

## MASSACHUSETTS WATER RESOURCES AUTHORITY

Meeting of the Board of Directors

January 15, 2025

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A meeting of the Massachusetts Water Resources Authority (“MWRA”) Board of Directors was held on January 15, 2025 at the MWRA Administration Facility in Chelsea, and via remote participation.

Chair Tepper presided at the MWRA Administration Facility. Board Members Flanagan, Foti, Pappastergion, Peña, Taverna, Vitale, Patrick Walsh and Jack Walsh also participated at the MWRA Administration Facility. Board Members Swett and Wolowicz participated remotely.

MWRA Executive Director Frederick Laskey; General Counsel Carolyn Francisco Murphy; Chief Operating Officer David Coppes; Deputy Chief Operating Officer Rebecca Weidman; Director of Finance Thomas Durkin; Director of Administration Michele Gillen; Director of Tunnel Redundancy Kathleen Murtagh; Special Assistant for Affirmative Action Rita Mercado; Deputy Finance Director/Treasurer Matthew Horan; Budget Director Michael Cole; Assistant Director of Engineering Lisa Hamilton; Director of SCADA, Metering and Monitoring Ethan Wenger; Water Transmission and Treatment Manager John Beckley; Chief of Staff Katherine Ronan; Associate General Counsels Angela Atchue and Kristen Schuler Scammon; and, Assistant Secretary Kristin MacDougall attended at the Chelsea Administration Facility.

Vandana Rao, EEA, and Matt Romero, MWRA Advisory Board, attended remotely.

Chair Tepper called the meeting to order at 1:05pm.

### ROLL CALL

MWRA General Counsel Francisco Murphy took roll call of Board members in attendance and announced that Mr. Swett and Ms. Wolowicz were participating remotely. The Chair announced that the meeting was being held at the Chelsea Administration Facility and virtually, via a link posted on MWRA’s website. She added that the meeting would be recorded, and that the agenda and meeting materials were available on MWRA’s website.

### APPROVAL OF DECEMBER 11, 2024 MINUES

**A motion was duly made and seconded to approve the minutes of the Board of Directors’ meeting of December 11, 2024.**

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

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
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Flanagan		
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	Foti	
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Pappastergion		
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Peña		
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Swett		
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Taverna		
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Vitale		
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J. Walsh		
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P. Walsh		
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Wolowicz		
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(ref. I)

#### REPORT OF THE EXECUTIVE DIRECTOR

Fred Laskey, MWRA Executive Director, reported that staff are proceeding with infrastructure modifications at the connection pipe between Shaft L of the Metro West Tunnel and Hultman Aqueduct to support water system expansion in the MetroWest area, noting area communities' interest in joining the MWRA water system. Next, Mr. Laskey advised that the Carroll Water Treatment Plant SCADA system cutover is underway. He described the importance and complexity of the SCADA project, and advised that a proposed contract amendment would be discussed at today's meeting. Finally, Mr. Laskey referenced the EPA's recently-released draft risk assessment of PFAS in biosolids. He advised that the assessment could impact the sludge pelletization industry, and that staff are assessing potential impacts to MWRA.

Mr. Taverna asked if the new tunnel/aqueduct connection would be sized adequately for future use. Mr. Laskey responded in the affirmative. (ref. III)

#### EXECUTIVE SESSION

Chair Tepper requested that the Board move into Executive Session to discuss Real Estate and Litigation, since discussing such in Open Session could have a detrimental effect on the negotiating and litigating positions of the Authority. She announced that the planned topics for Executive Session were a watershed land acquisition; a Memorandum of Agreement, acceptance of grants of easements and orders of taking related to MWRA's Section 56 Replacement of Saugus River Crossing project; an update on the Metropolitan Tunnel Redundancy land acquisition; the Annual Litigation Update; and, the Barletta Heavy Division, Inc. v. MWRA Suffolk Superior Court case. She advised that the Board would return to Open Session after the conclusion of Executive Session.

**A motion was duly made and seconded to enter Executive Session for these purposes, and to**

**resume Open Session after Executive Session adjournment.**

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

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

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

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

\*\*\* EXECUTIVE SESSION \*\*\*

The meeting entered Executive Session at 1:11pm and adjourned at 2:18pm.

(Mr. Foti temporarily left the meeting during Executive Session.)

