



MASSACHUSETTS WATER RESOURCES AUTHORITY

Deer Island
33 Tafts Avenue
Boston, MA 02128

Frederick A. Laskey
Executive Director

Chair: R. Tepper
Vice-Chair: A. Pappastergion
Secretary: B. Peña
Board Members:
P. Flanagan
J. Foti
B. Swett
L. Taverna
H. Vitale
J. Walsh
P. Walsh
J. Wolowicz

BOARD OF DIRECTORS' MEETING

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

Date: Wednesday, February 12, 2025
Time: 1:00pm
Location: Deer Island Reception/Training Building, 1st Floor
33 Tafts Avenue – Favaloro Meeting Room
Boston, MA 02128

Photo ID required for entry.

The meeting will also be available via Webex. The Webex meeting link and password to attend virtually are below:

Webex meeting link (Registration required):

<https://mwra.webex.com/weblink/register/r821d8cbd75f72d4e3a999a1f8ca9d7be>

Meeting Number: 2336 082 7935 Password: 21225

AGENDA

I. APPROVAL OF MINUTES

II. REPORT OF THE CHAIR

III. REPORT OF THE EXECUTIVE DIRECTOR

IV. EXECUTIVE SESSION

i. Approval of January 15, 2025 Executive Session Minutes

A. Real Estate

1. Watershed Land Acquisition Approval
2. Northern Extra High Pressure Zone Improvements Section 45 & 63 (Arlington and Lexington), MWRA Contract 7725: Acceptance of Grant of Easements from the MBTA

B. Collective Bargaining

1. Collective Bargaining Update –Units 1,2,3,6 and 9 - verbal

V. ADMINISTRATION, FINANCE & AUDIT

A. INFORMATION

1. FY25 Second Quarter Orange Notebook
2. Delegated Authority Report – January 2025
3. FY25 Financial Update and Summary as of January 2025
4. FY25 Mid-Year Capital Improvement Program Spending Report
5. Preliminary FY26 Water and Sewer Assessments

V. ADMINISTRATION, FINANCE & AUDIT (Continued)**B. APPROVALS**

1. Transmittal of the FY26 Proposed Current Expense Budget (CEB) to the MWRA Advisory Board

C. CONTRACT AMENDMENTS/CHANGE ORDERS

1. Enterprise Content Management System Purchase and Implementation: Cadence Solutions Inc., Contract 7438, Amendment 4

VI. WASTEWATER POLICY & OVERSIGHT**A. INFORMATION**

1. Combined Sewer Overflow Program Update

B. CONTRACT AWARDS

1. Deer Island Treatment Plant HVAC Control System, Equipment and Fume Hood Replacement-Preliminary Design, Final Design, Bidding and Engineering Services During Construction: Mott MacDonald, Contract 7110
2. Digester Fixed Cover and Valve and Gate Replacement, Clinton Treatment Plant: Walsh Construction Company II, LLC, Contract 7648

VII. WATER POLICY & OVERSIGHT**A. CONTRACT AWARDS**

1. Northern Extra High Pressure Zone Improvements Section 45 and 63 CP2 (Arlington and Lexington): RJV Construction Corporation, Contract 7725

VIII. PERSONNEL & COMPENSATION**A. APPROVALS**

1. February 2025 PCR Amendments
2. Appointment of Tsuyoshi Fukuda, Deputy Director of Procurement

IX. CORRESPONDENCE TO THE BOARD

- January 20, 2025, correspondence from Susan Doherty, Selectboard Chair, Town of Petersham, Massachusetts: Comments on the Quabbin Feasibility Study
- January 22, 2025, correspondence from Town of Pelham Select Board — Robert Agoglia, Tara Loomis and, David Shanabrook: Comments on the November 19, 2024, MWRA presentation of the Quabbin Reservoir Watershed Communities: Alternative Evaluation Summary
- January 30, 2025, correspondence from Steven J. Williams, Town Manager, Belchertown Massachusetts: Comments on the November 19, 2024, MWRA presentation of the Quabbin Reservoir Watershed Communities: Alternative Evaluation Summary

X. OTHER BUSINESS**XI. ADJOURNMENT**

MASSACHUSETTS WATER RESOURCES AUTHORITY

Meeting of the Board of Directors

January 15, 2025

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 MINUTES

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:

Yes

No

Abstain

Tepper

Documents used for this meeting and cited in these minutes, including meeting materials/staff summaries, presentations, and approved minutes, are posted on MWRA’s website: <https://www.mwra.com/about-mwra/governance-management/board-directors/archive-agendas-and-minutes>

| <u>Yes</u> | <u>No</u> | <u>Abstain</u> |
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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> |
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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> |
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| J. Walsh | | |
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(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 Contact 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> |
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(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> |
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(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> |
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| Tepper | | |

Flanagan
Foti
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Taverna
Vitale
J. Walsh
P. Walsh

The meeting adjourned at 3:02pm.

Approved: February 12, 2025

Attest:

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)

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: February 12, 2025
SUBJECT: FY2025 Second Quarter Orange Notebook




COMMITTEE: Administration, Finance & Audit

X INFORMATION
 VOTE

Stephen Estes-Smargiassi, Director Planning & Sustainability
Malcolm Ragan, Senior Planner

Michael O'Keefe, Senior Program Manager, Planning
Preparer/Title


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

RECOMMENDATION:

For information only. The Quarterly Report on Key Indicators of MWRA Performance (the Orange Notebook) is prepared at the close of each quarter of the fiscal year.

DISCUSSION:

The Orange Notebook presents performance indicators for operational, financial, workforce, and customer service parameters tracked by MWRA management each month. This staff summary includes highlights from the second quarter of fiscal year 2025.

Lower than Average Precipitation for the Beginning of the Quarter

Wastewater

The Boston Metro area and MWRA's watershed continued to experience drought conditions for the first half of the second quarter, impacting both wastewater and water supply operations. Precipitation was 16% lower than the four-year average in the second quarter, leading to flows at Deer Island of 22% below average. (See page 1.) The drought led to new monthly low flow records set for the months of October and November, as well as a new all-time monthly average low flow record for the north system. Additionally, the monthly average total plant flow for October (203.3 mgd) was the second lowest average monthly flow of all time since plant startup in 1998. By late November and continuing into December, several rainstorms increased flows. (See page 2.)

Water Supply

Lower precipitation also caused the elevation of Quabbin to go down by 3.9 feet. The volume of the reservoir was at 85.5% as of December 31, 2024, a 7.1% decrease for the quarter, which represents a loss of more than 29 billion gallons of storage. Despite this decrease, Quabbin was still within normal operating range at the end of the second quarter. (See page 28.) Due to its large size, Quabbin's water levels drop slowly when precipitation decreases, making it resistant to drought, as was evident over the past few months. However, this means that it takes the reservoir a long time to recover once water levels do decrease.

By February, Quabbin shifted to below normal, due to a combination of a slight drop in volume and a rise in the storage target from 80% to 85%. With very little precipitation throughout the fall

followed by the recent frozen conditions, streamflow and groundwater flow are low in both reservoirs, and MWRA has needed to continue Quabbin transfers to Wachusett, slowly dropping the Quabbin level. There are no mandatory actions required when Quabbin is below normal, but MWRA has provided additional outreach to communities urging them to prepare for the possibility of a drier winter and requesting that they prioritize leak detection.

The drought also caused system yield, which is defined as the water produced by its sources, and is reported as the net change in water available for water supply and operating requirements, to be well below average in October and November. Fortunately, several rainstorms in December brought system yield closer to normal by the end of the year. (See page 28.)

Violations at Clinton Wastewater Treatment Plant

Despite low precipitation during the fall, the 12-month rolling flow average at Clinton Wastewater Treatment Plant exceeded the National Pollutant Discharge Elimination System (NPDES) permit limit of 3.01 MGD in October. The rolling average was still affected by the carryover impacts of the wet conditions of the prior fiscal year, but flow continued to come down and was under the limit in both November and December. (See page 31.)

The Clinton Wastewater Treatment Plant effluent was also over the monthly average and daily maximum limits for copper in October due to the drought. The primary source of copper in the Clinton Wastewater Treatment Plant effluent is from household piping that corrodes and dissolves into drinking water, which eventually goes into the wastewater system. During dry conditions with little precipitation, inflow and infiltration into sewers decreases, mitigating the usual dilution effect these flows have on wastewater and leading to higher copper concentrations at the Plant. The Town of Clinton does have a corrosion control program to help reduce the amount of copper in drinking water, but the levels in wastewater are still dependent on precipitation. As rainfall increased in November and December, copper levels returned to below the NPDES limit. (See page 31.)

Molybdenum in Sludge Fertilizer Pellets

The level of molybdenum (Mo) in MWRA's sludge fertilizer pellets exceeded the Massachusetts State land application limit (40mg/kg) in each month of the second quarter, but remained well below the federal limit (75 mg/kg). Mo levels for the second quarter averaged 42.7 mg/kg, 54% above the three-year average, 7% above the Massachusetts limit, and 43% below the federal limit. These exceedances are not a permit violation because the Fore River Pelletizing Plant operator, New England Fertilizer Company (NEFCO), a wholly owned subsidiary of Synagro Technologies, adjusted its distribution plan to avoid sending high Mo pellets to sites within Massachusetts or New York, which has the same limit. All other states use the federal limit so there were no other restrictions for land application of MWRA's pellets with regard to Mo concentrations. (See page 4.)

Higher than normal levels of Mo in MWRA pellets are not uncommon, with exceedances occurring in both 2022 and 2020. The likely source is chemicals containing Mo that are used as a corrosion and bacterial inhibitor in cooling water towers. In the late fall and early winter, many of these cooling tower units are winterized, potentially releasing the liquid contents to sewers that eventually lead to Deer Island. In response, MWRA's Toxic Reduction and Control department is developing educational materials on this issue and creating an outreach plan to determine where Mo based corrosion inhibitors are being distributed.

MASSACHUSETTS WATER RESOURCES AUTHORITY

Board of Directors Report

on

Key Indicators of MWRA Performance

Second Quarter FY2025

| Q1 | Q2 | Q3 | Q4 |
|----|----|----|----|
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Frederick A. Laskey, Executive Director
David Coppes, Chief Operating Officer
February 12, 2025

Board of Directors Report on Key Indicators of MWRA Performance

2nd Quarter – FY25

Table of Contents

| OPERATIONS AND MAINTENANCE | Page | WASTEWATER QUALITY | Page |
|--|-------------|--|-------------|
| DITP Operations-..... | 1 | NPDES Permit Compliance | |
| Total Power Use/Self-Generation | | Deer Island Treatment Plant | 30 |
| Plant Flow & Precipitation | | Clinton Treatment Plant..... | 31 |
| Total Cost of Electricity/Pricing | | | |
| DITP Operations-..... | 2 | | |
| DI Sodium Hypochlorite Use | | COMMUNITY FLOWS AND PROGRAMS | |
| Disinfection Dosage | | Total Water Use Core Communities | 33 |
| Secondary Blending Events | | Community Wastewater Flows | 34 |
| DITP Operations & Maintenance Report | 2 | Community Sewer Flow | 35 |
| Residuals Processing | 4 | Community Support Programs | |
| DITP Maintenance | 5 | Infiltration/Inflow Local Financial Assist. | 36 |
| Operations Division – Metering & Reliability | 6 | Water-Local Pipeline & System Assist. | 37 |
| Water Distribution System – Valves | 7 | Lead Service Line Replacement Loan Progr. ... | 38 |
| Wastewater Pipeline/Structures | 8 | Community Water System Leak Detection | |
| FOD Metro Facility & Equipment Maintenance | 9 | and Conservation Outreach | 39 |
| Renewable Electricity Generation – 1 | 10 | | |
| Renewable Electricity Generation – 2 | 11 | BUSINESS SERVICES | |
| Toxic Reduction and Control | 12 | Procurement | 41 |
| Field Operations – Narrative Topics | 13 | Materials Management | 42 |
| Laboratory Services | 15 | MIS Program | 43 |
| | | Legal Matters | 44 |
| CONSTRUCTION PROGRAMS | | Internal and Contract Audits | 50 |
| Projects in Construction..... | 17 | | |
| CSO Control Update | 19 | OTHER MANAGEMENT | |
| CIP Expenditures | 20 | Workforce Management | 52 |
| | | Workplace Safety Program | 53 |
| DRINKING WATER QUALITY AND SUPPLY | | Job Group Representation..... | 54 |
| Source Water – Microbial Results | 22 | MBE/WBE Expenditures | 55 |
| Source Water – Turbidity, pH and Alkalinity | 23 | CEB Expenses | 56 |
| Treated Water – Disinfection Effectiveness | 24 | Cost of Debt | 57 |
| Source Water – Algae, Complaints | 25 | Investment Income..... | 58 |
| Bacteria & Chlorine Residual Results..... | 26 | | |
| Disinfection By-Products, UV 254 | 27 | | |
| Water Supply/Source Water Management | 28 | | |

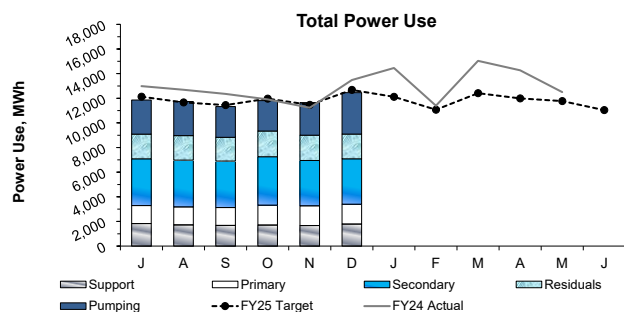
This quarterly report is prepared by MWRA staff to track a variety of performance measures for routine review by the Board of Directors. The content and format of this report is expected to develop as time passes. Information is reported on a preliminary basis as appropriate and available for internal management use and is subject to correction and clarification.

Frederick A. Laskey, Executive Director
David Coppes, Chief Operating Officer
February 12, 2025

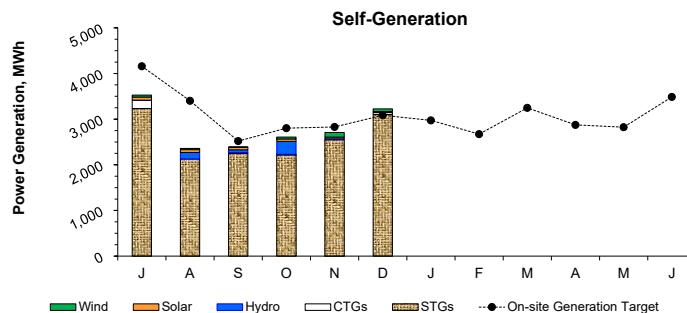
OPERATIONS AND MAINTENANCE

Deer Island Operations

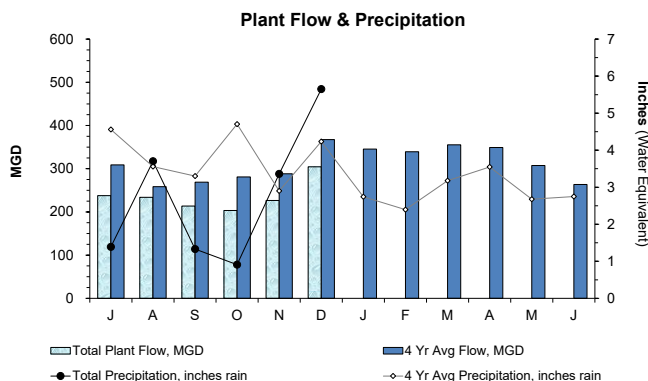
2nd Quarter - FY25



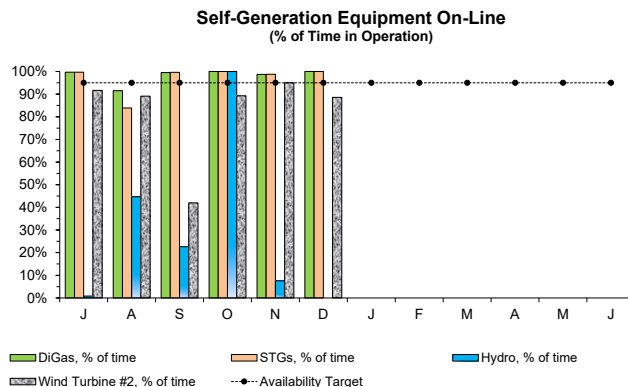
Total power usage in the 2nd Quarter was on target (-0.5%) with budgetary estimates even though plant flow was 21.6% lower than the historical (4 year average) estimate used to generate the electricity model, a remaining impact of the lengthy period of severe drought. Power used for raw wastewater pumping was 15.2% below target due to the lower plant flows, including 31.4% lower-than-expected power usage for the pumping of the South System flows which were 26.6% below target. However, power used in other areas and major treatment processes (such as for secondary treatment with the higher cryogenic oxygen production demand) were up to 6.2% above their respective targets as a result of the much lower-than-expected plant flows.



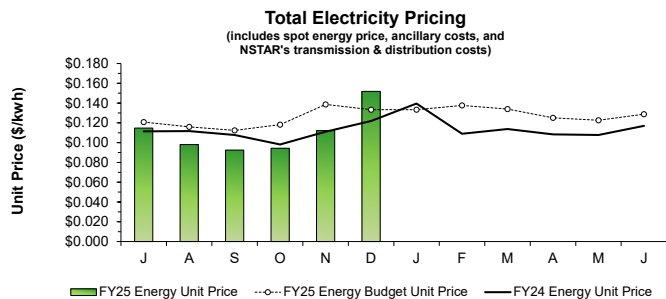
Power generated on-site during the 2nd Quarter was within 2% of target as STGs generation was 17.8% above budgetary estimates due to supplemental fuel oil usage for boiler operation during periods of lower or unstable digester gas production, and during certain maintenance activities, allowing for much greater generation by the main STG. CTEs generation was lower than budgeted as the CTEs were operated for an ISO-NE Demand Response winter audit event in December and only briefly during maintenance/checkout activities several times in the quarter. Hydro Turbine generation was 79.1% below target as turbine availability fell to 35.9% this quarter due to wicket gate issues with Turbine #2 which has been out of service since November 3. The wicket gates for Turbine #1 are in the process of being rehabilitated. Staff determined the best course of action for Turbine #2 was to suspend all temporary repairs in favor of proceeding with a complete wicket gate rehabilitation once the Turbine #1 rehabilitation is completed approximately June 2025. Solar Panel generation was within 2.4% of target and Wind Turbine generation was 16.1% below target as Turbine #2 availability was 90.9%.



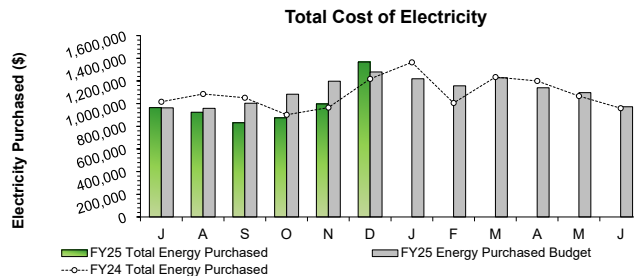
Total Plant Flow for the 2nd Quarter was 21.6% below target with the budgeted 4 year average plant flow (244.7 MGD actual vs 312.2 MGD expected) as precipitation was 16.2% lower than target this quarter (9.92 inches actual vs. 11.84 inches expected). Plant flows have been well below target since July as the region had been experiencing a period of severe drought due to a lengthy stretch with little to no rain. It was only recently, since late November, that several storms passed through the region resulting in increased plant flows during the storm events. Average dry weather plant flows, however, continue to remain below target levels.



The DiGas System and STGs availability both exceeded the 95% availability target in the 2nd Quarter, while Hydro Turbine availability was only 35.9% due mainly to wicket gate issues with Turbine #2, which has kept the turbine out of service since November 3. Turbine #1 remains out of service as the contractor performs wicket gate rehabilitation and replaces the failed gearbox and bearings. Wind Turbine availability was 90.9% this quarter as Turbine #2 experienced several electrical issues and turbulent winds blowing through the digesters prevented the turbine from operating for periods of time during several storm events. Wind Turbine #1 is awaiting re-installation and is not included in the FY25 tracking of turbine availability.



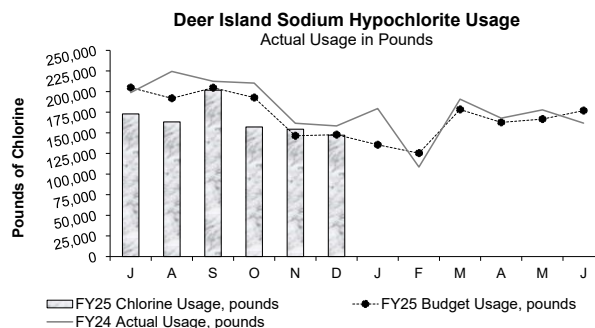
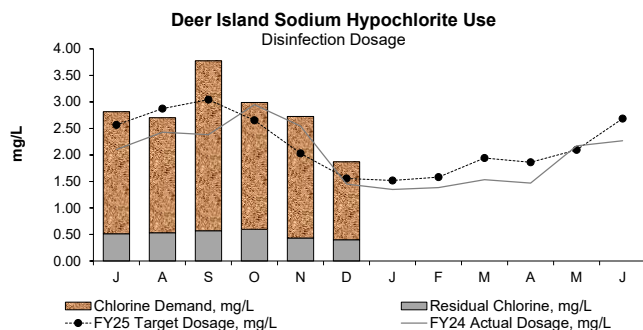
Under the current energy supply contract, a block portion of DI's energy is a fixed rate and the variable load above the block is purchased in real time. The Total Energy Unit Price for November and December are estimated pending receipt of the Direct Energy invoices. Overall, the average unit prices are estimated to be 10.5% lower than the budgetary estimate through December. The Total Energy Unit Price includes a fixed block price, spot energy price, transmission & distribution charges, and ancillary charges.



Year-to-date Total Cost of Electricity is estimated to be \$525,975 (8.1%) lower than budgeted through December. The Total Cost of Electricity depicted for November and December are estimated pending receipt of the Direct Energy invoices. The Total Cost of Electricity is estimated to be lower than budgeted as the estimated Total Energy Unit Price is 10.5% lower than target while the Total Volume of Electricity Purchased was 2.7% above target as a result of lower-than expected onsite self-generation for each month in FY25-to-date except for December.

Deer Island Operations

2nd Quarter - FY25



The disinfection dosing rate in the 2nd Quarter was 22% above target with budgetary estimates while plant flow was 21.6% lower-than-expected which results in a more concentrated wastewater that exerts a higher chlorine demand. Nevertheless, sodium hypochlorite usage in pounds of chlorine was 5.8% lower-than-target due to the lower plant flows. DITP maintained an average disinfection chlorine residual of 0.48 mg/L in the 2nd Quarter with an average dosing rate of 2.53 mg/L as chlorine demand was 2.05 mg/L. From March through October, the disinfection basin effluent total chlorine residual target for dry weather flows was increased from 0.30 mg/L to greater than or equal to 0.50 mg/L in preparation for potential new NPDES seasonal permit limits for indicator bacteria. The purpose for the higher chlorine residual target (and higher sodium hypochlorite dosing) was to continue developing operating strategies for the new permit, an effort that was also undertaken in 2023. The disinfection basin effluent total residual chlorine target was returned to 0.30 mg/l in November for dry day flow conditions and 0.50 mg/l during elevated wet weather flows to target the treatment for fecal coliforms as the permit season for Enterococcus treatment in the new proposed permit would be ending.

The overall disinfection dosing rate (target and actual) is dependent on plant flow, target effluent total chlorine residual levels, effluent quality and NPDES permit levels for fecal coliform (or the proposed seasonal Enterococcus bacteria).

Secondary Blending Events

| Month | Count of Blending Events | Count of Blending Events Due to Rain | Count of Blending Events Due to Non-Rain-Related Events | Secondary, as a Percent of Total Plant Flow | Total Hours Blended During Month |
|--------------|--------------------------|--------------------------------------|---|---|----------------------------------|
| July | 0 | 0 | 0 | 100.0% | 0.00 |
| August | 0 | 0 | 0 | 100.0% | 0.00 |
| September | 0 | 0 | 0 | 100.0% | 0.00 |
| October | 0 | 0 | 0 | 100.0% | 0.00 |
| November | 0 | 0 | 0 | 100.0% | 0.00 |
| December | 2 | 2 | 0 | 98.4% | 14.00 |
| Total | 2 | 2 | 0 | 99.7% | 14.00 |

99.3% of all flows were treated at full secondary during the 2nd Quarter as there were two (2) separate secondary blending events in December, both due to high plant flows from heavy precipitation. These blending events resulted in 14.0 hours of blending and a total of 149.03 MGal of primary-only treated effluent blended with secondary effluent. The Maximum Secondary Capacity during the entire quarter was 700 MGD.

Secondary permit limits were met at all times during the 2nd Quarter.

Deer Island Operations & Maintenance Report

Environmental/Pumping:

The plant achieved an instantaneous peak flow rate in the 2nd Quarter of 1,169.5 MGD during the height of a storm event on December 11. This peak flow occurred during a storm event that brought 2.84 inches of total precipitation to the metropolitan Boston area. The Total Plant Flow was 21.6% below the 4 year average plant flow target for the quarter as precipitation was 16.2% lower than the 4 year average (9.92 inches actual vs. 11.84 inches expected). Plant flows have been well below target since July as the region had been experiencing a period of severe drought due to a lengthy stretch with little to no rain. It was only recently, since late November, that several storms passed through the region resulting in increased plant flows during the storm events. Average dry weather plant flows, however, continue to remain below target levels.

Due to these recent severe drought conditions, new monthly low flow records were set for the months of October and November, as well as a new all-time monthly average low flow record for the North System Influent. Additionally, The monthly average total plant flow for October (203.29 MGD) was the second lowest average monthly flow of all time since plant startup in July 1998. The current lowest monthly plant flow record is 201.73 MGD set in August 2022. The table below summarizes these flow statistics with the new and near new records displayed in the yellow highlighted boxes.

October and November Low Plant Flow Records

| | New October Low Flow Record (set 2024) | New November Low Flow Record (set 2024) | Current All-Time Monthly Low Flow Record (since plant startup July 1998) |
|----------------------------|---|---|---|
| Total Plant Influent Flow | 203.29 MGD (also 2 nd Lowest All-Time Low Flow Record) | 226.49 MGD | 201.73 MGD (August 2022) 2 nd All-time Lowest Flow: 203.29 MGD (October 2024) |
| North System Influent Flow | 137.78 MGD (also New All Time Low Flow Record) | No new record set 158.13 MGD | New record: 137.78 MGD (October 2024) Previous record: 138.78 MGD (Sept. 2020) |
| South System Influent Flow | 65.50 MGD | 68.35 MGD | 62.28 MGD (Sept. 2016) |

Deer Island Operations

2nd Quarter - FY25

Deer Island Operations & Maintenance Report (continued)

Disinfection/Dechlorination:

MWRA uses sodium hypochlorite to destroy pathogens in plant effluent after primary and secondary treatment. Indicator bacteria such as Fecal Coliform, E. coli, and Enterococcus are used to measure the presence of potential pathogens. To provide a proper pathogen kill, sodium hypochlorite, a disinfectant, is added to meet a chlorine demand, then regulated by maintaining a chlorine residual. From March through October, the disinfection basin effluent total chlorine residual target for dry weather flows was increased from 0.30 mg/L to greater than or equal to 0.50 mg/L in preparation for potential new NPDES seasonal permit limits for indicator bacteria. The purpose for the higher chlorine residual target (and higher sodium hypochlorite dosing) is to continue developing operating strategies for the new permit, an effort that was also undertaken in 2023. In the 2nd Quarter of FY25, DITP maintained an average disinfection chlorine residual of 0.48 mg/L with an average dosing rate of 2.53 mg/L as chlorine demand was 2.05 mg/L, with the adjusted higher target. Higher usage of both sodium hypochlorite and sodium bisulfite, used for removing the residual chlorine before discharging the effluent, will be necessary in order to comply with the more stringent indicator bacteria limits in the proposed new NPDES permit. The disinfection basin effluent total residual chlorine target was returned to 0.30 mg/l in November for dry day flow conditions and 0.50 mg/l during elevated wet weather flows to target the treatment for fecal coliforms as the permit season for Enterococcus treatment in the new permit would be ending.

Primary and Secondary Treatments:

The contractor completed the first several phases of the Clarifier Rehabilitation Project (Contract #7395) with the rehabilitation of the Primary Batteries A, B, and C Influent and Effluent Channels by the end of December. The work included putting primary influent gates in place, installing new aeration header systems, completing the installation of lower aeration systems, Linabond repair work in the clarifiers, installing drains between Batteries A and B, replacing effluent gates, completing hatch and grating modifications, and expansion joint repairs, in addition to other work. Work on Primary Battery D began in late December. The contractor is also replacing the secondary scum influent gates and other equipment in the secondary clarifiers. The plan is to target maintenance on one (1) secondary clarifier in each of the three (3) Secondary Batteries at a time. There are 18 clarifiers in each battery, totaling 54 clarifiers. The contractor is currently working on the first three (3) secondary clarifiers. MWRA plans to maintain a secondary process limit of 700 MGD, which is the capacity of 50 clarifiers in operation. This work is currently proceeding on target with the schedule.

Residuals Treatment:

Sludge feed to the Module #3 digesters #1 and #2 was temporarily suspended, one at a time, for several days each, starting on December 9 for digester #1 and on December 16 for digester #2, to allow the contractor to perform routine scheduled maintenance on each of the digester's sludge overflow line. This maintenance is performed on only one (1) digester at a time and continues until this maintenance is completed for all eight (8) online digesters. This work will resume starting with digester #3 in January to avoid disruptions during the holiday period. This routine preventative maintenance was last performed in May 2023.

Odor Control Treatment:

All four (4) carbon adsorber (CAD) units in the North Pumping Odor Control (NPOC) Facility were emptied and refilled with new regenerated activated carbon media in November as part of routine maintenance to replace spent activated carbon.

Energy and Thermal Power Plant:

Overall, total power generated on-site accounted for 23.8% of Deer Island's total power use in the 2nd Quarter. Renewable power generated on-site (by Solar, Wind, STGs, and Hydro Turbines) accounted for 23.6% of Deer Island's total electrical power use for the quarter.

DITP took delivery of 250,000 gallons of #2 fuel oil, a total of 25 oil tanker trucks, without incident from October 28 through November 1. This fuel oil is used for CTG operation, for boiler startup operations, and for supplemental fuel for boiler operation during periods of low or unstable digester gas production.

Annual scheduled maintenance on CTG-1A was successfully completed by staff and contractors during the week of December 9. The scope of this work consisted of routine maintenance and calibrations. During the work, CTG-2B was available on standby to act as DITP's emergency backup power. The single CTG is fully capable of providing sufficient power to maintain all of DITP's systems up to a capacity of 850 MGD.

Regulatory:

Based on the DITP's performance in 2024, Deer Island is qualified to receive NACWA's (National Association of Clean Water Agencies) Platinum Award for Peak Performance which recognizes member agency facilities for outstanding compliance of their National Pollutant Discharge Elimination System (NPDES) permit limits. The Platinum award is given to agencies in recognition of 100% compliance with NPDES permits over a consecutive five year period. Deer Island is qualified for a Platinum18 Award for having operated with no permit violations for 18 consecutive years.

Clinton Operations & Maintenance Report

Dewatering Building

Operations staff and the Facilities Specialist unclogged the polymer feed system and also repaired a leak in the polymer system. The M&O and Facilities Specialist pressure washed the belts on #2 belt filter press. The electrical contractor cleaned and filed the brushes on the #2 polymer pump motor and also installed two (2) recirculation pumps for the heating system. Operations staff cleaned the scum trough and the feed tube on gravity thickener #1.

Chemical Building

Maintenance staff and the Facilities Specialist installed safety bollards in front of the sodium bisulfite pumps and installed braces for the sodium hypochlorite lines. They also completed jetting out soda ash line B. Plumbers from Deer Island repaired leaks on the sodium hypochlorite piping. The contractor replaced the 8 inch suction valve for the clarifier #1 and a one-half-inch valve on the seal water for RAS pump #4.

Aeration Basins

Operations staff cleaned the pH and D.O. probes and hosed down all three (3) aeration basins.

Phosphorus Building

Operations and Maintenance staff completed acid wash on #1, #2 and #3 disk filters and cleaned the troughs for all three (3) filters. The Phosphorus Reduction Facility (PRF) disk filters were taken off line in November and will remain off line until April when permit requires phosphorus discharge limits to be lower. Operations staff cleaned and changed the reagents in both CL17 chlorine analyzers and cleaned the PRF polymer pumps by flushing them with mineral oil. M&O's and the Facilities Specialist removed the rapid mixer from train #1. Operations staff also drained and washed the #2 filter and probe to verify whether fluctuating readings persist.

