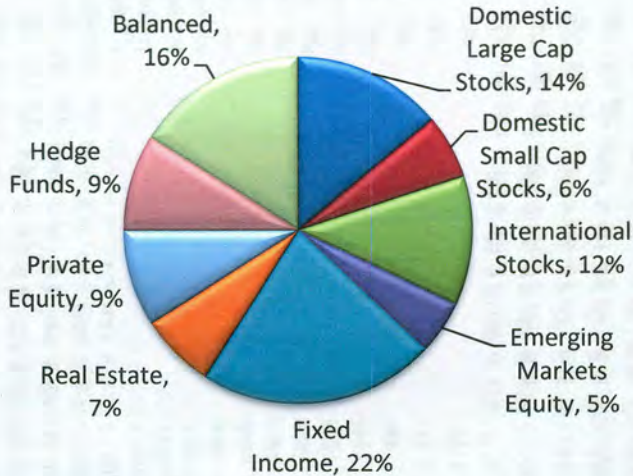
This staff summary provides an overview and update of the Massachusetts Water Resources Authority Retirement System. The Retirement System was created in 1985 as part of the Enabling Act for new employees of the Authority. Employees of the Metropolitan District Commission continued as members of the State Retirement System. Presently 1,087 employees are contributing to the Retirement System and 81 are still members of the State Retirement System. The Retirement System is one of the 107 systems in Massachusetts governed by Chapter 32 of the Massachusetts General Laws and regulated by the Public Employees Retirement Administration Commission (PERAC).

As of the latest actuarial valuation report dated January 1, 2015, the Retirement System had 1,090 active members, 48 inactive participants with a vested right to a deferred or immediate pension benefit, 47 inactive participants entitled to a return of their employee contributions, 415 retired participants and 61 beneficiaries. The average monthly benefit for the retirees is \$2,626.

The Retirement System is governed a five-member Board of Trustees supported by a staff of three located in the Chelsea facility.

The Retirement System presently has a market valuation of \$449 million. The investment portfolio is constructed using a variety of asset classes and weights to achieve the Actuarial Assumed Rate of Return with the lowest risk. This portfolio construction is evaluated each month by the Retirement System's consultants New England Pension Consultants (NEPC) and the Board of Trustees. The portfolio is rebalanced to the policy targets when necessary to address the gains and losses that have caused variance from the targets. The portfolio has performed well since inception in 1986.

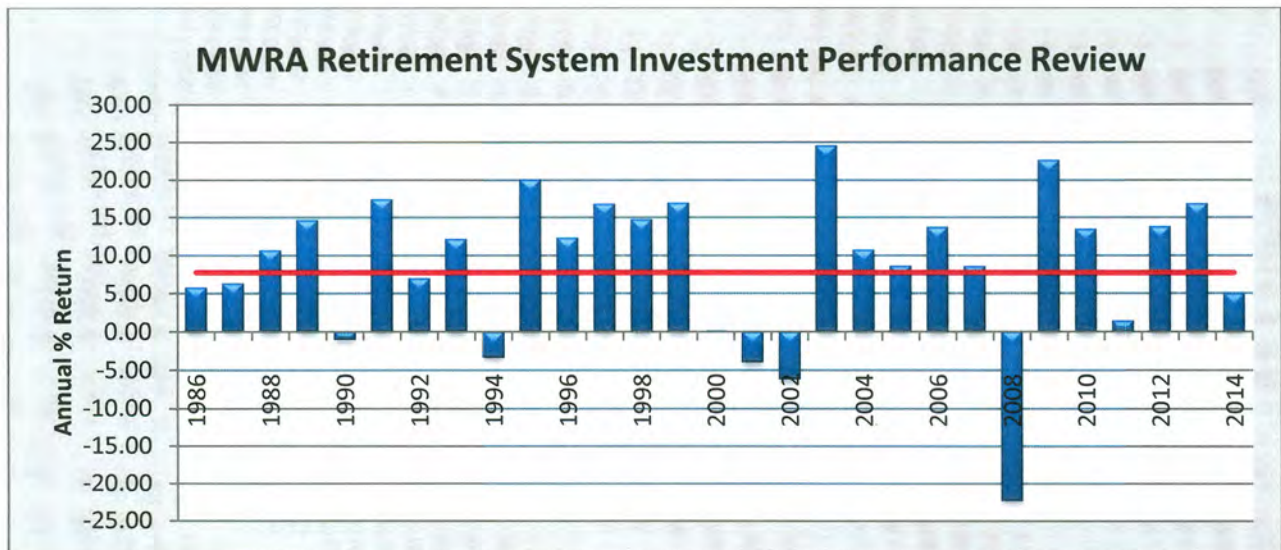
Investment Allocation



At the end of 2014 the portfolio had returned an average of 8.38% over the past 29 years. The Actuarial Assumed Rate of Return for the portfolio had been 8.00%. While 8.00% was defensible given the historic performance of the fund, it is the future returns that are forecasted.

The future outlook has been widely reevaluated by the investment community in recent years and indicates a lower return for most asset classes. Just recently, the Retirement

System's Board of Trustees reduced its target return to 7.75%. The Portfolio will be reevaluated to reflect this change. The historic returns are illustrated below. The red horizontal line represents the 8.00% target.



While the performance of the portfolio for 2014 was merely 4.97%, because of the high Funded Ratio of the Retirement System, this portfolio is constructed to be less sensitive to the peaks and valleys associated with volatile markets over time. In 2014 many retirement systems in Massachusetts benefited in this particular year due to portfolios that are constructed less conservatively. The fund's performance over time has contributed to the overall funding status of the Retirement System. The Funding Ratio represents the ratio of assets to liabilities. A system with a funded ratio of 100% ("fully funded") has the necessary assets to cover all benefits earned to date. As of the latest

Returns for 2014			
1 Year	5 Year	10 Year	Since Inception (1986)
4.97%	9.92%	7.43%	8.38%

valuation report, the Retirement System was 98.3% funded. Currently, Massachusetts retirement systems have until 2040 to be fully funded. The Retirement System had chosen to be fully funded earlier than the state requirement (2030 at the time) and adopted a funding schedule ending in 2024. MWRA had chosen to accelerate that time to full funding in order to begin addressing the Other Post Employment Benefits (OPEB). This acceleration was accomplished by contributing approximately 50% of the OPEB Annual Required Contribution to the Retirement System nearly each year since 2008.

The table below shows the optional contributions above the minimum amount required that MWRA made to the Retirement System in lieu of making contributions to an OPEB fund.

History of Optional Contributions in Lieu of OPEB	
Fiscal Year	Amount
2008	7,098,896
2009	3,296,312
2010	-
2011	-
2012	1,851,646
2013	4,724,291
2014	6,528,407
2015	4,821,320
Total	28,320,872

The Retirement System has maintained high standards for transparency and accountability. The Retirement System employs best financial practices such as performing an independent monthly reconciliation of cash, submitting to an annual independent audit and preparation of audited financial statements. The Retirement System published its first annual Comprehensive Annual Financial Report for 2014 and received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. The Retirement System was also honored to receive the Public Pension Standards Award for Funding and Administration in 2014 from the Public Pension Coordinating Council. The Retirement System is rated AAA by Standard and Poor's.

BUDGET/FISCAL IMPACT:

The budgeted Annual Required Contribution is determined by the MWRA Retirement System's actuaries and confirmed by PERAC. For fiscal year 2016 that amount is \$8.2 million.



MASSACHUSETTS WATER RESOURCES AUTHORITY

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

Frederick A. Laskey
Executive Director

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

WASTEWATER POLICY & OVERSIGHT COMMITTEE MEETING

Chair: J. Walsh
Vice-Chair: P. Flanagan
Committee Members:
J. Carroll
J. Foti
A. Pappastergion
H. Vitale

to be held on

Wednesday, June 3, 2015

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

Time: Immediately following AF&A Comm.

AGENDA

A. Approvals

1. Wastewater Advisory Committee Contract

STAFF SUMMARY

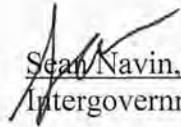
TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: June 3, 2015
SUBJECT: Wastewater Advisory Committee Contract



COMMITTEE: Wastewater Policy & Oversight

INFORMATION
 VOTE


Wendy Leo, Senior Program Manager
Preparer/Title


Sean Navin, Director
Intergovernmental Affairs

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, 2015 to June 30, 2016, for a total contract cost of \$67,332.

DISCUSSION:

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

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

Pursuant to the terms of the attached contract, WAC's members are approved by MWRA's Board of Directors. WAC elects its chairman and employs an Executive Director (selected by WAC's membership with the concurrence and approval of MWRA's Public Affairs Department). WAC's current chairman is Stephen Greene and WAC's current Executive Director is Andreae Downs.

WAC's proposed FY16 contract cost is 2.5% higher than in FY15, due to slight escalations in salary rate and health insurance reimbursement. The wages line item in the proposed FY16 contract is \$57,199; WAC's budget assumes the Executive Director is a part-time position, and will work an average of approximately four days per week. WAC's reimbursable expenses include: a) 80% reimbursement for a portion of the Executive Director's health insurance costs up to an annual maximum of \$8,508; and b) stationery, payroll services expenses, bank expenses, miscellaneous expenses, mass transit fares, and highway tolls and parking expenses for meeting attendance for WAC's Executive Director and members, up to \$1,625, the same as for FY15. Office space and support services for WAC are provided by MWRA in the Charlestown Navy Yard. The proposed total FY16 WAC funding is \$67,332.

A separate staff summary is being presented at this meeting recommending authorization for the Executive Director to execute a similar contract with the Water Supply Citizens Advisory Committee for FY16.

BUDGET/FISCAL IMPACT:

Sufficient funds for the WAC contract are included in the Proposed FY16 Current Expense Budget.

ATTACHMENT:

Copy of 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; and

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

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

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

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

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

ARTICLE 1. EFFECTIVE DATE

This Agreement shall be effective from July 1, 2015 through June 30, 2016, 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 \$57,199 from July 1, 2015 through June 30, 2016, inclusive. The hourly salary rate (inclusive of payroll taxes) shall be \$39.52 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 health insurance for the WAC Executive Director (not to exceed \$8,508), 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 MWRA staff if the Group Insurance Commission changes the rate.

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

(c) Non-reimbursable expenses.

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

ARTICLE 3. RESPONSIBILITIES OF THE AUTHORITY AND WAC.

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

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

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

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

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

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

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

(h) The WAC shall be responsible for compliance with all applicable provisions and requirements of the Massachusetts Open Meeting Law.

ARTICLE 4. RESPONSIBILITIES OF THE WAC STAFF.

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

(a) aiding the WAC in its tasks under Article 6, educating the public, and acting as liaison with the Authority and its staff;

(b) maintaining financial records, minutes of the WAC meetings, and other WAC records;

(c) providing to the Authority copies of the notices for and minutes of all meetings of WAC and of all WAC correspondence relative to Authority projects and proposals as soon as such materials are available; 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 contract.

8.3 Integration Clause.

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

8.4 Amendment.

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

8.5 Severability of Provisions.

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

8.6 Massachusetts Law to Govern.

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

8.7 Duplicate Originals.

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

8.8 Notices.

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

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

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

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

IN WITNESS WHEREOF, this Agreement is executed as of this ___th day of
June, 2015.