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

ADMINISTRATION, FINANCE AND AUDIT

Information

Delegated Authority Report – December 2024

Committee Chair Flanagan invited Board members’ questions on the report.

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

FY25 Financial Update and Summary through December 2024

Thomas Durkin, MWRA Finance Director, reported that the budget was progressing as expected, with overall expenses under by 2.5%. He noted that direct expenses were 6.4% underspent, primarily driven by wages and salaries and a low Full Time Equivalent (“FTE”) count. Next, Mr. Durkin advised that the budget for chemicals was tightening (+0.5%), and that the energy budget was 3.3% underspent. He briefly discussed recent macroeconomic trends such as inflation and their impacts on MWRA’s budget. Mr. Durkin then reported that indirect expenses were 1.4% under budget, due primarily to lower watershed reimbursements, and that Capital Financing was under budget (-0.8%). He noted that Revenue was over estimate (+0.4%), driven by investment income such as from Money Market accounts. He explained the relationship between lower expenses and higher investment returns, and reported that the Current Expense Budget (“CEB”) was progressing well.

Mr. Taverna noted that FTEs have held steadily recently, and asked if staff expect a significant number of employees to retire in the near future. Mr. Laskey briefly discussed some recent and upcoming retirements, and noted that MWRA has hired excellent new staff. There was brief, general discussion about retirements.

Mr. Vitale requested more information about the average yield of variable rate debt. Matthew Horan, MWRA Deputy Finance Director/Treasurer, explained that the average yield is approximately 3.7%, down from last year. There was general discussion about MWRA’s letters of credit.

Next, Mr. Durkin reported that the Capital Improvement Program (“CIP”) was approximately 21% under planned spending, which is in historical alignment with the annual budget cycle. He discussed the budgetary impacts of MWRA’s large projects, such as the upcoming Deer Island Treatment Plant Clarifier Rehab Phase 2 project.

Hearing no further discussion or questions from the Board, Mr. Flanagan moved to Approvals. (ref. V A.2)

APPROVALS

Transmittal of the FY26 Proposed Capital Improvement Program to the MWRA Advisory Board  
**A motion was duly made and seconded to approve the transmittal of the FY26 Proposed Capital Improvement Program to the MWRA Advisory Board for its 60-day review and comment period.**

Staff presented an overview of MWRA’s Proposed FY 2026 Capital Improvement Program (“PFY26 CIP”) for transmittal to the MWRA Advisory Board (“Advisory Board”), pending Board approval. MWRA Budget Director Michael Cole presented a comparison of the FY24-28 Baseline

Cap as set in June 2023 (\$1,364.2 million) and the PFY26 Cap for the same period (\$1,363.1 million).

Next, Mr. Cole presented PFY26's top spending sub phases excluding community loans. He highlighted the Deer Island Clarifier Phase 2 Construction and Metropolitan Water Tunnel Program Final Design/Engineering Services During Construction contracts. He noted that the top 13 sub phases in terms of anticipated spending each represent over \$5 million in costs, and would collectively drive 40.3% of total projected FY26 CIP spending. He also noted that six of the top sub phases presented were awarded or active.

Mr. Cole then discussed the top 20 spending sub phases for the FY24-28 Cap period, of which 9 were awarded or active. He explained that the top sub phases would drive 40.9% of total projected spending for this Cap period.

Referring to the FY24-28 Baseline Cap comparison slide first presented by Mr. Cole, Mr. Taverna asked why the spending values for the *Infiltration/Inflow* and *Water Loan Programs* line items were presented as negative numbers. Mr. Cole explained that those values were presented as reverse dollars to reflect true project spending. Mr. Taverna asked why the *Chicopee Valley Aqueduct Projects* values were also negative. Mr. Horan explained that those projects are exempt from the Cap.

Next, David Coppes, MWRA Chief Operating Officer, presented an overview of the top spending projects for FY2026. He noted that many of these projects are active, awarded or ready to be advertised. He then discussed new projects added to the PFY26 CIP. He highlighted the Chelsea Administration Building Heat Pumps and the Deer Island Wind Turbine Replacement projects, which will be substantially funded through a DEP Climate Mitigation Trust grant.

Mr. Peña asked if any part of the Deer Island Wind Turbine, which failed in 2023, was salvageable. Mr. Coppes explained the foundation is planned for salvage. Mr. Flanagan asked about the status of the litigation and the General Counsel advised that it was pending.