Headwork's Building

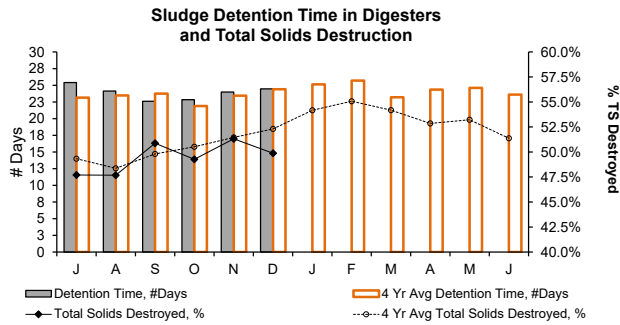
M&O's and the Facilities Specialist removed and replaced drive bolt in grit classifier #2, cleaned the influent mechanical bar rack, and greased the upper and lower pin racks. FOD staff replaced the flushing hydrant in front of the grit tanks.

Digester Building

M&O's checked equipment for proper operation and greased the floating Ovivo mixer cover. The contractor worked on the #2 sludge boiler, found and repaired a faulty pump. They also installed a new three-quarter inch backflow preventer.

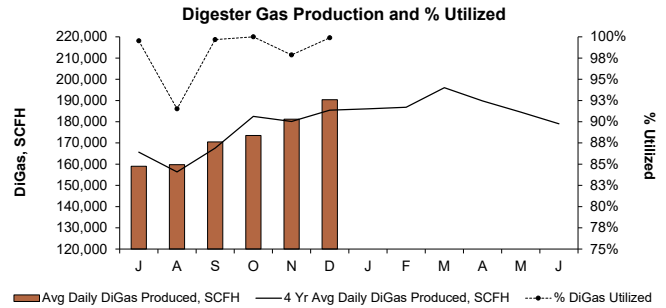
Deer Island Operations and Residuals

2nd Quarter - FY25



Total solids (TS) destruction following anaerobic sludge digestion averaged 50.2% during the 2nd Quarter, within 2.5% of the 4 year average. Sludge detention time in the digesters was 23.8 days, with an average of 8.0 digesters in service, similar to the 4 year average of 23.2 days detention time.

Total solids (TS) destruction is dependent on sludge detention time which is determined by primary and secondary solids production, plant flow, and the number of active digesters in operation. Solids destruction is also significantly impacted by changes in the number of digesters and the resulting shifting around of sludge.

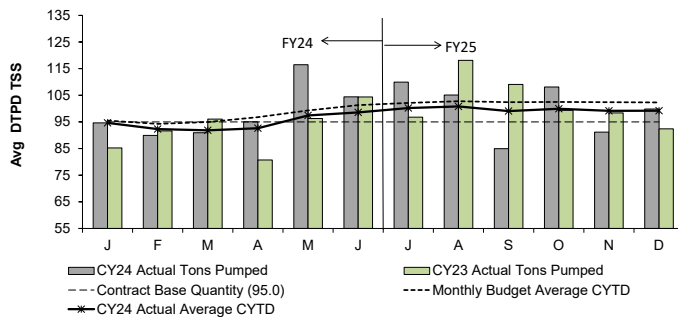


The Avg Daily DiGas Production in the 2nd Quarter was on target with the 6 Year Avg Daily DiGas Production. 99.3% of the Digas produced this quarter was utilized at the Thermal Power Plant.

Residuals Pellet Plant

New England Fertilizer Company (NEFCO), a wholly-owned, indirect subsidiary of Synagro Technologies, Inc., operates the MWRA Biosolids Processing Facility (BPF) in Quincy under contract. MWRA pays a fixed monthly amount for the calendar year to process up to 95.0 DTPD/TSS as an annual average (for the extended contract period of January 1, 2024 through December 31, 2034). The monthly invoice is based on 95.0 DTPD/TSS (Dry Tons Per Day/Total Suspended Solids) times 365 days divided by 12 months. At the end of the year, the actual totals are calculated and additional payments are made on any quantity above the base amount. On average, MWRA processes more than 95.0 DTPD/TSS each year (FY24's budget is 103.2 DTPD/TSS and the FY25 budget is 99.9 DTPD/TSS).

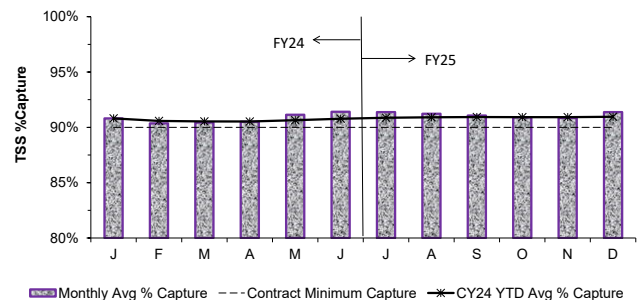
Sludge Pumped From Deer Island



The average quantity of sludge pumped to the Biosolids Processing Facility (BPF) in the 2nd Quarter was 99.7 TSS Dry Tons Per Day (DTPD), 2.2% below target with the FY25 budget of 102.0 TSS DTPD for the same period. The slightly lower amount of sludge sent to the BPF this quarter can be partially attributed to lower overall sludge production at DITP, due to the lower plant flows.

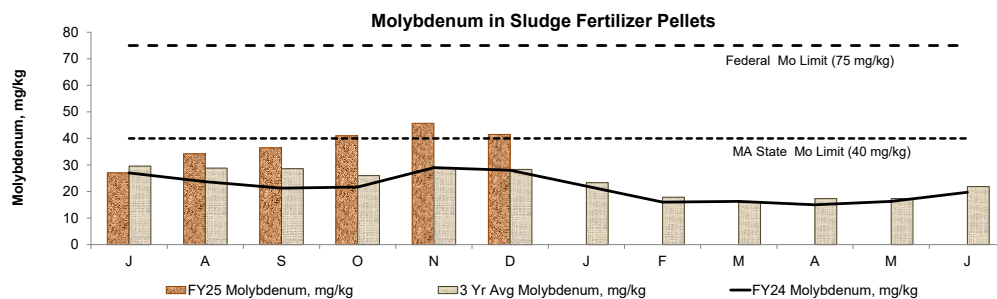
The CY24 average quantity of sludge pumped was 99.2 TSS DTPD, 1.2% below target compared to the CY24 average budget of 102.3 TSS DTPD for the year.

Monthly Average % Capture of Processed Sludge



The contract requires NEFCO to capture at least 90.0% of the solids delivered to the Biosolids Processing Facility. The average capture for the 2nd Quarter was 91.05%.

The CY24 average capture rate of solids was 90.96%.



Copper, lead, and molybdenum (Mo) are metals of concern for MWRA as their concentrations in its biosolids have, at times, exceeded regulatory standards for unrestricted use as fertilizer. Molybdenum-based cooling tower water is a significant source of Mo in the sludge fertilizer pellets. The Federal standard for Mo is 75 mg/kg. The Massachusetts Type I biosolids standard for molybdenum was changed from 25 mg/kg to 40 mg/kg in 2016, allowing MWRA to sell its pellets in-state for land application whereas the previous limits forced several months' worth of pellets to be shipped out of state.

The levels were below the DEP Type 1 limit for copper and lead during the 2nd Quarter. For Mo, the preliminary level in the MWRA sludge fertilizer pellets for the 2nd Quarter averaged 42.7 mg/kg, 54% above the 3 year average, 7% above the MA State Limit, and 43% below the Federal Limit. The 41.5 mg/kg average Mo for December is a preliminary figure pending final approval of reportable Mo results from the laboratory. If the final Mo level for December remains above 40 mg/kg, the Mo level for each month in the 2nd Quarter will have been above the DEP Type 1 limit.

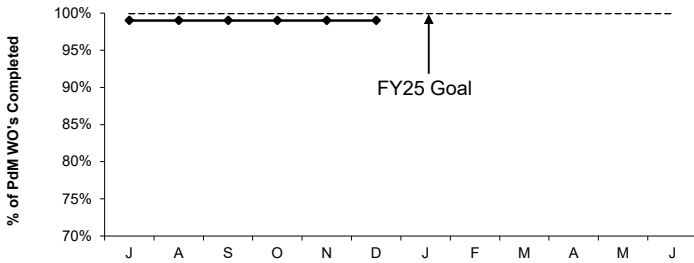
Deer Island Maintenance

2nd Quarter - FY25

Productivity Initiatives

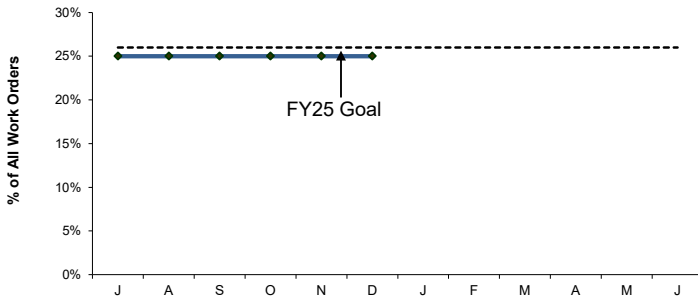
Productivity initiatives include increasing predictive maintenance compliance and increasing PdM work orders. Accomplishing these initiatives should result in a decrease in overall maintenance backlog.

Predictive Maintenance Compliance



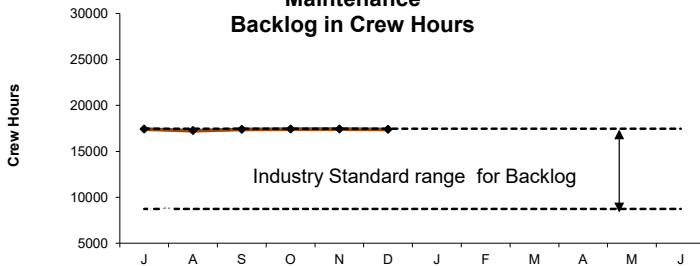
Deer Island's FY25 predictive maintenance goal is 100%. DITP completed 99% of all PdM work orders this quarter. DITP is continuing with an aggressive predictive maintenance program. Deer Island is slightly below our goal this quarter.

Predictive Maintenance



Deer Island's increased FY25 predictive maintenance goal is 26% of all work orders to be predictive. 25% of all work orders were predictive maintenance this quarter. The industry is moving toward increasing predictive maintenance work to reduce downtime and better predict when repairs are needed.

Maintenance Backlog in Crew Hours

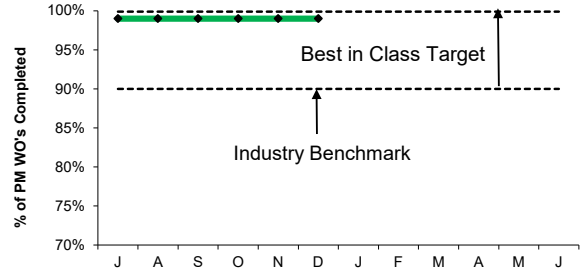


DITP's maintenance backlog at Deer Island is 17,390 hours this quarter. DITP is below the industry average for backlog. The industry Standard for maintenance backlog with 97 staff (currently planned staffing levels) is between 8,730 hours and 17,460 hours. Backlog is affected by (8) Vacancies; (1) Electrician, (1) HVAC Technician and (6) I&C Staff. Management continues to monitor backlog and to ensure all critical systems and equipment are available.

Proactive Initiatives

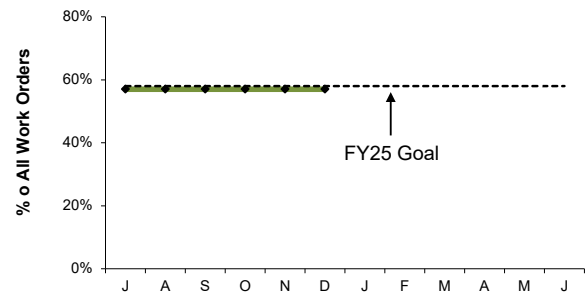
Proactive initiatives include completing 100% of all preventative maintenance tasks and increasing preventative maintenance kitting. These tasks should result in lower maintenance costs.

Preventive Maintenance Compliance



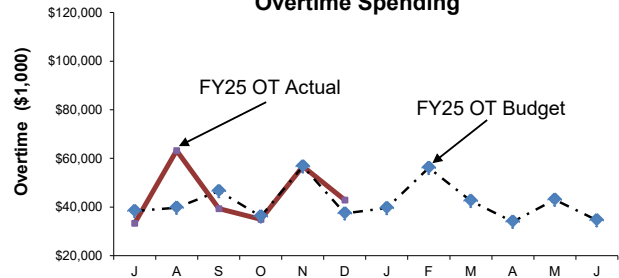
Deer Island's FY25 preventative maintenance goal is 100% completion of all work orders from Operations and Maintenance. DITP completed 99% of all PM work orders this quarter. Deer Island was slightly below our goal, but within Best in Class Target.

Maintenance Kitting



Deer Island's increased FY25 maintenance kitting goal is 58% of all work orders to be kitted. 57% of all work orders were kitted this quarter. Kitting is staging of parts or material necessary to complete maintenance work. This has resulted in more wrench time and increased productivity.

Overtime Spending



Maintenance overtime was over budget by \$5K this quarter and \$16k over for the year. Management continues to monitor backlog and to ensure all critical equipment and systems are available. This quarter's overtime was predominately used for Storm Coverage/High Flows, Pump and Grinder Clogging Issues, Instrumentation PM/CM Work, Relining Centrifuge #7, Grit Conveyor #6 Belt Replacement, and Miscellaneous Tank Work.

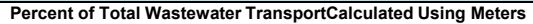
2nd Quarter - FY25

WATER METERS



The target for revenue water deliveries calculated using meters is 98%. Estimates are generated for meters that are out of service due to instrumentation problems or in-house and capital construction projects. During Q4 2024, 98.6% of the water billed was metered flow.

WASTEWATER METERS



The wastewater metering system is now operating in a typical mode following closeout of the replacement project. The target for revenue collection meters is a 95% capture rate which has been achieved consistently since the new meters have been online. In Q4 2024, 2.5% of the data required estimates, while 97.5% was metered.

WATER DISTRIBUTION SYSTEM PIPELINES



During Q4 - FY25, 25.18 miles of water mains were inspected. The total inspected for the fiscal year to date is 76.36 miles.

| Leak Backlog Summary | | | | | | | | | | | | | |
|----------------------|------|-----|------|-----|-----|-----|-----|-----|-------|-------|-----|------|--------|
| Month | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | March | April | May | June | Totals |
| Leaks Detected | 1 | 2 | 2 | 2 | 2 | 2 | | | | | | | 11 |
| Leaks Repaired | 0 | 2 | 3 | 2 | 2 | 1 | | | | | | | 10 |
| Backlog | 1 | 1 | 0 | 0 | 0 | 1 | | | | | | | n/a |

During Q4 - FY25 6 leaks were detected, and 5 was repaired. Refer to FY25 Leak Report below for details. Also, community service ranging from individual leak location to surveys were conducted for Medford, Boston, Watertown, Newton, Revere, Milton, Saugus, Waltham, Wilmington and Canton.

2nd Quarter - FY25[illegible][illegible]

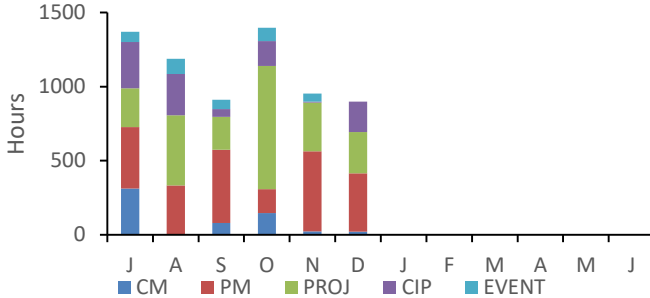
Water Distribution System Valves

2nd Quarter - FY25

Background

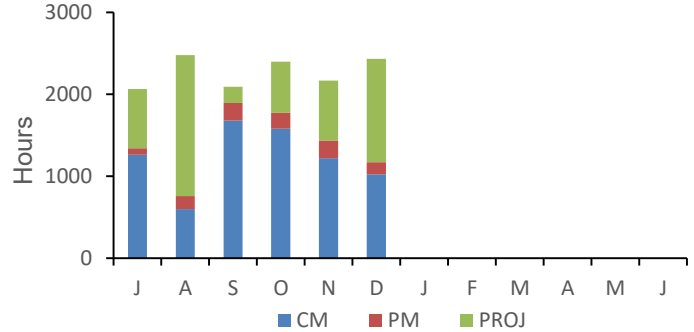
Valves are exercised, rehabilitated, or replaced in order to improve their operating condition. This work occurs year round. Valve replacements occur in roadway locations during the normal construction season, and in off-road locations during the winter season. Valve exercising can occur year round but is often displaced during the construction season. This is due to the fact that a large number of construction contracts involving rehabilitation, replacement, or new installation of water lines, requires valve staff to operate valves and assist with disinfection, dechlorination, pressure-testing, and final acceptance. Valve exercising can also be impacted due to limited redundancy in the water system; valve exercising cannot be performed in areas where there is only one source of water to the community meters or flow disruptions will occur.

Water Valve Labor Hours



During 2nd Quarter of FY25 there was a total of 3,250 hours worked. Percentage breakdown; Corrective Maintenance 6%, Preventative Maintenance 34%, Project 44%, Capital Improvement Project 12%, Event - Wtr Fountain 4%

Water Pipeline Labor Hours



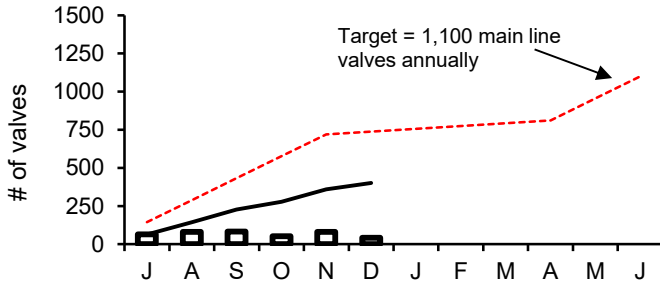
During 2nd Quarter of FY25 there was a total of 7,000 hours worked. Percentage breakdown; Corrective Maintenance 55%, Preventative Maintenance 8%, Project 37%

| Type of Valve | Inventory # | Operable Percentage | |
|--------------------|-------------|---------------------|--------------|
| | | FY24 to Date | FY24 Targets |
| Main Line Valves | 2,255 | 97.5% | 95% |
| Blow-Off Valves | 1,747 | 98.8% | 95% |
| Air Release Valves | 1,546 | 96.7% | 95% |
| Control Valves | 49 | 100.0% | 95% |

Key to Symbols:

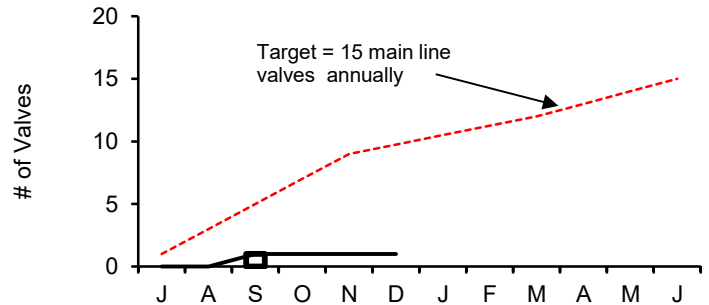
- FY25 Monthly Total
- FY25 Cumulative Total
- FY25 Target

Main Line Valves Exercised



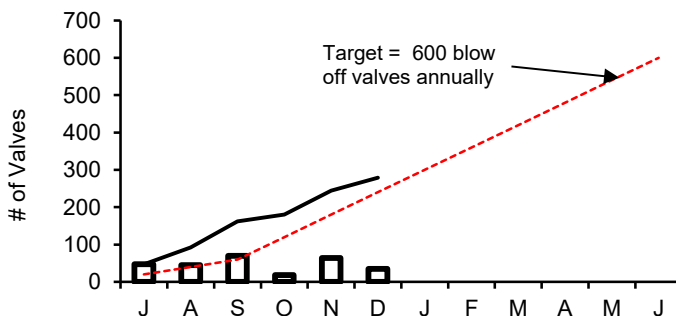
During 2nd Quarter of FY25, 174 main line valves were exercised. The total exercised for the fiscal year to date is 401.

Main Line Valves Replaced



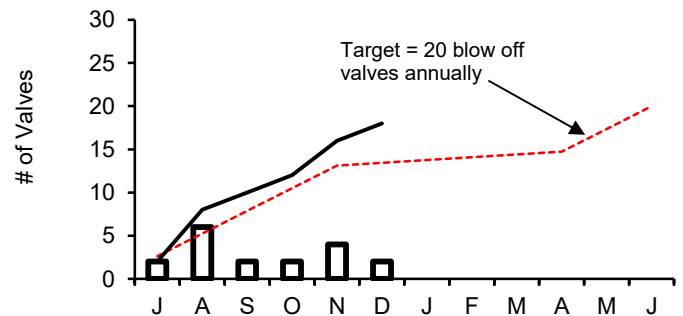
During 2nd Quarter of FY25, there was 0 main line valves replaced. The total replaced for the fiscal year to date is 1.

Blow-Off Valves Exercised



During 2nd Quarter of FY25, 117 blow off valves were exercised. The total exercised for the fiscal year to date is 279.

Blow-Off Valves Replaced



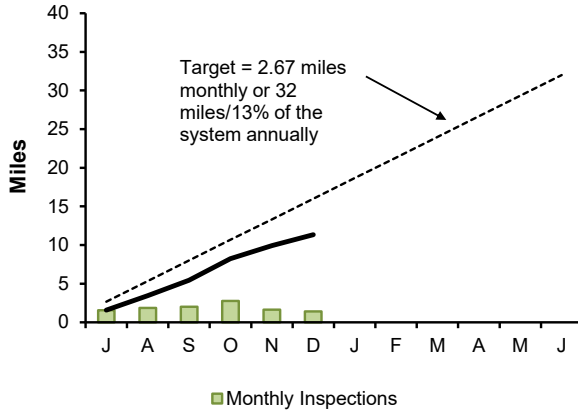
During 2nd Quarter of FY25, there were 8 blow off valves replaced. The total replaced for the fiscal year to date is 18.

Wastewater Pipeline and Structure Inspections and Maintenance

2nd Quarter - FY25

Inspections

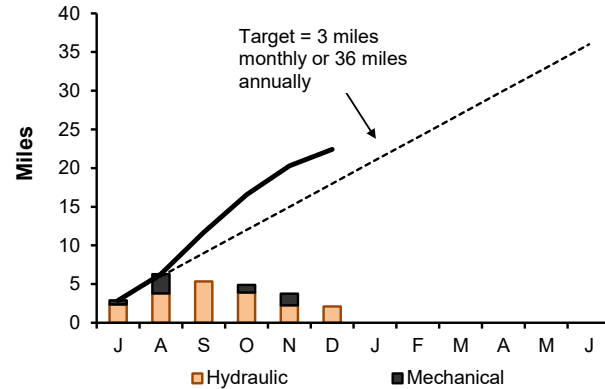
Pipeline Inspections



Staff internally inspected 5.45 miles of MWRA sewer pipe during this quarter. The year to date total is 5.45 miles. No Community Assistance was provided.

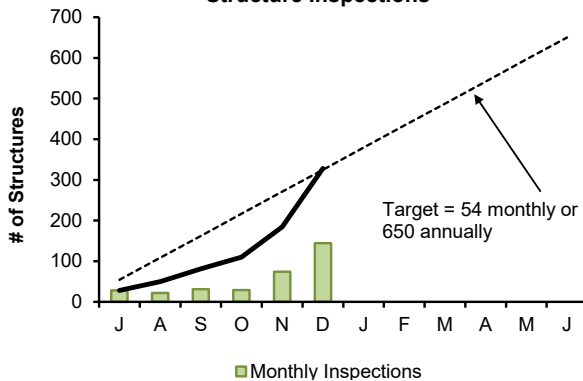
Maintenance

Pipeline Cleaning



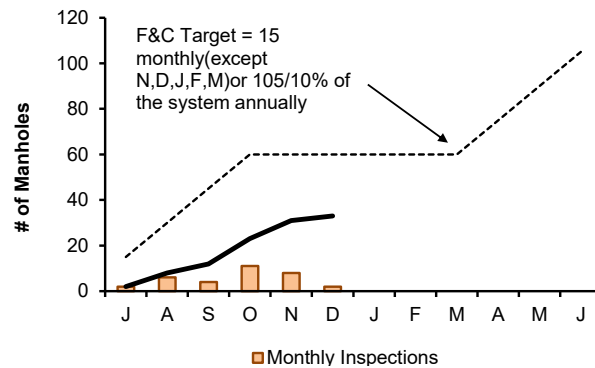
Staff cleaned 14.54 miles of MWRA sewer pipe, and removed 15.25 yards of grit. The year to date total is 14.54 miles. No Community Assistance was provided.

Structure Inspections



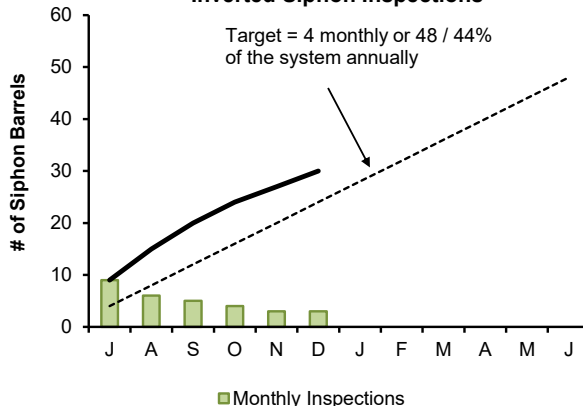
Staff inspected the 36 CSO structures and performed 45 other additional manhole/structure inspections during this quarter. The year to date total is 81 inspections.

Manhole Rehabilitation



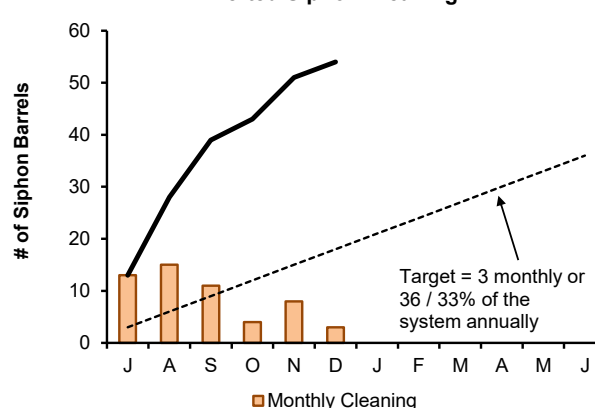
Staff replaced 12 frame and cover replacement this quarter. The year to date total is 12.

Inverted Siphon Inspections



Staff inspected 20 siphon barrels this quarter. The year total is 20 inspections.

Inverted Siphon Cleaning

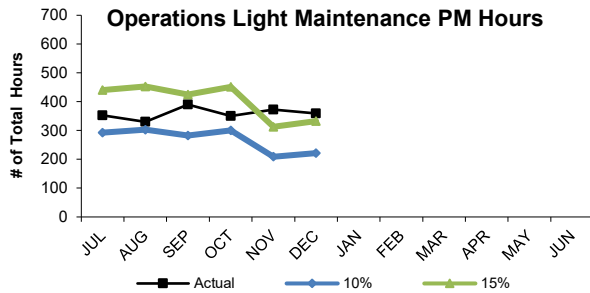


Staff cleaned 39 siphon barrels this quarter.

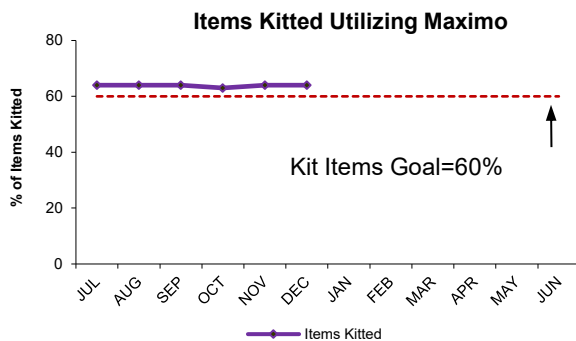
Field Operations' Metropolitan Equipment & Facility Maintenance

2nd Quarter - FY25

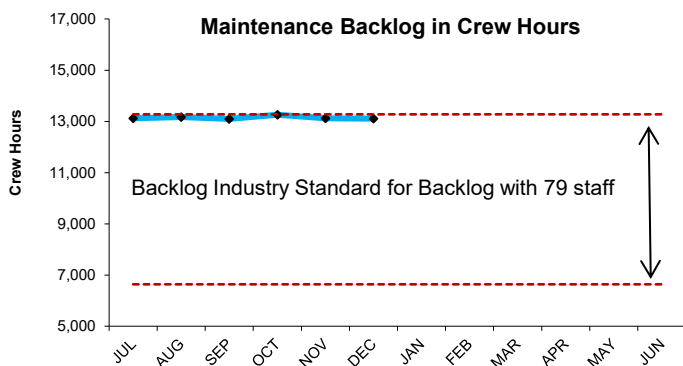
Several maintenance and productivity initiatives are in progress. The goal for the Overall PM completion and the Operator PM completion is 100%. The Operator PM and kitting initiatives frees up maintenance staff to perform corrective maintenance and project work, thus reducing maintenance spending. Backlog and overtime metrics monitor the success of these maintenance initiatives.



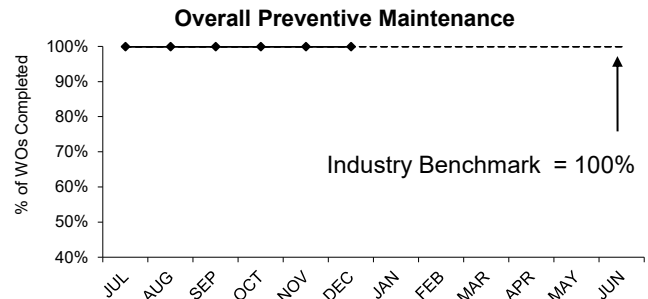
Operations staff averaged 360 hours per month of preventive maintenance during the 2nd Quarter of FY25, an average of 15% of the total PM hours for the 2nd Quarter, which is within the industry benchmark of 10% to 15%.



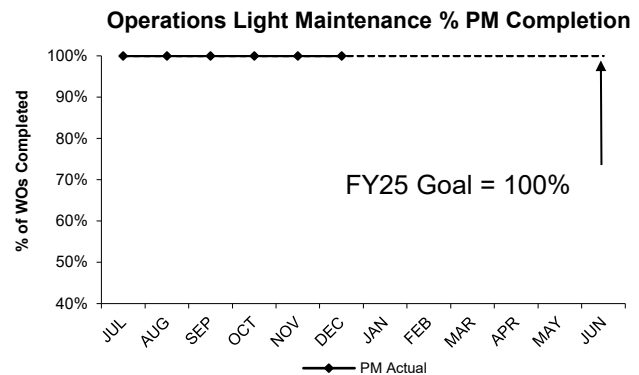
Operations' FY25 maintenance kitting goal has been set at 60% of all work orders to be kitted. Kitting is the staging of parts or material necessary to complete maintenance work. In the 2nd Quarter of FY25, 64% of all applicable work orders were kitted. This resulted in more wrench time and increased productivity.



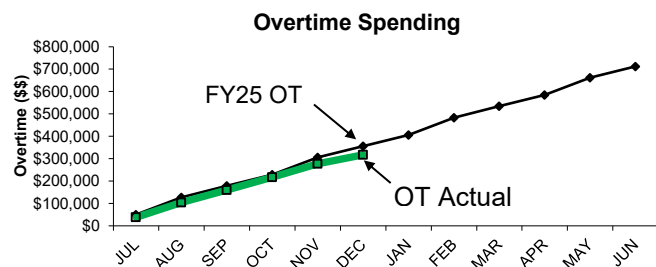
The 2nd Quarter of FY25 backlog average is 13,159 hours. Which is within the industry benchmark of 6,636 to 13,275 hours. The current backlog is due to vacancies and several large maintenance projects.



The Field Operations Department (FOD) preventive maintenance goal for FY25 is 100% of all PM work orders. Staff completed 100% of all PM work orders in the 2nd Quarter of FY25.



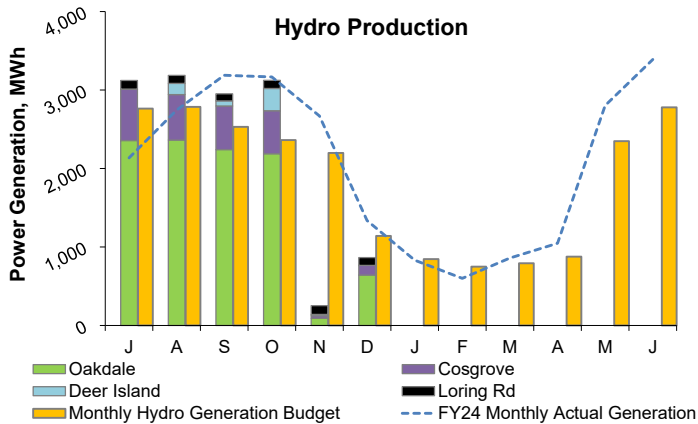
Wastewater Operations complete light maintenance PM's which frees up maintenance staff to perform corrective maintenance. Operations' FY25 PM goal is completion of 100% of all PM work orders assigned. Operations completed 100% of PM work orders in the 2nd Quarter of FY25.