FOR: WASTEWATER ADVISORY COMMITTEE

By: _____
Stephen H. Greene, Chairman

FOR: MASSACHUSETTS WATER RESOURCES AUTHORITY

By: _____
Frederick A. Laskey, Executive Director



MASSACHUSETTS WATER RESOURCES AUTHORITY

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

Frederick A. Laskey
Executive Director

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

WATER POLICY AND OVERSIGHT COMMITTEE MEETING

Chair: A. Pappastergion
Vice-Chair: (vacant)
Committee Members:
J. Carroll
J. Foti
H. Vitale
J. Walsh
J. Wolowicz

to be held on

Wednesday, June 3, 2015

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

Time: Immediately following Wastewater Comm.

AGENDA


A. Information

1. 2014 Annual Water Quality Report (Consumer Confidence Report)

B. Approvals

1. Water Supply Citizens Advisory Committee Contract
2. Approval of Memorandum of Agreement for McLaughlin Fish Hatchery Project

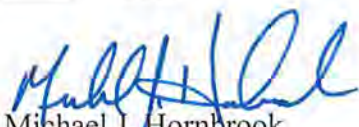
STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director 
DATE: June 3, 2015
SUBJECT: *2014 Annual Water Quality Report* (Consumer Confidence Report)

COMMITTEE: Water Policy & Oversight

X INFORMATION
 VOTE

Joshua Das, Project Manager, Public Health
Ria Convery, Special Assistant to the Executive Director
Stephen Estes-Smargiassi, Director, Planning
Preparer/Title


Michael J. Hornbrook
Chief Operating Officer

RECOMMENDATION:

For information only. The *2014 Annual Water Quality Report* will be mailed to every household in MWRA's service area between June 1 and June 24, 2015 to meet EPA's Consumer Confidence Report Rule deadline of July 1. This staff summary highlights the report's key findings and features. Copies will be available at the Board meeting.

DISCUSSION:

EPA's Consumer Confidence Report (CCR) program has been an important national initiative that has promoted better information and education for consumers about their publicly supplied drinking water. The CCR has been an integral part of MWRA's drinking water communication program since 1999.

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

This year, the main theme of the CCR is that MWRA has the "Best Tasting Water in the Country" based on the American Water Works Association's contest last June. The report also has a new section entitled "Investments in Your Water System" that describes many of MWRA's accomplishments, including reduced water demand, dam safety, land acquisition, 24-hour monitoring, covered storage, and hydro-electric power.

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

As in prior years, the 2014 CCR emphasizes MWRA's excellent source water, the test results from the reservoir to the tap, and indicates that system wide, MWRA again met the Lead and Copper Rule. The report notifies consumers that certain communities had higher lead levels and that additional information is available in the community-specific letter.

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

Consistent with past efforts, MWRA will conduct further outreach to increase awareness of the CCR, including e-mailing copies to local officials, health care professionals, and other interested parties, sending press releases to more than 50 weekly publications and all regional newspapers, and utilizing social media such as Twitter. Staff also will provide information and pictures of the CCR, with links to MWRA's website, to cable access television stations, community web pages, and local public health and environmental organizations.


Mailing will begin on June 1, 2015 and the reports should be arriving in customers' mailboxes through the last week of June. Certification of the CCR to DEP is due by July 1, 2015. MWRA provides certification materials to DEP on behalf of each community.

Beginning in 2013, EPA gave utilities the option to provide the CCR on-line, so long as each customer is notified by either postcard or e-mail of the availability of the report on-line. MWRA staff evaluated this option and determined that the cost savings would only be approximately two or three cents per customer. After consultation with the MWRA Advisory Board's Executive Committee, it was decided that the cost savings was not substantial enough to justify sending a postcard instead of a report and thus, having MWRA lose the one opportunity to communicate directly with its customers about the quality of their drinking water. MWRA did decide to use the flexibility offered by the eCCR guidance and included web links to additional information within the report on unregulated contaminants. Also, one partially-served community included a web-link to a longer community letter

BUDGET/FISCAL IMPACT:

There are adequate funds in the FY15 Current Expense Budget for the 2014 CCR, which includes an estimated \$58,135 for printing and mailhouse services, and an estimated \$135,000 for postage. Production and graphic design are performed in-house by MWRA staff. The cost of preparing, printing, and mailing almost 900,000 copies of the 2014 CCR is approximately \$0.22 per copy.


STAFF SUMMARY

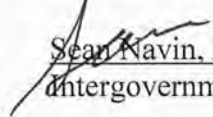
TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director 
DATE: June 3, 2015
SUBJECT: Water Supply Citizens Advisory Committee Contract

COMMITTEE: Water Policy & Oversight

INFORMATION

VOTE

Stephen Estes-Smargiassi, Director, Planning
Preparer/Title 

Sean Navin, Director
Intergovernmental Affairs 

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, 2015, with a total contract cost of \$100,120.

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 FY16.

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 FY16 WSCAC budget is 2.6% greater than the FY15 budget. Hourly salaries and health insurance and other expenses increased slightly. Health insurance is budgeted at 80 percent reimbursement for the Executive Director only, not to exceed \$8,508.

Current topics of interest to WSCAC include water system expansion issues, changing drinking water regulations, the impacts of the state's Sustainable Water Management Initiative, review of the updated Water System Master Plan, and periodic reviews of watershed management and protection issues. The committee currently has 14 members, 11 of whom are considered active. WSCAC is currently working to identify some additional members in categories which are not well represented on the committee.

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

BUDGET/FISCAL IMPACT:

Sufficient funds for the WSCAC contract is included in the proposed FY16 Current Expense Budget.

ATTACHMENT:

Copy of 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, 2015 through June 30, 2016, 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 \$65,848 for the year commencing on July 1, 2015 through June 30, 2016, inclusive. The hourly salary rate (inclusive of payroll taxes) shall be \$39.52 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 \$13,682 for the year commencing on July 1, 2015 through June 30, 2016, inclusive. The hourly salary rate shall be \$20.36 (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) Annual Expenses.

The Authority shall reimburse WSCAC for the following items: 80% of the health insurance for the Executive Director (not to exceed \$8,508), travel for WSCAC staff and members, office supplies (such as letterhead, envelopes, pencils, paper clips), postage, office telephone and internet access, and general administrative and office expenses. The percentage rate for reimbursement of health insurance costs shall be changed to match that of MWRA staff if the Group Insurance Commission changes the rate.

(c) Miscellaneous Expenses.

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

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

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

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

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

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

The annual total reimbursement to WSCAC for annual and miscellaneous expenses combined shall not exceed \$20,593 from July 1, 2015 through June 30, 2016, inclusive.

(d) Non-reimbursable expenses.

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

ARTICLE 3. RESPONSIBILITIES OF THE AUTHORITY AND WSCAC.

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

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

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

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

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

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

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

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

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

ARTICLE 4. RESPONSIBILITIES OF THE WSCAC STAFF.

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

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

ARTICLE 5. MEMBERSHIP

5.1 Membership of WSCAC

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

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

ARTICLE 6. WSCAC TASKS.

WSCAC shall undertake the following tasks:

6.1 Water Supply Programs Review.

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

6.2 Outreach and Education.

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

6.3 Working Group Representation.

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

6.4 Recommendations on Long Term Public Involvement.

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

6.5 Recommendations and Discussion Documents.

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

ARTICLE 7. MISCELLANEOUS REQUIREMENTS.

7.1 Nondiscrimination and Equal Employment Opportunity.

(a) WSCAC agrees to comply with all Federal and State laws pertaining to Civil Rights and Equal Opportunity, including executive orders and rules and regulations regarding employment, demotion, transfers, recruitment, layoffs or termination, rates of pay or other compensation and

training, including apprenticeships. With regard to WSCAC membership, WSCAC agrees to affirmatively solicit minority representation.

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

ARTICLE 8. GENERAL PROVISIONS.

8.1 Termination of Contract.

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

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

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

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

8.2 Ownership of Property.

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

8.3 Assignability.

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

8.4 Integration Clause.

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

8.5 Severability of Provisions.

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

8.6 Massachusetts Law to Govern.

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

8.7 Duplicate Originals.

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

8.8 Notices.

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

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

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

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

IN WITNESS WHEREOF, this Agreement is executed as of this day of , 2015.

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 *F. A. Laskey*
DATE: June 3, 2015
SUBJECT: Memorandum of Agreement between the Massachusetts Water Resources Authority and the Massachusetts Division of Fisheries and Wildlife and the Massachusetts Department of Fish and Game for the McLaughlin Fish Hatchery Pipeline and Hydropower Project

COMMITTEE: Water Policy & Oversight

 INFORMATION

VOTE

Steven A. Remsberg
Steven A. Remsberg
General Counsel

Carolyn M. Fiore, Deputy Chief Operating Officer
Pamela Heidell, Policy & Planning Manager
Preparer/Title

Michael J. Hornbrook
Michael J. Hornbrook
Chief Operating Officer

RECOMMENDATION:

To authorize the Executive Director, on behalf of the Authority, to execute a Memorandum of Agreement, substantially in the form attached hereto, between the Massachusetts Division of Fisheries and Wildlife, the Massachusetts Department of Fish and Game, and the Massachusetts Water Resources Authority relating to the construction and operation of the McLaughlin Fish Hatchery Pipeline and Hydropower Project, at the Chicopee Valley Aqueduct.

DISCUSSION:

The McLaughlin Fish Hatchery, opened in 1969 (shown on the right; also see Attachment), is the largest of the Division of Fisheries and Wildlife's hatcheries and accounts for half of the brook, brown, rainbow, and tiger trout that are produced in its hatcheries annually. The fish are stocked in approximately 500 lakes, rivers, streams, and reservoirs in Massachusetts.



The hatchery is located less than a mile from MWRA's Brutsch Water Treatment Facility and borders the Swift River. At present, the hatchery uses a combination of water from on-site wells and water withdrawn directly from the Swift River, with river withdrawals being the dominant source. Currently, when MWRA demand is low and Quabbin Reservoir's elevation is high and the reservoir is stratified, warmer surface water spills over the dam. These warmer water spillway discharges in the summer can be detrimental to the McLaughlin Fish Hatchery and are an ongoing concern.

To resolve the threat of warm water, the proposed Pipeline and Hydropower Project was developed. The project consists of a water pipeline that would tap raw water off of MWRA's Chicopee Valley Aqueduct (CVA) just prior to the Brutsch Water Treatment Facility. When completed, six million gallons a day (mgd) of untreated water would be conveyed first to a hydropower turbine/generator (to be constructed) on the grounds of the Brutsch Facility, and after flowing through the turbine (or a parallel bypass line when the turbine is not operating), water would enter a pipeline (to be constructed) terminating approximately 4,400 feet away at the hatchery's water supply distribution system.

In addition to resolving warm water concerns by replacing the water the Hatchery now withdraws from the Swift River with a cold, reliable source of six mgd withdrawn from the depths of Quabbin Reservoir, the pipeline will also provide other benefits to the hatchery, such as:

- Lower chemical costs: warm river water increases thermal stressors on fish, and increases the potential for parasite infestation. When infestation occurs, in order to prevent fatalities, the hatchery has to rely on chemicals;
- Reduced greenhouse emissions and avoided costs associated with reduced electrical demand at the hatchery: with MWRA water, the need for the hatchery to pump water from the Swift River is eliminated under typical conditions, reducing the hatchery's electrical demand by an estimated 588,000 kWh annually;
- Reduced overtime and maintenance costs of the hatchery associated with maintaining the shallow intake in the Swift River (i.e., leaves clog the intake in fall and in winter, there is freezing); and
- Additional water provided to the hatchery by MWRA would enable a higher rate of water exchange to facilitate healthier and larger fish, and more optimal effluent quality. Higher exchange rates are now constrained by withdrawal limits of the hatchery's Water Management Act permit.