Mr. Vitale asked how staff approach contingency percentages. Mr. Durkin explained that the contingencies are calculated at 7% for above ground projects, and 15% for below ground projects.

Mr. Vitale asked when MWRA last filed arbitrage and if there was a rebate. Mr. Horan advised that staff file arbitrages annually as required by resolution. He noted that projections suggest that MWRA may need to make payments in the future due to higher than anticipated Money Market account earnings. There was general discussion about staff's philosophy and strategy for outstanding commercial paper; variable rate debt; and, the management of earnings and issuances.

Mr. Durkin then concluded the presentation. He requested Board approval to transmit the PFY

26 CIP to the Advisory Board and summarized the upcoming steps of the budget process.

(Mr. Foti returned to the meeting, and Ms. Wolowicz left the meeting during the summary.)

Hearing no further discussion or questions from the Board, Chair Tepper requested a roll call vote in which the members were recorded as follows:

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Foti		
Pappastergion		
Peña		
Swett		
Taverna		
Vitale		
J. Walsh		
P. Walsh		

(Mr. Peña temporarily left the meeting after Roll Call.) (ref. V B.1)

#### WATER POLICY AND OVERSIGHT

##### Contract Amendments/Change Orders

##### Intermediate High Pipeline Improvements Design and Engineering Services During Construction: CDM Smith Inc., Contract 6995, Amendment 2

**A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to approve Amendment 2 to Contract 6955, Intermediate High Pipeline Improvements, with CDM Smith Inc., extending the contract term by 24 months from July 23, 2026 to July 23, 2028, with no increase in contract price.**

Lisa Hamilton, MWRA Assistant Director of Engineering, presented an overview of the Intermediate High Pipeline Improvements Design and ESDC Contract 6995 (“Contract 6995”) in support of proposed Amendment 2. She presented a map of the Intermediate High Pipeline’s location and described the project’s goals.

Next, Ms. Hamilton summarized the status of the project’s three construction packages (CP-1, CP-2, and CP-3), and reviewed Contract 6995’s Amendments to date. She noted that in 2024 portions of the scope for CP-3 (Sections 59 and 60) were eliminated under delegated Amendment 1; however, the CP-3 ESDC budget was left intact. Finally, she explained that the costs for proposed Amendment 2 would be funded by reallocating the unused ESDC budget.

(Mr. Peña returned to the meeting during the presentation.)

There was brief, general discussion about the reasons for reallocating CP-3 funds for this proposed Amendment, including salary escalation. There was also brief discussion about a Women Owned Business (“WBE”) contractor for the project that had gone out of business.

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

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Foti		
Pappastergion		
Peña		
Swett		
Taverna		
Vitale		
J. Walsh		
P. Walsh		

(ref. VI A.1)

John J. Carroll Water Treatment Plant SCADA System Upgrade Design, Engineering Services During Construction and Resident Engineering Services: Arcadis U.S., Inc., Contract 7581, Amendment 5

**A motion was duly made and seconded to authorize the Executive Director, on behalf of the Authority, to approve Amendment 5 to Contract 7581, John J. Carroll Water Treatment Plant SCADA System Improvements, Design, Engineering Services During Construction and Resident Engineering Services, with Arcadis U.S., Inc. in the amount of \$1,323,864, increasing the contract amount from \$7,243,295.04 to \$8,567,159.04 and extending the contract term by 548 calendar days from October 2, 2025 to April 3, 2027.**

Ethan Wenger, MWRA Director of SCADA, Metering and Monitoring, presented an update on the John J. Carroll Water Treatment Plant (“CWTP”) SCADA System Upgrade project in support of proposed Amendment 5 to the associated ESDC and Resident Engineering Services contract 7581. He provided some background on the project’s purpose, scope and goals, including the addition of enhanced redundancy for the CWTP’s SCADA system. He stressed the importance of this project with respect to ensuring continuous facility operations.

Mr. Wenger then provided a progress update that included discussion on the construction of a parallel SCADA system; the fabrication and installation of new control cabinets; and, a new computer network, control room and related facilities.

Next, Mr. Wenger presented the schedule and process for cutting over to the new CWTP SCADA system. He reported that a major phase of the cutover is successfully underway and described the next steps. He discussed the significant level of effort needed to perform the cutover, noting that the operation requires five contract staff, a contractor electrician and multiple MWRA staff.