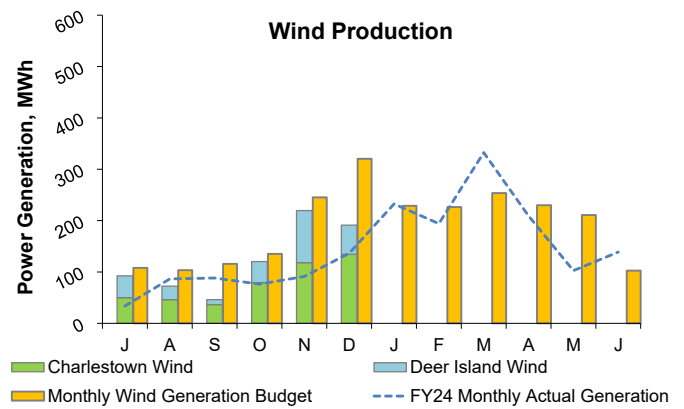
Maintenance overtime was \$6,846 under budget on average, per month, for the 2nd Quarter of FY25. Overtime is used for critical maintenance repairs and wet weather events. The overtime budget through the 2nd Quarter of FY25 is \$356,230. Overtime spending was \$317,316 which is \$38,914 under budget for the fiscal year.

Renewable Electricity Generation: Savings and Revenue

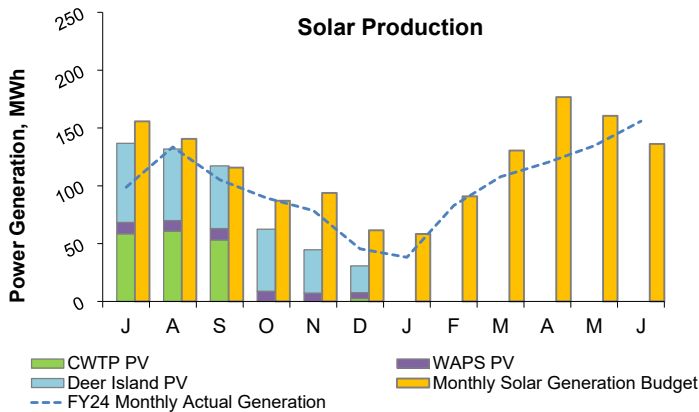
2nd Quarter - FY25



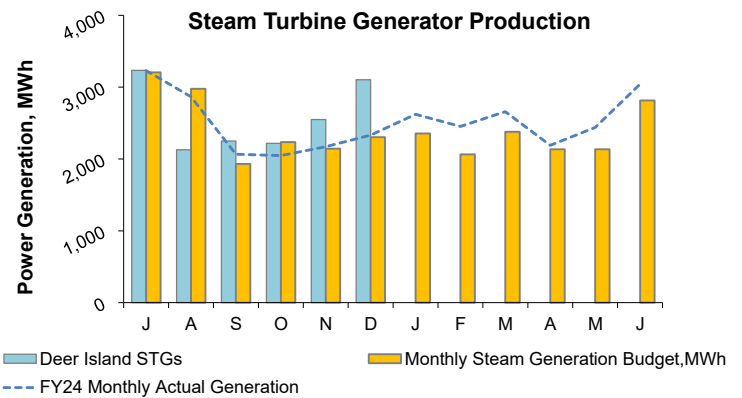
In Quarter 2, renewable energy produced from hydroelectric turbines totaled 4,349 MWh, 24% below budget. Deer Island Turbine #1 is offline and currently being refurbished. Turbine #2 was offline in Nov/Dec due to ongoing wicket gate issues. Cosgrove was offline for most of December due to rehab work at the Wachusett Dam Lower Gatehouse, and will remain offline through Spring. Oakdale was offline for part of December to facilitate removal of the Quinapoxet



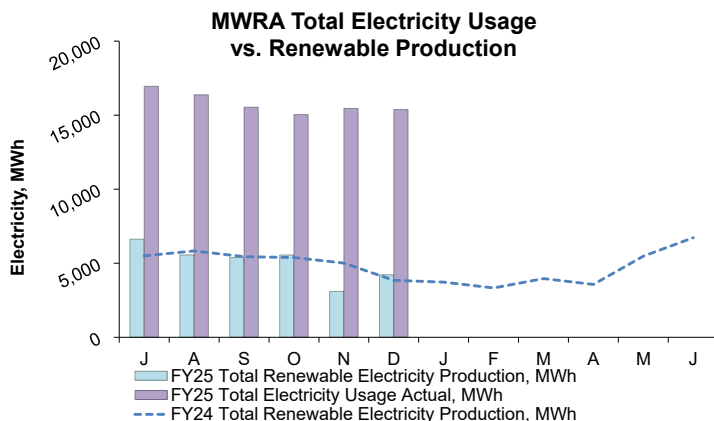
In Quarter 2, wind turbine production totaled 531 MWh, 24% below budget. Deer Island Turbine #1 has been out of service since April 2022, and was heavily damaged following a braking failure on May 29, 2023.



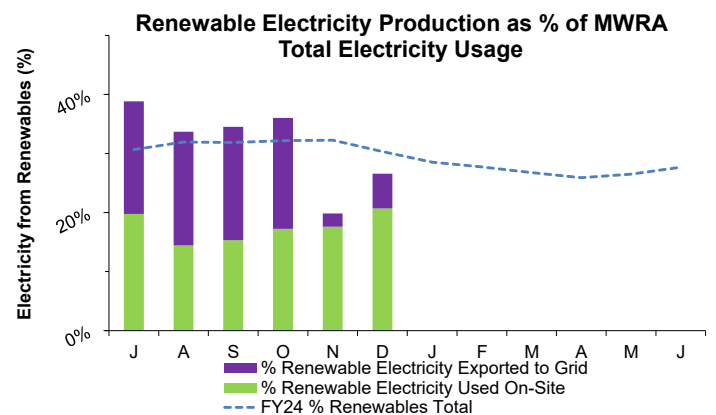
In Quarter 2, energy production from all solar PV systems totaled 138 MWh; 43% below budget¹. The Deer Island Residuals Odor Control roof mounted array has been offline since September 2022 due to a failed inverter. The system will remain offline pending full replacement. The Carroll Water Treatment Plant PV system has been offline since Sept 21st due to a failed



In Quarter 2, the renewable energy produced from Deer Island's steam turbine generators totaled 7,872 MWh; 18% above budget¹.



In Quarter 2, total renewable electricity production is estimated to be 12,890 MWh, 3% below budget. Downtime of several renewable energy assets in Quarter 2 affected electricity exported to the grid, but above budget production by Deer Island's steam turbine generators partly offset this effect in terms of total power generation. Final production data for some hydroturbines have not yet been received. Final electricity use data have not been received for all facilities at time of publication. The MWRA total electricity usage is the sum of all electricity purchased for Deer Island and FOD plus electricity produced and used on-site at these facilities. Approximately 99% of FOD electrical accounts are accounted for by actual billing statements; minor accounts that are not tracked on a monthly basis such as meters and cathodic protection systems are estimated based on this year's budget.

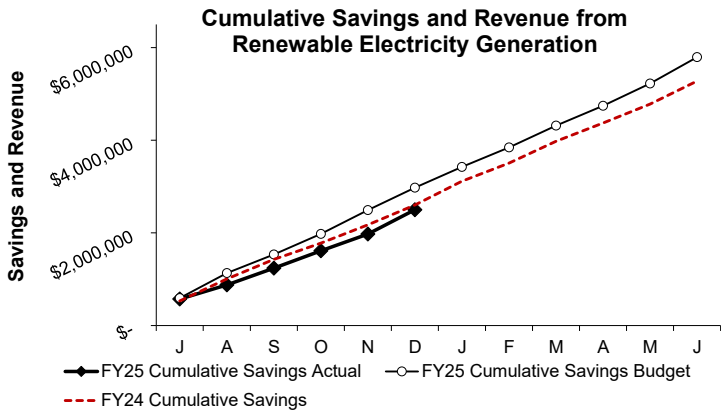
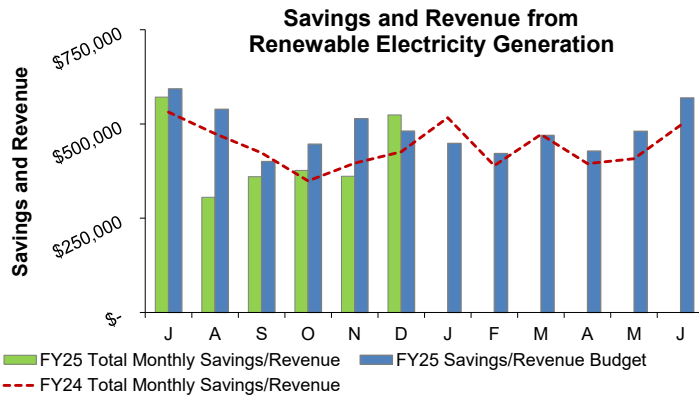


All renewable electricity generated on DI is used on-site (this accounts for more than 50% of MWRA renewable generation). Almost all renewable electricity generated off-DI is exported to the grid.

Notes: 1. Budget values are based on historical averages for each facility and include operational impacts due to maintenance work.

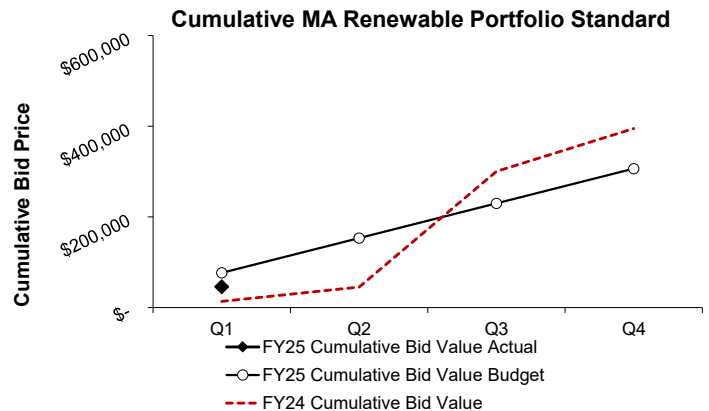
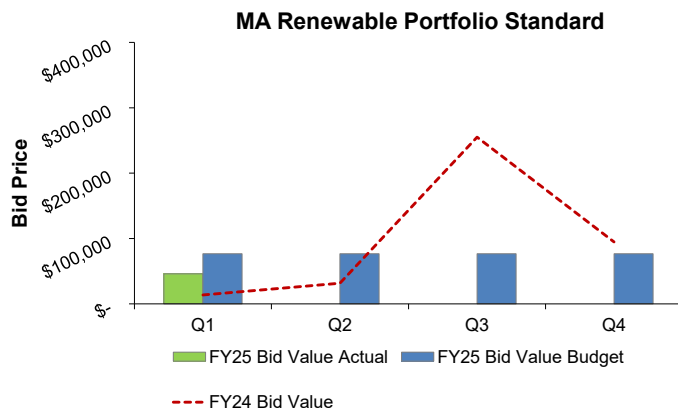
Renewable Electricity Generation: Savings and Revenue

2nd Quarter - FY25



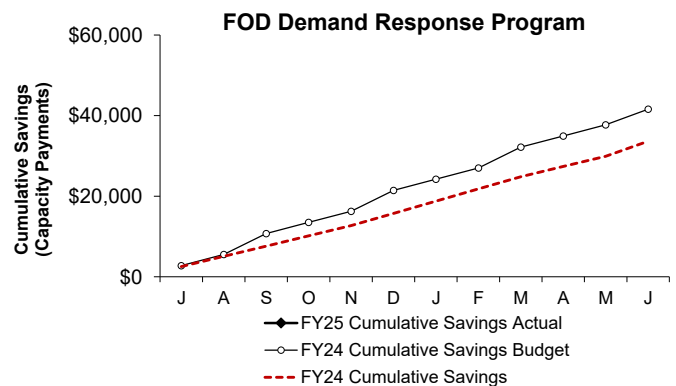
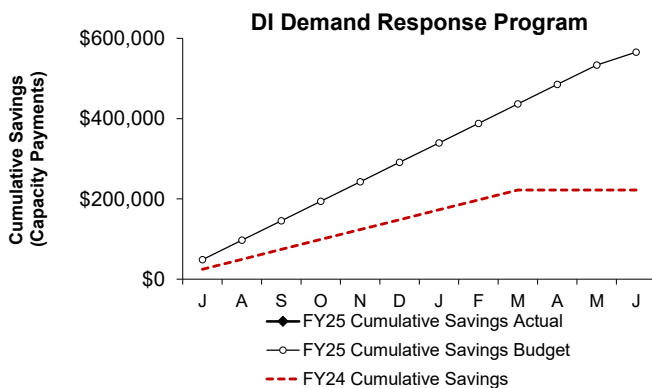
Savings and revenue from renewable sources is estimated at \$1,257,304 in Quarter 2, 13% below budget. However, final invoices have not been received for all facilities at time of publication.

Savings and revenue¹ from all renewable energy sources include wind turbines, hydroelectric generators, solar panels, and steam turbines (DI). This includes savings and revenue due to electricity generation (does not include avoided fuel costs and RPS RECs).



Bids were awarded during the 1st Quarter² of FY25 from MWRA's renewable energy assets; 1,412 Q4 FY24 Class I Renewable Energy Certificates (RECs) were sold for a total value of \$46,033 RPS revenue; which was 40% below budget³ for the Quarter. No Class II RECs are sold during Q1 and are instead banked for future sale. REC values reflect the bid value on the date that bids are accepted. Cumulative bid values reflects the total value of bids received to date.

*MWRA's SRECs have transitioned to the Class 1 REC category starting in FY23.

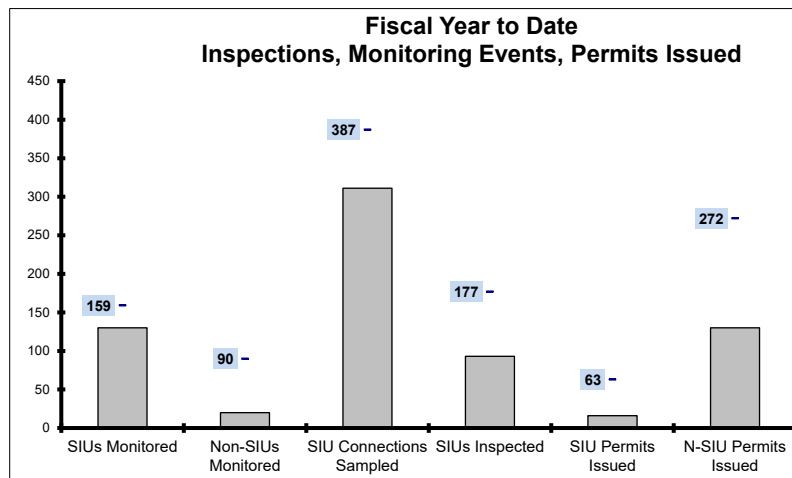


No capacity payments have been received in FY25. Currently Deer Island, Loring Rd, Brusch Hydro, and JCWTP participate in the ISO-New England Demand Response Programs. By agreeing to reduce demand and operate the facility generators to help reduce the ISO New England grid demand during periods of high energy demand, MWRA receives monthly Capacity Payments from ISO-NE. When MWRA operates the generators during an ISO-NE called event, MWRA also receives energy payments from ISO-NE.

- Notes:
1. Savings and Revenue: Savings refers to any/all renewable energy produced that is used on-site therefore saving the cost of purchasing that electricity, and revenue refers to any value of renewable energy produced that is sold to the grid.
 2. Only the actual energy prices are being reported. Therefore, some of the data lags up to 3 months due to timing of invoice receipt.
 3. Budget values are based on historical averages for each facility and include operational impacts due to maintenance work.

Toxic Reduction and Control

2nd Quarter - FY25



EPA Required SIU Monitoring Events
for FY25: 159
YTD : **130**

Required Non-SIU Monitoring Events
for FY25: 90
YTD : **20**

SIU Connections to be Sampled
For FY25: 387
YTD: **311**

EPA Required SIU Inspections
for FY25: 177
YTD: **93**

SIU Permits due to Expire
In FY25: 63
YTD: **16**

Non-SIU Permits due to Expire
in FY25: 272
YTD: **130**

Significant Industrial Users (SIUs) are MWRA's highest priority industries due to their flow, type of industry, and/or their potential to violate limits. SIUs are defined by EPA and require a greater amount of oversight. EPA requires that all SIUs *with flow* be monitored at least once during the fiscal year.

The "SIU Monitored" data above, reflects the number of industries monitored; however, many of these industries have more than one sampling point and the "SIU Connections Sampled" data reflect samples taken from multiple sampling locations at these industries.

EPA requires MWRA to issue or renew 90 percent of SIU permits within 120 days of receipt of the application or the permit expiration date - whichever is later. EPA also requires the remaining 10 percent of SIU permits to be issued within 180 days.

| Number of Days to Issue a Permit | | | | | | | | |
|----------------------------------|----------|---------|------------|---------|-------------|---------|----------------|---------|
| | 0 to 120 | | 121 to 180 | | 181 or more | | Permits Issued | |
| | SIU | Non-SIU | SIU | Non-SIU | SIU | Non-SIU | SIU | Non-SIU |
| Jul | 4 | 20 | 0 | 0 | 0 | 11 | 4 | 31 |
| Aug | 2 | 14 | 1 | 0 | 0 | 3 | 3 | 17 |
| Sep | 1 | 14 | 0 | 1 | 0 | 4 | 1 | 19 |
| Oct | 3 | 16 | 0 | 1 | 0 | 0 | 3 | 17 |
| Nov | 3 | 15 | 0 | 1 | 0 | 5 | 3 | 21 |
| Dec | 2 | 19 | 0 | 0 | 0 | 9 | 2 | 28 |
| Jan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Feb | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mar | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Apr | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| May | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jun | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| % YTD | 94% | 74% | 6% | 2% | 0% | 24% | 16 | 133 |

TRAC's annual monitoring and inspection goals are set at the beginning of each fiscal year but they can fluctuate due to the actual number of SIUs.

In addition to the Annual SIU inspections required under TRAC's EPA approved Industrial Pretreatment Program, other inspections are usually undertaken, including for enforcement, permit renewal, follow up, temporary construction dewatering sites, group/combined permit audits, spot, sampling locations, visit only and out of business facility.

Monitoring of SIUs and Non-SIUs is dynamic for several reasons, including: newly permitted facilities; sample site changes requiring a permit change; changes in operations necessitating a change in SIU designation; non-discharging industries; a partial sample event is counted as an event even though not enough sample was taken due to the discharge rate at the time; and sometimes increased/decreased inspections lead to permit category changes requiring additional monitoring events

This is the second quarter of the MWRA fiscal year, FY25.

In this quarter, 80 permits issued.

There were 8 SIUs, of which 8 were issued on time.

There were 66 non-SIUs of which 50 were issued on time, with 14 late beyond 180 days.

All of the SIU permits were issued within the 120-day timeframe.

In FY24, there have been 31 completely new permits issued: 7-LFLP, 5-02 N-SIUs, 10-Dental, 1-DEW, 1 One-Time

For the Clinton Sewer Service area, there was 0 SIU permits issued during the FY24 fiscal year.

TRAC completed 41 first time SIU monitoring events and 7 first time NSIU monitoring events.

Permit Categories, as defined in CMR 10.101(2):

SIU - Significant Industrial User

DEW - Category 12 Temporary Construction Site Dewatering Permit

LFLP - Category 10 Non-Significant Industrial User with Low Flow and Low Pollutant

02 N-SIU - Category 2 Non-Significant Industrial User

Dental - Category D1 Dental Group Permit

G2 - Category G2 Group Permit for Food Processing

One- Time - One Time Discharge Permit

METRO WATER OPERATIONS AND MAINTENANCE

- Valve Program: In-house isolations for blow off replacements on Sections 58, 73, 20, 19, 21, and for leak repairs on Sections 70, WASM10, WASM15. CIP Contractors were supported by isolation and dewatering of portions of Section 29 and 89 (Contract 7117), Section 101 (Contract 7457), Section 23, 24 & 47 (Contract 6392) and W14 & W16 (Contract 7563). Other work included the Dorchester Tunnel Isolation for emergency leak, replacement of hatches on the Fells Storage Tank, the replacement of a bypass valve on WASM3 and mainline valve exercising of 12 water main sections.
- Water Pipeline Program: Staff completed Blow-Off replacements in Quincy (Section 21) and Mattapan (Sections 58, 19, 20 and 73). Completed hatch replacement on the Fells Water Storage Tank as well as leak repairs on Section 70 (36-inch main) in Saugus, Waltham (WASM10), Brighton (WASM15) and Canton (New Neponset Pump Station). Leak detection was performed on over 20 miles of MWRA water main and assistance was provided to eleven customer communities.

SCADA

Water System Work

- Continued technical support for JCWTP PLC replacement project; continued work on network management improvements in the JCWTP water system; Continued on support for the PRV improvement project; Continued support for the Wachusett Lower Gate House Project and Steel Tank Project; made improvements to Fells S:CAN control logic; installed radios at Singletree, Newton Covered Storage, and Waban Hill; improved SCADA performance at Reservoir Rd and Lexington Pump Stations; repaired SCADA node at Southboro.

Wastewater System Work

- Configured and hardened SCADA Operating system; continued work on network management improvements; continued work on Braintree/Weymouth Pump Station Improvements Project; continued testing the

network monitoring system; improved SCADA code at Alewife; improved alarming on Nut Island Odor Control System; improved HMI configuration at South Boston and Hayes Pump Stations; reconfigured test network to connect to PI system.

ENVIRONMENTAL QUALITY-WATER

- Algae: MWRA's algae monitoring season for 2024 ended in October. DCR staff continued to collect algae samples at Wachusett Reservoir and Quabbin Reservoirs for the rest of the year. In early October, the *Chrysosphaerella* algae bloom in Quabbin reservoir dissipated.
- Regulatory Sampling: Staff performed sampling for all quarterly monitoring programs including EPA's Unregulated Contaminant Monitoring Rule 5, Disinfection Byproducts Rule, and Optimal Water Quality Parameters. Sampling occurred for the Wachusett Aqueduct Pump Station Geothermal NPDES permit and Carroll treatment plant NPDES permit this quarter. Staff completed DEP-required volatile organic compound (VOC) monitoring, at LMS and CWTP Fin B sample taps. All sampled compounds were non-detect except for the routine and typical disinfection byproduct components that comprise the VOC testing suite. Sampling staff collected samples for the Optimum Water Quality Parameters (OWQP) program on December 9-13, measuring pH and alkalinity at 27 sites. All samples met DEP required limits. Staff performed UCMR5 training for partial MWRA-member communities on December 9.
- Non-Regulatory: As part of the future EPA Lead & Copper Rule revisions, MWRA voluntarily sampled at locations near residences with lead results over the lead action level. All samples met pH and alkalinity targets. Staff assisted a consultant with annual sampling of MWRA's emergency back-up reservoirs. Staff conducted monthly sampling of MWRA's compliance taps for the nitrification-monitoring program. Staff performed routine monitoring of dam seepage weirs from five locations at three MWRA standby reservoirs. Staff met with Water Research Foundation staff on December 20 as part of study, "*Evaluating U.S. Drinking Water*

Sources, Harmful Algal Bloom (HAB) Mitigation and Guidance to Optimize Algaecide Application". Staff discussed MWRA's HAB monitoring and response plan at this meeting.

- Community Support: Staff provided UCMR5 training for partial MWRA-member communities. Drinking water sampler training provided to sampling staff from Hanscom Air Force Base. On December 6, staff assisted Revere with sampling associated with a single *E.coli* positive. Repeat samples from three sites were clear of total coliform and *E.coli*, and no boil water order was issued. Staff provided virtual coliform sampler training to 16 attendees from three communities. Staff assisted Chicopee with Disinfection Byproduct Rule Operation Evaluation Level Report due to elevated HAA5 results at three monitoring sites in Q3. Staff provided two presentations on water quality during an MWRA-led Emergency Response Planning training.
- Projects: Staff performed sampling for Legionella as part of a collaborative research study with Georgia Tech and the University of Texas.
- Contaminant Monitoring System (CMS): Staff responded to twelve CMS alarms and followed routine response protocols. Staff continued the installation and rollout of new routers and modems at 18 CMS sites. On October 10, staff responded to a CMS alarm on the Bellevue tank due to a drop in tank elevation, and increase in turbidity, caused by the reconfiguration of water supply from the Chestnut Hill pump station for the Dorchester Tunnel break incident. On October 28, staff completed review and provided comments on a task order contract for the rehabilitation of the Route 12 intake. On December 13, staff responded to a CMS alarm at Delauri Pump Station following a sensor replacement earlier that day. On December 14, staff responded to a CMS alarm at Chelsea Headquarters. The alarm was caused by a main break on Marginal Street (within Chelsea's distribution system) resulting in elevated turbidity at the panel.
- Wachusett & Quabbin Buoys: All buoys continued to conduct scheduled profiles on both

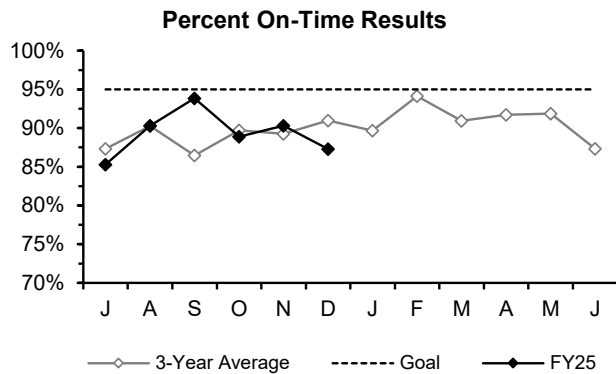
reservoirs until December when the buoys were removed from the reservoirs. Water quality profiling resumed once the maintenance work was completed on the buoys. On October 29, staff in coordination with YSI Vendor were at Quinapoxet River to install a new fixed depth-monitoring buoy for water quality monitoring during the Quinapoxet dam removal project. In November, staff continued water quality monitoring of the Wachusett reservoir on the fixed depth buoy at the Quinapoxet River Basin and set up turbidity alarm notifications. Staff responded to turbidity alarm notifications from the fixed depth buoy on December 12-13 following standard response protocol. The last quarterly dive inspection of the Route 12 sampling intake line was performed on December 31. The 2025 diving contract has been posted for bidding.

- Data Management Group (<http://wqdmgdev.mwra.net/>): Staff submitted monthly DEP and DPH reports on schedule and fulfilled nine data requests. Total coliform Rule (TCR) data from Chicopee and data collected from water quality buoys were migrated to PostgreSQL databases. Programming to automate the Weekly water quality report continued.
- Permitting/Environmental Compliance: The Southborough Stage I Vapor recovery report was submitted, with no issues found. Annual SPCC inspection was conducted at Oakdale and Loneragan. Staff arranged for removal and disposal of sediment at Weir A in the Sudbury Aqueduct.
- Chemical Contract Management: On October 10, in response to the Dorchester Tunnel Break Incident, staff ordered an emergency delivery of sodium hypochlorite to the Chestnut Hill Emergency Pump Station. Staff also investigated potential, temporary chemical storage tanks for emergency scenarios. Staff visited a tank rental company for further information. This quarter, staff reviewed the upcoming 2-year liquid oxygen contract bid document. Fire Department permits were posted at Cosgrove and Wachusett dam lower gatehouse.

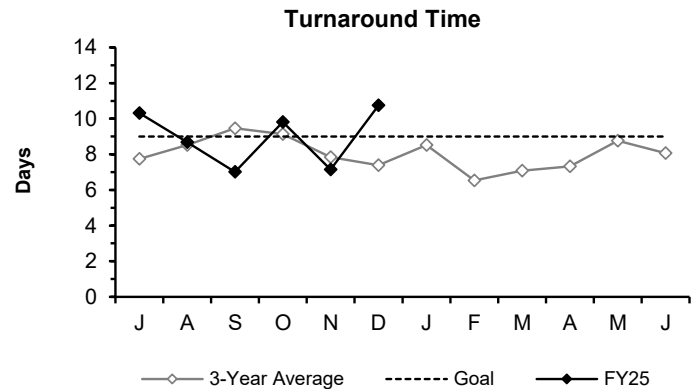
Laboratory Services

2nd Quarter - FY25

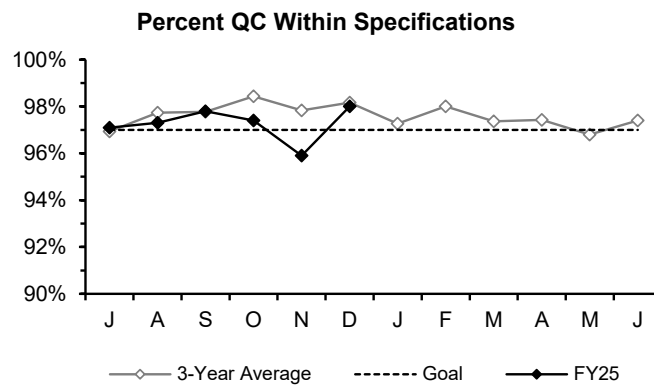
Laboratory Services supports the laboratory sampling, testing, and consulting needs of various client groups primarily in the Operations Division. This includes drinking water transmission and treatment, wastewater collection and treatment, wastewater residuals management, industrial-pretreatment monitoring, and environmental quality.



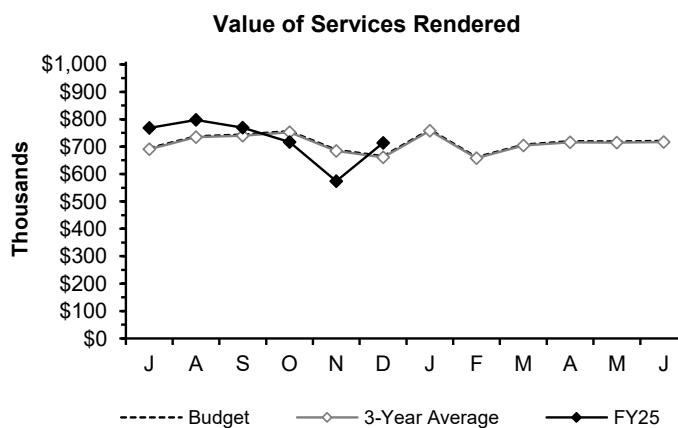
The Percent On-Time measurement assesses performance against internal client due dates. These due dates are shorter than the compliance reporting requirements to allow for internal review of the data.



Turnaround Time measures the average time from sample receipt to sample completion.



Percent QC Within Specifications measures the fraction of Quality Control tests that met required limits during the month.



Value of Services Rendered models the true cost of the lab work performed, including fringe benefits that are not a part of the Laboratory Services budget.

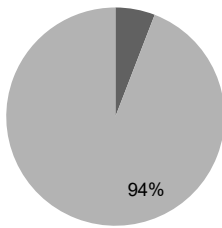
School Lead Program: During the 2nd quarter of FY25, MWRA's lab completed 104 tests from 26 schools and childcare facilities in 14 communities. Since 2016, MWRA's Laboratory has conducted over 44,900 tests from 668 schools and daycares in 45 communities. We have also completed 1055 home lead tests under the DPH sampling program since 2017.

CONSTRUCTION PROGRAMS

Engineering & Construction Projects In Construction

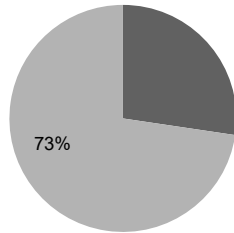
2nd Quarter - FY25

Cost



■ Amount Remaining
■ Billed to Date

Time



■ Time Remaining
■ Time Expended

Carroll Water Treatment Plant SCADA Improvements

Project Summary: The current SCADA control equipment has reached the end of its useful life, and future vendor support for the installed PLC base is no longer guaranteed. This contract includes the supply and installation of replacement instrumentation panels, PLC's, UPS backup power, fiber-optic communication network, wiring between the existing panels, and new equipment and refurbishment of the operator control room. In addition, a new server room equipped with HVAC and fire suppression is being constructed to house redundant computer hardware supporting active and backup SCADA systems.

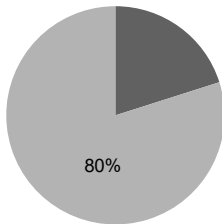
Contract Amount: \$13,681,336.62

Contract Duration: 1,675 Days

Notice to Proceed: 1-Sep-21

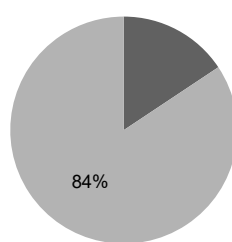
Contract Completion: 3-Apr-26

Cost



■ Amount Remaining
■ Billed to Date

Time



■ Time Remaining
■ Time Expended

Section 89 Replacement Pipeline

Project Summary: This project will include replacement of a 10,500-foot portion of PCCP with class IV reinforcing wire, line valves and appurtenances, and abandonment of the 118-year old, 24-inch diameter cast iron Section 29 pipeline.