Ultimately, flows in the Swift River downstream of the hatchery would also be supplemented by six mgd, since after circulation through the hatchery's raceways and treatment, the water would be discharged to the Swift River.

For the hydropower component of the project, MWRA previously received grants from the Massachusetts Clean Energy Center and the Executive Office of Energy and Environmental Affairs Leading by Example program for 100% of the projected costs of hydropower design and

construction (\$577,000). MWRA will receive payment from NGRID for the projected 440,000 kWh of hydropower that MWRA will export to the grid and will also receive Renewable Energy Certificates. Staff estimate that these revenue streams will be approximately \$50,000-\$60,000 annually.

The Memorandum of Agreement

Since the debt service costs for the pipeline will exceed the projected revenue that would be produced by the hydropower, an impediment to the project proceeding was financing for the capital costs of the pipeline component. MWRA's Advisory Board has historically commented that the project should be ratepayer neutral.

To address financing concerns, a proposed Memorandum of Agreement (MOA) has been developed (see attached). Under the proposed MOA, Massachusetts Division of Fisheries and Wildlife and the Massachusetts Department of Fish and Game will transfer \$500,000 and \$2 million, respectively, to MWRA for a combined sum of \$2.5 million, to fund MWRA's costs of the design, permitting, and construction of solely the pipeline component of the project. It provides for funds to be held in MWRA's name in an interest-bearing account. The MOA acknowledges that the \$2.5 million includes a 25% contingency, and that should MWRA not use all of the funds provided to complete the pipeline, unused funds will be returned.

The MOA also addresses the respective responsibilities of the agencies. MWRA will be responsible for all activities necessary to install and bring the pipeline on-line. Once completed and commissioned, the Division of Fisheries and Wildlife will assume ownership and be responsible for operation and maintenance of the pipeline after the pipeline leaves the Brutch Facility property line. MWRA will be responsible for providing up to six mgd to the hatchery, except during the occurrence of drought conditions, safe yield concerns, or other emergency conditions. It should be noted that should the turbine trip off-line, a parallel bypass line in the powerhouse will be able to convey flow to the hatchery. In the event that both are interrupted, SCADA monitoring capability and a telephone communication link will enable prompt communication between MWRA and the Division of Fisheries and Wildlife. The Division of Fisheries and Wildlife will maintain its ability to pump water from the Swift River. MWRA will provide water to the hatchery free of charge.

MWRA's schedule is for 90% design and 100% Final Design submittals to be completed by August and November 2015, respectively, followed by advertisement for construction bids, and construction award presented to the Board for approval in January 2016. The pipeline construction should be completed by December 2016, to enable flow to be conveyed to the hatchery. The hydroelectric equipment may take longer to order, manufacture, deliver, and install.

Pursuant to the Section 8(d) of MWRA's Enabling Act, the Authority may enter into long-term arrangements not involving the extension of the waterworks system to provide the delivery of water to any agency or facility of the Commonwealth provided that as a condition of entry into such an arrangement, it finds that the arrangement is not reasonably expected to jeopardize the delivery of water to its member communities, and provided it has been approved by the Advisory

Board. These provisions are met since the pipeline will be owned by the Hatchery, the Advisory Board approved the project at its May 21, 2015 meeting, and supplying six mgd to the hatchery, except during periods of drought or other emergencies, is not reasonably expected to jeopardize MWRA's supply of water to its member communities (System demand is currently approximately 200 mgd and Safe Yield is 300 mgd).

The proposed MOA between MWRA and the Division of Fisheries and Wildlife and the Department of Fish and Game will enable MWRA to proceed with the design and construction of an exciting environmental initiative and green energy project ten years in the making.

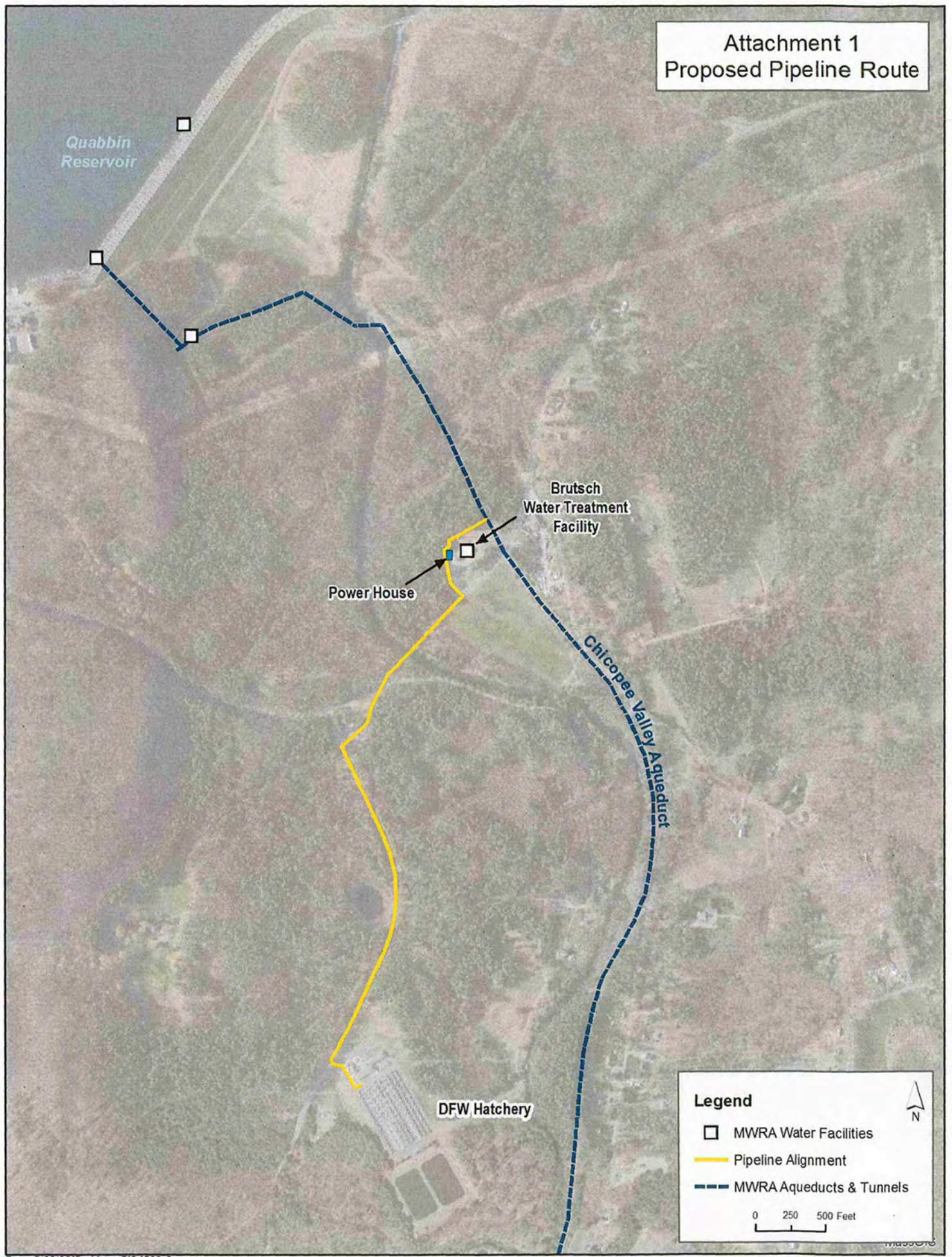
BUDGET/FISCAL IMPACT:

The Proposed FY16 CIP includes a budget of \$3.16 million for the Fish Hatchery Pipeline and Hydropower Project. The MOA provides for \$2.5 million of project costs to be paid for by the Division of Fisheries and Wildlife and the Department of Fish and Game. The remaining costs are associated with the hydropower component, for which grant funding has been obtained.

ATTACHMENTS:

Attachment 1 – Map of Proposed Pipeline Route
Memorandum of Agreement between MWRA, Massachusetts Division of Fisheries and Wildlife, and Massachusetts Department of Fish and Game

Attachment 1
Proposed Pipeline Route



MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("Agreement") is entered into this ____ day of June, 2015 by and between the Massachusetts Division of Fisheries and Wildlife ("Division"), the Massachusetts Department of Fish and Game (the "Department") and the Massachusetts Water Resources Authority ("MWRA") as a cooperative inter-governmental agreement within the purview of the Massachusetts Executive Office of Energy and Environmental Affairs ("EOEEA"). The Division, the Department and MWRA are referred to collectively in this Agreement as "the Parties."

WHEREAS, the Division operates the McLaughlin Fish Hatchery facility in Belchertown, Massachusetts ("Hatchery") and presently pumps waters for use in the Hatchery from the Swift River and from groundwater wells and discharges those waters back to the Swift River; and

WHEREAS, trout reared at the Hatchery can be adversely affected by warmer ambient water temperatures, including by disease, temperature stress and direct mortality, pumped from the Swift River in summer periods when the Quabbin Reservoir ("Reservoir") waters overtop the spillway and empty into the Swift River; and

WHEREAS, the Hatchery's operations would benefit from the use of a consistent source of cold water withdrawn from the depths of the Reservoir via the Chicopee Valley Aqueduct ("CVA") intake, and would further benefit by way of a reduction of energy costs now used for pumping water from the Swift River, reduction of facility costs associated with maintenance of the Hatchery's current intake line from the Swift River, and would result in environmental benefits of reduced energy demand for pumping operations, and other operational efficiencies for the Hatchery; and

WHEREAS, MWRA operates the nearby William A. Brutsch Treatment Facility ("Brusch Facility") in Ware, Massachusetts in connection with the supply of drinking water to its municipal customers via the CVA ; and

WHEREAS, the source waters supplied by MWRA to its CVA customers derive from an intake within the Reservoir where water temperatures are generally lower and likely more conducive to the success of the Hatchery's operations than waters pumped directly from the Swift River when water is spilling over the Quabbin Reservoir spillway; and

WHEREAS, the supply of water by MWRA to the Hatchery will have the environmental benefit of releasing an additional six million gallons of water per day into the Swift River by way of the discharge of waters after their use by the Hatchery and will have a beneficial environmental effect upon downstream users of the waters of the Swift River and upon fish and wildlife resources using those waters; and

WHEREAS, MWRA is willing to design and construct a 4,700 foot water supply line to be dedicated to supplying water to the Hatchery (the "Water Line"); and

WHEREAS, MWRA intends to install, at its own cost, a 60 kW hydroelectric facility on the Water Line upon lands under its care, custody and control at the Brutsch Facility premises; and

WHEREAS, the Department and the Division will transfer \$2 million and \$500,000, respectively, to MWRA for a combined sum of \$2.5 million to fund MWRA's costs of the design, permitting and construction of that Water Line (the "Project"), which funds will be devoted exclusively to that purpose by MWRA.