Mr. Wenger then presented a review of the original contract, its Amendments to date, and the scope and costs of proposed Amendment 5. He discussed key reasons for the proposed amendment, including additional engineering services related to supply chain delays, as well as increased submittals; requests for information; coordination; staff training; and, additional field testing, due to the complexity of the project.

Finally, Mr. Wenger emphasized the importance of the SCADA upgrade for ensuring reliable water delivery, and the need to perform the complex project work methodically to ensure continuous CWTP operations during and after the cutover.

There was general discussion about MWRA's procedures for operating the CWTP manually, if needed, and brief discussion about the value of contingency plans.

Mr. Jack Walsh requested more information about the CWTP's SCADA alarming system. Mr. Wenger affirmed that SCADA alarming and reporting systems are in place at CWTP. Mr. Coppes provided more details about the SCADA alarm categories; the reports generated; and, how these reports are investigated and used to improve plant operations. There was brief discussion about how alarming systems are used at facilities across the Authority.

In response to a question from Mr. Jack Walsh, Mr. Coppes explained that the CWTP's original SCADA system was designed by Camp, Dresser & McKee, Inc. There was general discussion about the logistics of the ongoing SCADA cutover process. Mr. Jack Walsh asked if the old and new SCADA systems have conflicted with each other during the cutover. Mr. Coppes responded in the negative. There was further, general discussion about the importance of redundant systems at the CWTP.

Mr. Flanagan asked if emergency power generators are installed at the CWTP. Mr. Wenger responded in the affirmative, noting that the generators are tested regularly. John Beckley, MWRA Water Transmission and Treatment Manager, explained that strengthening the SCADA system's backup power systems beyond the main generators is part of the overall project's scope.

Mr. Swett asked who bears the supply chain risk on this project. Ms. Francisco Murphy explained that there are provisions in the construction contract that may entitle the general contractor to a time extension if delays are not attributable to the contractor; and, in the case



of professional services design contracts, the risk of supply chain delays are not typically borne by the designer. Mr. Swett further expressed concern about a large portion of this project's performance being dependent on timely delivery of critical equipment.

Mr. Vitale requested more information about this contract's MWRA project manager and project team. Mr. Wenger explained that John Beckley is the Project Manager of design, and that key design team members include himself; MWRA Waterworks Director Valerie Moran; and, Deputy Waterworks Director Lisa Bina. He added that MWRA Construction Coordinator John Snow; Construction Director Marty McGowan; and, Assistant Construction Director Eleanor Duffy are among the members of the construction team.

Hearing no further discussion or questions from the Board, Chair Tepper requested a roll call vote in which the members were recorded as follows:

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Foti		
Pappastergion		
Peña		
Swett		
Taverna		
Vitale		
J. Walsh		
P. Walsh		

(ref. VI A.2)

#### CORRESPONDENCE TO THE BOARD

There was no correspondence to the Board. (ref. VII)

#### OTHER BUSINESS

There was no other business. (ref. VIII)

#### ADJOURNMENT

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

Hearing no further discussion or questions from the Board, Chair Tepper requested a roll call vote in which the members were recorded as follows:

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Flanagan		
Foti		
Peña		
Swett		
Taverna		
Vitale		
J. Walsh		
P. Walsh		

The meeting adjourned at 3:02pm.

Approved: February 12, 2025

Attest:

 for

Brian Peña, Secretary

#### LIST OF DOCUMENTS AND EXHIBITS USED

- Draft Minutes of the December 11, 2024 MWRA Board of Directors' Meeting (ref. I)
- January 15, 2025 Staff Summary – Delegated Authority Report (ref. V A.1)
- January 15, 2025 Staff Summary – FY25 Financial Update and Summary as of December 2024 (ref. V A.2)
- January 15, 2025 Staff Summary and Presentation – Transmittal of the FY26 Proposed Capital Improvements Program (CIP) to the MWRA Advisory Board (ref. V B.1)
- January 15, 2025 Staff Summary and Presentation – Intermediate High Pipeline Improvements Design and Engineering Services During Construction: CDM Smith Inc., Contract 6955, Amendment 2 (ref. VI A.1)
- January 15, 2025 Staff Summary and Presentation – John J. Carroll Water Treatment Plant SCADA System Upgrade Design, Engineering (ref. VI A.1)
- Services During Construction and Resident Engineering Services: Arcadis U.S., Inc., Contract 7581, Amendment 5 (ref. VI A.2)