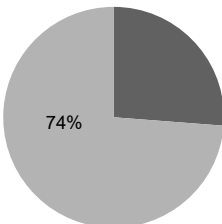
Contract Amount: \$36,242,127.69

Contract Duration: 1,475 Days

Notice to Proceed: 5-Aug-21

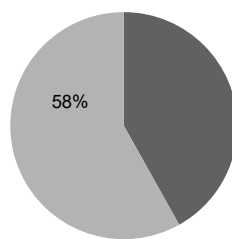
Contract Completion: 19-Aug-25

Cost



■ Amount Remaining
■ Billed to Date

Time



■ Time Remaining
■ Time Expended

Intermediate High Pipeline Improvements CP2

Project Summary: This contract includes replacement and hydraulic pipe size increase from 16 to 20 inches of 5,900 linear feet for Section 25 and the cleaning and lining rehabilitation of 3,300 linear feet of Section 24 along with replacement of revenue Meters 2 and 40 (both serving Watertown). The majority of this work is located in Watertown with minor work in Newton at the crossing of the Charles River. This project also reroutes Section 25 from Common Street in Watertown, to Bellevue Road, Russell Avenue and extending along Mount Auburn Street per the request of the City of Watertown following road reconstruction work in Common Street.

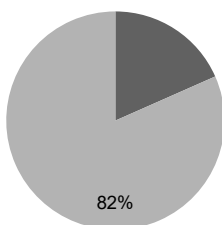
Contract Amount: \$20,406,180.82

Contract Duration: 912 Days

Notice to Proceed: 20-Jul-23

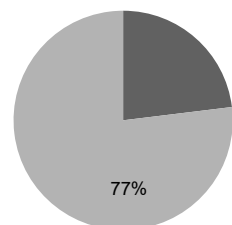
Contract Completion: 17-Jan-26

Cost



■ Amount Remaining
■ Billed to Date

Time



■ Time Remaining
■ Time Expended

Construction of Water Mains – Section 101

Project Summary: This construction contract consists of a new 36-inch diameter water main and appurtenances extending from MWRA's Meter 182 at the Waltham/Lexington town line down Lexington Street to Totten Pond Road, where it will connect to Waltham's water system. This new water main will provide sufficient capacity to maintain water service to Waltham during the anticipated shutdown of MWRA's WASM 3 pipeline and the Lexington Street Pumping Station for future rehabilitation.

Contract Amount: \$35,881,736.35

Contract Duration: 1175 Days

Notice to Proceed: 12-Jul-22

Contract Completion: 29-Sep-25

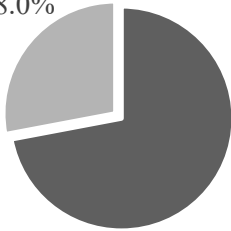
Deer Island Wastewater Treatment Plant

Projects In Construction

2nd Quarter – FY25

Cost

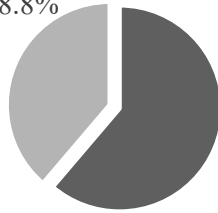
28.0%



- Amount Remaining
- Billed to Date

Time

38.8%



- Time Remaining
- Time Expended

7395 - Clarifier Rehabilitation Phase 2

Project Summary: This project involves the replacement of the original remaining scum and sludge equipment, as follows: over 400 Primary Clarifier influent, effluent, and dewatering gates; 384 primary effluent cross channel gate actuators; approximately 450 secondary scum influent gates and actuators; wear strip rails, 768 head shaft and idler sprockets; over 3000 linear feet of influent channel aerations piping systems; 360 head shafts collector drives and chains; return sludge line vent piping; approximately 400 concrete and aluminum hatches and associated electrical and control systems.

Contract Amount: \$289,595,007

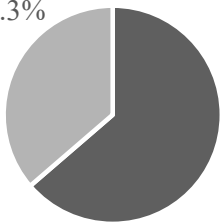
Contract Duration: 1710 Days

Notice to Proceed: 10-Mar-23

Contract Completion: 14-Nov-27

Cost

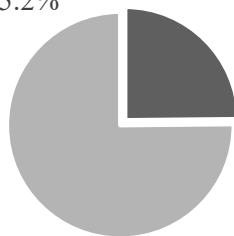
36.3%



- Amount Remaining
- Billed to Date

Time

75.2%



- Time Remaining
- Time Expended

7734 - Deer Island Treatment Plant Roofing

Replacement at Various Buildings

Project Summary: This project includes the removal and replacement of 86,500 square feet of roofing on the following buildings: Cryogenic Compressor; Gravity Thickener Complex; Thermal/Power Plant; Main Switchgear; and Digester Complex Modules 1, 2 and 3. Buildings to be reroofed in the Digester Complex include: Module 1- Digester Equipment Complex Roof, Elevator/Stair Lobby Roof and Elevator Penthouse Roof; Module 2 - Digester Equipment Complex Roof; and Module 3- Digester Equipment Complex Roof and Elevator Penthouse Roof.

Contract Amount: \$8,873,000

Contract Duration: 487 Days

Notice to Proceed: 28-Dec-2023

Contract Completion: 28-Apr-2025

CSO CONTROL PROGRAM

2nd Quarter – FY25

Overview

In compliance with milestones in the Federal District Court Order, all 35 projects in the CSO Long-Term Control Plan (LTCP) were complete as of December 2015. Subsequently, MWRA completed a multi-year CSO post-construction monitoring program and performance assessment, filing the Final CSO Post Construction Monitoring Program and Performance Assessment Report with the Court and submitted copies to EPA and DEP in December 2021. April 2024 Annual report shows an 88% reduction in CSO in a typical year, from 3.3 billion gallons to 397 million gallons, with 78 of 86 outfalls meet or materially meet the LTCP goals for CSO activation frequency and volume. MWRA and its member CSO communities are moving forward with plans to bring 6 CSOs in line with the LTCP goals. With respect to the remaining CSO outfalls, MWRA and its CSO Consultant (AECOM) continue to investigate alternative to move closer to LTCP goals.

MWRA CSO Performance Assessment

- In November 2017, MWRA signed a contract for CSO Post-Construction Monitoring and Performance Assessment with AECOM Technical Services, Inc. The contract includes CSO inspections, overflow metering, hydraulic modeling, system performance assessments and water quality impact assessments, culminating in the submission of a report to EPA and MassDEP in December 2021 verifying whether the LTCP goals are attained.
- AECOM continues to support efforts to advance projects identified not to meet performance goals the CSOs and evaluate alternatives for these challenging sites.
- MWRA submitted a Supplement to the Post-Construction Monitoring and Performance Assessment report in December 2024, completing its court order obligations.

Court Ordered Levels of CSO Control

In this quarter MWRA held its last scheduled meetings with CLF and the DEP/EPA. The last meeting was jointly held with CLF and DEP/EPA on 12/13/2024.

Ongoing Projects as of December 31, 2024

- *East Boston CSO Control*: As part of the East Boston CSO a FAA/MOU was executed in June 2021 for \$2.1M, BWSC design and construction. Plans for Phase 4 sewer separation with five new contracts starting summer 2024 (through 2030) will result in most of East Boston being separated.
- *Somerville Marginal New Pipe Connection* came out of the variance optimization study that recommended adding a new pipe from the facility's CSO influent conduit to the interceptor with an added control gate. The \$4.4m construction project is expected to be completed by December 2025.
- *Fort Point Channel and Mystic Confluence* – BOS013, BOS062, BOS065, BOS070 DBC and BOS017: The FAA/MOU was amended on December 13, 2023 to include BOS013. The FAA/MOU was amended again on 1/29/2024 to increase the amount to \$11.9 million to accommodate the greater than anticipated construction cost.
- *CAM005 weir raising and lengthening* for reducing CSO activation and frequency volume. Draft Preliminary Design workshop was held on 12/19/2024 and included members from Cambridge DPW and Mount Auburn Hospital.

CSO variances

MassDEP has issued a series of multi-year CSO variances that allow MWRA, Cambridge, and Somerville to continue to have limited CSO discharges to Alewife Brook and the Upper Mystic River, as well as the Charles River lower basin. The most recent variances, issued in 2024, require the development of Updated LTCP. The Updated LTCPs must include a description of the existing level of CSO control, an evaluation of the costs and the performance and water quality improvements achieved by additional CSO control alternatives, a public participation plan, and an affordability analysis. Draft Updated Control Plan due December 2025 and the Final Plan due December 2027.

- o MassDEP and EPA conditionally approved MWRA's Updated CSO Control Plan Scope of Work on 5/11/2022.
- o Schedule Extension Request for Deliverables Associated with Updated CSO Control Plan was submitted 9/22/22. In May 2023 EPA/MassDEP advised that MWRA, Cambridge and Somerville proceed according to our revised schedule.
 - As identified in the variance the progress is reported at monthly meetings with EPA/MassDEP. Last meeting held on 12/11/2024. Next meeting to be held on 1/8/2025. Key elements of the Updated CSO Control Plan are discussed including the ongoing development of alternatives to be evaluated using the Unified Hydraulic Model and provide updates on the public engagement process.
- o The 3rd of 8 planned meetings was held on 11/15/2023. The next Public Meeting is scheduled for **January 22, 2025** (Alternatives Development and Financial Capability Analysis).
- o Development and Submittal of Studies as required under variance included the following:
 - Alewife PS Optimization Evaluation was submitted on 4/27/2021
 - Somerville Marginal CSO Reduction, Study and Preliminary Design was submitted on 12/27/2021
 - Alewife Brook and Charles River System Optimization Evaluation was submitted on 12/28/2022
 - MWRA CSO Variances Additional System Optimization Measures Report was submitted on 1/31/2023.
 - **Odor control feasibility study due June 1, 2025.**
 - **Real time notification study due August 31, 2025.**
 - **Evaluation of floatables control study due October 1, 2025.**

CIP Expenditures

2nd Quarter – FY25

| FY25 Capital Improvement Program Expenditure Variances through December by Program - (\$ in thousands) | | | | |
|---|------------------------------|------------------------------|-----------------|------------------|
| Program | FY25 Budget Through December | FY25 Actual Through December | Variance Amount | Variance Percent |
| Wastewater | \$77,308 | \$39,864 | (\$37,444) | -48% |
| Waterworks | \$46,900 | \$30,409 | (\$16,491) | -35% |
| Business and Operations Support | \$9,151 | \$4,991 | (\$4,160) | -46% |
| Total | \$133,359 | \$75,264 | (\$58,095) | -44% |

Wastewater:

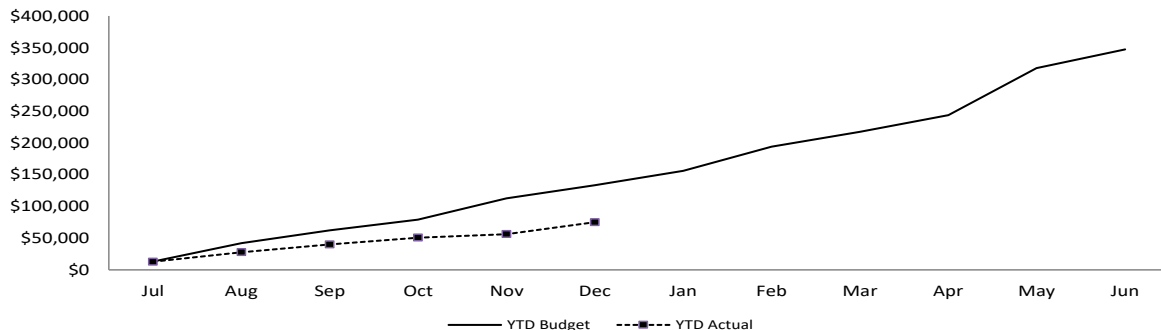
- Spending was less than planned in Wastewater primarily due to less than anticipated loan distributions for the I/I Local Financial Assistance program, and later than planned Community Managed CSO payments for the Fort Point Channel & Mystic project.
- This less than planned spending was partially offset by greater than planned contractor progress for Deer Island Treatment Plant Clarifier Rehabilitation Phase 2 Construction.

Water:

- Spending was less than planned in Waterworks primarily due to less than anticipated loan distributions for Local Water System Assistance Program, lower than projected spending for Metro Water Tunnel Program Administration, Legal & Public Outreach, later than anticipated contract award for the Metropolitan Water Tunnel Program Final Design/ESDC, and Section 75A and 47 Extension CP-1, longer lead-time on some larger items and a change in design for the multi-orifice valve for the Wachusett Gatehouse Pipe Replacement project, lower than projected task order work for CWTP Technical Assistance, less than planned consultant work for the WASM 3 MEPA/Design/CA/RI contract, additional change order work delayed completion date for Sudbury Dam Improvements Construction, and less than anticipated contractor progress for Section 89/29 Replacement.
- This less than planned spending was partially offset by contractor progress for Waltham Section 101 Pipeline Construction, and FY24 planned work performed in FY25 for Northern Extra High CP-1 Improvements and New Connecting Mains CP3 (Sections 23, 24 & 47) Rehabilitation.

Budget vs. Actual CIP Expenditures (\$ in thousands)

Total FY25 CIP Budget of \$347,348



Construction Fund Management

All payments to support the capital program are made from the Construction Fund. Sources of fund in-flows include bond proceeds, commercial paper, SRF reimbursements, loan repayments by municipalities, and current revenue. Accurate estimates of cash withdrawals and grant payments (both of which are derived from CIP spending projections) facilitate planning for future borrowings and maintaining an appropriate construction fund balance.

| | |
|--|------------------------------|
| Cash Balance as of 12/28/24 | \$102.1 billion |
| Unused capacity under the debt cap: | \$2.6 billion |
| Estimated date for exhausting construction fund without new borrowing: | Jan 2025 |
| Estimated date for debt cap increase to support new borrowing: | Not anticipated at this time |
| Commercial paper/Revolving loan outstanding: | \$ 0 million |
| Commercial paper capacity / Revolving Loan | \$ 250 million |
| Budgeted FY25 Cash Flow Expectancy*: | \$245 million |

DRINKING WATER QUALITY AND SUPPLY

Source Water – Microbial Results and UV Absorbance

2nd Quarter – FY25

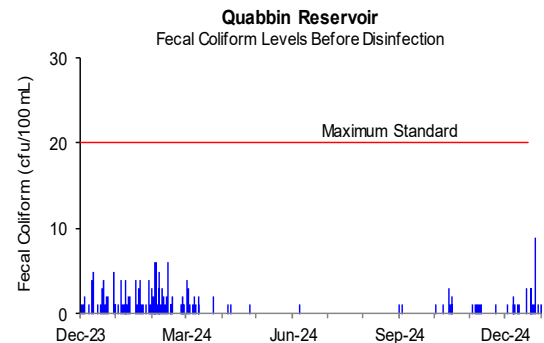
Source Water – Microbial Results

Total coliform bacteria are monitored in both source and treated water to provide an indication of overall bacteriological activity. Most coliforms are harmless. However, fecal coliforms, a subclass of the coliform group, are identified by their growth at temperatures comparable to those in the intestinal tract of mammals. They act as indicators of possible fecal contamination. The Surface Water Treatment Rule for unfiltered water supplies allows for no more than 10% of source water samples prior to disinfection over any six-month period to have more than 20 fecal coliforms per 100mL.

Sample Site: Quabbin Reservoir

Quabbin Reservoir water is sampled at the William A. Brutsch Water Treatment Facility raw water tap before being treated and entering the CVA system.

All samples collected during the quarter were below 20 cfu/100mL. **For the current six-month period, 0.0% of the samples have exceeded a count of 20 cfu/100mL.**

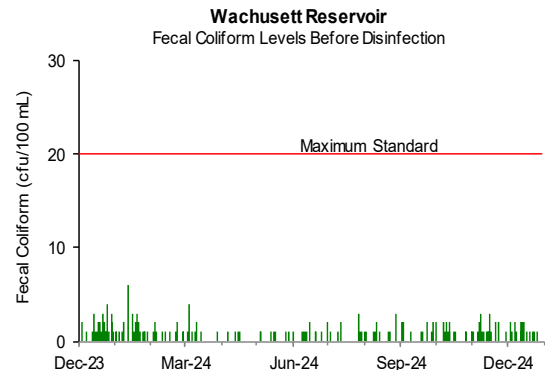


Sample Site: Wachusett Reservoir

Wachusett Reservoir water is sampled at the CWTP raw water tap in Marlborough before being treated and entering the MetroWest/Metropolitan Boston systems.

In the wintertime when smaller water bodies near Wachusett Reservoir freeze up, many waterfowl will roost in the main body of the reservoir - which freezes later. This increased bird activity tends to increase fecal coliform counts. DCR has an active bird harassment program to move the birds away from the intake area.

All samples collected during the quarter were below 20 cfu/100mL. **For the current six-month period, 0.0% of the samples exceeded a count of 20 cfu/100mL.**

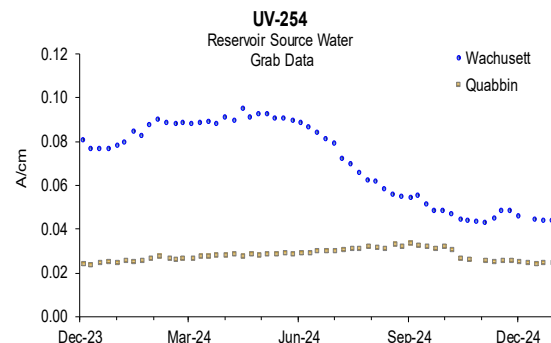


Source Water – UV Absorbance

UV Absorbance at 254nm wavelength (UV-254), is a measure of the amount and reactivity of natural organic material in source water. Higher UV-254 levels cause increased ozone and chlorine demand resulting in the need for higher ozone and chlorine doses, and can increase the level of disinfection by-products. UV-254 is impacted by tributary flows, water age, sunlight and other factors.

Quabbin Reservoir UV-254 levels averaged 0.026 A/cm for the quarter.

Wachusett Reservoir UV-254 levels averaged 0.045 A/cm for the quarter.



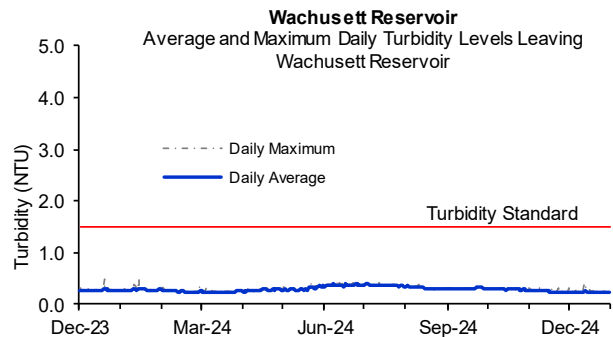
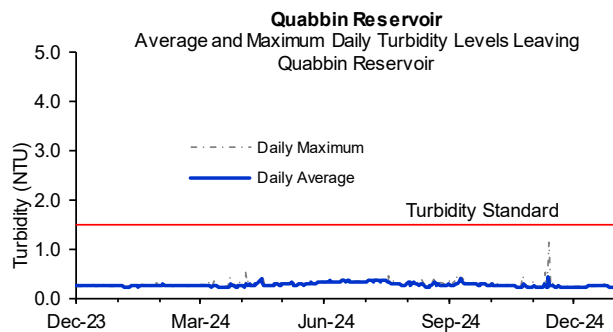
Source Water – Turbidity

2nd Quarter – FY25

Turbidity is a measure of suspended and colloidal particles including clay, silt, organic and inorganic matter, algae and microorganisms. The effects of turbidity depend on the nature of the matter that causes the turbidity. High levels of particulate matter may have a higher disinfectant demand or may protect bacteria from disinfection effects, thereby interfering with the disinfectant residual throughout the distribution system.

There are two standards for turbidity: all water must be below five NTU (Nephelometric Turbidity Units), and water only can be above one NTU if it does not interfere with effective disinfection.

Turbidity of Quabbin Reservoir water is monitored continuously at the Brutch Water Treatment Facility (BWTF) before UV and chlorine disinfection. Turbidity of Wachusett Reservoir is monitored continuously at the Carroll Water Treatment Plant (CWTP) before ozonation and UV disinfection. Maximum turbidity results at Quabbin and Wachusett were within DEP standards for the quarter.

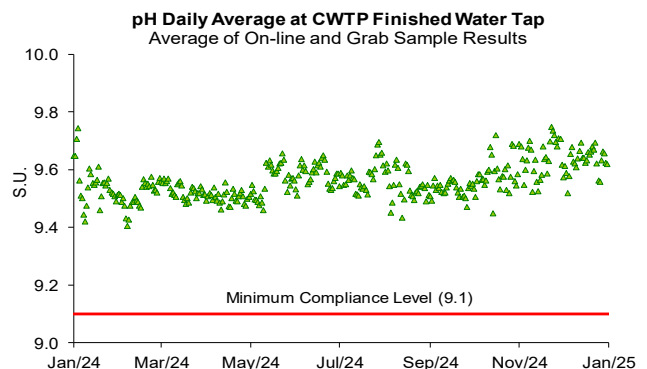
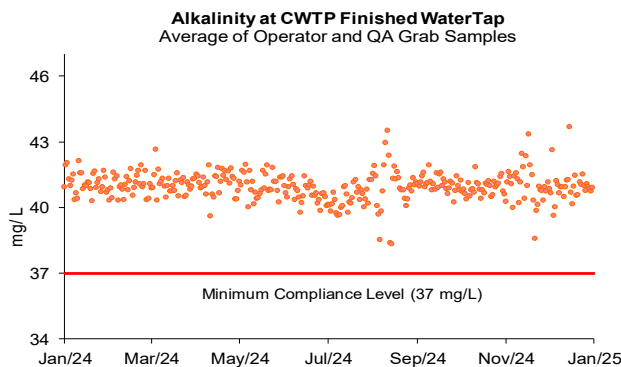


Treated Water – pH and Alkalinity Compliance

MWRA adjusts the alkalinity and pH of Wachusett water at CWTP to reduce its corrosivity, which minimizes the leaching of lead and copper from service lines and home plumbing systems into the water. MWRA tests finished water pH and alkalinity daily at the CWTP's Fin B sampling tap. MWRA's target for distribution system pH is 9.3; the target for alkalinity is 40 mg/l. Per DEP requirements, CWTP finished water samples have a minimum compliance level of 9.1 for pH and 37 mg/L for alkalinity. Samples from 27 distribution system locations have a minimum compliance level of 9.0 for pH and 37 mg/L for alkalinity. Results must not be below these levels for more than nine days in a six month period. Distribution system samples are collected in March, June, September, and December.

Each CVA community provides its own corrosion control treatment. See the CVA report: <https://www.mwra.com/node/6548>.

Quarterly distribution system samples were collected during one week in December. Distribution system sample pH ranged from 9.4 to 9.7 and alkalinity ranged from 40 to 42 mg/L. No sample results were below DEP limits for this quarter.



Treated Water – Disinfection Effectiveness

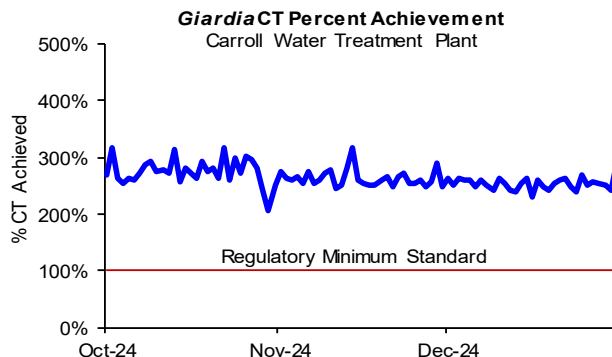
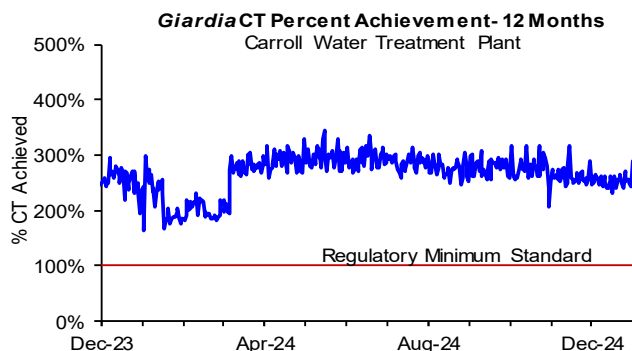
2nd Quarter – FY25

At the Carroll Water Treatment Plant (CWTP), MWRA meets the required 99.9% (3-log) inactivation of *Giardia* using ozone (reported as CT: concentration of disinfectant x contact time) and the required 99% (2-log) inactivation of *Cryptosporidium* using UV (reported as IT: intensity of UV x time). MWRA calculates inactivation rates hourly and reports *Giardia* inactivation at maximum flow and *Cryptosporidium* inactivation at minimum UV dose. MWRA must meet 100% of required CT and IT.

CT achievement for *Giardia* assures CT achievement for viruses, which have a lower CT requirement. For *Cryptosporidium*, there is also an “off-spec” requirement. Off-spec water is water that has not reached the full required UV dose or if the UV reactor is operated outside its validated ranges. No more than 5% off-spec water is allowed in a month.

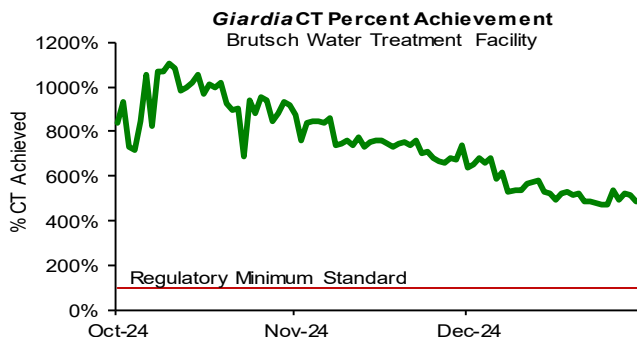
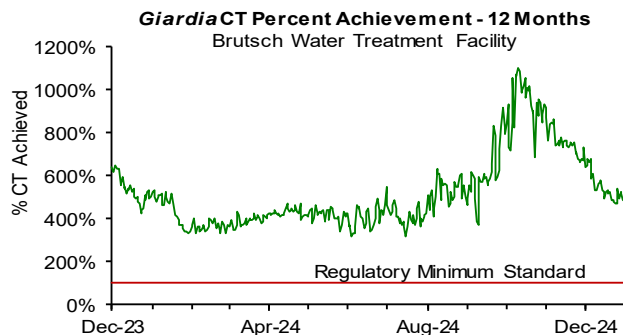
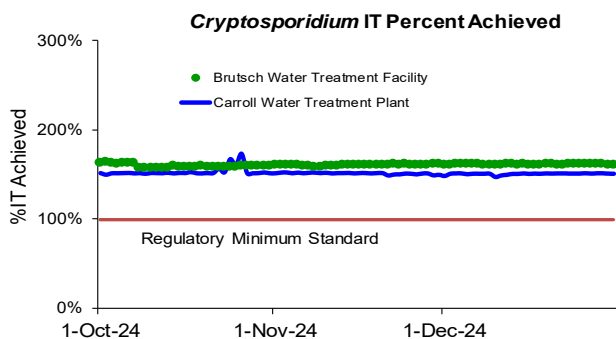
Wachusett Reservoir – MetroWest/Metro Boston Supply:

- The chlorine dose at the CWTP varied between 3.15 and 3.65 mg/L for the quarter.
- Ozone dose at the CWTP varied between 1.3 to 1.4 mg/L for the quarter.
- Giardia* CT was maintained above 100% at all times the plant was providing water into the distribution system this quarter, as well as every day for the last fiscal year.
- Cryptosporidium* IT was maintained above 100% for the quarter. Off-spec water was less than 5%.



Quabbin Reservoir (CVA Supply) at: Brutsch Water Treatment Facility

- The chlorine dose at BWTF is adjusted in order to achieve MWRA's seasonal target of 0.75 - 0.85 mg/L (November 1 – May 31) and 0.85 - 1.05 mg/L (June 1 – October 31) at Ludlow Monitoring Station.
- The chlorine dose at BWTF varied between 1.45 to 2.00 mg/L for the quarter.
- Giardia* CT was maintained above 100% at all times the plant was providing water into the distribution system for the quarter.
- Cryptosporidium* IT was maintained above 100% for the quarter. Off-spec water was less than 5%.



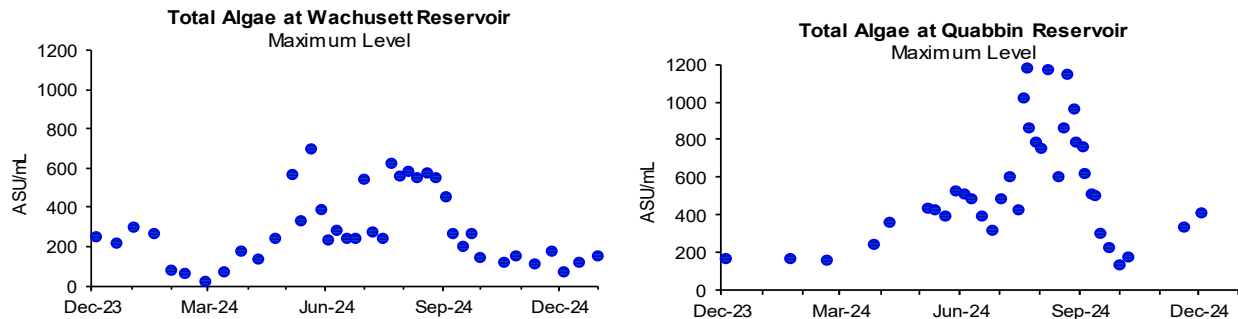
Source Water - Algae

2nd Quarter – FY25

Algae levels in the Wachusett and Quabbin Reservoir are monitored by DCR and MWRA. These results, along with taste and odor complaints, are used to make decisions on source water treatment for algae control.

Taste and odor complaints at the tap may be due to algae, which originate in source reservoirs, typically in trace amounts. Occasionally, a particular species grows rapidly, increasing its concentration in water. When *Synura*, *Anabaena*, or other nuisance algae bloom, MWRA may treat the reservoirs with copper sulfate, an algicide. During the winter and spring, diatom numbers may increase. While not a taste and odor concern, consumers that use filters may notice a more frequent need to change their filters.

In the first quarter, fourteen metallic taste complaints which may be related to algae were reported from the CVA communities. In July, the Levels of *Chrysosphaerella* were elevated in the Quabbin Reservoir. Levels decreased towards the end of the quarter.



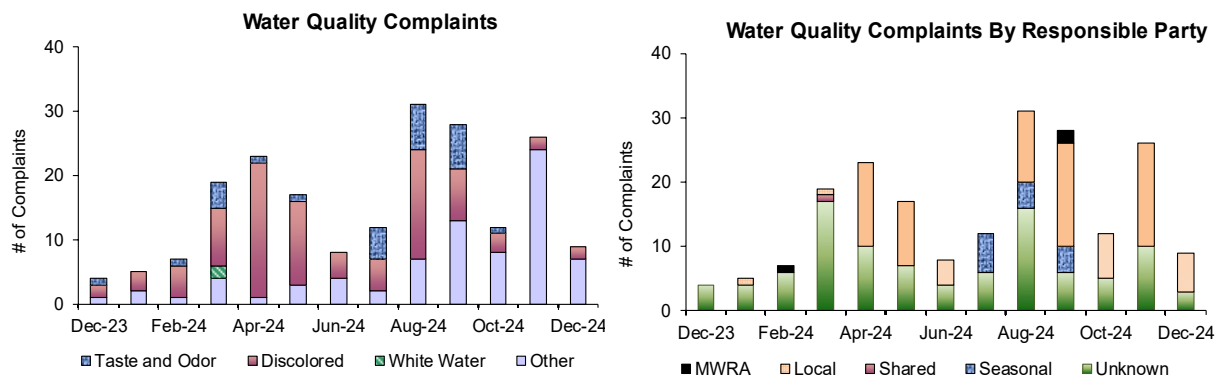
Drinking Water Quality Customer Complaints: Taste, Odor, or Appearance

MWRA collects information on water quality complaints that typically fall into four categories: 1) discoloration due to MWRA or local pipeline work; 2) taste and odor due to algae blooms in reservoirs or chlorine in the water; 3) white water caused by changes in pressure or temperature that traps air bubbles in the water; or 4) "other" complaints including no water, clogged filters or other issues.

MWRA routinely contacts communities to classify and tabulate water complaints from customers. This count, reflecting only telephone calls to towns, probably captures only a fraction of the total number of customer complaints. Field Operations staff have improved data collection and reporting by keeping track of more kinds of complaints, tracking complaints to street addresses and circulating results internally on a daily basis.

Communities reported 47 complaints during the quarter compared to 28 complaints from 2nd Quarter of FY24. Of these complaints, 7 were for "discolored water", 1 was for "taste and odor", and 39 were for "other". Of these complaints, 29 were local community issues and 18 were unknown in origin.

- In December, three low water pressure complaints in Somerville were reported due to a water main break.
- In November, Somerville reported eighteen no water complaints when they were repairing a water main leak.



Bacteria & Chlorine Residual Results for Communities in MWRA Testing Program

2nd Quarter – FY25

While all communities collect bacteria samples and chlorine residual data for the Total Coliform Rule (TCR), data from the 44 systems that use MWRA's Laboratory are reported below.