NOW THEREFORE, the Division, Department and MWRA hereby agree as follows:

1. Funding; Reversion of Excess Funds.

Prior to the end of FY 2015, the Department and the Division will transfer \$2 million in capital funds and \$500,000 from the Inland Fisheries and Game Fund, respectively, to MWRA for a combined sum of \$2.5 million to fund MWRA's costs of the design, permitting and construction of the Project. The Parties acknowledge that the total \$2.5 million in funding provided by the Department and the Division includes a 25% contingency amount for unexpected expenses. The \$2.5 million in funds transferred by the Department and the Division shall be held by MWRA in an account in MWRA's name at US Bank (Acct. No. 173974-000; MWRA Hatchery Project) said funds to be held by US Bank in an interest-bearing money market account through the Massachusetts Municipal Depository Trust and shall be expended by MWRA solely for the Project in accordance with all of the terms and provisions of this Agreement. More specifically, MWRA will use the funds exclusively to pay for the costs of design, permitting, procurement, construction of and resident engineering for the Project, including the completion of 4,700 linear feet of 20" water line (with a 16" section at the river crossing) and necessary connections between the CVA and the Hatchery. MWRA shall first expend the \$2 million in capital funds provided by the Department for the above Project purposes, and if and when such capital funds have been fully expended, then expend the \$500,000 appropriation funds provided by the Division as needed to complete the Project. MWRA shall be solely responsible for the funding and construction of the hydroelectric facility, to be constructed along the Water Line and within the confines of MWRA's property.

MWRA shall promptly return any such capital funds to the Department and any appropriation funds, and any accrued interest, to the Division in the event that: (1) the Project does not go forward, or (2) MWRA does not use all of the funds provided by the Department and the Division to complete the Project, as evidenced by accountings of funds to be furnished to the Department and the Division prior to and following: (a) the completion of the Project, (b) any interim reduction of retainage, and (c) final payment and/or resolution of claims, if any, made under the Project contract documents.

2. Project Responsibilities.

The Division agrees to be responsible for the timely acquisition of all easements, licenses and other interests in real property, if any, needed for all portions of lands or roadways beneath which or across which the Water Line will be constructed, except for those portions of land which are presently the subject of an easement in favor of MWRA recorded at the Hampshire County Registry of Deeds at Book 11603, Page 320. If the Division does acquire any such easements, licenses or other interests in real property, it shall be responsible for the payment of the costs thereof.

MWRA agrees to be responsible for all activities necessary to the installation of the Water Line, including design, permitting, procurement, construction and resident engineering services. MWRA will also be responsible for all testing, flushing and disinfecting the Water Line prior to its being commissioned for use as a water supply line for the Hatchery.

Upon the date of completion of construction of the Water Line and its commissioning for use by the Hatchery, the Division agrees that it will assume ownership of and be responsible for all maintenance, repair and replacement functions and activities, and the expenses thereof, for the portion of the Water Line outside the property boundary of the Brutsch Facility. MWRA agrees that it will assume ownership of and be responsible for all maintenance, repair and replacement functions, and the expenses thereof, for the portions of the Water Line which will be situated within the bounds of the Brutsch Facility property.

MWRA and the Division shall cooperate and coordinate with one another in connection with any and all maintenance, repair or replacement activities intended by the other and will provide reasonable advance notice to the other in the event that maintenance or operational activities to be undertaken by one may adversely affect the other's use of the Water Line.

3. Continuity of Water Supply; No Charges.

MWRA shall provide, and shall make no assessment, fee or charge for, a continuous supply of water, up to six million gallons per day (6 MGD), through the Water Line for so long as the Division wishes to continue to take water from MWRA, subject only to: (i) the occurrence of drought conditions, safe yield concerns or other emergency conditions in which event any and all policies and directives of MWRA and/or of the Commonwealth concerning levels of water usage, limits or restrictions on usage, and/or conservation efforts shall determine the quantity of water to be supplied, (ii) the occurrence of any *force majeure* event causing an interruption of service to MWRA's CVA customers and/or the inability to operate the Brutsch Facility that would affect MWRA's ability to supply water through the Water Line, and (iii) any transmission problems encountered by MWRA relative to the sections of the Water Line arising out of or related to any maintenance, repair or replacement responsibilities of the Division under paragraph "2" hereof.

MWRA's Project design is expected to include a monitoring capability that will enable MWRA to electronically communicate in advance to the Hatchery instances in which the water supply may be interrupted. In any event, MWRA agrees to provide, to the extent practicable, reasonable advance notice to the Director of the Division of Fisheries and Wildlife of any potential water supply interruptions to the Hatchery.

4. Progress and Expenditure Reporting; Segregated Account.

MWRA will keep the Division and the Department informed about the progress of the Project on a regular basis and will respond promptly to questions and requests for information. Both MWRA and the Division shall designate a project manager through whom information will pass between the agencies as to contractor scheduling and job progress. The Parties may, at their options, also each designate a respective contact to be responsible for communications and periodic reporting by MWRA of Project expenditures from the combined \$2.5 million transferred to MWRA by the Department and the Division.

MWRA shall provide periodic reports and account statements to the Department and the Division showing and explaining disbursements of the funds from the MWRA account so that the Department and the Division will be able to monitor spending of the funds associated with the Project. Throughout the course of the Project, the Division, the Department and MWRA shall be obligated to fully cooperate with the other in order that the Project may proceed to completion on-time and on-budget.

5. Plans and Specifications; Contractors and Consultants.

MWRA will provide Project plans and specifications to the Division in sufficient time for comments and input by the Division. In the event of any proposed changes to the Project plans or specifications as the Water Line is being constructed which could affect or change the planned physical point of interconnection of the Water Line with the Hatchery or otherwise affect Hatchery operations, MWRA will seek the input and comments of the Division as to any such proposed change.

MWRA will use a final set of biddable plans and specifications compliant with any applicable public laws governing the competitive procurement of construction services and will select a contractor whose bid represents the lowest and responsible bid. MWRA will also retain the services of a design/engineering firm in accordance with its standard practices to provide resident engineering and inspection services during construction of the Project to oversee that construction is proceeding in accordance with the plans and specifications.

6. Compliance with Laws.

Each of the Parties hereto shall comply with all applicable federal, state and local laws and with all conditions contained in any permits to be issued in connection with Project. The Parties agree that nothing contained herein shall affect or limit, in any way, any Party, as applicable,

from independently exercising or enforcing its authority under any applicable statute, regulation or other provision of law that it is charged with administering.

7. Schedule; Amendments.

The Parties to this Agreement recognize that the schedule for completion of the Water Line portion of the Project and commissioning of the Water Line has not been finalized but that the target for completion is the end of calendar year 2016. To the extent that either before or after completion, either Party hereto believes that any term or provision hereof requires amendment, such amendment shall be in writing and signed by each of the parties hereto.

8. Term.

This Agreement shall be effective as of the date of execution by the last of the Parties to sign and shall remain in full force and effect until replaced by any subsequent Agreement of other writing that expressly specifies that it is superseding this Agreement, or until the Parties mutually agree upon its termination. This Agreement, or any amended version thereof, shall survive the completion of the Project and any later termination of this Agreement with respect to the Parties' respective Water Line repair and replacement obligations.

WHEREFORE, each of the Parties, intending to be bound by the provisions hereof, have executed this document by and through their duly authorized representatives.

Massachusetts Water Resources Authority:

By: _____
Frederick A. Laskey, Executive Director

Massachusetts Division of Fisheries and Wildlife:

By: _____
Jack Buckley, Director

Massachusetts Department of Fish and Game:

By: _____
George N. Peterson, Jr., Commissioner



MASSACHUSETTS WATER RESOURCES AUTHORITY

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

Frederick A. Laskey
Executive Director

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

PERSONNEL & COMPENSATION COMMITTEE MEETING

Chair: K. Cotter
Vice-Chair: J. Wolowicz
Committee Members:
J. Carroll
P. Flanagan
J. Foti
A. Pappastergion
H. Vitale
J. Walsh

to be held on

Wednesday, June 3, 2015

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

Time: Immediately following Water Comm.

A. Approvals

1. PCR Amendment – June 2015
2. Appointment of Payroll Manager
3. Appointment of Manager, Benefits and HRIS

STAFF SUMMARY


TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: June 3, 2015
SUBJECT: June PCR Amendment



COMMITTEE: Personnel and Compensation

INFORMATION

VOTE


Karen Gay-Valente, Director of Human Resources


Michele S. Gillen

Joan C. Carroll, Manager Compensation

Director, Administration

Preparer/Title

RECOMMENDATION:

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

DISCUSSION:

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

June PCR Amendment

There is one PCR amendment related to changes in the organizational structure within the MIS Department as recommended in the MIS 5 Year Strategic Plan in association with the realignment of job duties and technologies being implemented.

The amendment is:

1. Title change to a vacant position in the MIS Department, Administration Division (Data Resource Manager, to Application & System Development Manager).

This amendment requires approval by the Personnel and Compensation Committee.

BUDGET/FISCAL IMPACT:

There is no budget impact for this PCR amendment.

ATTACHMENTS:

New/Old Job Descriptions

MASSACHUSETTS WATER RESOURCES AUTHORITY
 POSITION CONTROL REGISTER AMENDMENTS
 FISCAL YEAR 2015

PCR AMENDMENTS REQUIRING PERSONNEL & COMPENSATION COMMITTEE APPROVAL - June 3, 2015

Number	Current PCR #	V/F	Type	Current Title	UN	GR	Amended Title	UN	GR	Current/Budget Salary	Estimated New Salary	Estimated Annual \$ Impact	Reason For Amendment
P22	Admin MIS 8610033	V	T	Data Resource Manager	NU	14	Application & System Development Manager	NU	14	NA	NA - NA	NA - NA	To align title with organizational structure as recommended in the MIS 5 year strategic plan.
PERSONNEL & COMP COMMITTEE TOTAL=					1		TOTAL:					\$0 - \$0	

PCR AMENDMENTS REQUIRING BOARD APPROVAL- June 2015

BOARD TOTAL =	0	SUBTOTAL:	\$0 - \$0	
GRAND TOTAL =	1	TOTAL ESTIMATED COSTS:	\$0 - \$0	

NEW

**MWRA
POSITION DESCRIPTION**

POSITION: Application & System Development Manager

PCR#: 8610033

DIVISION: Administration

DEPARTMENT: Management Information Systems (MIS)

BASIC PURPOSE:

Plans, directs, and oversees the operations and fiscal health of the Application & System Development Section of the MIS department.

Responsible for all aspects of development and support for internally created or purchased application software, including: the development methodologies, technologies (language, databases, and support tools), development and testing environments, and management of the application development staff and project workload for the Authority.

Responsibilities also include planning and maintaining work systems, procedures, and policies that enable and encourage the optimum performance of the staff and other resources within the Application & System Development Section.

SUPERVISION RECEIVED:

Works under the general supervision of the MIS Director.

SUPERVISION EXERCISED:

Manages a group of IT Supervisors, professional, technical and administrative employees assigned to the Application & System Development Section.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

Provides oversight and direction to the employees in the Application & System Development Section, in accordance with the organization's policies and procedures. Identifies needed improvements to work practices and works with the Director of MIS and Labor Relations staff to bring about changes.

Manages the preparation and maintenance of reports necessary to carry out the functions of the section. Prepares periodic reports for management, as necessary or requested, to track strategic goal accomplishments.

Provides final recommendation on staffing levels. Works with Human Resources staff to recruit, interview, select, hire, and employ an appropriate number of employees.

Mentors and develops staff, including overseeing new employee on-boarding and providing career development planning and opportunities. Encourages employees to take responsibility for their jobs and goals. Delegates responsibility as appropriate and expects accountability and regular feedback.

Fosters a spirit of teamwork that allows for disagreement over ideas, conflict and conflict resolution, as well as the appreciation of diversity. Communicates organizational information through department meetings, one-on-one meetings, and appropriate email, and regular interpersonal communication.

Leads employees using a performance management and development process that provides an overall context and framework to encourage employee contribution and includes goal setting, feedback, and performance development planning. Leads employees to meet the organization's expectations for productivity, quality, and goal accomplishment.