The MWRA TCR program has 144 sampling locations. These locations include sites along MWRA's transmission system, water storage tanks and pumping stations, as well as a subset of the community TCR locations.

Samples are tested for total coliform and *Escherichia coli* (*E.coli*). *E.coli* is a specific coliform species whose presence likely indicates potential contamination of fecal origin.

If *E.coli* are detected in a drinking water sample, this is considered evidence of a potential public health concern. Public notification is required if repeat tests confirm the presence of *E.coli* or total coliform.

Total coliform provide a general indication of the sanitary condition of a water supply. If total coliform are detected in more than 5% of samples in a month (or if more than one sample is positive when less than 40 samples are collected), the water system is required to investigate the possible source/cause with a Level 1 or 2 Assessment, and fix any identified problems.

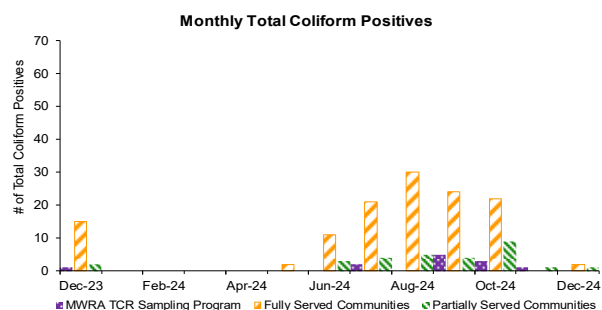
A disinfectant residual is intended to maintain the sanitary integrity of the water; MWRA considers a residual of 0.2 mg/L a minimum target level at all points in the distribution system.

Highlights

In the second quarter, thirty-four of the 6,555 fully and partially served samples (0.5%) tested positive for total coliform. Three of the 1839 Shared Community/MWRA samples (0.2%) tested positive for total coliform. One of the 407 CVA/MWRA community samples (0.2%) tested positive for total coliform. These communities were required to conduct Level Assessments in October: Bedford and Winthrop. One sample in Revere tested positive for *E.coli*. 0.5% of the Fully Served community quarterly samples had chlorine residuals lower than 0.2 mg/L.

NOTES:

- MWRA total coliform and chlorine residual results include data from community locations. In most cases these community results are indicative of MWRA water as it enters the community system; however, some are strongly influenced by local pipe conditions. Residuals in the MWRA system are typically between 1.0 and 2.8 mg/L.
- The number of samples collected depends on the population served and the number of repeat samples required.
- These communities are partially supplied, and may mix their chlorinated supply with MWRA chloraminated supply.
- Part of the Chicopee Valley Aqueduct System. Free chlorine system.



| | | Total Coliform | | E.coli | # Assessment | |
|-----------------------------------|---|-----------------------------|----------------|------------|--------------|-----|
| | | # Samples (b) | # (%) Positive | Positive | Required | |
| MWRA | a | MWRA Locations | 338 | 1 (0.3%) | 0 | |
| | | Shared Community/MWRA sites | 1501 | 2 (0.1%) | 0 | |
| | | Total: MWRA | 1839 | 3 (0.2%) | 0 | No |
| Fully Served | c | ARLINGTON | 167 | 0 (0%) | 0 | |
| | | BELMONT | 104 | 0 (0%) | 0 | |
| | | BOSTON | 798 | 1 (0.1%) | 0 | No |
| | | BROOKLINE | 237 | 0 (0%) | 0 | |
| | | CHELSEA | 169 | 0 (0%) | 0 | |
| | | DEER ISLAND | 52 | 0 (0%) | 0 | |
| | | EVERETT | 169 | 0 (0%) | 0 | |
| | | FRAMINGHAM | 273 | 0 (0%) | 0 | |
| | | LEXINGTON | 154 | 3 (1.9%) | 0 | No |
| | | LYNNFIELD | 18 | 0 (0%) | 0 | |
| | | MALDEN | 240 | 2 (0.8%) | 0 | No |
| | | MARBLEHEAD | 72 | 0 (0%) | 0 | |
| | | MARLBOROUGH | 156 | 1 (0.6%) | 0 | No |
| | | MEDFORD | 219 | 1 (0.5%) | 0 | No |
| | | MELROSE | 126 | 0 (0%) | 0 | |
| | | MILTON | 102 | 0 (0%) | 0 | |
| | | NAHANT | 33 | 1 (3.0%) | 0 | No |
| | | NEWTON | 279 | 0 (0%) | 0 | |
| | | NORTHBOROUGH | 48 | 0 (0%) | 0 | |
| | | NORWOOD | 99 | 0 (0%) | 0 | |
| | | QUINCY | 331 | 0 (0%) | 0 | |
| | | READING | 143 | 0 (0%) | 0 | |
| | | REVERE | 237 | 1 (0.4%) | 1 | No |
| | | SAUGUS | 112 | 0 (0%) | 0 | |
| | | SOMERVILLE | 258 | 2 (0.8%) | 0 | No |
| | | SOUTHBOROUGH | 30 | 0 (0%) | 0 | |
| | | STONEHAM | 91 | 0 (0%) | 0 | |
| | | SWAMPSCOTT | 60 | 1 (1.7%) | 0 | No |
| | | WALTHAM | 216 | 0 (0%) | 0 | |
| | | WATERTOWN | 143 | 0 (0%) | 0 | |
| | | WESTON | 45 | 0 (0%) | 0 | |
| | | WINTHROP | 78 | 11 (14.1%) | 0 | Yes |
| | | Total: Fully Served | | 5259 | 24 (0.5%) | |
| Partially Served | c | BEDFORD | 72 | 8 (11.1%) | 0 | Yes |
| | | BURLINGTON | 140 | 0 (0%) | 0 | |
| | | CANTON | 90 | 0 (0%) | 0 | |
| | | HANSCOM AFB | 33 | 1 (3.0%) | 0 | No |
| | | NEEDHAM | 123 | 0 (0%) | 0 | |
| | | PEABODY | 215 | 0 (0%) | 0 | |
| | | WAKEFIELD | 137 | 1 (0.7%) | 0 | No |
| | | WELLESLEY | 105 | 0 (0%) | 0 | |
| | | WILMINGTON | 87 | 0 (0%) | 0 | |
| | | WINCHESTER | 99 | 0 (0%) | 0 | |
| | | WOBURN | 195 | 0 (0%) | 0 | |
| | | Total: Partially Served | | 1296 | 10 (0.8%) | |
| Total: Fully and Partially Served | | 6555 | 34 (0.5%) | | | |
| CVA | d | MWRA CVA Locations | 104 | 0 (0%) | 0 | |
| | | CHICOPEE | 195 | 0 (0%) | 0 | |
| | | SOUTH HADLEY FD1 | 63 | 1 (1.6%) | 0 | No |
| | | WILBRAHAM | 45 | 0 (0%) | 0 | |
| Total: CVA | | 407 | 1 (0.2%) | | | |

Chlorine Residuals in Fully Served Communities

| | 2023 | | 2024 | | | | | | | | | | | |
|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| % <0.1 | 0.2 | 0.3 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| % <0.2 | 1.2 | 1.0 | 0.5 | 0.4 | 0.1 | 0.1 | 0.1 | 0.2 | 0.4 | 0.2 | 0.2 | 0.4 | 0.7 | 0.4 |
| % <0.5 | 5.7 | 3.2 | 2.4 | 1.9 | 0.6 | 1.0 | 0.8 | 1.2 | 1.8 | 2.0 | 1.5 | 2.0 | 2.5 | 2.2 |
| % <1.0 | 14.4 | 8.4 | 5.8 | 3.7 | 2.6 | 2.9 | 3.1 | 5.2 | 5.8 | 7.3 | 5.6 | 7.6 | 7.3 | 5.2 |
| % ≥1.0 | 85.6 | 91.6 | 94.2 | 96.3 | 97.4 | 97.1 | 96.6 | 94.5 | 93.5 | 91.8 | 93.9 | 92.0 | 92.7 | 94.8 |

Treated Water Quality: Disinfection By-Product (DBP) Levels in Communities

2nd Quarter – FY25

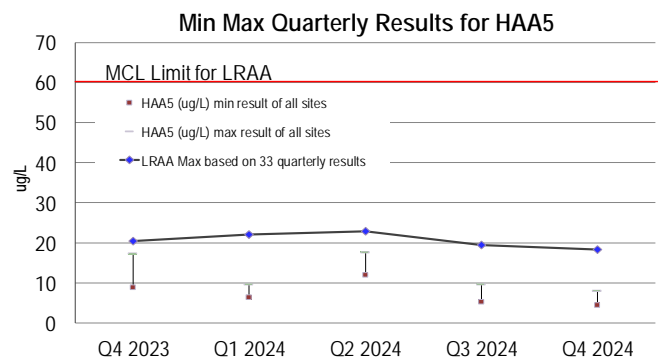
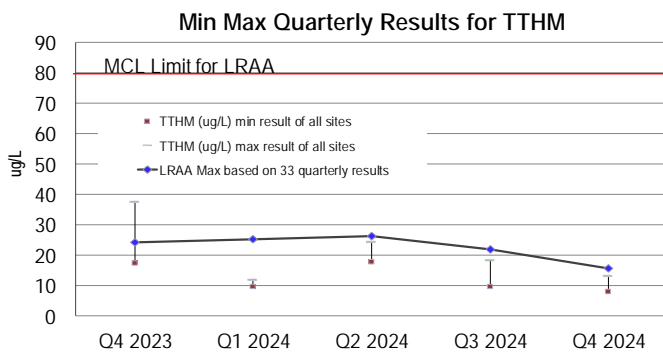
Total Trihalomethanes (TTHMs) and Haloacetic Acids (HAA5s) are by-products of disinfection treatment with chlorine. They are of concern due to their potential adverse health effects at high levels. EPA's locational running annual average (LRAA) standard, using the most recent four quarterly results, is 80 µg/L for TTHMs and 60 µg/L for HAA5s. The locational running annual average at each individual sampling location must be below the standard.

Bromate is tested monthly as required for water systems, like CWTP, that treat with ozone. EPA's RAA Maximum Contaminant Level (MCL) standard for bromate is 10 µg/L. The current RAA for Bromate at the CWTP finished water tap is 0.0 µg/L.

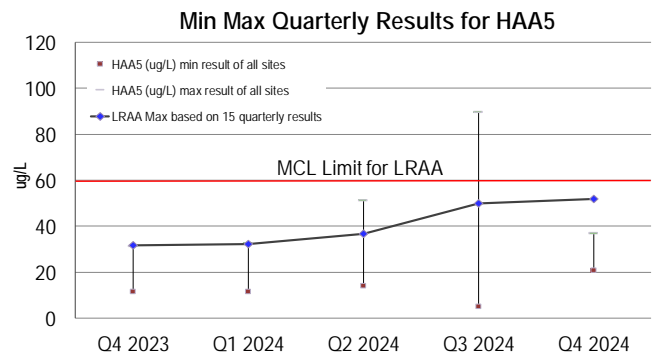
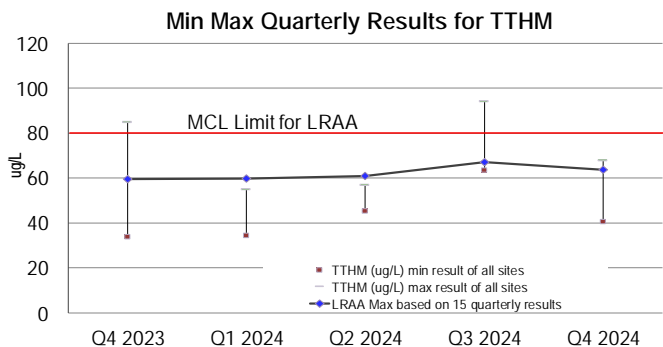
MWRA's TTHM and HAA5 sampling program includes sampling at 33 MetroWest and Metro Boston communities sites. Partially served and CVA communities are responsible for their own compliance monitoring and are regulated individually.

The LRAA for TTHMs and HAA5s for MWRA's Compliance Program (represented as the line in the top two graphs below) remains below current standards. The Max LRAA in the quarter for TTHMs = 15.7 µg/L; HAA5s = 18.3 µg/L. No LRAA exceedances or violations occurred this quarter for MetroBoston and for any of the CVA communities.

MetroBoston Disinfection By-Products



CVA Disinfection By-Products (Combined Results Chicopee, Wilbraham, & South Hadley FD1)



Water Supply and Source Water Management

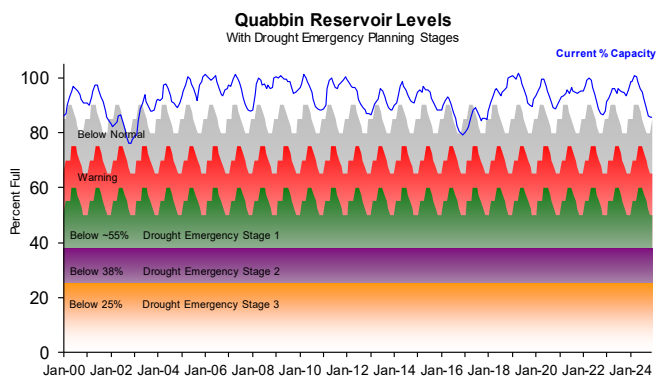
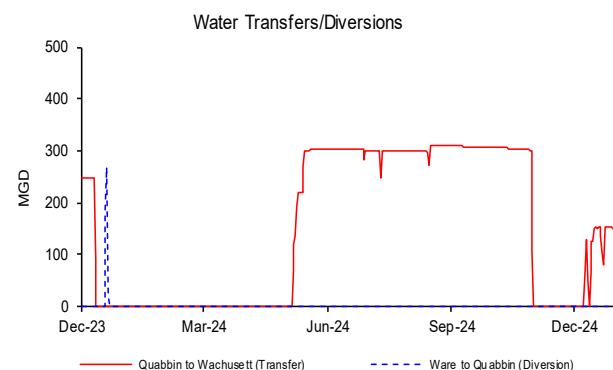
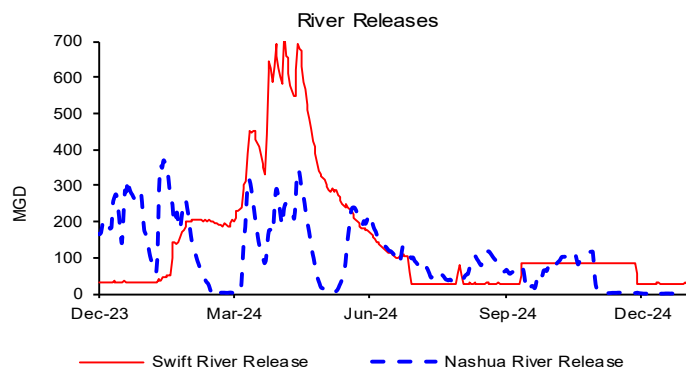
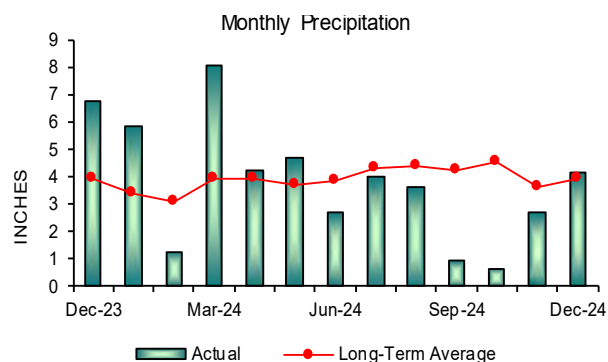
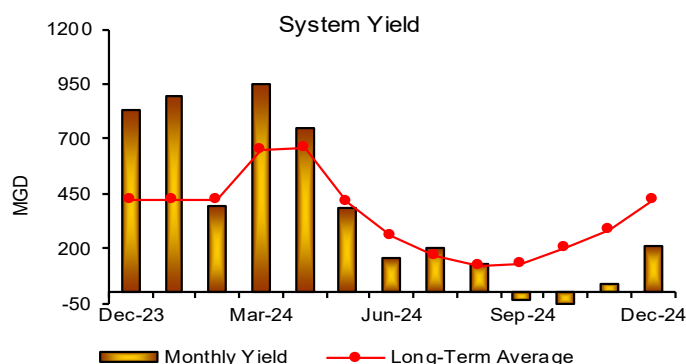
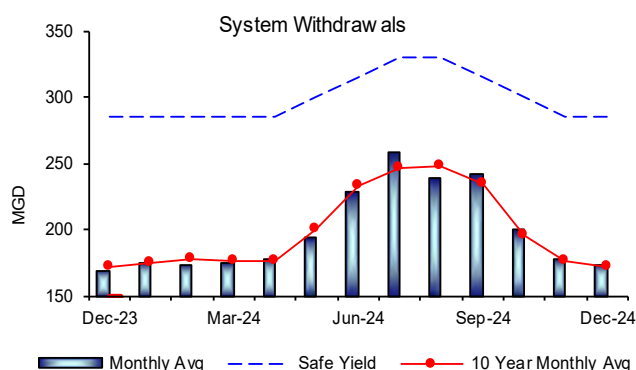
2nd Quarter – FY25

Background

A reliable supply of water in MWRA's reservoirs depends on adequate precipitation during the year and seasonal hydrologic inputs from watersheds that surround the reservoirs. Demand for water typically increases with higher summer temperatures and then decreases as temperatures decline. Quabbin Reservoir was designed to effectively supply water to the service areas under a range of climatic conditions and has the ability to endure a range of fluctuations. Wachusett Reservoir serves as a terminal reservoir to meet the daily demands of the Greater Boston area. A key component to this reservoir's operation is the seasonal transfer of Quabbin Reservoir water to enhance water quality during high demand periods. On an annual basis, Quabbin Reservoir accounts for nearly 50% of the water supplied to Greater Boston. The water quality of both reservoirs (as well as the Ware River, which is also part of the System Safe Yield) depend upon implementation of DCR's DEP-approved Watershed Protection Plans. System Yield is defined as the water produced by its sources, and is reported as the net change in water available for water supply and operating requirements.

Outcome

The volume of the Quabbin Reservoir was at 85.5% as of December 31, 2024; a 7.1 % decrease for the quarter, which represents a loss of more than 29.2 billion gallons of storage and a decrease in elevation of 3.89'. System withdrawal, precipitation and yield were below their long term quarterly averages. Quabbin is in normal operating range for this time of year.



WASTEWATER QUALITY

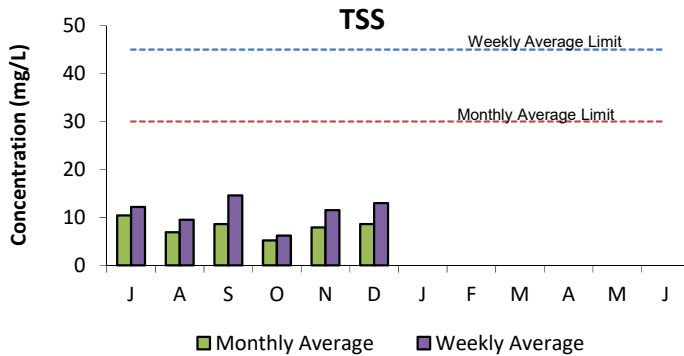
NPDES Permit Compliance: Deer Island Treatment Plant

2nd Quarter - FY25

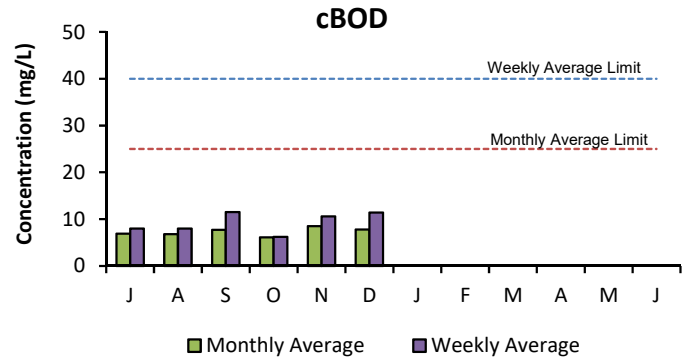
NPDES Permit Limits

| Effluent Characteristics | Units | Limits | October | November | December | 2nd Quarter Violations | FY25 YTD Violations |
|--------------------------------------|-----------|----------|------------|----------|-----------|------------------------|---------------------|
| Dry Day Flow (365 Day Average): | MGD | 436 | 280.1 | 275.7 | 268.5 | 0 | 0 |
| cBOD: Monthly Average | mg/L | 25 | 6.1 | 8.5 | 7.8 | 0 | 0 |
| Weekly Average | mg/L | 40 | 6.2 | 10.6 | 11.4 | 0 | 0 |
| TSS: Monthly Average | mg/L | 30 | 5.2 | 7.9 | 8.6 | 0 | 0 |
| Weekly Average | mg/L | 45 | 6.2 | 11.5 | 13.0 | 0 | 0 |
| TCR: Monthly Average | ug/L | 456 | 0.0 | 0.0 | 0.0 | 0 | 0 |
| Daily Maximum | ug/L | 631 | 0.0 | 0.0 | 0.0 | 0 | 0 |
| Fecal Coliform: Daily Geometric Mean | col/100mL | 14000 | 9 | 19 | 17 | 0 | 0 |
| Weekly Geometric Mean | col/100mL | 14000 | 6 | 7 | 6 | 0 | 0 |
| % of Samples >14000 | % | 10 | 0 | 0 | 0 | 0 | 0 |
| Consecutive Samples >14000 | # | 3 | 0 | 0 | 0 | 0 | 0 |
| pH: | SU | 6.0-9.0 | 6.4-6.8 | 6.4-6.85 | 6.45-7.05 | 0 | 0 |
| PCB, Aroclors: Monthly Average | ug/L | 0.000045 | UNDETECTED | | | 0 | 0 |
| Acute Toxicity: Inland Silverside | % | ≥50 | >100 | >100 | >100 | 0 | 0 |
| Mysid Shrimp | % | ≥50 | >100 | >100 | >100 | 0 | 0 |
| Chronic Toxicity: Inland Silverside | % | ≥1.5 | 25 | 50 | 50 | 0 | 0 |
| Sea Urchin | % | ≥1.5 | 100 | 100 | 100 | 0 | 0 |

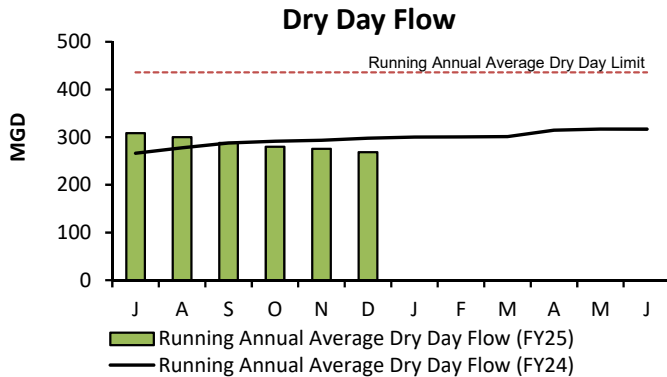
There have been no permit violations in FY25 to date at the Deer Island Treatment Plant (DITP).



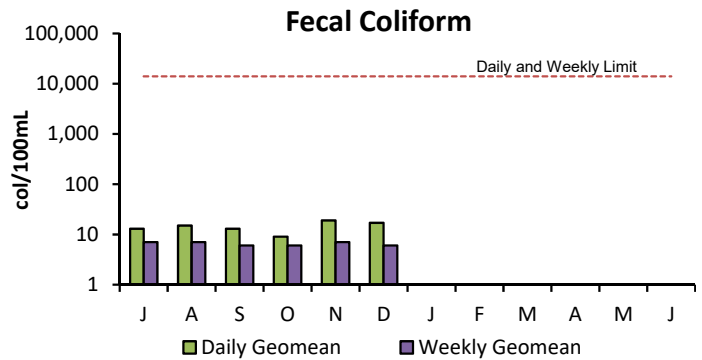
Total Suspended Solids (TSS) in the effluent is a measure of the amount of solids that remain suspended after treatment. All TSS measurements for the 2nd Quarter were within permit limits.



Carbonaceous Biochemical Oxygen Demand (cBOD) is a measure of the amount of dissolved oxygen required for the decomposition of organic materials in the environment. All cBOD measurements for the 2nd Quarter were within permit limits.



Running Annual Average Dry Day Flow is the average of all dry weather influent flows over the previous 365 days. The Dry Day Flow for the 2nd Quarter was well below the permit limit of 436 MGD.



Fecal Coliform is an indicator for the possible presence of pathogens. The levels of these bacteria after disinfection show how effectively the plant is inactivating many forms of disease-causing microorganisms. In the 2nd Quarter, all permit conditions for fecal coliform were met.

NPDES Permit Compliance: Clinton Wastewater Treatment Plant

2nd Quarter - FY25

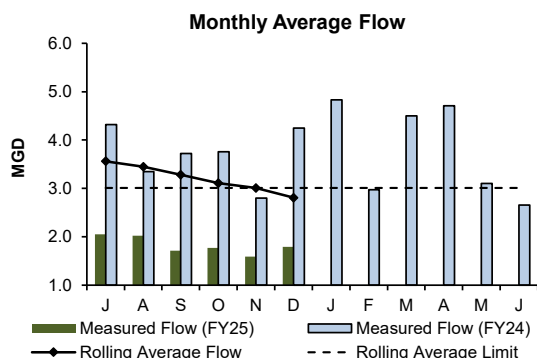
| Effluent Characteristics | | Units | Permit Limits | October | November | December | 2nd Quarter Violations | FY25 YTD Violations |
|---|---------------------------|-----------|---------------|---------|----------|----------|------------------------|---------------------|
| Dissolved Oxygen | Daily Minimum | mg/L | 6 | 8.8 | 9.1 | 10.0 | 0 | 0 |
| BOD | Monthly Average Load | lb/d | 500 | 21.0 | 23.0 | 37.0 | 0 | 0 |
| | Weekly Average Load | lb/d | 500 | 24.0 | 26.0 | 59.0 | 0 | 0 |
| | Monthly Average | mg/L | 20 | 1.5 | 1.8 | 2.5 | 0 | 0 |
| | Weekly Average | mg/L | 20 | 1.6 | 2.1 | 3.8 | 0 | 0 |
| BOD % removal | Monthly Average Minimum | % | 85 | 99.4 | 99.4 | 99.1 | 0 | 0 |
| pH | Monthly Minimum | S.U. | 6.5 | 7.10 | 7.38 | 7.46 | 0 | 0 |
| | Monthly Maximum | S.U. | 8.3 | 7.60 | 7.72 | 7.75 | 0 | 1 |
| TSS | Monthly Average Load | lb/d | 500 | 17.0 | 30.0 | 44.0 | 0 | 0 |
| | Weekly Average Load | lb/d | 500 | 27.0 | 32.0 | 55.0 | 0 | 0 |
| | Monthly Average | mg/L | 20 | 1.2 | 2.3 | 2.9 | 0 | 0 |
| | Weekly Average | mg/L | 20 | 1.8 | 2.5 | 3.6 | 0 | 0 |
| TSS % removal | Monthly Average Minimum | % | 85 | 99.6 | 99.5 | 99.0 | 0 | 0 |
| Total Ammonia Nitrogen November 1st - March 31st | Monthly Average | mg/L | 6.6 | 0.02 | <0.1 | <0.1 | 0 | 0 |
| | Daily Maximum | mg/L | 35 | 0.05 | <0.1 | <0.1 | 0 | 0 |
| Total Phosphorus November 1st - March 31st | Monthly Average | lb/d | 25.1 | 0.4 | 2.8 | 3.0 | 0 | 0 |
| | Monthly Average | mg/L | 1 | 0.02 | 0.22 | 0.20 | 0 | 0 |
| Copper | Monthly Average | ug/L | 11.6 | 12.15 | 11.2 | 10.2 | 1 | 1 |
| | Daily Maximum | ug/L | 14 | 15.25 | 11.2 | 10.2 | 1 | 1 |
| Flow | 12 -month Rolling Average | MGD | 3.01 | 3.11 | 3.01 | 2.81 | 1 | 4 |
| TCR | Monthly Average | ug/L | 20 | <20 | <20 | <20 | 0 | 0 |
| | Daily Maximum | ug/L | 30.4 | <20 | <20 | <20 | 0 | 0 |
| E. Coli | Monthly Geometric Mean | cfu/100mL | 126 | 5.0 | 5.0 | 5.0 | 0 | 0 |
| | Daily Maximum | cfu/100mL | 409 | 7.0 | 9.0 | 5.0 | 0 | 0 |
| Acute Toxicity ¹ | Monthly Average Minimum | % | 100 | >100 | N/A | N/A | 0 | 0 |
| Chronic Toxicity ¹ | Monthly Average Minimum | % | 62.5 | 100 | N/A | N/A | 0 | 0 |

There have been seven permit violations in FY25 at the Clinton Treatment Plant.

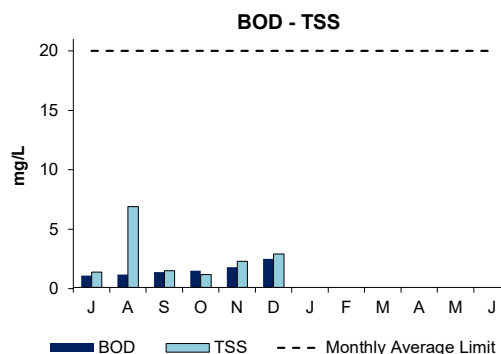
1st Quarter: There were four permit violations in the first quarter, three for 12 month rolling-average flow and one for pH.

2nd Quarter: There were three permit violations in the second quarter, one for 12 month rolling-average flow; one each for copper monthly average and daily maximum.

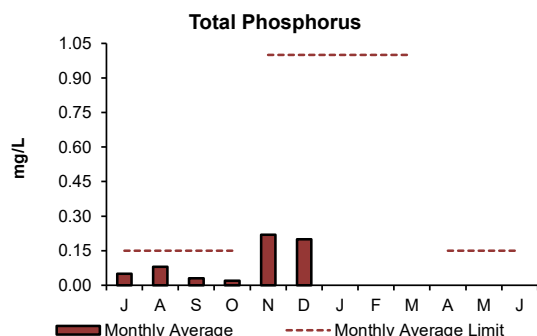
¹ Toxicity testing at the Clinton Treatment Plant is conducted on a quarterly basis.



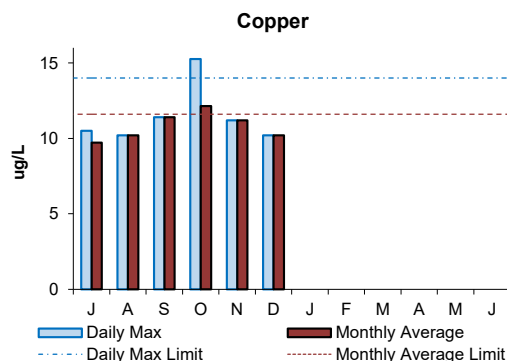
The graph depicts the rolling annual average monthly flow, measured in million gallons per day, exiting the plant. The 12-month rolling average flows during the 2nd Quarter were above the permit limit.



Monthly average concentrations of BOD and TSS were below permit limits in the 2nd Quarter. The permit monthly limit for both parameters is 20 mg/L.



Total phosphorus limits are most stringent during the growing season from April to October. The 2nd Quarter's monthly average concentrations for total phosphorus were below permit limits.

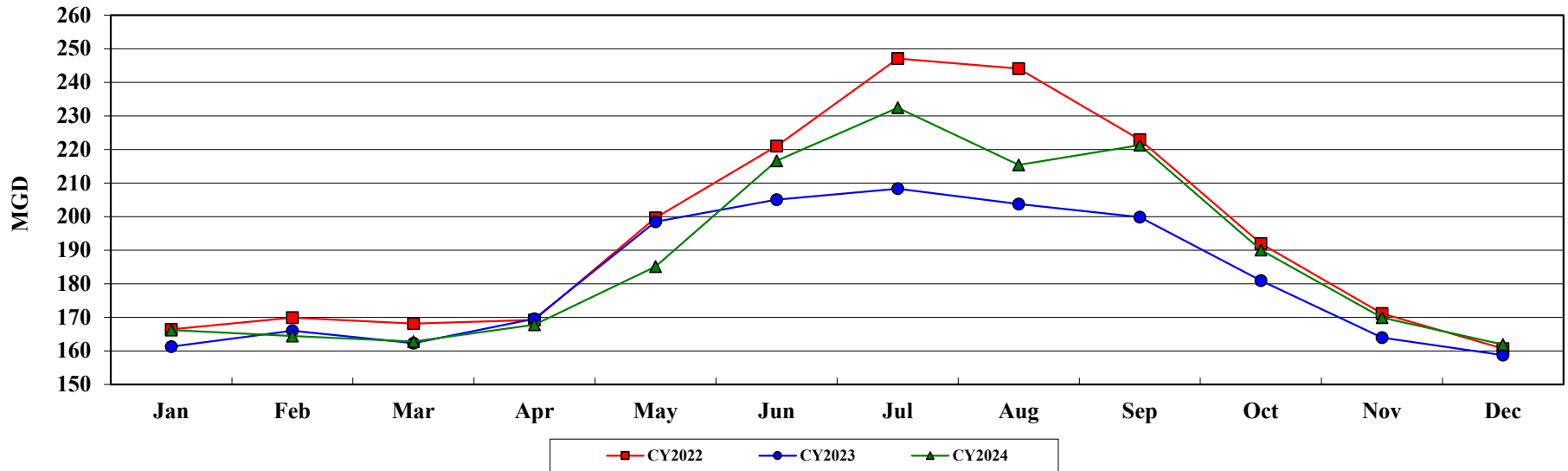


Daily maximum and monthly average concentrations of copper were below permit limits in the 2nd Quarter. Permit daily and monthly limits are 14.0 ug/L and 11.6 ug/L respectively.