Maintains employee work schedules including assignments, job rotation, training, vacations and approved leaves. Provides coverage for absenteeism, and overtime scheduling as needed.

Assist in maintaining harmonious labor management relations through proper applications of collective bargaining agreement provisions and established personnel policies.

Prepare for and hears Step-One grievances and pre-disciplinary hearings.

Participate in collective bargaining negotiations.

Plans, assigns and directs the activities of professional and technical personnel involved in the design, development and systems analysis functions required to create new computer applications programs or install and implement software purchased from outside vendors.

Reviews and analyzes existing applications programs and programs in development to ensure efficiency and effectiveness of those programs; reviews requests for program changes required to meet needs of Authority departments required by the addition of new Authority programs and changes in regulations.

Assigns and reviews the design layout for programs required for special projects.

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10/14/14

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Troubleshoots software failures for systems to determine root causes and to implement solutions.

Reviews performance of application programs to ensure efficiency, documentation, and to ensure that output meets the needs of user departments.

Provides technical information required in the preparation of annual budget figures for the Applications and System Development Section

Serves as backup to the Manager of IT Operation.

SECONDARY DUTIES:

- Performs related duties as required.

MINIMUM QUALIFICATIONS:

Education and Experience:

- (A) A four (4) year college degree program in a computer science, technical education or related field is required. Advance degree preferred; and
- (B) Seven (7) to nine (9) years experience in product development and support, of which three (3) years must be in a supervisory capacity; or
- (C) Any equivalent combination of education and/or experience.

Necessary Knowledge, Skills and Abilities:

- (A) Excellent analytical and technical skills.
- (B) Excellent written and verbal communication skills. Exceptional interpersonal skills in areas such as teamwork, facilitation and negotiation.
- (C) Excellent planning and organizational skills.
- (D) Strong leadership skills.
- (E) Knowledge of all components of a technical architecture; understanding of network architecture, service oriented architecture and object-oriented analysis and design.

- (F) Skill with CSS, HTML, one or more JavaScript frameworks, and AJAX, Microsoft's DOT.Net Framework

SPECIAL REQUIREMENTS:

ITIL Foundations Certification version 3 and at least two from the following list:

IPRC - ITIL Practitioner - Release and Control
MCSE - Microsoft Certified Solution Expert
MCSD - Microsoft Certified Solution Developer
CISM - Certified Information Security Manager
CISSP - Certified Information Systems Security Professional
VCP5-DCV: VMware Certified Professional
PMP - Project Management Professional
CCP - Citrix Certified Professional
Or the ability to obtain within one year.

TOOLS AND EQUIPMENT USED:

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

PHYSICAL DEMANDS:

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform 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 frequently is required to sit and talk or hear. The employee is occasionally required to walk and stand.

The employee must occasionally lift and/or move up to 10 pounds. Specific vision abilities required by this job include close vision and color vision, and the ability to adjust focus.

WORK ENVIRONMENT:

The work 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 works in an office environment. The noise

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

May 2015

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**MWRA
POSITION DESCRIPTION**

POSITION: Data Resource Manager
PCR# 8610033
DIVISION: Administration & Finance
DEPARTMENT: MIS

BASIC PURPOSE:

Directs application development and maintenance activities associated with support of MWRA 's Water, Sewer and Engineering (Operations) systems portfolio, Oversees MWRA 's Oracle portfolio for both Operations and Administrative & Financial Systems.

SUPERVISION RECEIVED:

Reports to the Director or MIS.

SUPERVISION EXERCISED:

Manages several senior team leaders, an overall staff of approximately 18 and vendors as appropriate.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

- Oversees the Operations' Development and Maintenance application portfolio ranging from planning applications to specific quality and conditional systems.
- Oversees the support and integrity of all Oracle installations.
- Ensures portfolio's cost-effectiveness, data integrity, performance and security.
- Organizes and deploys resources to effectively respond to business/user requirements.
- Ensures project schedules and budgets are within acceptable tolerances.
- Ensures programming code, documentation and change control procedures adhere to generally acceptable industry standards. Ensures systems are upgraded and patched timely.
- Manages staff, contractors and temporary employees in accordance with MWRA ' s policies and procedures.
- Manages vendor agreements.
- Develops and implements necessary standards, policies and procedures in conjunction with appropriate department staff.

- Participates with other members of the department management team and senior business/user management in forecasting and planning for management information system requirements.
- Provides rotational MIS management on-call services 24/7.
- As requested, manages the Department in the MIS Director's absence.
- Addresses professional organizations and application software vendor user groups from time-to-time and acts as liaison to various software vendors.

SECONDARY DUTIES:

- Perform related duties as required.

MINIMUM QUALIFICATIONS:

Education and Experience:

- (A) A four (4) year college program in computer science or related field is required. Advance degree preferred.
- (B) Nine (9) to twelve (12) years of experience in application development and maintenance, of which at least five (5) years must be in a supervisory capacity.
- (C) Any equivalent combination of education and/or experience.

Necessary Knowledge, Skills and Abilities:

- (A) Knowledge of data administration, data base methodologies and associated software to administer resources.
- (B) Demonstrated management experience with several of the following software packages, products and operating systems is required:
 - MAXIMO (MRO Software) or other maintenance management software,
 - Geographical Information System (ARC/Info Suite by ESR or similar product),
 - Beckman Instruments Laboratory Information Management System or similar product,
 - PI Server (OSI Software) or similar product,
 - Custom Oracle Applications, Crystal Reports and SQL,
 - Microsoft NT, 2000 and 2003, and
 - OpenVMS, UNIX or LINUX.
- (C) Strong technical skills including Oracle portfolio management responsibilities on current version(s).
- (D) Excellent analytical, interpersonal, written and oral communication skills are also required.

SPECIAL REQUIREMENTS:

None.

TOOLS AND EQUIPMENT USED:

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

PHYSICAL DEMANDS:

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform 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 frequently is required to sit and talk or hear. The employee is occasionally required to walk and stand.

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

WORK ENVIRONMENT:

The work characteristics describes 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 works in various field settings and in an office environment. The employee is occasionally exposed to risk *of* electrical shock.

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

October 2004

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: June 3, 2015
SUBJECT: Appointment of Payroll Manager



COMMITTEE: Personnel and Compensation

INFORMATION
 VOTE

Robert Belkin, Controller
Karen Gay-Valente, Director, Human Resources
Preparer/Title



Thomas J. Durkin
Director, Finance



RECOMMENDATION:

To approve the appointment of Sothea Chhung to the position of Payroll Manager (Unit 6, Grade 13) at the recommended salary of \$103,020, on a date to be determined by the Executive Director.

DISCUSSION:

The position of Payroll Manager became vacant upon the passing of the incumbent. This position is responsible for providing accurate and timely payroll processing for all MWRA employees and reports directly to the Controller.

The Payroll Manager oversees the procedures and control of weekly payroll processing and maintains the payroll records for approximately 1150 employees, as well as monitors the preparation, verification and reconciliation of all payroll data input and output. Further duties include establishing and maintaining internal payroll controls and ensuring compliance with all Authority policies, procedures and collective bargaining agreements. The Payroll Manager prepares all payroll tax returns and generates annual W-2 forms, manages the implementation of Federal and State withholding tax and other regulatory changes and responds to payroll inquiries from various internal and external sources. The Payroll Manager supervises a staff of six.

Selection Process

This position was posted internally and two candidates applied. The two candidates were interviewed by the Controller, the Budget Director and the Director of Affirmative Action. Upon completion of the interviews, Sothea Chhung was selected as the best candidate to fill the position.

Ms. Chhung has been employed by the MWRA for more than twenty-three years, and has been Acting Payroll Manager since August 2014. Ms. Chhung started her career with the MWRA as a Payroll

Assistant in 1992, and was promoted to the position of Assistant Payroll Manager in 1998. She has held the position of Deputy Payroll Manager since 2013 and Payroll Specialist, from 2002 to 2013, when field payroll operations were centralized.

During her tenure, Ms. Chhung has demonstrated a thorough understanding of the payroll accounting programs, as well as policies and procedures and key controls and is well respected throughout the Authority. She has been exposed to all aspects of the Payroll Unit during her tenure as Acting Payroll Manager.

Ms. Chhung earned a Bachelor's degree in Business Administration from the University of Massachusetts, Amherst in 1991. Ms. Chhung also completed the MWRA Supervisor Development Program in 2013.

BUDGET/FISCAL IMPACT:

There are sufficient funds for this position in the FY15 Current Expense Budget. The recommended salary is in accordance with guidelines established in Unit 6's current collective bargaining agreement.

ATTACHMENTS:

Resume of Sothea Chhung
Position Description
Organization Chart

SOTHEA P. CHHUNG

PROFESSIONAL EXPERIENCE

MASSACHUSETTS WATER RESOURCES AUTHORITY, MA: PAYROLL DEPT., 1990--Present

Acting Payroll Manager (8/2014-Present):

- Oversee and manage the compensatory budget over \$1 million for 1200 plus employees on a weekly basis.
- Manage the development, modifications and the use of HR/Payroll System of the agency.
- Direct the time sheet processing in according to departmental deadlines.
- Correspond to all in-coming inquiries/requests from both internal and external entities in a timely manner.
- Monitor and implement any new changes with deductions/pay codes in according to the MWRA's policies and/or unions' collective bargaining agreements.
- Manage and implement Federal and State withholding tax and other regulatory changes.
- Process the Federal/State notice of levy, wage garnishment, child support/spouse order, and personal loan garnishment, etc.
- Furnish all payroll related activities and obligation for the General Ledger of the agency to the Account Payable, Treasury, Retirement Unit, Deferred Compensation 457 Plan, and State Retirement Board.
- Furnish weekly payroll tax, deposits for quarterly and annual tax report.
- Generate and prepare for W-2 Forms for all employees annually.
- Prepare the final salary/worksheets to the State Retirement Board and the agency's retirement unit.
- Prepare benefit payout for terminated/deceased employees.
- Oversee the payment related to employees' personal deductions such as union dues, pass program, and parking.
- Advise employees in payroll issues.
- Coordinate and oversee the authorized and unauthorized leave of absence.
- Coordinate and conduct relevant training to (or with) other departments.
- Supervise/train 6 professional staff.

Deputy Payroll Manager (3/2013-8/2014):

- Managed the processing of the weekly payroll for the agency.
- Oversaw and reviewed the accuracy of timesheets and payroll changes.
- Monitored and reconciled all payroll data input and output.
- Monitored and recommended the improvement of the payroll system (Lawson).
- Corresponded to all in-coming inquiries/requests from both internal and external entities in a timely manner.
- Oversaw the payment related to employees' personal deductions such as union dues, pass program, and parking.
- Coordinated and oversaw the authorized and unauthorized leave of absence.
- Advised employee in payroll issues.
- Tested and deployed the Online Adjustment Application to end users.
- Oversaw the accuracy of timesheet adjustments, military payment, mutual aid, salary continuation, and verification of income.
- Conducted training to all relevant employees.
- Supervised Payroll Specialist and four other professional staff.

Payroll Specialist (9/2002-3/2013):

- Maintained procedure and control of the weekly payroll processing and maintained the payroll records for approximately 1,200 employees.
- Assisted with the implementation and prioritization of decisions regarding timesheet processing, data management.
- Advised employees in payroll issues and tax matters.
- Supervised and conducted the payroll control and reconciliation of all weekly/monthly mandatory and voluntary deductions.
- Supervised the preparation of the industrial accident wage schedule, verification of employment, and department of training.
- Established and maintained internal payroll controls and ensured compliance with all MWRA policies, procedures and union contracts.
- Processed and oversaw all different types of adjustments such as current week timesheet adjustment, previous week timesheets adjustments, and grievance settlement.
- Ensured that payroll operations reflect the current federal, state tax and other regulatory requirements.
- Assisted Management Information Systems (MIS) in development projects and served as a liaison in planning the implementation of the new Human Resources/Payroll system.
- Monitored and recommended improvements for personnel data collection and maintenance programs.
- Reviewed the accuracy of the weekly time sheets and all related payroll changes. Supervised the preparation of the payroll of employees' personal changes.
- Maintained all payroll system transaction logs. Assisted in maintenance of all payroll system table changes and monitoring of the system control.
- Reconciled and distributed all payrolls weekly and monthly reports such as payroll taxes deduction registers, and other payroll management reports.
- Coordinated control and reconciled the weekly payroll/Account Payable Unit interface with the A/P unit.
- Processed retroactive payment on collective bargaining contracts settlements based on the information furnished by the Labor Relations Department.
- Prepared payment to send to the Account Payable Unit for all payroll deduction such as union dues, charity, MBTA, parking, and manual check, etc.
- Oversaw and coordinated with the insurance representative regarding employee's personal short-term and accidental insurance.
- Processed employees benefit payout, military benefits payment and military payment deferential.
- Coordinated controls and reconciled the weekly and lifetime maximum hours allowance for mutual aid/salary continuation payment with the Human Resource Department.
- Supervised the workers compensation benefit analysis between payroll and Workers Compensation Adm.
- Responded to payroll inquiries from various internal/external sources, and provided timely assistance.
- Prepared, verified and reconciled all payroll data input and output.

Assistant Payroll Manager (9/1998-9/2002):

- Assisted in the timely payroll processing and payment for all MWRA employees.
- Maintained all payroll records, tax and other regulatory reports and other related payroll reports.
- Reviewed the accuracy of weekly time sheets and all related payroll changes.
- Assisted in maintenance of all payroll system table changes and monitoring of the system control.
- Reconciled and distributed all payroll weekly and monthly reports such as payroll taxes, deduction registers, and other payroll management reports.
- Assisted in the training and supervision of the payroll staff. Supervised the preparation of the industrial accident wage schedule, wage information for retirement boards and verification of employment.
- Assisted in monitoring internal payroll controls and compliance of all Authority policies and procedures and collective bargaining agreements.
- Served as Deputy Payroll Manager during manager's absence.

Payroll Assistant (9/1992-9/1998):

- Processed payroll changes to ensure the accurate processing of payroll in compliance with the department policies and procedures.
- Prepared direct deposit procedures, calculated percentage increase of employees' salaries for retroactive payment. Maintained and monitored closely all union and non-union salary records.
- Prepared and reconciled the verification of employment for employees and provided wage schedule for Workers Compensation's Manager.
- Reviewed and monitored closely all interns, co-ops, contracts and all types of absent employees to ensure the weekly and lifetime maximum hours/dollar caps as applicable.
- Reviewed, controlled and prepared annual sick buy back for all employees to ensure the accurate processing of union and non-union employee in compliance with the MWRA policies and unions contracts.
- Managed all aspects of payroll; including deductions, advance payment requisitions, and special personnel acquisitions for over 1,800 employees.
- Assisted both Payroll Manager and Deputy Payroll Manager whenever needed for urgent assignments and special projects.

EDUCATION

University of Massachusetts-Amherst, MA – *The Isenberg School of Business Administration*

Degree: Bachelor of Business Administration –December 1991

Major: Finance

Academic Achievements & Awards

- MA Women in Public Higher Education's Annual Outstanding Student Achievement Award (1991)
- Student Employee of the Year – University of MA Amherst (1990)

ACTIVITIES/SPECIAL TRAINING

- Elected - Financial Secretary of Local 9360 at MWRA (2012- Present)
- MWRA's Supervisor Development Program (2013)
- Lawson Asset Management (LP) Training (2009)
- Lawson Training – Timekeepers (2000, 2001, and 2002)
- Lawson Training – Payroll Processing (2000)
- Lawson Training – Accruals (2000)
- Lawson Training – Web/Reports (2000)
- Recognize & Prevent Workplace Harassment (2004, 2009, 2012, and 2014)
- Diversity and Sexual Harassment (1999, 2000, and 2001)
- Microsoft Office Suite (2005, 2008, 2011)

SPECIAL SKILLS

- Proficient on Microsoft Word, Excel, Access, Lawson Payroll System, Previous Highline System
- Bilingual

REFERENCES: Available upon request

**MWRA
POSITION DESCRIPTION**

POSITION: Payroll Manager

PCR#: 4310005

DIVISION: Finance

DEPARTMENT: Controller

BASIC PURPOSE:

Provides accurate and timely payroll processing and payment to all MWRA employees. Maintains all payroll records, tax and other regulatory reports. Advises management and employees in payroll issues and tax matters.

SUPERVISION RECEIVED:

Works under the general supervision of the Controller.

SUPERVISION EXERCISED:

Exercises general supervision of a Deputy Payroll Manager in the management of a six person professional and support staff. Manages the processing of approximately \$100 million in payroll expenditures.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

- Manages the development, modification and the use of the MWRA HR/PR system.
- Monitors the operation of the integrated payroll system and the payroll records for 1200 plus employees.
- Supervises and trains staff, and provides guidance and necessary training to divisional payroll personnel.
- Coordinates time reporting process with MWRA department related to payroll processing deadlines.
- Oversees the preparation, verification and reconciliation of all payroll data input and output, and distribution of all payroll-related reports.

- Establishes and maintains internal payroll controls and ensures compliance with all Authority policies, procedures and collective bargaining agreements.
- Evaluates, recommends and implements any policies and procedural changes from the Authority Business Plan.
- Manages and maintains all payroll system table changes.
- Manages the implementation of the Federal and State withholding tax and other regulatory changes.
- Participates and coordinates in the Authority periodic disaster recovery testing.
- Responds to all payroll inquiries from various internal and external sources, and provides timely assistance as required.
- Gathers and records all special non-salary taxable income for W-2 update. Generates and distributes the yearly W-2 forms.
- Prepares all payroll related journal entries for General Ledger interface.
- Prepares and submits weekly payroll tax deposits, quarterly and yearly tax reports.
- Generates payment requests for all payroll deduction such as deferred compensation, union dues, retirement, MBTA, parking, etc.
- Coordinates with and provides information to various internal and external auditors as well as various Federal, State and Commercial agencies.

SECONDARY DUTIES:

- Performs related duties as required.

MINIMUM QUALIFICATIONS:

Education and Experience:

- (A) Four (4) year college degree in accounting/business administration or a related field; and
- (B) Understanding of payroll regulations, principles and practices as acquired by six (6) to eight (8) years of directly related management/supervisory experience; and
- (C) Previous payroll accounting or related discipline experience preferred; or
- (D) Any equivalent combination of education and experience.

Necessary Knowledge, Skills and Abilities:

- (A) Knowledge of system applications, data processing, programming logic and various computer software, i.e. MS Word, Excel, Access.
- (B) Maintains a strong awareness as to the confidential nature of the related payroll/human resources data.

SPECIAL REQUIREMENTS:

None.

TOOLS AND EQUIPMENT USED:

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

PHYSICAL DEMANDS:

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

While performing the duties of this job, the employee is regularly required to sit, talk or hear. The employee is regularly required to use hands to finger, handle, feel or operate objects, including office equipment, or controls and reach with hands and arms. The employee frequently is required to stand and walk.

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

WORK ENVIRONMENT:

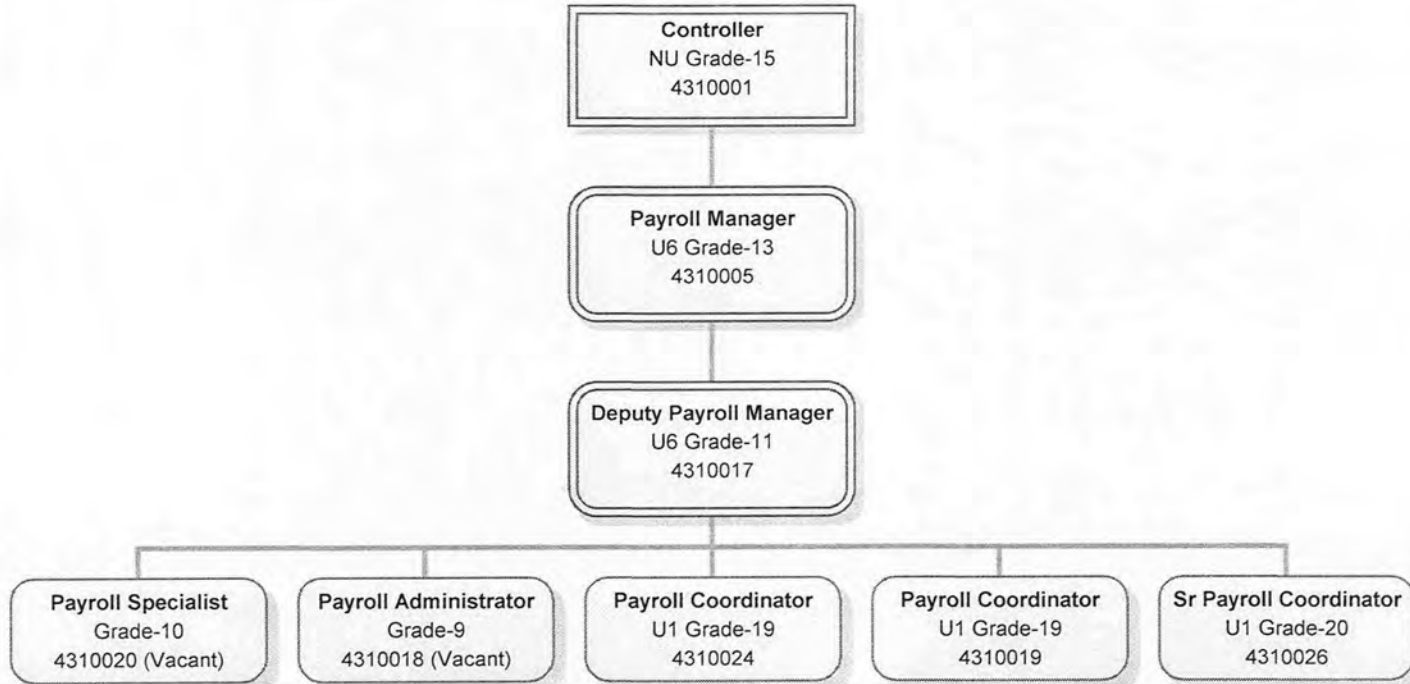
The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. While performing the duties of this job, the employee regularly works in an office environment. The noise level in the work environment is usually a moderately quiet office setting.

March 2010

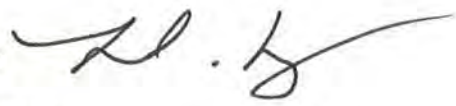
Finance Division

Payroll Unit

June 2015



STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director 
DATE: June 3, 2015
SUBJECT: Appointment of Manager, Benefits and HRIS
Human Resources Department

COMMITTEE: Personnel & Compensation

 INFORMATION
 X VOTE


Karen Gay-Valente, Director of Human Resources
Preparer/Title


Michele S. Gillen
Director of Administration

RECOMMENDATION:

That the Board approve the appointment of Emily J. Dallman to the position of Manager, Benefits and HRIS, Human Resources (Non-Union Grade 14) at an annual salary of \$118,336.70 commencing on a date to be determined by the Executive Director.