COMMUNITY FLOWS AND PROGRAMS

Customer Water Use 2nd Quarter - FY25

MWRA Water Supplied: All Revenue Customers



Water Use (million gallons per day)

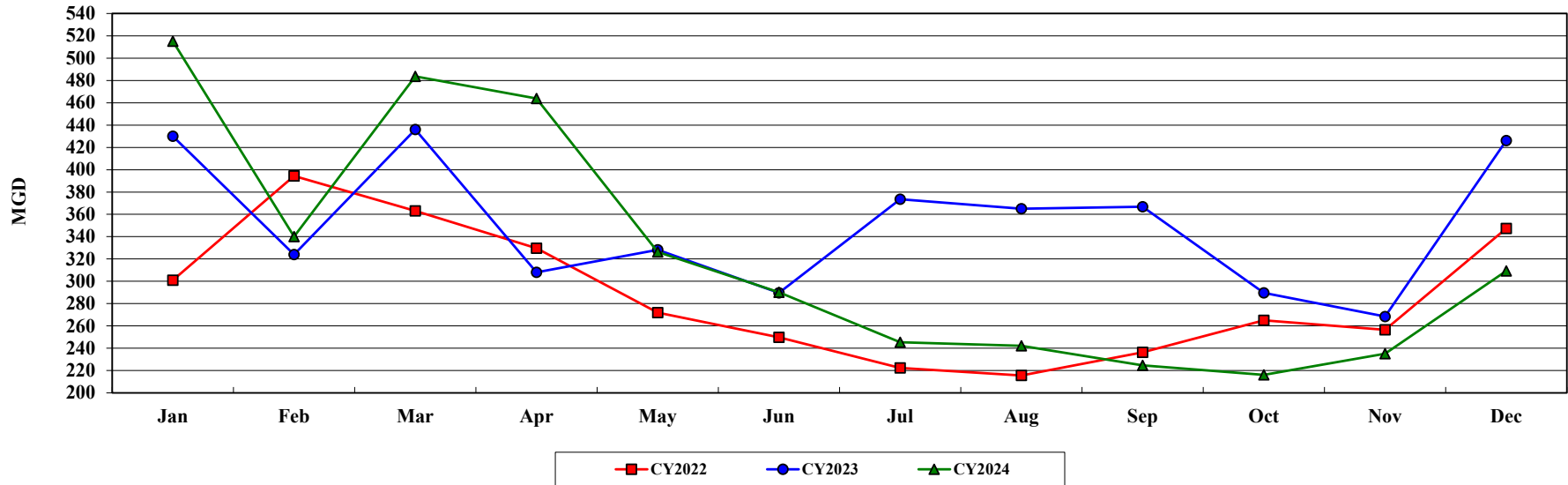
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD Average | Annual Average |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------|----------------|
| CY2022 | 166.445 | 169.923 | 168.101 | 169.253 | 199.626 | 221.002 | 247.075 | 244.069 | 222.906 | 192.000 | 171.170 | 160.697 | 194.537 | 194.537 |
| CY2023 | 161.272 | 165.989 | 162.292 | 169.594 | 198.499 | 205.042 | 208.304 | 203.762 | 199.844 | 180.948 | 163.937 | 158.736 | 181.612 | 181.612 |
| CY2024 | 166.216 | 164.428 | 162.771 | 167.755 | 185.117 | 216.637 | 232.419 | 215.396 | 221.314 | 190.060 | 169.898 | 161.886 | 187.886 | 187.886 |

The December 2024 Community Water Use Report was recently distributed to communities and customers served by the MWRA's Metropolitan and Chicopee Valley waterworks systems. Each community's annual water use relative to the system as a whole is the primary factor in allocating the annual water rate revenue requirement to MWRA water communities. Calendar year 2024 water use will be used to allocate the FY2026 water utility rate revenue requirement.

MWRA customers used an average of 174.0 mgd in the 2nd quarter (Oct-Dec 2024) of FY2025. This is an increase of 6.1 mgd or 3.6% compared to the 2nd quarter of FY2024.

Community Sewer Flow YTD - FY25

MWRA Metro-System Sewer Flow



Sewer Flow (million gallons per day)

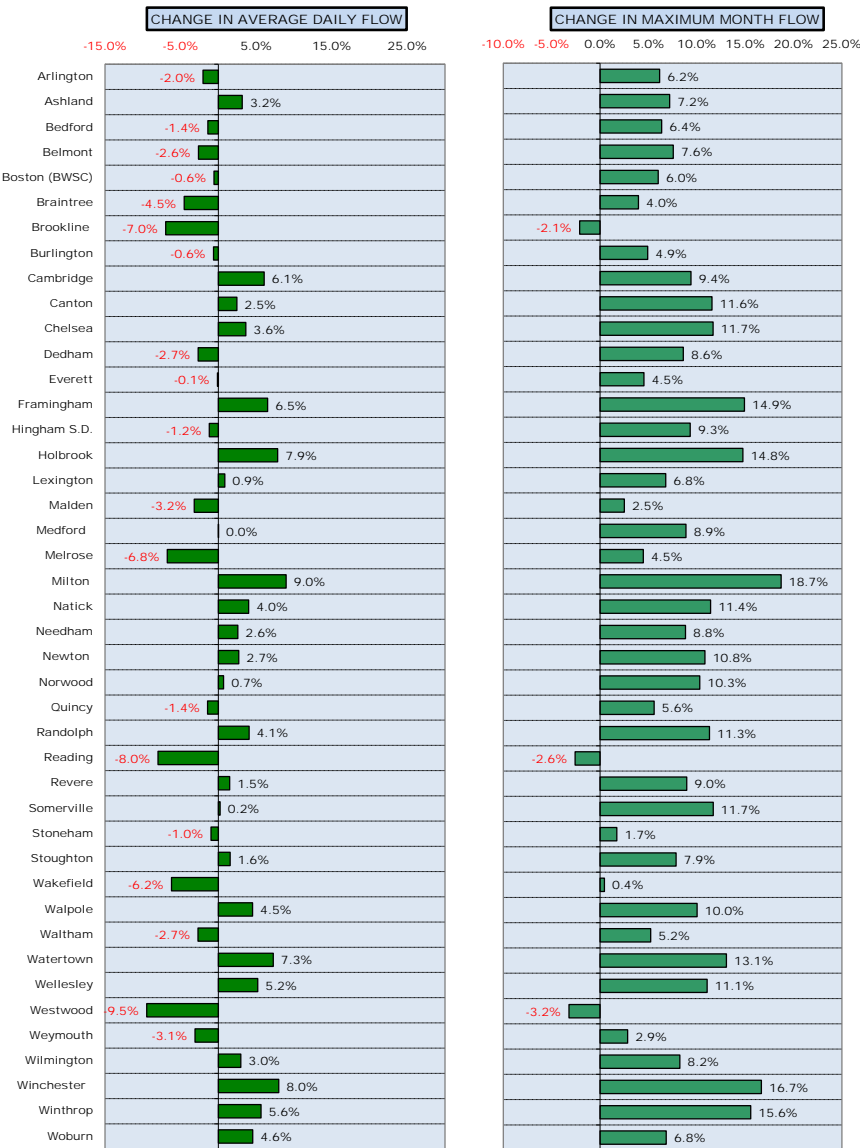
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD Average | Annual Average |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------|----------------|
| CY2022 | 300.930 | 394.400 | 363.110 | 329.710 | 271.890 | 249.840 | 222.280 | 215.600 | 236.380 | 264.960 | 256.590 | 347.420 | 287.098 | 287.098 |
| CY2023 | 430.060 | 323.980 | 435.990 | 308.110 | 328.160 | 289.710 | 373.540 | 365.130 | 366.840 | 289.680 | 268.470 | 426.070 | 351.159 | 351.159 |
| CY2024 | 515.140 | 340.120 | 483.660 | 463.870 | 326.230 | 290.200 | 245.410 | 242.280 | 224.720 | 216.150 | 235.050 | 309.280 | 324.485 | 324.485 |

The 2024 12-Month Community Sewer Flow Report was recently distributed to the 43 communities served by the MWRA's Metropolitan sewer system. Each community's share of sewer flow relative to the system as a whole is used to allocate the annual sewer rate revenue requirement to MWRA sewer communities. The average of calendar year 2022-2024 sewer flow will be used to allocate the FY2026 sewer utility rate revenue requirement.

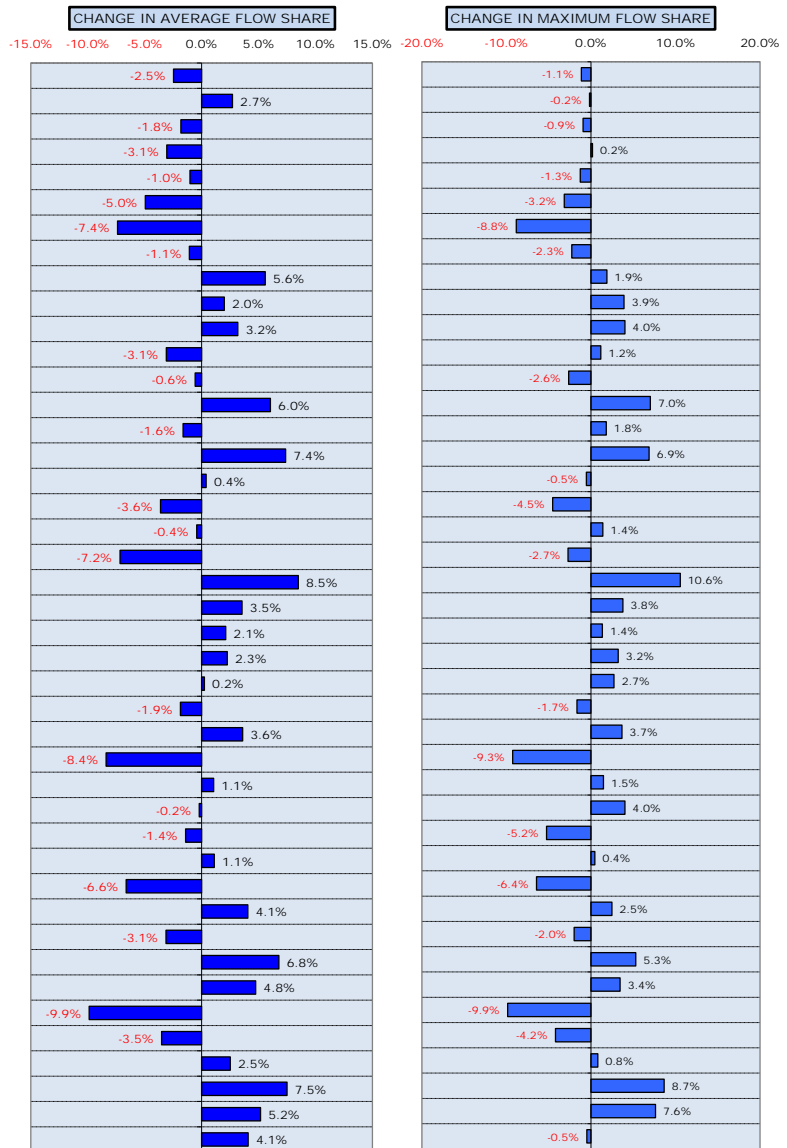
MWRA customer sewer flow averaged 324.5 mgd in CY2024. This is a decrease of 26.7 mgd or 7.6% compared to CY2023.

How CY2022-24 Community Wastewater Flows Could Effect FY2026 Sewer Assessments ^{1,2,3}

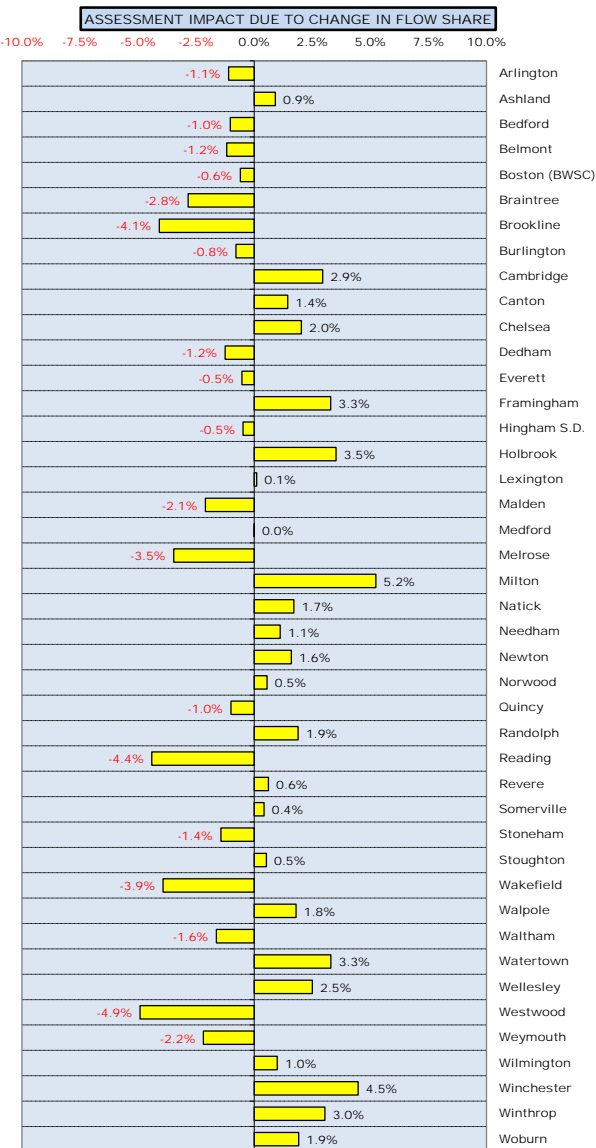
The flow components of FY2026 sewer assessments will be calculated using a 3-year average of CY2022 to CY2024 wastewater flows compared to FY2025 assessments that will use a 3-year average of CY2021 to CY2023 wastewater flows.



But as MWRA's sewer assessments are a ZERO-SUM calculation, a community's assessment is strongly influenced by the RELATIVE change in CY2022 to CY2024 flow share compared to CY2021 to CY2023 flow share, compared to all other communities in the system.



The chart below illustrates the change in the TOTAL BASE assessment due to FLOW SHARE CHANGES. ⁴



¹ MWRA uses a 3-year flow average to calculate sewer assessments. Three-year averaging smoothes the impact of year-to-year changes in community flow share, but does not eliminate the long-term impact of changes in each community's relative contribution to the total flow.

² Based on actual flows through December 2024.

³ Flow data is preliminary and subject to change pending additional MWRA and community review.

⁴ Represents ONLY the impact on the total BASE assessment resulting from the changes in average and maximum wastewater FLOW SHARES.

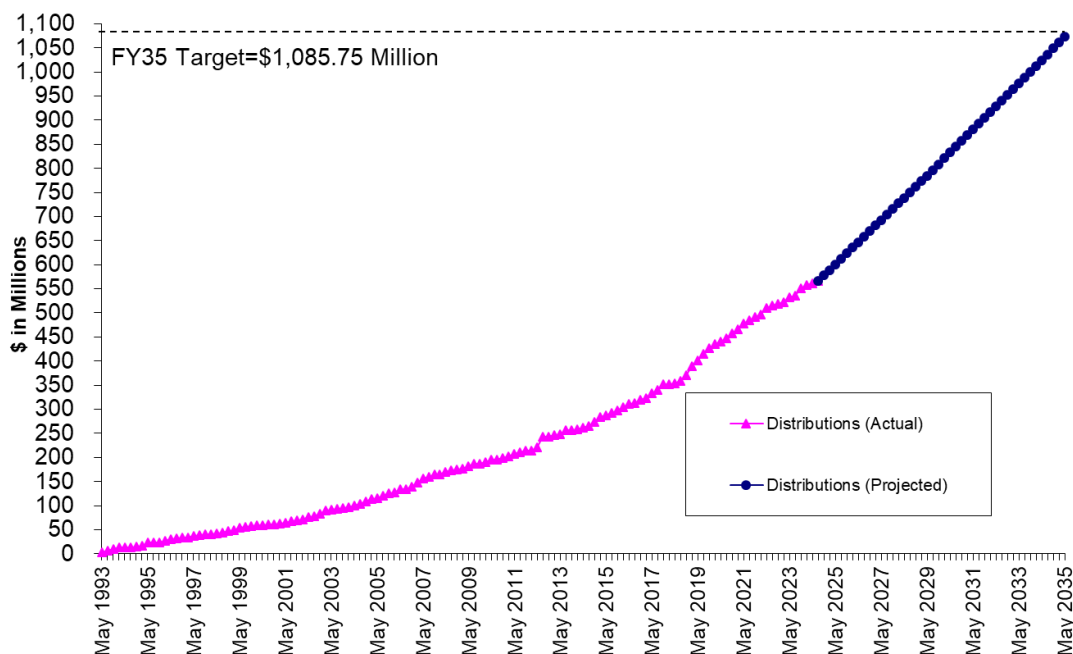
Community Support Programs

2nd Quarter – FY25

Infiltration/Inflow Local Financial Assistance Program

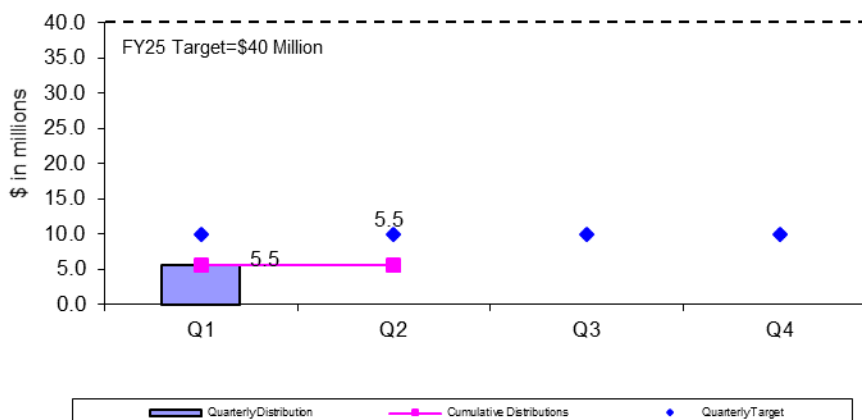
MWRA's Infiltration/Inflow (I/I) Local Financial Assistance Program provides \$1085.75 million in grants and interest-free loans (average of about \$22 million per year from FY93 through FY35) to member sewer communities to perform I/I reduction and sewer system rehabilitation projects within their locally-owned collection systems. Eligible project costs include: sewer rehabilitation construction, pipeline replacement, removal of public and private inflow sources, I/I reduction planning, engineering design, engineering services during construction, etc. I/I Local Financial Assistance Program funds are allocated to member sewer communities based on their percent share of MWRA's wholesale sewer charge. Phase 1-8 funds (total \$300.75 million) were distributed as 45% grants and 55% loans with interest-free loans repaid to MWRA over a five-year period. Phase 9 through 12 funds (total \$360 million) are distributed as 75% grants and 25% loans with interest-free loans repaid to MWRA over a ten-year period. Phase 13 funds of \$100 million are distributed as ten-year interest-free loan-only funds. Phase 14 funds (total \$100 million) are distributed as 75% grants and 25% loans with interest-free loans repaid to MWRA over a ten-year period. Phase 15 provides an additional \$100 million in ten-year interest-free loan-only funds. Phase 16 funds (total \$125 million) are programmed in the budget beginning in FY26 and will be distributed as 75% grants and 25% loans with interest-free loans repaid to MWRA over a ten-year period.

I/I Local Financial Assistance Program Distribution FY93-FY35



During the 2nd Quarter of FY25, no I/I Local Financial Assistance Program distributions were made. Total grant/loan distribution to date for FY25 is \$5.5 million. From FY93 through the 2nd Quarter of FY25, all 43 member sewer communities have participated in the program and \$565 million has been distributed to fund 688 local I/I reduction and sewer system rehabilitation projects. Distribution of the remaining funds has been approved through FY35 and community loan repayments will be made through FY45. All scheduled community loan repayments have been made.

FY25 Quarterly Distributions of Sewer Grant/Loans

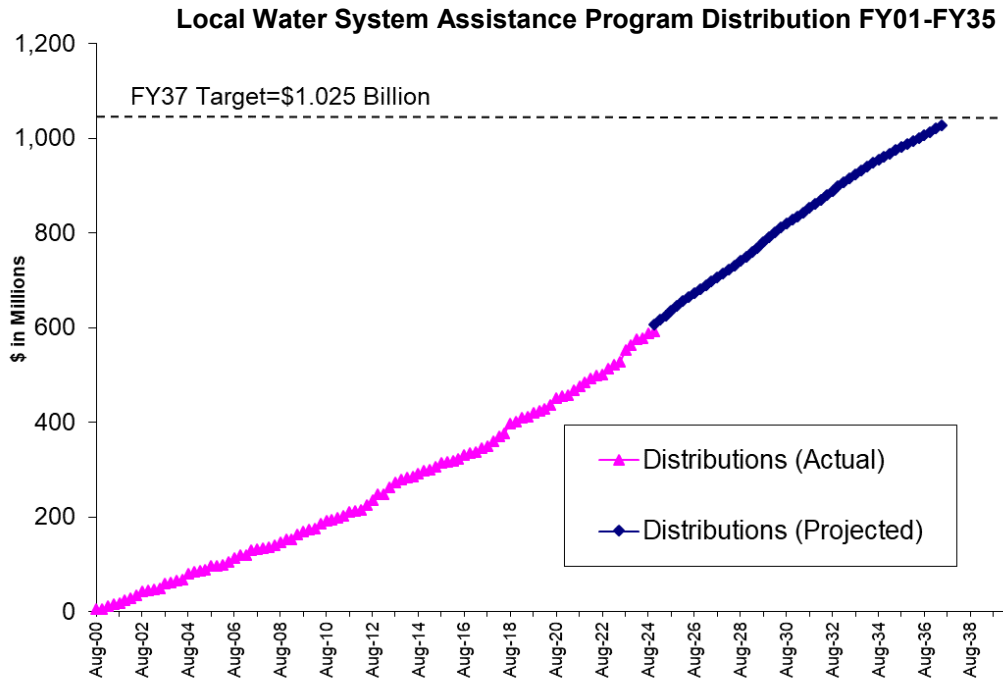


Community Support Programs

2nd Quarter – FY25

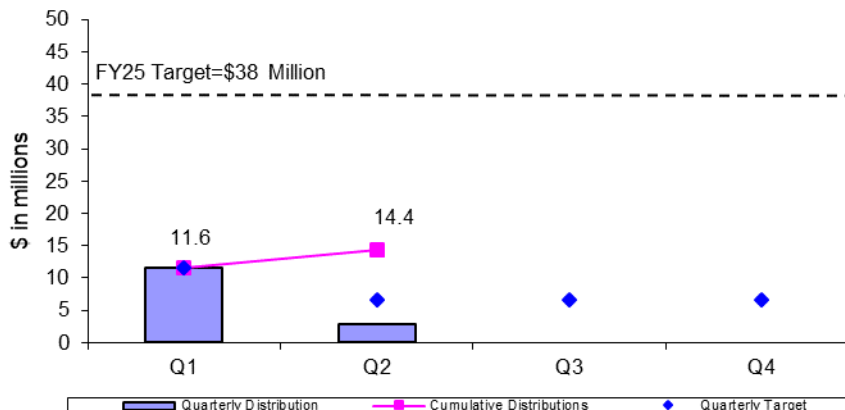
Local Water System Assistance Program

MWRA's Local Water System Assistance Programs (LWSAP) provides \$1.025 billion in interest-free loans (an average of about \$24 million per year from FY01 through FY35) to member water communities to perform water main rehabilitation projects within their locally-owned water distribution systems. There have been four (3) funding phases: Phase 1 at \$222 Million, Phase 2 at \$210 Million, and Phase 3 at \$293 Million. Eligible project costs include: water main cleaning/lining, replacement of unlined water mains, lead service replacements, valve, hydrant, water meter, tank work, engineering design, engineering services during construction, etc. MWRA partially-supplied communities receive pro-rated funding allocations based on their percentage use of MWRA water. Interest-free loans are repaid to MWRA over a ten-year period beginning one year after distribution of the funds. The Phase 1 water loan program concluded in FY13 with \$222 million in loan distributions. The Phase 2 - LWSAP continues distributions through FY25. The Phase 3 LWSAP is authorized for distributions from FY18 through FY30. And the Phase 4 – LWSAP is authorized for distributions from FY25 through FY35.



During the 2nd Quarter of FY25, \$2.8 million in interest-free loans was distributed to fund a local water project in Milton. Total loan distribution to date for FY25 is \$14.4 million. From FY01 through the 2nd Quarter of FY25, \$591 million has been distributed to fund 539 local water system rehabilitation projects in 43 MWRA member water communities. Distribution of the remaining funds has been approved through FY35 and community loan repayments will be made through FY45. All scheduled community loan repayments have been made.

FY25 Quarterly Distributions of Water Loans



Community Support Programs

2nd Quarter – FY25

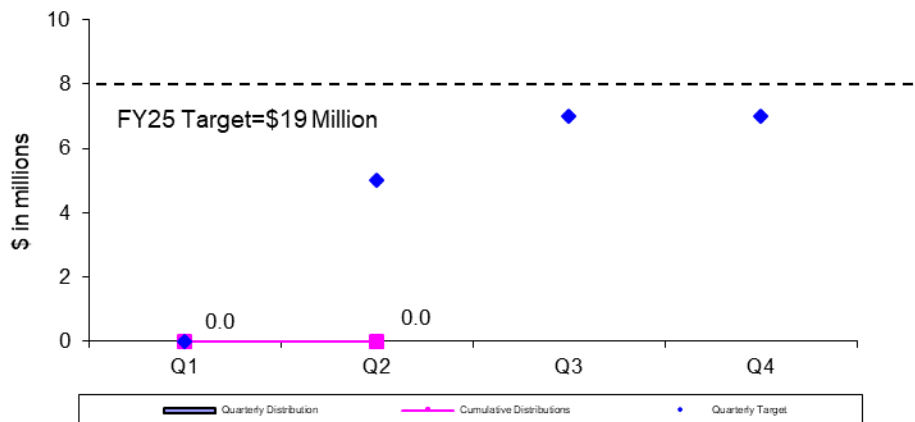
Lead Service Line Replacement Loan Program

By its vote on March 16, 2016, the Board approved an enhancement to the Local Water System Assistance Program to provide up to \$100 million in 10-year zero-interest loans to communities solely for efforts to fully replace lead service lines. The Lead Service Line Replacement Loan Program is also referenced as the Lead Loan Program or LLP. Each community can develop its own program, tailored to their local circumstances. MWRA's goal in providing financial assistance to member communities is to improve local water systems so that the high quality water MWRA delivers can make it all the way to the consumer's tap. The presence of a lead service line connecting a home to the main in the street can lead to elevated lead levels in tap water, especially if that water sits stagnant for an extended period. MWRA's stable water quality and effective corrosion control treatment reduce the risk that a lead service line will cause elevated lead levels, and measured lead levels in high risk homes have decreased by 90 percent since corrosion control was brought on-line in 1996. However, the risk of elevated levels remains as long as lead service lines are in use. From the inception of the program through FY24, 46 loans have been made to 17 communities totaling \$43.8 million dollars. No lead loans were made in the first two quarters of FY25.

Summary of Lead Loans:

| | | | | | |
|--------------------|----------------|---------------------|----------------|---------------------|------------------------|
| Quincy in FY24 | \$1.50 Million | Somerville in FY22 | \$1.60 Million | Everett in FY20 | \$1.0 Million |
| Winthrop in FY24 | \$0.98 Million | Revere in FY22 | \$1.30 Million | Somerville in FY20 | \$0.90 Million |
| Chelsea in FY24 | \$0.30 Million | Chelsea in FY22 | \$0.30 Million | Chelsea in FY20 | \$0.30 Million |
| Melrose in FY24 | \$1.04 Million | Watertown in FY21 | \$0.60 Million | Marlborough in FY19 | \$1.0 Million |
| Lexington in FY24 | \$3.88 Million | Marlborough in FY21 | \$2.0 Million | Winthrop in FY19 | \$0.50 Million |
| Watertown in FY24 | \$0.30 Million | Everett in FY21 | \$1.50 Million | Chelsea in FY19 | \$0.10 Million |
| Malden in FY24 | \$0.50 Million | Boston in FY21 | \$2.60 Million | Everett in FY19 | \$1.0 Million |
| Chelsea in FY23 | \$0.50 Million | Winthrop in FY21 | \$0.80 Million | Needham in FY18 | \$1.0 Million |
| Watertown in FY23 | \$0.30 Million | Chelsea in FY21 | \$0.30 Million | Winchester in FY18 | \$0.50 Million |
| Winthrop in FY23 | \$0.70 Million | Winchester in FY21 | \$0.60 Million | Revere in FY18 | \$0.20 Million |
| Reading in FY23 | \$1.50 Million | Everett in FY20 | \$0.50 Million | Winthrop in FY18 | \$0.30 Million |
| Watertown in FY23 | \$0.30 Million | Marlborough in FY20 | \$1.0 Million | Marlborough in FY18 | \$1.0 Million |
| Winchester in FY23 | \$0.60 Million | Winchester in FY20 | \$0.60 Million | Newton in FY17 | \$4.0 Million |
| Everett in FY22 | \$1.5 Million | Winthrop in FY20 | \$0.70 Million | Quincy in FY17 | \$1.5 Million |
| Boston in FY22 | \$0.90 Million | Weston in FY20 | \$0.20 Million | Winchester in FY17 | \$0.50 Million |
| Winthrop in FY22 | \$0.80 Million | | | TOTAL | \$43.80 Million |

FY25 Quarterly Distributions of Lead Service Line Replacement Loans

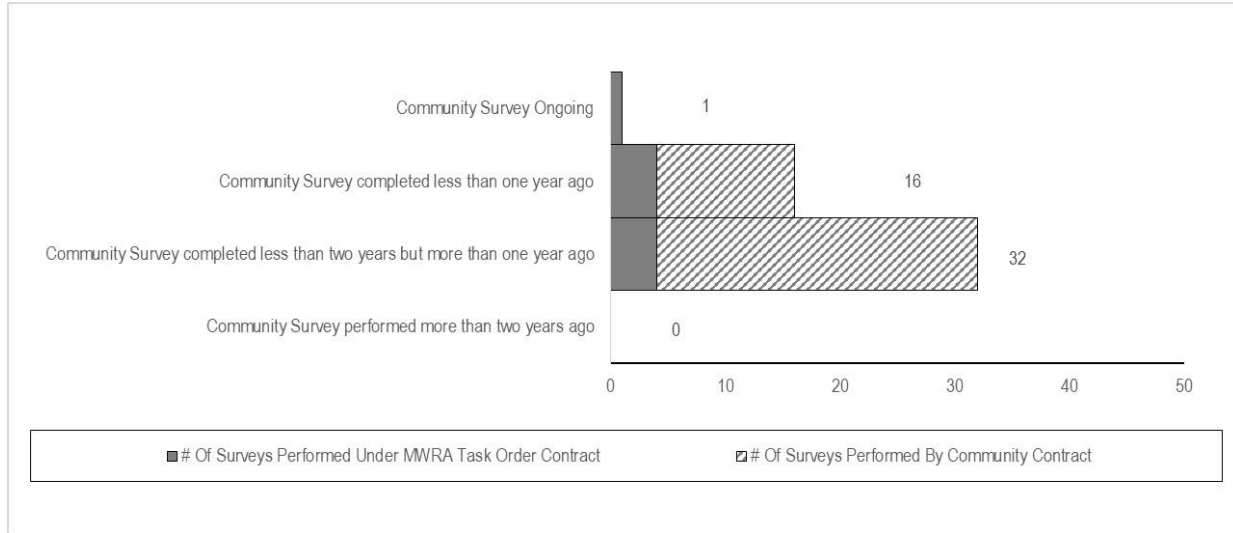


Community Support Programs

2nd Quarter – FY25

Community Water System Leak Detection

To ensure member water communities identify and repair leaks in locally-owned distribution systems, MWRA developed leak detection regulations that went into effect in July 1991. Communities purchasing water from MWRA are required to complete a leak detection survey of their entire distribution system at least once every two years. Communities can accomplish the survey using their own contractors or municipal crews, or alternatively, using MWRA's task order leak detection contract. MWRA's task order contract provides leak detection services at a reasonable cost that has been competitively procured (3-year, low-bid contract) taking advantage of the large volume of work anticipated throughout the regional system. Leak detection services performed under the task order contract are paid for by MWRA and the costs are billed to the community the following year. During the 2nd Quarter of FY25, all member water communities were in compliance with MWRA's Leak Detection Regulation.