DISCUSSION:

The position of Manager, Benefits and HRIS became vacant upon the transfer of the incumbent, Raymond Wagner. Mr. Wagner was appointed to this position in March 2015, but within the first month chose to return to his previous lower position and salary level in the MIS Department.

The Manager of Benefits and HRIS is responsible for overseeing all facets of the MWRA benefits program including health, life, dental and disability insurances, flexible spending accounts, leave administration and deferred compensation programs. This position is also responsible for the MWRA HRIS system and maintaining all programs affecting employee's benefits and coordinating necessary changes to the system as a result of program changes, system upgrades and collective bargaining agreements. Additionally the Manager, Benefits and HRIS is intricately involved in all other Human Resources functions and works closely with Employment, Compensation, Labor Relations and Affirmative Action staff. The position reports directly to the Director of Human Resources.

Selection Process

The position was posted internally. Three qualified candidates were referred for interviews, including Ms. Dallman who then withdrew her candidacy and Ray Wagner was selected. Upon Mr. Wagner's return to his former position, Ms. Dallman has now reconsidered and has been selected for the position.

Emily Dallman began working for the MWRA in 1987 as a budget analyst in the Finance Division. In 1989, she transferred to the TRAC unit as the Assistant to the Director and later the Technical Support Specialist, where she developed some of the early tracking systems for the department. In 1995, she was promoted to the Special Assistant to the Director of the Operations Division where she was responsible for conducting grievance and pre-disciplinary hearings and sick leave monitoring. In 2008, Ms. Dallman transferred into the Human Resources Department to serve as the Assistant Manager, Workers Compensation and Labor Relations where she oversaw the MWRA workers compensation program, sick leave monitoring and grievance and pre-disciplinary hearings as well as participated in all collective bargaining negotiations. Ms. Dallman has worked closely with all HR managers in administering her responsibilities and is keenly familiar and knowledgeable with MWRA benefits programs, collective bargaining pay and benefits provisions, and leave provision policies and procedures.

Ms. Dallman holds a Bachelor of Arts degree from Loyola University and a Master of Business Administration from Boston University. Over the course of her career at MWRA, Ms. Dallman has proven herself to be a dedicated manager with a strong work ethic and a demonstrated ability to handle both the personnel and technical aspects required in this position. She is widely respected by her colleagues and will excel in this position.

Ms. Dallman's current salary as Assistant Manager of Workers Compensation and Labor Relations is \$118,336.70, which is commensurate with the level and associated responsibilities of this new position and will remain the same.

BUDGET/FISCAL IMPACT:

There are sufficient funds in the FY2015 CEB for this position.

ATTACHMENTS:

- Resume of Ms. Emily J. Dallman
- Position Description
- Human Resources Organization Chart

**MWRA
POSITION DESCRIPTION**

POSITION: Manager, Benefits & HRIS

PCR#:

DIVISION: Administration

DEPARTMENT: Human Resources

BASIC PURPOSE:

Researches and recommends changes and improvements to the MWRA Benefits Program and Policies and oversees data, information and systems coordination for the department. Oversees and administrates the MWRA Benefits Program. Develops and maintains personnel systems relative to employee records, personnel actions and benefits administration. Oversees the prioritization and implementation of decisions regarding hardware allocation, application systems, database management, systems upgrades, software applications and staff training. Oversees the development, maintenance and use of information and tracking systems used by the department.

SUPERVISION RECEIVED:

Works under the general supervision of the Director of Human Resources.

SUPERVISION EXERCISED:

Exercises general supervision over the Benefits & HRIS Coordinator and Sr. Human Resources Analyst.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

- Manages the MWRA Benefits Program including health, life, disability and dental insurances and unemployment program.
- Formulates, recommends and manages the implementation of benefits and data collection and maintenance programs, policies and procedures.
- Evaluates the adequacy and appropriateness of existing levels and types of benefits and recommends adjustments as may be required.
- Researches, develops and recommends proposals for new or improved benefits.

- Manages procurement of benefit providers.
- Manages employee information programs on benefits policies and procedures.
- Proposes long-range compensation and benefits objectives along with the Manager of Compensation.
- Supervises the maintenance of the automated personnel database for the MWRA ensuring the quality and timeliness of all salary and position changes.
- Manages employee leave programs.
- Monitors and recommends improvements for personnel data collection and maintenance programs.
- Represents the department in all Management Information Systems (MIS) development projects and serves as the primary liaison in the development of specifications and in planning the implementation of a new Human Resources/Payroll system.
- Oversees the maintenance of all electronic and hard copy personnel files for the MWRA in compliance with applicable state and federal laws. Oversees responses to all public information requests and legal requests with electronic and hard copy information.
- Participates in the negotiations with benefits carriers and consultants to ensure maximum coverage with the resources available.
- Manages the MWRA's drug testing program and drug testing contract.
- Oversees and prepares the department's current expense budget and variance reporting.
- Supervises department procurement functions and oversees expenditure tracking and cost code system.
- Participates in collective bargaining negotiations, prepares costing information and analysis.

SECONDARY DUTIES:

- Performs other related duties as required.

MINIMUM QUALIFICATIONS:

Education and Experience:

- (A) Analytical and writing skills as normally attained through a four (4) year college program in business, human resources or a related field. ; and
- (B) Understanding of benefits theory, personnel administration and records maintenance as acquired by a minimum of seven (7) to ten (10) years experience, with at least three (3) years in a supervisory and/or managerial capacity. Public sector experience preferred; or
- (C) Any equivalent combination of education or experience.

Necessary Knowledge, Skills and Abilities:

- (A) Excellent interpersonal, written and oral communication skills are required.
- (B) Demonstrated proficiency with Lawson HRIS System.
- (C) Knowledge of the MWRA procurement process.
- (D) Demonstrated proficiency in Microsoft Office Suite.

SPECIAL REQUIREMENTS:

None.

TOOLS AND EQUIPMENT USED:

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

PHYSICAL DEMANDS:

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

While performing the duties of this job, the employee is required to sit, talk or hear. The employee is frequently required to use hands to finger, handle or operate objects including office equipment, controls and reach with hands and arms. The employee is occasionally required to stand and walk.

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

WORK ENVIRONMENT:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. While performing the duties of this job the employees regularly works in an office environment.

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

December 2014

EMILY J. DALLMAN

PROFESSIONAL EXPERIENCE

MASSACHUSETTS WATER RESOURCES AUTHORITY

Boston, MA

2008-present **Assistant Manager, Workers' Compensation and Labor Relations**

- Administer MWRA's Workers' Compensation program. Oversee the contract for MWRA's Third Party Administrator and MWRA's Legal Counsel. Oversee a budget in excess of \$2 million dollars. Prepare and present staff summaries to MWRA Board of Directors on MWRA's workers' compensation program and budget. Attend and participate as needed in proceedings at the Massachusetts Department of Industrial Accidents.
- Perform Labor Relations duties. Conduct investigations relating to claims and complaints of harassment, misconduct and discrimination and other misconduct. Hold predisciplinary hearings and Step 3 grievance hearings and present findings and make recommendations to MWRA senior staff. Participate in Labor Management meetings and contract negotiations.

2001-2008 **Special Assistant to the Director, Operations Division**

1995-2000 **Special Assistant to the Director, Sewerage Division**

- Administered grievance procedures and disciplinary hearings. Served as hearing officer for Step 2 grievances and at pre-disciplinary hearings. Represented the Division at contract negotiations.
- Administered personnel function including safety, labor relations, and budget. Managed the sick leave review program for Operations.
- Evaluated new demands to sewer system by working with applicants, Advisory Board, and staff.
- Reviewed, edited, and coordinated all division documents for Board of Directors and Executive Director.
- Organized and oversaw the training of Egyptian sewer professionals: chaired working group, met with USAID consultants, and represented the MWRA in the formal Twinning process.
- Spearheaded effort to examine potential expansion of MWRA customer base.

1992-1995 **Technical Support Specialist, Toxic Reduction and Control Department**

- Developed and implemented innovative permit process for service district photo processors and printers, including working with trade groups, organizing workshops, and making public presentations.
- Insured fiscal integrity by developing and tracking operating budget and performance objectives, developing future year budgets and objectives, and representing the department on fiscal issues;
- Planned and implemented financial systems for assessing permit fees by coordinating with other divisions and outside interest groups and writing successful proposals for the Board of Directors.
- Administered the Household Hazardous Waste and Source Reduction grant awarded by the US EPA and assisted in overall management of the programs;
- Staffed TRAC Advisory Committee composed of business, municipal, environmental, and academic representatives; made presentations, drafted correspondence, coordinated materials, and worked closely with committee members.

1989-1992 **Assistant to the Director, Toxic Reduction and Control Department**

- Assisted in administering day-to-day activities of a department which grew by 20 positions in first year.
- Developed and monitored annual operating budget and performance objectives.
- Managed Municipal Permit process by coordinating with other departments, drafting the document, and communicating with municipal representatives.
- Served as liaison between TRAC, industry representatives, and municipal officials; prepared court reports and monthly activity reports.

1988-1989 **Senior Budget Analyst**

1987-1988 **Budget Analyst**

- Performed analysis of operating budgets for four divisions, and chemical / energy usage and expenditures.
- Wrote variance reports and reallocation summaries for the entire Authority.
- Developed wage, salary and overtime summaries and projections; trained new analysts.

1986 **NEW ENGLAND FORESTRY FOUNDATION**

Boston, MA

Assistant to the Administrator

Developed quarterly newsletters; edited and prepared reports for foresters throughout New England for timber sales; and tracked activity of 20 foresters.

1984-1985 **VOICE OF AMERICA**

Washington, DC

Production Assistant, Intern

Assisted in all phases of radio production; wrote political and economic analysis on issues concerning Eastern Europe; edited interviews; spliced music; and assisted in overall final production.

PROFESSIONAL ACTIVITIES, AWARDS AND RELATED ACTIVITIES

- Presented *G1 Group Permit for Photo Processing and Printing Operations* at the **New England Water Environment Association Annual Conference**, Boston, MA, 1996.
- Represented the MWRA at the twinning program in Alexandria, Egypt, 1996, and co-authored the paper, *Twinning Redefines Water Management Capacity for Alexandria, Egypt*. (Paper was subsequently presented at the **Water Environment Federation Annual Conference**, Atlanta, GA, 1996.)
- Served on the **Boston University Public Management Student/Alumni Council**, 1994-1995.
- Selected to attend the **MWRA Leadership Institute**, 1990.

EDUCATION

Master of Business Administration BOSTON UNIVERSITY Public Management Scholarship 1990

Bachelor of Arts in Political Science LOYOLA UNIVERSITY OF CHICAGO Magna Cum Laude 1984

Human Resources Department





MASSACHUSETTS WATER RESOURCES AUTHORITY

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

Frederick A. Laskey
Executive Director

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

Chair: M. Beaton
Vice-Chair: J. Carroll
Secretary: J. Foti
Board Members:
A. Blackmon
K. Cotter
P. Flanagan
A. Pappastergion
H. Vitale
J. Walsh
J. Wolowicz

BOARD OF DIRECTORS' MEETING

to be held on

Wednesday, June 3, 2015

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

Time: 1:00 p.m.