Community Water Conservation Outreach

MWRA's Community Water Conservation Program helps to maintain average water demand below the regional water system's safe yield of 300 mgd. Current 5-year average water demand is less than 200 mgd. The local Water Conservation Program includes distribution of water conservation education brochures (indoor - outdoor bill-stuffers) and low-flow water fixtures and related materials (shower heads, faucet aerators, and toilet leak detection dye tabs), all at no cost to member communities or individual customers. The Program's annual budget is \$25,000 for printing and purchase of materials. Annual distribution targets and totals are provided in the table below. Distributions of water conservation materials are made based on requests from member communities and individual customers.

| | Annual Target | Q1 | Q2 | Q3 | Q4 | Annual Total |
|--|---------------|--------|-------|----|----|----------------------|
| Educational Brochures | 100,000 | 16,504 | 6,456 | | | <u>22,960</u> |
| Low-Flow Fixtures (showerheads and faucet aerators) | 10,000 | 1,352 | 700 | | | <u>2,052</u> |
| Toilet Leak Detection Dye Tablets | ----- | 2,517 | 524 | | | <u>3,041</u> |

BUSINESS SERVICES

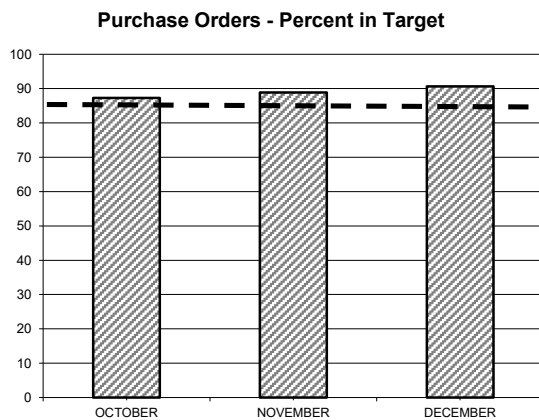
Procurement: Purchasing and Contracts

2nd Quarter - FY25

Background: Goal is to process 85% of Purchase Orders and 80% of Contracts within Target timeframes.

Highlights: Processed 95% of purchase orders within target; Average Processing Time was 4.37 days vs. 4.23 days in Qtr 2 of FY24. Processed 73% (11 of 15) of contracts within target timeframes; Average Processing Time was 106 days vs. 172 days in Qtr 2 of FY24.

Purchasing



| | No. | TARGET | PERCENT IN TARGET |
|---------------|-----|---------|-------------------|
| \$0 - \$500 | 506 | 3 DAYS | 89.9% |
| \$500 - \$2K | 640 | 7 DAYS | 97.6% |
| \$2K - \$5K | 340 | 10 DAYS | 98.5% |
| \$5K - \$10K | 202 | 25 DAYS | 99.0% |
| \$10K - \$25K | 51 | 30 DAYS | 94.1% |
| \$25K - \$50K | 27 | 60 DAYS | 85.1% |
| Over \$50K | 28 | 90 DAYS | 92.8% |

The Purchasing Unit processed 1794 purchase orders, 130 more than the 1664 processed in Qtr 2 of FY24 for a total value of \$14,829,414 versus a dollar value of \$7,668,533 in Qtr 2 of FY24.

The purchase order processing target was met for all categories.

Contracts, Change Orders and Amendments

Procurement executed fifteen contracts with a value of \$152,446,690 and seven amendments with a value of \$3,904,427. Four contracts were not executed within the target timeframes. One contract was delayed due to additional time needed in the procurement process to monitor the electricity market over time. After an initial qualifying stage, MWRA received interim pricing from qualified suppliers for three months until the market was favorable, then received formal bids. Another contract was delayed due to the need to delay the execution of the contract for approximately 60 days for the award of a grant from the Dept. of Energy Resources. The grant needed to be awarded before the contract could be signed. A third contract was delayed due to additional procurement requirements necessary for Insurance services. Insurance for all categories of coverage was obtained timely and according to schedule. The final contract was delayed due to the nature, magnitude and complexity of the tunnel redundancy project, a two-step procurement process was utilized, and an extensive scope review with representatives from various departments was conducted. Upon receipt of proposals, interviews were also held with the 3 proposed design teams to better understand their proposal.

Staff reviewed 29 proposed change orders and 23 draft change orders.

Sixteen change orders were executed during the period. The dollar value of all non-credit change orders during Qtr 2 was \$3,548,899 and the value of credit change orders was (\$65,431).

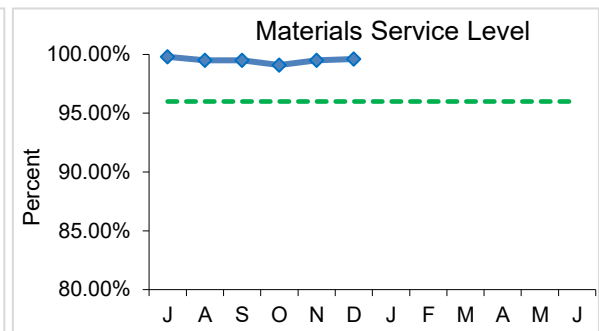
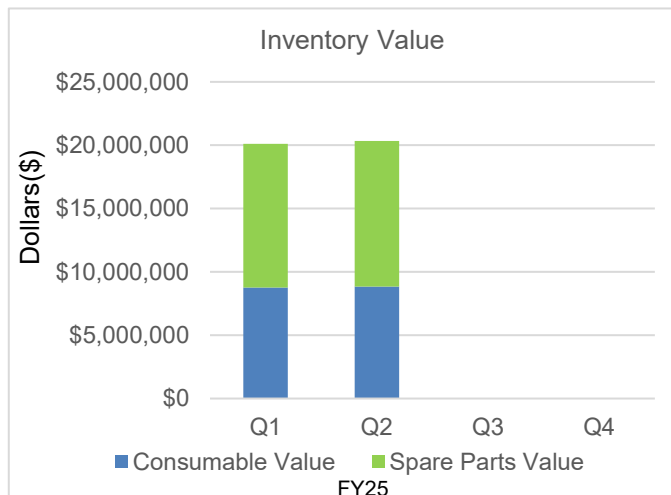
Materials Management

2nd Quarter - FY25

The Materials Management department manages the three regional warehouses (Chelsea, Deer Island and Southboro). This includes the replenishment and receipt of both consumable and spare parts items to meet the needs of the MWRA. Additionally, MWRA tools and equipment are safeguarded through the Property Pass unit within the Materials Management department.

Inventory goals focus on:

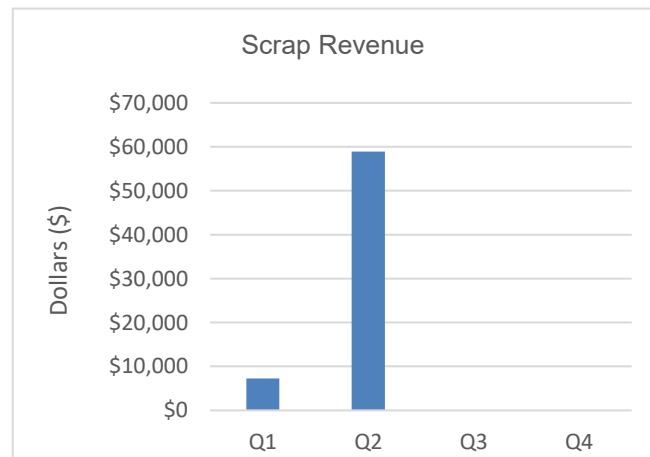
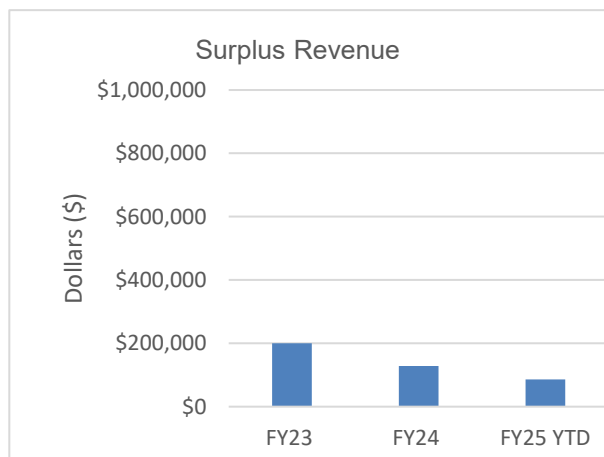
- Maintaining optimum levels of consumables inventory (office supplies, electrical, safety, etc.) and spare parts inventory (critical items such as actuators, motors, muffin monsters, etc.) necessary to support MWRA Operations and Maintenance. Typically spare parts carry longer lead times.
- Adding new items to inventory to meet changing business needs.
- Reviewing consumables and spare parts for obsolescence.
- Managing and controlling valuable equipment and tools via the Property Pass Program.



The service level is the percentage of stock requests filled. The goal is to maintain a service level of 96%. Staff issued 7,746 (99.5%) of the 7,710 items requested in Q2 from the inventory locations for a total dollar value of \$1,931,431

Property Pass Program:

- Conducts audits of tools and equipment to ensure the safeguarding of MWRA assets.
- Manages the disposition and sale of surplus tools and equipment through GovDeals, an online auction site.
- Manages the surplusing of scrap metals and materials generating revenue to the MWRA staff.



MIS Program

2nd Quarter – FY25

Project Updates

Infrastructure & Security

SD-WAN: Implementation in Needham and Belchertown complete. Awaiting secondary circuit installation on DITP.

Distributed Antenna System: Staff continue to work with vendors to troubleshoot signal issues. A follow up meeting is scheduled with both CSquare and Verizon in January.

VMWare WorkspaceONE: Migration of end points to WorkspaceONE is now complete.

M365 Migration: Synchronization of Active Directory to Entra is complete. Additional licenses needed for Microsoft FastTrack engagement have been received. Online training resources shared with MIS staff and a meeting was held with the Tunnel department to outline migration steps for their SharePoint site.

Server/Database Version Upgrades: Staff continue to meet monthly to review and identify migration paths of infrastructure to maintain support.

Live Stream Webcam: Awaiting installation schedule from vendor.

AWIA: DMZ server logging implemented. Monthly Web Application Scanning was added to CISA vulnerability assessments. Completed CISA National Cybersecurity Review self assessment. Staff are reviewing all assessments in preparation for re-certification.

CUCM VOIP Upgrade: Professional services being procured to assist with the upgrade. Anticipated project kick off in February.

Library, Record Center, & Training

Library: Completed 11 research requests and provided access to 30 new books/reports, 14 articles, and 2 new standards (outside subscriptions). The MWRA Library Portal supported 735 user searches (significantly less than last quarter but still greater than any quarter in FY2024) on topics including construction contracts, odor control, and reservoir history.

Record Center (RC): Added 24 new boxes to the RC and handled 242 total boxes. The RC Manager attended 2 virtual RCB meetings, worked with multiple departments on Dispositioning records, and held 14 class sessions for staff on Record Management training. The RC performed database/physical box searches for various departments. Research included Engineering documents, staff summaries, personnel files, Law requests, invoices, and various construction contracts/projects.

MIS Training: In Q2, 20 online IT lessons were taken (30 YTD), by 28 employees (46 YTD).

Applications

ECM/Electronic Document Management: Vendor completed build and Internal testing has begun for all three Staff Summary types (Purchasing, Professional and Construction/Non-Professional). MIS finalized the business requirements for the Contract Requisition process and submitted them to the vendor to begin work. Continued to gather requirements for the Policy workflow and working to migrate the remaining InfoStar data into ECM in the hopes of formally retiring InfoStar at the end of this project.

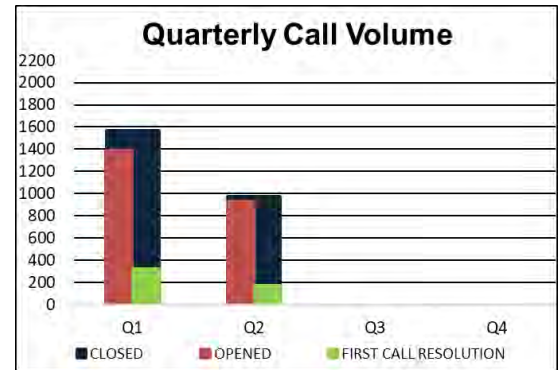
Infor Upgrade/Migration: MIS development staff continued to work through the project tasks, developing the reports, integrations and configurations required by MWRA end users. Systems Integration Testing continued thru December and is progressing in a satisfactory manner. MIS also continued to perform the analysis and development related to integrating the MWRA Custom applications and Maximo Asset Management application with the cloud version of Infor Lawson (CloudSuite). MIS, end users and the project vendor (RPI) also identified requested functionality not in the original project scope so that a decision to allocate resources to their development can be made by management.

Maximo/Lawson Interface: MIS worked with the vendor (IBM) and end users to resolve issues related to the implementation of the Maximo-Lawson interfaces and Maximo Upgrade projects and will continue to work with them to resolve any remaining open issues. MIS and the Infor CloudSuite project vendor (RPI) have also continued developing the integrations needed with Maximo when Lawson is migrated to the SaaS environment (CloudSuite).

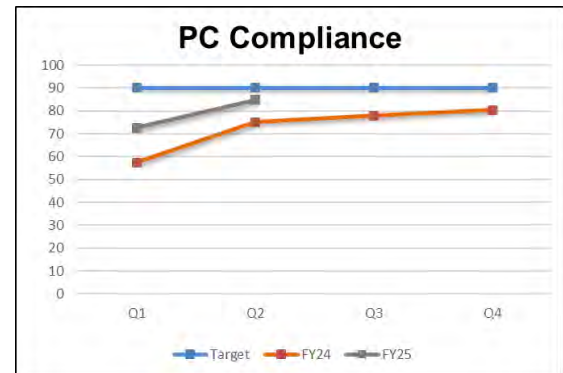
PI ProcessBook Upgrade (dataParc): After reviewing product demonstrations, Operations selected dataParc to replace the obsolete ProcessBook application. The procurement was completed in October, the project kick off was held and the infrastructural requirements and design are now being established.

Debt Management Application upgrade: Finance has selected the DebtBook application to replace the obsolete Munease application to manage MWRA bond issues. Procurement was completed in September and implementation work is now occurring with the Finance team and vendor (DebtBook).

Numbers & Statistics



Summary of calls managed by the Helpline.



Percentage of user endpoints that are in compliance with system updates. These numbers are a direct reflection of accessibility to these systems. Daytime patching began in January for mobile devices.

Legal Matters
2nd Quarter - FY25

PROJECT ASSISTANCE

Real Estate, Contract, Energy, Environmental, and Other Support:

- **8(m) Permits and License Agreements:** Reviewed seventy-eight (78) 8(m) permits, including any related MEPA Section 61 Findings. Drafted and finalized third amendment to MWRA and Massachusetts Institute of Technology License Agreement. Reviewed Direct Connection Permit 24-10-205DC - proposed 8-inch PVC gravity sanitary line to connect into MWRA System at Station 113+59 of MWRA Section 52 in Arlington.
- **Real Property:** Revised MOA between MWRA, the City of Lynn, and a developer with respect to certain easements and underground stormwater storage units on a parcel of land in Lynn where easements are needed for Contract 7454 - Section 56 Water Pipeline Replacement Project. Revised eminent domain orders of takings, revised grant of easement documents, and drafted staff summaries related to property rights, which are needed for Contract 7454 - Section 56 Water Pipeline Replacement Project. Revised grant of easements document from MBTA to MWRA related to MWRA Contract No. 7722 – Northern Extra Sections 45 and 63 in Lexington, MA. Reviewed draft easement plans for Contract 7216, Interceptor Renewal No. 7 Malden-Melrose (Sections 41/42/49/54/65). Reviewed easement areas needed for MWRA Contract No. 6543 - WASM 3 CP-2 project in Waltham. Reviewed and finalized package for Quabbin Watershed WPR Acquisition W-001258 in Barre, MA and verified acreage, parcel references and corrections to various instruments in preparation for closing and recording. Reviewed various property interests for Metropolitan Water Tunnel Program and prepared summaries and property maps. Reviewed lease and supplementary documents for Core Storage Shed and drafted correspondence. Assisted staff concerning parcel of land in Framingham under MWRA's care, custody, and control. Drafted template for notices of offer for Contract 7216, Interceptor Renewal No. 7 Malden-Melrose (Sections 41/42/49/54/65). Revised confirmatory release deed for property in Chelsea.
- **Environmental:** Assisted environmental program in securing a Wetlands Protection Act Order of Conditions for the Section 56 Water Pipeline Replacement Project. Reviewed EPA *Designation of Certain Stormwater Discharges in the Commonwealth of Massachusetts*; and *Draft Permit under the National Pollutant Discharge Elimination System of the Clean Water Act*. Reviewed and revised draft Water Supply Continuation Agreements with nine (9) municipalities including Cambridge, Canton, Framingham, Lynn Water and Sewer, Needham, Northborough, Peabody, Weston, and Winchester. Assisted with preparation of the Supplemental Report and related filings in the Boston Harbor Case.
- **Energy:** Assisted energy program and finalized contract terms regarding electricity supply for MWRA profile accounts. Assisted Internal Audit with review of the anticipated capacity and support filing for calendar year 2025. Prepared necessary filings and correspondence concerning the Harbor Electric Energy Corporation proposed 2025 Capacity and Support Charge filing, D.P.U. 24-175. Assisted with responses to requests for Tax Code Section 179D allocations regarding certain design work at MWRA facilities.
- **Miscellaneous:** Reviewed documents for submission to Records Conservation Board for disposition. Updated information for records management training materials. Drafting verification

form for departmental use in records management review. Reviewed terms of construction contract and various documents concerning dispute and provided assistance to staff. Finalized revisions to agreement and exhibits for Turkey Hill permit renewal. Revised watershed land acquisition program memorandum. Drafted first amendments to the Memoranda of Understanding with the City of Quincy and the Town of Winthrop. Reviewed records management documents; preparing procedures and verification form for departmental use in records management review. Reviewed correspondence, construction contract and various documents concerning dispute. Reviewed draft regulations for Open Space Act and discussed provisions with staff for anticipated MWTP property acquisitions. Drafted letter for title exam services. Reviewed correspondence, construction contract and prepared documents for dispute resolution.

- **Public Records Requests:** During the 2nd Quarter FY 2025, MWRA received and responded to one hundred sixty-two (162) public records requests.

LITIGATION/CLAIMS

- **New Lawsuits:**

There are six new cases in 2nd Quarter FY 2025.

IPC Lydon, LLC v. MWRA; Suffolk Superior Court C.A. No. 2484CV02946

This action involves claims for alleged extra time and compensation by the Plaintiff contractor IPC Lydon, LLC ("IPCL") related to MWRA Contract 7704, Clinton Influent Screw Pumps, Clinton Wastewater Treatment Plant. IPCL alleges Breach of Contract, Breach of Implied Covenant of Good Faith and Fair Dealing seeks an order compelling the MWRA to issue a decision on IPCL's outstanding claim. IPCL seeks damages in the amount of \$448,305.53.

Gritstone Bio, LLC; District of Delaware, Chapter 11 Case No. 24-12305 (KBO)

This is a bankruptcy action in which MWRA received a Ch. 11 Notice of Proposed Sale on Nov 26th. The debtor is a TRAC permittee. The Deadline to Object to the Debtor's Request to Approve the Sale of Purchased Assets free and clear of all encumbrances was December 4, 2024.

Perry Fiberglass Products, Inc. v. MWRA; Suffolk Superior Court C.A. No. 2484CV02841

Perry Fiberglass, a subcontractor to General Contractor Walsh Construction, filed a lawsuit against the Authority on October 29, 2024 alleging that it is due additional compensation for the increased cost of materials it provided in connection with Contract 7548 – Nut Island Headworks Odor Control and HVAC Improvements. Perry Fiberglass alleges breach of contract and seeks damages of \$1,721,440.00.

KP Advisory Group Brady ABC; Brady Enterprises, Inc.

On October 17, 2024, MWRA received Brady Enterprises, Inc.'s Assignment for the Benefit of Creditors. After investigation, MWRA determined that it has no claim against this debtor.

Massachusetts Water Resources Authority v. Massachusetts Department of Environmental Protection, Suffolk Sup. Ct. No. 2484CV02837

On October 28, 2024, the Authority filed a certiorari action in Superior Court to challenge the discharge limit set forth in DEP's Final Determination to Adopt a Water Quality Standards Variance for Combined Sewer Overflow Discharges to Alewife Brook/Upper Mystic River Basin and Final Determination to Adopt a Water Quality Standards Variance for Combined Sewer

Overflow Discharges to Lower Charles River/Charles Basin with respect to certain CSO outfalls. Related are *In the Matters of Massachusetts Water Resources Authority Challenge to Certain Conditions in Alewife Brook/Upper Mystic River Basin and Lower Charles River/Charles River Basin Variances*, OADR Nos. 2024-029 and 2024-030 in which the Authority filed notices of claim for adjudicatory appeal and requests for adjudicatory hearing with DEP's Office of Appeal and Dispute Resolution.

Mozynski, Azurde, USBC- District of MA, Case No. 24-41210

On December 30, the Authority received a Notice of Chapter 13 Bankruptcy.

- **New Claims:**

There was one new claim in 2nd Quarter FY 2025.

Adrian Danemayer, MVA. Law Division received a Demand package on October 28, 2024 claiming alleged personal injuries and property damage arising out of a motor vehicle accident involving an MWRA vehicle and a bicycle near Storrow Drive on May 9, 2024. The claim was settled by MWRA paying \$35,000 in exchange for a full release of all claims.

- **Significant Developments:**

MWRA v. Baldwin Energy, LLC & Hanover Insurance Co.; Suffolk Superior Court C.A. No. 2484CV01019-BLS2. The Court scheduled a Litigation Control Conference for February 11, 2025.

Barletta Heavy Division, Inc. ("BHD") v. MWRA; Suffolk Superior Court C.A. No. 2484CV02185 BLS2. The Court scheduled a Litigation Control Conference for January 8, 2025.

Perry Fiberglass Products, Inc. v. MWRA; Suffolk Superior Court C.A. No. 2484CV02841. On December 11, MWRA served a Motion Dismiss on Plaintiff, Perry Fiberglass. Perry's Opposition to MWRA's Motion to Dismiss is due on January 6, 2025.

United States of America v. Metropolitan District Commission, et al., USDC No. 85-0489- RGS (Boston Harbor Case)

On December 27, MWRA filed its Supplement to 2021 Final Combined Sewer Overflow Post Construction Monitoring Program and Performance Assessment Report.

- **Closed Cases:**

KP Advisory Group Brady ABC; Brady Enterprises, Inc.

On October 17, 2024, MWRA received Brady Enterprises, Inc.'s Assignment for the Benefit of Creditors. There is no MWRA claim.

In re: Invivo Therapeutics Corp., et al.; District of Delaware, Case No. 24-10137 (MFW) This is a Chapter 11 bankruptcy matter. On July 26, 2024, MWRA received Notice of Entry of the Order approving disclosure statement. There is no MWRA claim.

- **Closed Claims:**

There is one Closed Claim to report.

Adrian Danemayer, MVA

Law Division received a Demand package on October 28, 2024 claiming alleged personal injuries and property damage arising out of a motor vehicle accident involving an MWRA vehicle and a bicycle near Storrow Drive on May 9, 2024. This claim settled for \$35,000 in November 2024.

- **Subpoenas:**

During the 2nd Quarter of FY 2025, one new subpoena was received. There are two pending subpoenas.

SUMMARY OF PENDING LITIGATION MATTERS

| TYPE OF CASE/MATTER | As of Dec 2024 |
|---|-------------------------------|
| Construction/Contract/Bid Protest | 5 |
| Tort/Labor/Employment | 1 |
| Environmental/Regulatory/Other | 3 |
| Eminent Domain/Real Estate | 0 |
| TOTAL | 9 |
| Other Litigation matters (restraining orders, etc.) - Class Action suits | 5 |
| TOTAL – all pending lawsuits | 14 |
| Claims not in suit | 0 |
| Bankruptcy | 7 |
| Wage Garnishment | 1 |
| TRAC/Adjudicatory Appeals | 2 |
| Subpoenas | 2 |
| TOTAL – ALL LITIGATION MATTERS | 26 |

TRAC/MISC. ADMIN. APPEALS

- **Appeals Pending:**

There are two pending TRAC appeals in 2nd Quarter FY 2025:

1058 Beacon Street, Newton, MA; MWRA Docket No. 22-01

Tri-Town Regional Water District; MWRA Docket No. 23-03

**Settlement by
Agreement of
Parties**

There was one Settlement by Agreement of the Parties during the 2nd Quarter FY 2025.

Courtyard Marriott Boston Downtown; MWRA Docket No. 23-04.

**Stipulation of
Dismissal**

No Stipulations of Dismissal in 2nd Quarter FY 2025.

**Notice of
Dismissal
Fine paid in full**

No Notices of Dismissal, Fines Paid in Full in 2nd Quarter FY 2025.

Tentative

No Decisions were issued in 2nd Quarter FY 2025.

**Final
Decisions**

No Final Decisions were issued in 2nd Quarter FY 2025.

LABOR AND EMPLOYMENT

New Matters

- An employee filed a charge of discrimination based upon age and race at the Equal Employment Opportunities Commission.
- A union filed a request for arbitration of a grievance asserting that MWRA's issuance of a 10 day suspension to an employee violated the collective bargaining agreement.

Significant Developments

- The MCAD issued a finding of lack of probable cause and dismissed an employee's charge of discrimination based upon sexual orientation, gender identity and retaliation.

Matters Concluded

- A union withdrew a grievance and request for arbitration in which the Union alleged that the MWRA did not offer an employee overtime in violation of the collective bargaining agreement.
- The Department of Unemployment Assistance modified its prior determination after hearing to reflect that a former employee is eligible for unemployment benefits thereby ruling against the MWRA and awarding the former employee unemployment benefits.

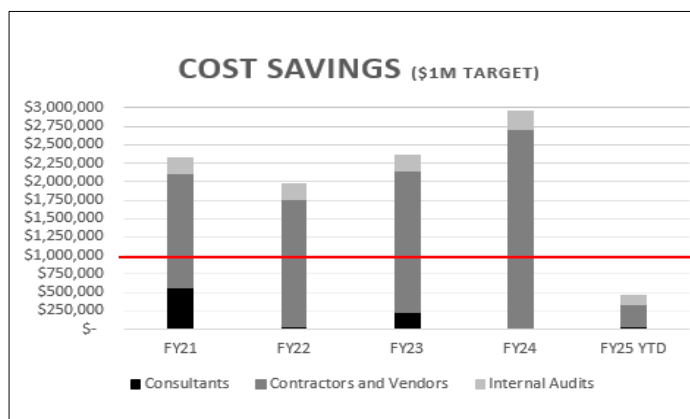
INTERNAL AUDIT AND CONTRACT AUDIT ACTIVITIES

2nd Quarter - FY25

Purpose

Internal Audit evaluates the effectiveness of internal controls and procedures and monitors the quality, efficiency and integrity of the Authority's operating and capital programs. Through our audits and reviews, we assess whether internal controls are functioning as intended and that only reasonable, allowable and allocable costs are paid to consultants, contractors and vendors.

| Cost Savings | FY25 YTD |
|-------------------------|-----------|
| Consultants | \$33,798 |
| Contractors and Vendors | \$303,514 |
| Internal Audits | \$122,972 |
| Total | \$460,284 |



Highlights

During the 2nd quarter FY25, Internal Audit (IA) completed a consultative analysis of telework compliance. In addition, an audit of MWRA Inflow/Infiltration (I/I) Local Financial Assistance Program is progressing.

In addition, IA completed 1 incurred cost audit and 2 labor burden reviews. There are 6 incurred cost audits, 1 labor burden review, and 2 consultant preliminary review in process. IA also issued 30 indirect cost rate letters to consultants following a review of their consultant disclosure statements.

A review of Needham Core Shed lease for 2023 is being finalized.

Status of Recommendations

During FY25, 6 recommendations were closed.

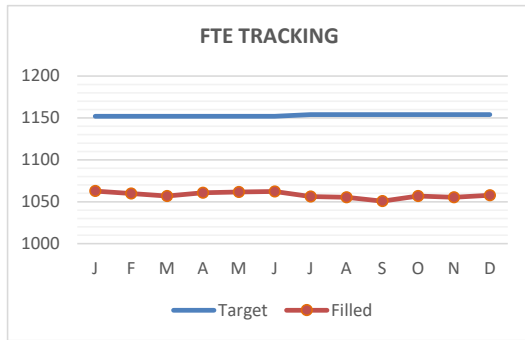
IA follows-up on open recommendations on a continuous basis. All open recommendations have target dates for implementation and are generally targeted to be closed within 12 months of the audit report issue date.

| Report Title (issue date) | Audit Recommendations | | |
|--------------------------------------|-----------------------|-----------|-----------|
| | Open | Closed | Total |
| Accounts Payable Process (3/14/2024) | 2 | 4 | 6 |
| MWRA Payroll (3/19/2024) | 1 | 2 | 3 |
| MIS Asset Management (6/28/2024) | 2 | 5 | 7 |
| Total Recommendations | 5 | 11 | 16 |

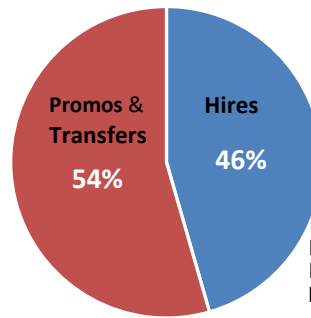
OTHER MANAGEMENT

Workforce Management

2nd Quarter - FY25



Position Filled by Hires/Promos & Transfer for YTD



| | Pr/Trns | Hires | Total |
|------|-----------|----------|-------|
| FY23 | 133 (59%) | 91 (41%) | 224 |
| FY24 | 117 (56%) | 93 (44%) | 210 |
| FY25 | 55 (54%) | 46 (46%) | 101 |

FY25 Budget for FTE's = 1154

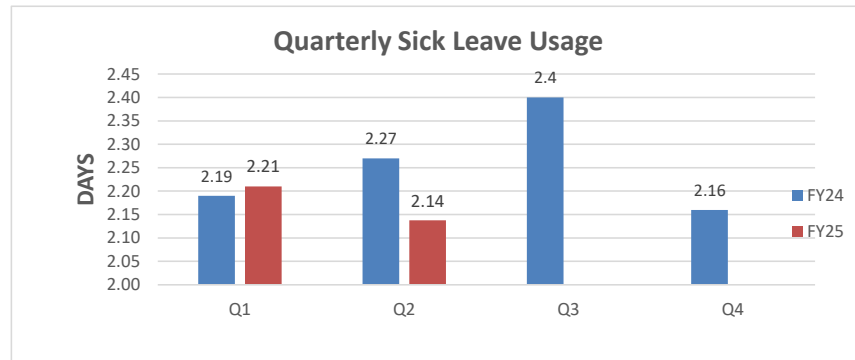
FTE's as of Dec = 1057.7

Tunnel Redundancy as of Dec 2024 = 8

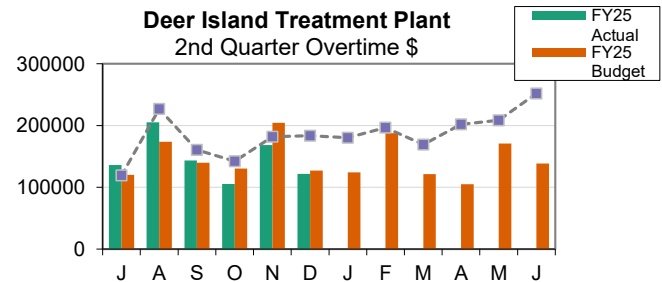
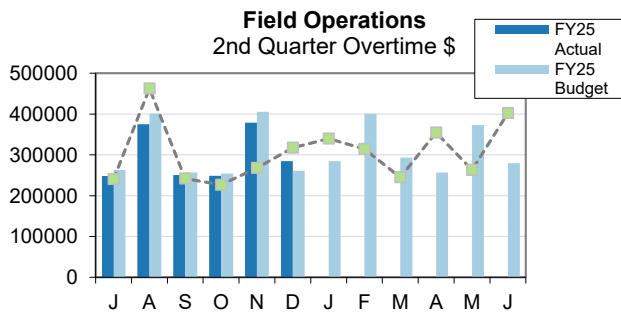
POSITION CHANGE by FY

| FY | HIRES | PROMOS | TRANSFER | RETIRE | RESIGN | DISMISS | DECEASED |
|-------|-------|--------|----------|--------|--------|---------|----------|
| FY21 | 64 | 66 | 15 | 58 | 15 | 2 | 2 |
| FY22 | 65 | 108 | 30 | 82 | 45 | 2 | 3 |
| FY23 | 91 | 118 | 15 | 46 | 31 | 5 | 5 |
| FY24 | 93 | 97 | 20 | 48 | 30 | 5 | 4 |
| FY25* | 46 | 45 | 10 | 39 | 12 | 3 | 1 |

* as of 12/31/2024



Average quarterly sick leave for the 2nd Quarter of FY25 has decreased compared to the 2nd Quarter of FY24 (2.14 from 2.27)



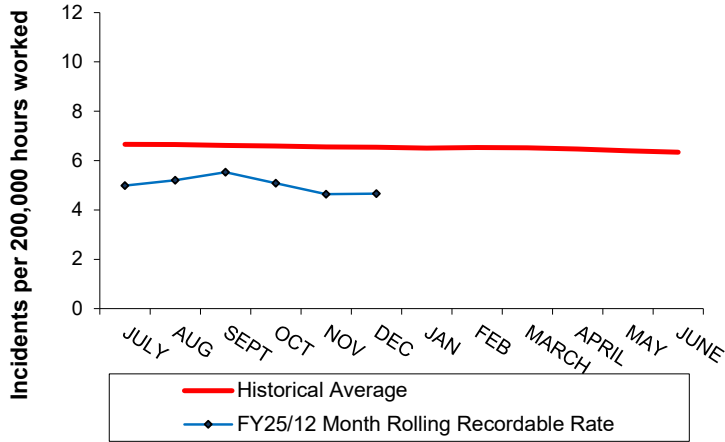
Total Overtime for Field Operations for Second Quarter (Q2) (FY25) was \$912k, which is \$8.7k or 1% under budget. Lower than anticipated rain events contributed to lower spending in Q2. Rain events totaled \$99k, or 21% of Emergency for FOD in Q2. Total Planned Scheduled Maintenance was \$464k, which was comprised of Work Completion OT of \$37k; Planned Off Hours OT of \$153k. Operator Coverage OT for Q2 was \$194k; Community Assistance, i.e., community water fountain support and as-needed cities and towns emergency

Total overtime for Deer Island for the second quarter (Q2) (FY25) was \$395k, which is (\$67k) or (14.4%) under budget - due to **(\$44k) Shift Coverage** - driven by (\$41k) Thermal & (\$3k) Wastewater Ops. **(\$25k) Storm Coverage**. Offset by **\$2.1k Planned/Unplanned**.