AGENDA

I. APPROVAL OF MINUTES

II. REPORT OF THE CHAIR

III. REPORT OF THE EXECUTIVE DIRECTOR

IV. BOARD ACTIONS

A. Approvals

1. Appointment of Proxy for Fore River Railroad Corporation (ref. AF&A A.1)
2. MWRA FY16 Insurance Program Renewal (ref. AF&A A.2)
3. Delegation of Authority to Execute Contracts for the Purchase and Supply of Electric Power for the Deer Island Treatment Plant and MWRA Interval Accounts (ref. AF&A A.3)
4. Approval of Memorandum of Understanding with the Town of Winthrop (materials to follow) (ref. AF&A A.4)
5. Approval of Memorandum of Understanding with the City of Quincy (materials to follow) (ref. AF&A A.5)

6. Wastewater Advisory Committee Contract (ref. WW A.1)
7. Water Supply Citizens Advisory Committee Contract (ref. W B.1)
8. Approval of Memorandum of Agreement for McLaughlin Fish Hatchery Project (ref. W B.2)
9. PCR Amendment – June 2015 (ref. P&C A.1)
10. Appointment of Payroll Manager (ref. P&C A.2)
11. Appointment of Manager, Benefits and HRIS (ref. P&C A.3)

V. CORRESPONDENCE TO THE BOARD

VI. OTHER BUSINESS

- A. Performance Review and Extension of Contract for Executive Director
- B. Extension of Contract for Chief Operating Officer

VII. EXECUTIVE SESSION

- A. Real Estate
 1. Watershed Land Acquisition Approval
- B. Litigation
 1. Extension of Term of the NSTAR/HEEC/MWRA Interconnection and Facilities Support Agreement – Strategy

VIII. ADJOURNMENT

MASSACHUSETTS WATER RESOURCES AUTHORITY

Meeting of the Board of Directors

May 13, 2015

A meeting of the Board of Directors of the Massachusetts Water Resources Authority was held on May 13, 2015 at the Authority headquarters in Charlestown. Chairman Beaton presided. Present from the Board were Ms. Wolowicz and Messrs. Blackmon, Carroll, Cotter, Foti, Pappastergion, Vitale and Walsh. Mr. Flanagan was absent. Among those present from the Authority staff were Frederick Laskey, Executive Director, Steven Remsberg, General Counsel, Michael Hornbrook, Chief Operating Officer, Thomas Durkin, Director of Finance, Michele Gillen, Director of Administration, John Sabino, Director of Procurement, John Vetere, Deputy Chief Operating Officer, David Duest, Director of Deer Island Treatment Plant, Kathy Soni, Budget Director, Matthew Horan, Treasurer, Russell Murray, Director of MIS, Karen Gay-Valente, Director of Human Resources, Charles Tyler, Program Manager, Process Engineering, Stephen Estes-Smargiassi, Director of Planning and Sustainability, Joshua Das, Project Manager, Public Health, and Bonnie Hale, Assistant Secretary. The meeting was called to order at 12:50 p.m.

APPROVAL OF MINUTES

Upon a motion duly made and seconded, it was

Voted to approve the minutes of the Board of Directors' meeting of April 15, 2015, as presented and filed with the records of the meeting.

REPORT OF THE CHAIR

Chairman Beaton congratulated Mr. Blackmon for the great job he did in organizing the Metro Mayors' Climate Preparedness Summit that he and Mr. Laskey had participated in that morning at UMass-Boston; and provided an update on the project to construct a pipeline from the Quabbin reservoir to the nearby fish hatchery, noting that he was pleased to report that an allocation to transfer \$2M to MWRA for the project had been approved. Mr. Favaloro noted the MWRA Advisory Board was no longer opposed to the project now that the issue of funding sources outside the Authority had been resolved. Mr. Laskey thanked Pamela Heidell in particular, who had worked tirelessly on this project.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Laskey reported on various matters, including that: the Town of Ashland had voted to join the MWRA's water service district; the first meeting of the OPEB Trustees was scheduled for May 14th; a major upgrade of the North Main Pump Station was about to commence; and an annual meeting of the Personnel and Compensation Committee independent of management, in accordance with State law, would take place after Executive Session.

ADMINISTRATION, FINANCE & AUDIT COMMITTEE

INFORMATION

Delegated Authority Report – April 2015

There was brief discussion and question and answer on some of the items contained in the report.

Update on Maintenance Program at MWRA

Mr. Laskey noted that a contract award for an upgrade of the Maximo system was on the agenda and that it was the backbone of the Authority's maintenance program. Staff

gave a presentation on the various aspects of MWRA's Maintenance and Asset Protection Programs.

Staff summarized the following two information items, and there was general discussion:

- Third Quarter FY15 Orange Notebook
- FY15 Financial Update and Summary as of April 2015.

APPROVALS

Bond Defeasance of Future Debt Service

There was general discussion and question and answer.

Upon a motion duly made and seconded, it was

Voted to authorize the Executive Director or his designee, on behalf of the Authority, to enter into, execute and deliver all necessary agreements and other instruments and to take such other actions necessary to effectuate the redemption and defeasance of an aggregate principal amount of approximately \$27,525,000 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 approximately \$31,003,163 in the FY16 through FY19 timeframe.

CONTRACT AWARDS

Lead Market Participant Services for Deer Island Treatment Plant: Direct Energy Business Marketing, LLC

Initially, Mr. Laskey respectfully asked the Board for permission to withdraw this contract award recommendation, in an effort to protect the integrity of the procurement process. He reported that conflicting information had emerged as to whether or not there were other vendors besides Direct Energy available to provide these services. After detailed discussion, and in consideration of the fact that the Authority would lose the

opportunity to participate in this cost-saving program if a vendor had not been selected by June 1, 2015, a motion to delegate authority to the Executive Director was proposed and approved.

Upon a motion duly made and seconded, it was

Voted to delegate to the Executive Director the authority to take such actions as will allow staff to identify, in accordance with existing procurement practices, other providers, if any, of Lead Market Participant energy services competitive with the proposal of Direct Energy Business Marketing LLC, but without excluding Direct as a candidate, and to award and execute a contract for such services prior to June 1, 2015 with the entity that will best serve the interests of the Authority.

Maximo Upgrade Project: SHI International Corporation and Total Resources Management, Inc., Contract 7287

There was general discussion and question and answer. Ms. Wolowicz requested for the future a report on how many similar entities are using the Maximo System.

Upon a motion duly made and seconded, it was

Voted to approve the recommendation of the Consultant Selection Committee to select the team of SHI International Corporation and Total Resources Management, Inc. to provide consulting services to the Authority for the Maximo Upgrade Project and to authorize the Executive Director, on behalf of the Authority, to execute said three-party Contract No. 7287 in an amount not to exceed \$2,625,904 for a term of 26 months from the Notice To Proceed.

Medical Services for Occupational Health and Regulatory Programs: AllOne Health Resources, Contract A598

Upon a motion duly made and seconded, it was

Voted to approve the recommendation of the Consultant Selection Committee to select AllOne Health Resources for the provision of medical services and

consultation for occupational health and regulatory programs and to authorize the Executive Director, on behalf of the Authority, to execute Contract A598 with AllOne Health Resources in the amount of \$93,077.50 for a term of 36 months from the Notice to Proceed.

CONTRACT AMENDMENTS/CHANGE ORDERS

Purchase of Firewalls, Intrusion Prevention System, and Related Maintenance and Monitoring Services: NTT Com Security US, Inc., WRA-3224, Amendment 3

There was question and answer on how this contract supplemented the systems monitoring which MWRA staff performed themselves during working hours. Staff noted that this contract extension was being sought while they were in the process of carefully preparing a detailed scope of work for a future procurement of these services. Mr. Blackmon noted that a presentation to the Board in Executive Session on the topic of systems security would be helpful at some appropriate future Board meeting once the procurement was finalized.

Upon a motion duly made and seconded, it was

Voted to authorize the Executive Director, on behalf of the Authority, to approve Amendment No. 3 to increase the amount of Contract WRA 3224 with NTT Com Security US, Inc., Firewalls, Intrusion Prevention System and Related Maintenance and Monitoring Services, in the amount of \$261,874.75 and to extend the term by 12 months to June 30, 2016.

WASTEWATER POLICY & OVERSIGHT COMMITTEE

CONTRACT AWARDS

Centrifuge Services, Deer Island Treatment Plant: Alfa Laval, Inc., Contract S537

Upon a motion duly made and seconded, it was

Voted to approve the award of Contract S537, Centrifuge Services, Deer Island Treatment Plant, to the lowest eligible and responsible bidder, Alfa Laval, Inc.,

and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$600,400, for a term of 1,095 calendar days from the Notice to Proceed.

Grit and Screenings Hauling and Disposal: W. L. French Excavating Corp., Contract S536

Upon a motion duly made and seconded, it was

Voted to approve the award of Contract S536, Grit and Screenings Hauling and Disposal, to W. L. French Excavating Corporation, and to authorize the Executive Director, on behalf of the Authority, to execute and deliver said contract in the bid amount of \$2,549,544, for a term of 730 calendar days from the Notice to Proceed.

WATER POLICY & OVERSIGHT COMMITTEE

INFORMATION

Change in Recommended Water Fluoridation Dosing

Staff reported that MWRA had lowered its water fluoridation dosing to .07 mg/L on April 29 in accordance with the April 27 recommendation of the federal Centers for Disease Control and Prevention.

PERSONNEL & COMPENSATION COMMITTEE

APPROVALS

Upon an omnibus motion duly made and seconded, the following four items were approved:

PCR Amendment – May 2015

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

Extension of Contract Employee, IT Project Support Contractor, MIS

Voted to approve the extension of an employment contract for Mr. Neville Neil, IT Project Support Contractor, for a period of one year, from May 23, 2015 to May 22, 2016, at the current hourly rate of \$24.67, for an annual compensation amount not to exceed \$51,313.60.

Appointment of IT Asset and Configuration Manager, MIS

Voted to approve the Executive Director's recommendation to appoint Ms. Ana Soto-Martinez to the position of IT Asset and Configuration Manager in the MIS Department (Unit 6, Grade 12), at an annual salary of \$93,879.25, to be effective May 16, 2015.

Appointment of Work Coordination Center Manager, Operations

Voted to approve the Executive Director's recommendation to appoint Mr. Scott A. Winn (Unit 2, Grade 20) to the position of Work Coordination Center Manager (Unit 6, Grade 12), at the recommended salary of \$88,916.58, to be effective on May 16, 2015.

(Mr. Pappastergion left the meeting and returned during executive session.)

EXECUTIVE SESSION

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

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

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Blackmon		
Carroll		
Cotter		
Foti		
Vitale		
Walsh		
Wolowicz		
Beaton		

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

It was stated that the meeting would return to open session for additional business – to conduct the annual meeting of the Personnel and Compensation Committee independent of management.

* * * *

EXECUTIVE SESSION

* * * *

The meeting returned to open session at 2:30 p.m. (Mr. Pappastergion left the meeting after Executive Session and was not present.)

PERSONNEL & COMPENSATION COMMITTEE (cont'd.)

ANNUAL MEETING OF THE PERSONNEL & COMPENSATION COMMITTEE INDEPENDENT OF MANAGEMENT

Authority Accountability and Transparency Act Compliance

All MWRA staff, with the exception of recording secretary Bonnie Hale, left the room.

Chairman Cotter called the Annual Meeting of the Personnel and Compensation Committee Independent of Management to order, in compliance with the provisions of the above-referenced Act.

Members of the Committee analyzed and assessed the data provided regarding executive compensation at comparable state agencies and authorities, as well as for-profit private sector employees, and national water and wastewater utilities. There was general discussion. It was observed that the level of MWRA compensation was in the middle range of similar positions at other entities.

The meeting adjourned at 2:35 p.m.

DRAFT