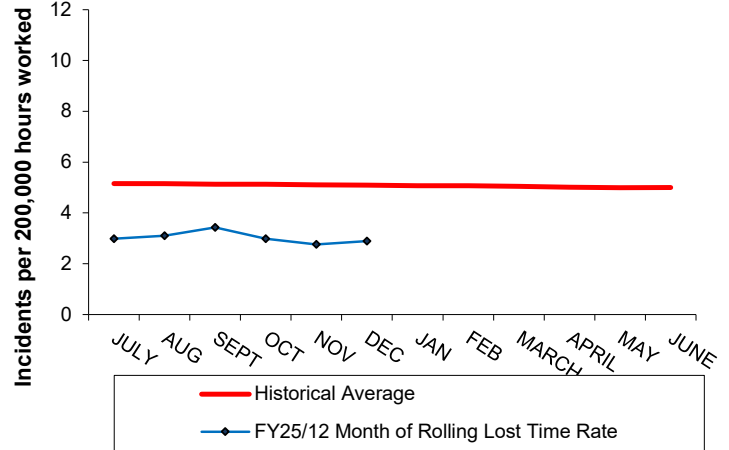
Workplace Safety

2nd Quarter - FY25

Recordable Injury & Illness Rates



Lost Time Injury & Illness Rates

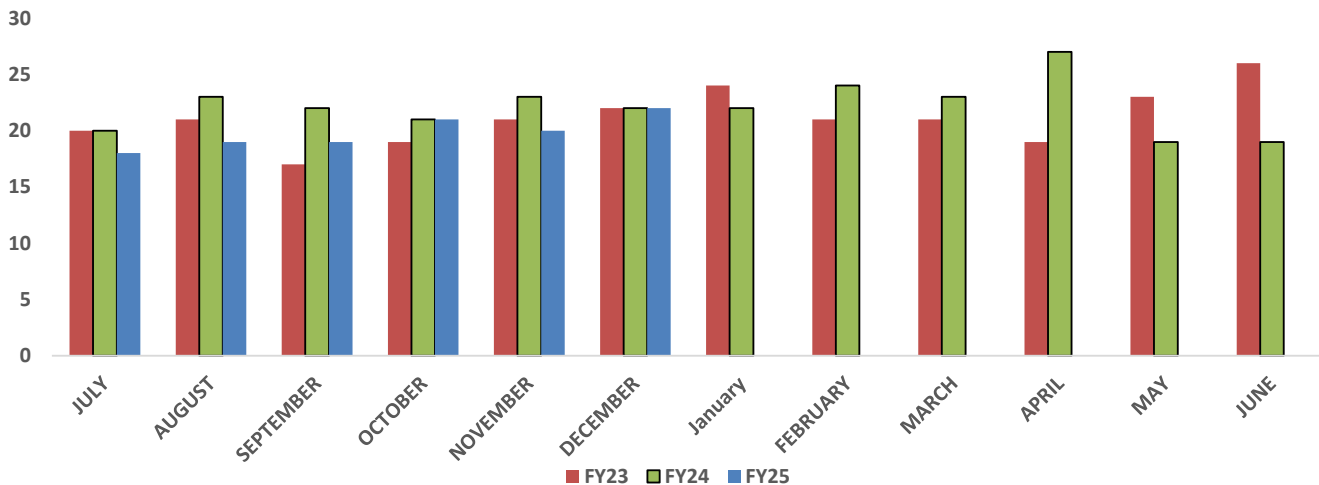


- 1 "Recordable" incidents are all work-related injuries and illnesses which result in death, loss of consciousness, restriction of work or motion, transfer to another job, or require medical treatment beyond first aid. Each month this rate is calculated using the previous 12 months of injury data.
- 2 "Lost-time" incidents, a subset of the recordable incidents, are only those incidents resulting in any days away from work, days of restricted work activity or both - beyond the first day of injury or onset of illness. Each month this rate is calculated using the previous 12 months of injury data.
- 3 The "Historical Average" is computed using the actual MWRA monthly incident rates for FY04 through FY24

WORKERS COMPENSATION HIGHLIGHTS

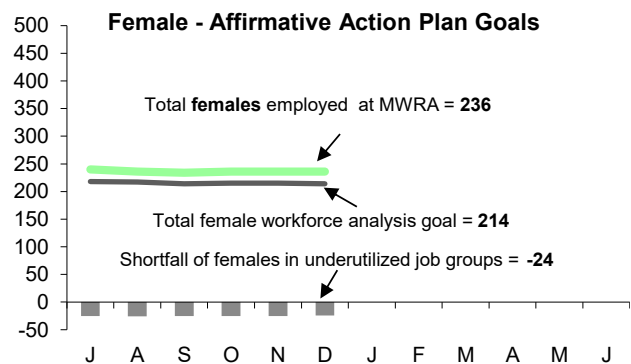
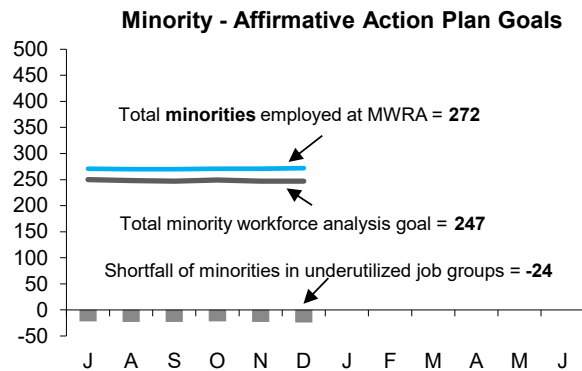
| | | 2nd Quarter Info as of 12.31.24 | | |
|---|--|------------------------------------|--------|-------------|
| | | New | Closed | Open Claims |
| Lost Time | | 3 | 2 | 27 |
| Medical Only | | 3 | 0 | 107 |
| Report Only | | 3 | 2 | |
| | | QYTD | | FYTD |
| Regular Duty Returns | | 5 | | 5 |
| Light Duty Returns | | 1 | | 1 |
| Indemnity payments as of December 2024 included in open claims listed | | | | 22 |

INDEMNITY CLAIMS



MWRA Job Group Representation

2nd Quarter - FY25



Highlights:

At the end of Q2 FY25, 5 job groups or a total of 24 positions are underutilized by minorities as compared to 6 job groups for a total of 28 positions at the end of Q2 FY24; for females 8 job groups or a total of 24 positions are underutilized by females as compared to 6 job groups or a total of 26 positions at the end of Q2 FY24. During Q2, 7 minorities and 8 females were hired. During this same period 5 minorities and 6 females were terminated.

Underutilized Job Groups - Workforce Representation

| Job Group | Employees as of 12/31/2024 | Minorities as of 12/31/2024 | Achievement Level | Minority Over or Underutilized | Females As of 12/31/2024 | Achievement Level | Female Over or Underutilized |
|-------------------|----------------------------------|-----------------------------------|----------------------|--------------------------------------|--------------------------------|----------------------|------------------------------------|
| Administrator A | 23 | 4 | 3 | 1 | 10 | 6 | 4 |
| Administrator B | 25 | 4 | 6 | -2 | 7 | 10 | -3 |
| Clerical A | 21 | 9 | 4 | 5 | 16 | 15 | 1 |
| Clerical B | 23 | 6 | 3 | 3 | 4 | 6 | -2 |
| Engineer A | 81 | 16 | 20 | -4 | 18 | 22 | -4 |
| Engineer B | 58 | 20 | 14 | 6 | 20 | 11 | 9 |
| Craft A | 114 | 19 | 24 | -5 | 0 | 4 | -4 |
| Craft B | 125 | 25 | 25 | 0 | 0 | 5 | -5 |
| Laborer | 58 | 14 | 15 | -1 | 6 | 2 | 4 |
| Management A | 86 | 19 | 19 | 0 | 31 | 25 | 6 |
| Management B | 35 | 10 | 7 | 3 | 6 | 8 | -2 |
| Operator A | 63 | 4 | 16 | -12 | 4 | 7 | -3 |
| Operator B | 69 | 24 | 11 | 13 | 4 | 2 | 2 |
| Professional A | 28 | 8 | 7 | 1 | 14 | 13 | 1 |
| Professional B | 168 | 54 | 50 | 4 | 71 | 58 | 13 |
| Para Professional | 43 | 16 | 11 | 5 | 18 | 12 | 6 |
| Technical A | 47 | 18 | 11 | 7 | 6 | 7 | -1 |
| Technical B | 4 | 2 | 1 | 1 | 1 | 1 | 0 |
| Total | 1071 | 272 | 247 | 49/-24 | 236 | 214 | 46/-24 |

AACU Candidate Referrals for Underutilized Positions

| Job Group | Job Title | # of Vacancies | Requisition Internal/ External | Promotions/ Transfers | AACU Referral External | Position Status = New Hire/Promotion |
|-----------------|--------------------------------|-------------------|--------------------------------------|--------------------------|------------------------------|---|
| Administrator B | Director WW Operations & Maint | 1 | Int./Ext. | 1 | 0 | PROMO = WM |
| Clerical B | Records Coordinator, TRAC | 1 | Ext. | 0 | 0 | NH = WF |
| Engineer A | Sr Monitoring & Control Eng | 1 | Ext. | 0 | 0 | NH = WM |
| Engineer A | Project Engineer (Ops Eng) | 1 | Ext. | 0 | 0 | NH = WM |
| Engineer A | Program Mgr, Structural Eng | 1 | Int./Ext. | 1 | 0 | PROMO = WF |
| Craft A | Chief Pipeline Maintenance | 1 | Int. | 1 | 0 | PROMO = WM |
| Craft A | Unit Supervisor-HVAC | 1 | Int. | 1 | 0 | PROMO = AM |
| Craft A | M & O Specialist - Wastewater | 1 | Int./Ext. | 1 | 0 | PROMO = WM |
| Craft A | WDS General Foreman | 1 | Int. | 1 | 0 | PROMO = WM |
| Craft A | WSS Foreman | 1 | Int. | 1 | 0 | PROMO = HM |
| Craft B | Med Volt Electrical Specialist | 1 | Int./Ext. | 1 | 0 | PROMO = WM |
| Craft B | Facilities Specialist | 4 | Int./Ext. | 2 | 2 | NH = 2WM, PROMO= 1WM, 1BM |
| Laborers | OMC Laborer | 2 | Ext. | 0 | 0 | NH = 2WM |
| Laborers | Building/Grounds Worker | 4 | Ext. | 0 | 0 | NH = 2WM, 1HM, 1WF |
| Management B | Project Manager | 1 | Int./Ext. | 1 | 0 | PROMO= WF |
| Operator A | Transmission & Treatment Opera | 1 | Int./Ext. | 0 | 0 | NH= WM |
| Technical A | Super Water/WW Meter Maint | 1 | Int./Ext. | 1 | 0 | PROMO= WM |
| Technical A | Technical Superv, Meter Maint | 1 | Int. | 1 | 0 | PROMO= BM |

Minority/Women-Owned Business Enterprise (MBE/WBE) Expenditures

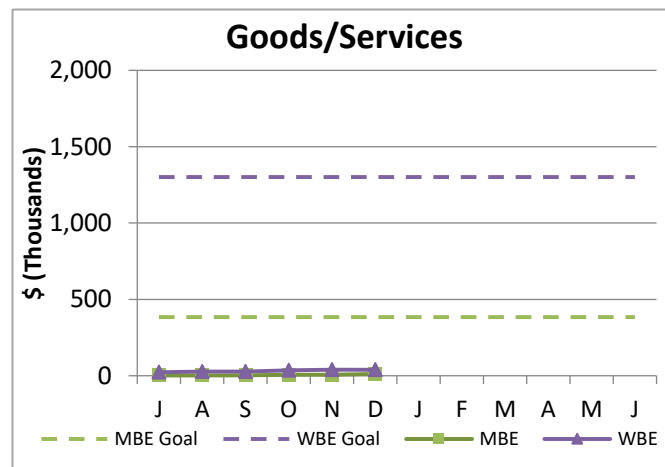
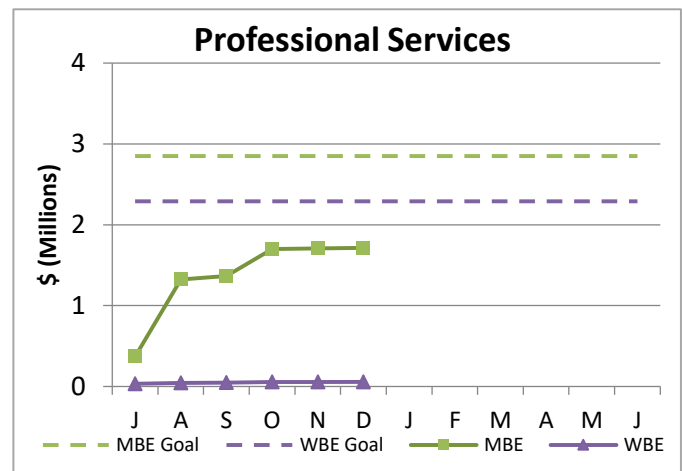
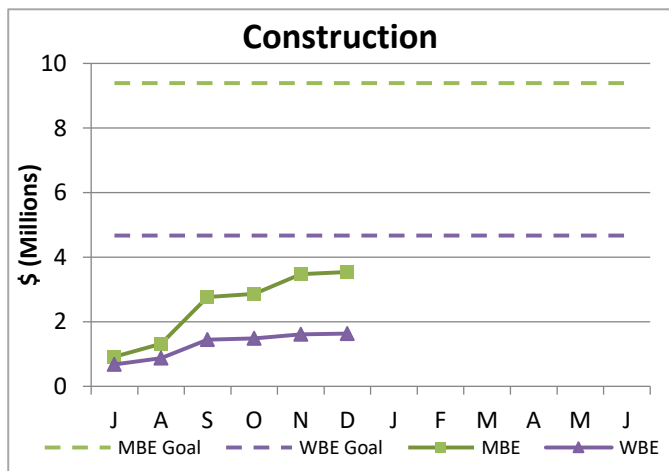
2nd Quarter – FY25

MBE/WBE targets are set based on annual MWRA expenditure forecasts for construction, professional services, and goods/services. Percentage goals are applied to 85% of the total construction and 75% of the total professional services projected spending for the year. Certain projects that do not meet the established monetary thresholds and/or have limited opportunities for subcontracting have been excluded as they have no MBE/WBE spending goals.

Construction: 7.24% MBE / 3.6% WBE

Professional Services: 7.18% MBE / 5.77% WBE

Spending goals for Goods and Services are based on the average spending of MBE/WBE dollars during the previous 5 years. MBE/WBE percentage goals are established according to an internal 2002 Availability Analysis and MassDEP's annual Availability Analysis. Consistent with this guidance, Non-Professional Services are included in Goods/Services category.



| MBE | | | |
|-------------|-----------|-------------|-----------|
| FY25 YTD | | FY24 YTD | |
| Amount | % of goal | Amount | % of goal |
| \$3,540,101 | 37.7% | \$1,701,938 | 22.1% |
| \$1,714,343 | 60.2% | \$1,366,350 | 29.7% |
| \$11,619 | 2.5% | \$123,536 | 30.3% |
| \$5,266,063 | 41.7% | \$3,191,824 | 25.1% |

Const.
Prof. Svcs.
Goods/Svcs.

Totals

| WBE | | | |
|-------------|-----------|-------------|-----------|
| FY25 YTD | | FY24 YTD | |
| Amount | % of goal | Amount | % of goal |
| \$1,633,212 | 35.0% | \$3,086,463 | 80.5% |
| \$56,899 | 2.5% | \$201,066 | 5.4% |
| \$39,040 | 3.0% | \$1,031,507 | 75.7% |
| \$1,729,151 | 20.9% | \$4,319,036 | 48.6% |

MWRA FY25 CEB Expenses

2nd Quarter – FY25

As of December 2024, total expenses are \$407.5 million, \$12.3 million or 2.9% lower than budget, and total revenue is \$452.4 million, \$1.9 million or 0.4% over the estimate, for a net variance of \$14.2 million.

Expenses –

Direct Expenses are \$146.0 million, \$10.0 million or 6.5% under budget.

- **Wages & Salaries** were \$9.4 million under budget or 14.5%. Regular pay is \$9.5 million under budget, largely due to lower head count. YTD through December, the average Full Time Equivalent (FTE) positions were 1,066 or 102 below the 1,168 FTE's budgeted.
- **Ongoing Maintenance** expense was \$2.6 million over budget or 11.5% due to higher than anticipated project spending as Plant & Machine Services were \$3.0 million over budget primarily due to greater than anticipated work for Deer Island Treatment Plant annual boiler maintenance and earlier than anticipated hydro wicket gate replacement work for the Deer Island Treatment Plant (DITP) Thermal Plant, Hydro Power and Wind Turbine maintenance contract, and also Deer Island Treatment Plant centrifuge maintenance.
- **Other Services** expense was \$1.2 million under budget or 7.1% primarily due to lower sludge palletization and lower grit screening expense of \$489k and \$331k, respectively, both due to lower quantities.
- **Professional Services** expense was \$912k under budget or 16.6% primarily due to lower than anticipated spending on Other Professional Services and Engineering, which are under budget by \$649k and \$158k, respectively. Lab Testing & Analysis was also under budget by \$163k.
- **Fringe Benefits** expenses are \$799k under budget or 5.8%, primarily due to lower spending for Health Insurance of \$743k, reflecting the lower than budgeted head count. As of December FTEs were 102 below budget.
- **Utilities** are under budget by \$487k or 3.3%, driven by lower electricity spending of \$659k. This underspending is due to lower T&D pricing from Eversource at DITP of \$501k and reduced demand in Field Operations of \$226k due to fewer wet weather events. Spending on water was \$200k over budget primarily due to greater than projected water usage at DITP through December.

Indirect Expenses were \$40.1 million, \$562k or 1.4% below budget driven by lower than budgeted Watershed Reimbursement of \$733k.

Capital Finance Expenses totaled \$221.4 million, \$1.8 million under budget or 0.8%. The positive variance was a result of lower than budget variable interest expense of \$1.8 million due to lower than anticipated interest rates.

Revenue and Income –

Total Revenue and Income is \$452.4 million, \$1.9 million or 0.4% over the estimate. The favorable variance was driven by Investment Income of \$14.3 million, \$1.3 million over the estimate due to higher than budgeted interest rates in addition to Other Revenue which was \$456k over budget.

| | Dec 2024 Year-to-Date | | | |
|--------------------------------------|--------------------------|------------------------|--------------------------|--------------|
| | Period 6 YTD Budget | Period 6 YTD Actual | Period 6 YTD Variance | % |
| EXPENSES | | | | |
| WAGES AND SALARIES | \$ 65,077,326 | \$ 55,648,066 | \$ (9,429,260) | -14.5% |
| OVERTIME | 3,071,741 | 2,863,105 | (208,636) | -6.8% |
| FRINGE BENEFITS | 13,677,443 | 12,878,203 | (799,240) | -5.8% |
| WORKERS' COMPENSATION | 1,036,717 | 1,199,178 | 162,461 | 15.7% |
| CHEMICALS | 10,434,270 | 10,497,945 | 63,675 | 0.6% |
| ENERGY AND UTILITIES | 14,936,649 | 14,449,368 | (487,281) | -3.3% |
| MAINTENANCE | 22,446,498 | 25,025,780 | 2,579,282 | 11.5% |
| TRAINING AND MEETINGS | 328,410 | 175,683 | (152,727) | -46.5% |
| PROFESSIONAL SERVICES | 5,506,323 | 4,594,567 | (911,756) | -16.6% |
| OTHER MATERIALS | 2,478,268 | 2,901,279 | 423,011 | 17.1% |
| OTHER SERVICES | 16,981,459 | 15,780,428 | (1,201,031) | -7.1% |
| TOTAL DIRECT EXPENSES | \$ 155,975,104 | \$ 146,013,602 | \$ (9,961,503) | -6.4% |
| INSURANCE | \$ 2,235,523 | \$ 2,370,892 | \$ 135,369 | 6.1% |
| WATERSHED/PILOT | 10,531,407 | 9,798,435 | (732,972) | -7.0% |
| HEEC PAYMENT | 4,725,101 | 4,761,181 | 36,080 | 0.8% |
| MITIGATION | 911,782 | 911,782 | - | 0.0% |
| ADDITIONS TO RESERVES | 953,139 | 953,139 | - | 0.0% |
| RETIREMENT FUND | 21,264,519 | 21,264,519 | - | 0.0% |
| POST EMPLOYEE BENEFITS | - | - | - | --- |
| TOTAL INDIRECT EXPENSES | \$ 40,621,471 | \$ 40,059,948 | \$ (561,522) | -1.4% |
| STATE REVOLVING FUND | \$ 40,075,151 | \$ 40,075,151 | \$ - | 0.0% |
| SENIOR DEBT | 149,070,903 | 149,070,903 | - | 0.0% |
| DEBT SERVICE ASSISTANCE | - | - | - | --- |
| CURRENT REVENUE/CAPITAL | - | - | - | --- |
| SUBORDINATE MWRA DEBT | 32,434,234 | 32,434,234 | - | 0.0% |
| LOCAL WATER PIPELINE CP | - | - | - | --- |
| CAPITAL LEASE | 1,608,530 | 1,608,530 | - | 0.0% |
| VARIABLE DEBT | - | (1,765,600) | (1,765,600) | --- |
| DEFERRED ACCOUNT | - | - | - | --- |
| DEBT PREPAYMENT | - | - | - | --- |
| TOTAL CAPITAL FINANCE EXPENSE | \$ 223,188,818 | \$ 221,423,218 | \$ (1,765,600) | -0.8% |
| TOTAL EXPENSES | \$ 419,785,393 | \$ 407,496,768 | \$ (12,288,625) | -2.9% |
| REVENUE & INCOME | | | | |
| RATE REVENUE | \$ 427,744,000 | \$ 427,744,000 | \$ - | 0.0% |
| OTHER USER CHARGES | 5,367,690 | 5,520,646 | 152,956 | 2.8% |
| OTHER REVENUE | 4,325,472 | 4,781,842 | 456,370 | 10.6% |
| RATE STABILIZATION | - | - | - | --- |
| INVESTMENT INCOME | 13,056,720 | 14,323,529 | 1,266,809 | 9.7% |
| TOTAL REVENUE & INCOME | \$ 450,493,882 | \$ 452,370,017 | \$ 1,876,136 | 0.4% |

Cost of Debt

2nd Quarter – FY25

MWRA borrowing costs are a function of the fixed and variable tax exempt interest rate environment, the level of MWRA's variable interest rate exposure and the perceived creditworthiness of MWRA. Each of these factors has contributed to decreased MWRA borrowing costs since 1990.

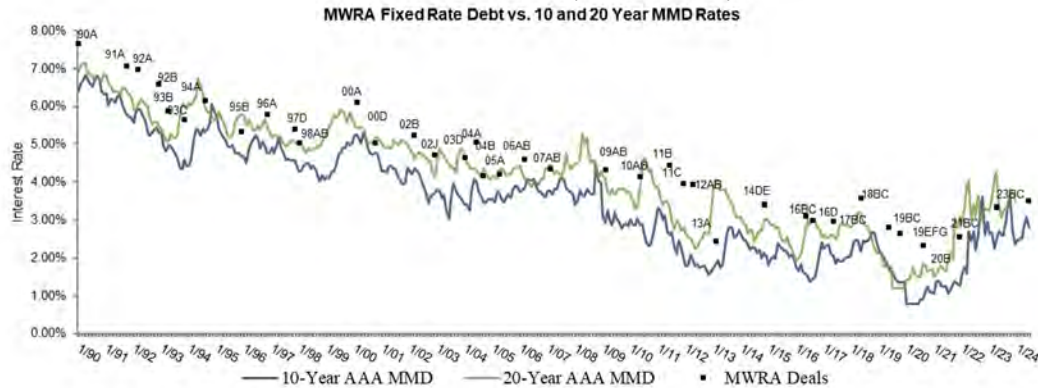
Average Cost of MWRA Debt FYTD

| | |
|---------------------------------|-------|
| Fixed Debt (\$2.76 billion) | 3.25% |
| Variable Debt (\$334.8 million) | 3.71% |
| SRF Debt (\$675.81 million) | 1.78% |

Weighted Average Debt Cost (\$3.77 billion) 3.03%

Most Recent Senior Fixed Debt Issue April 2024

2024 Series B and C (\$445.5 million) 3.49%

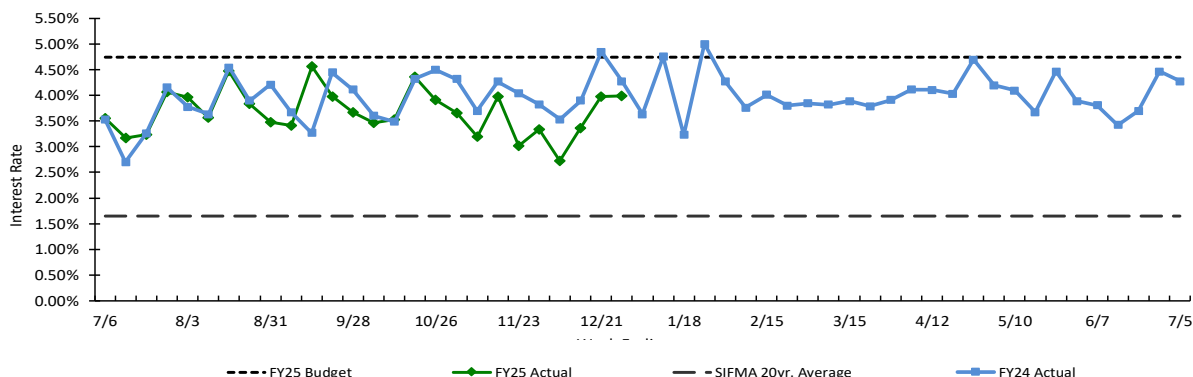


| | | | | | | | | | | | | | | |
|-----------|----------|----------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Bond Deal | 1998AB | 2000A | 2000D | 2002B | 2002J | 2003D | 2004A | 2004B | 2005A | 2006AB | 2007AB | 2009AB | 2010AB | 2011B |
| Rate | 5.04% | 6.11% | 5.03% | 5.23% | 4.71% | 4.64% | 5.05% | 4.17% | 4.22% | 4.61% | 4.34% | 4.32% | 4.14% | 4.45% |
| Avg Life | 24.4 yrs | 26.3 yrs | 9.8 yrs | 19.9 yrs | 19.6 yrs | 18.4 yrs | 19.6 yrs | 13.5 yrs | 18.4 yrs | 25.9 yrs | 24.4 yrs | 15.4 yrs | 16.4 yrs | 18.8 yrs |

| | | | | | | | | | | | | | | |
|-----------|----------|----------|---------|----------|----------|---------|----------|---------|---------|-----------|----------|----------|-----------|-----------|
| Bond Deal | 2011C | 2012AB | 2013A | 2014D-F | 2016BC | 2016D | 2017BC | 2018BC | 2019BC | 2019EFG | 2020B | 2021BC | 2023BC | 2024BC |
| Rate | 3.95% | 3.93% | 2.45% | 3.41% | 3.12% | 2.99% | 2.98% | 3.56% | 2.82% | 2.66% | 2.33% | 2.56% | 3.35% | 3.49% |
| Avg Life | 16.5 yrs | 17.9 yrs | 9.9 yrs | 15.1 yrs | 17.4 yrs | 18.8yrs | 11.2 yrs | 11.7yrs | 11.9yrs | 9.73 yrs. | 15.6 yrs | 12.2 yrs | 10.45 yrs | 10.53 yrs |

Weekly Average Variable Interest Rates vs. Budget

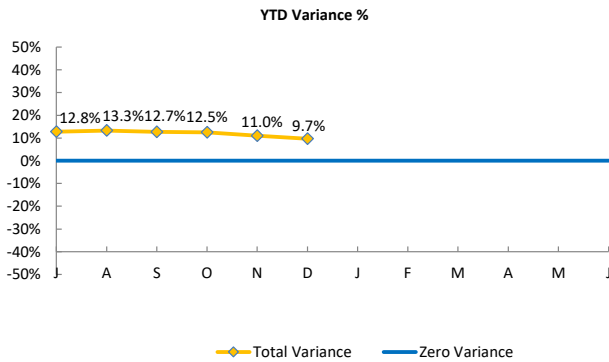
MWRA currently has eight variable rate debt issues with \$334.8 million outstanding, excluding commercial paper. Variable rate debt has been less expensive than fixed rate debt in recent years as short-term rates have remained lower than long-term rates on MWRA debt issues. In December, the Securities Industry and Financial Markets Association rate ranged from a high of 3.620% to a low of 2.150% for the month. MWRA's issuance of variable rate debt, although consistently less expensive in recent years, results in exposure to additional interest rate rise as compared to fixed rate debt.



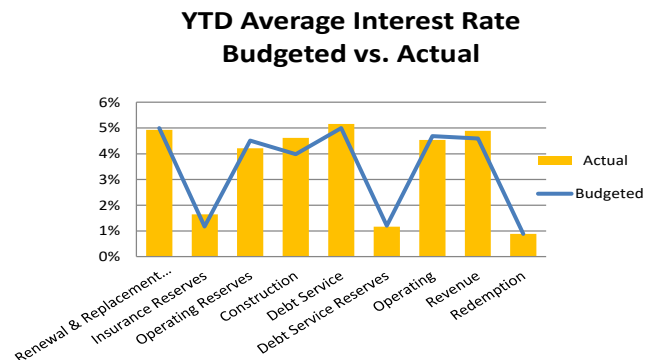
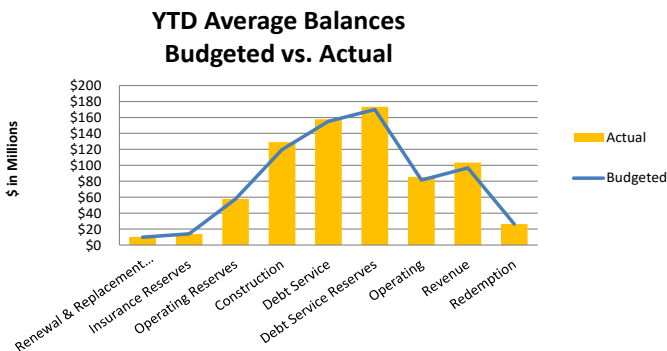
Investment Income

2nd Quarter – FY25

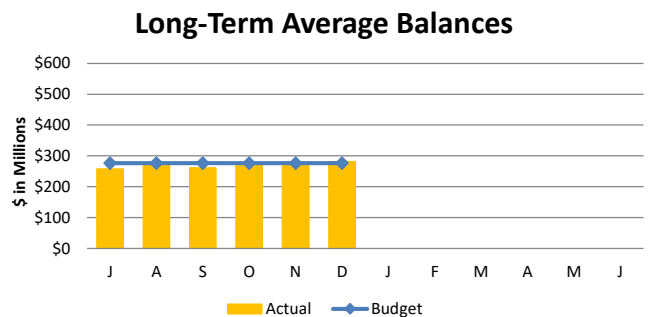
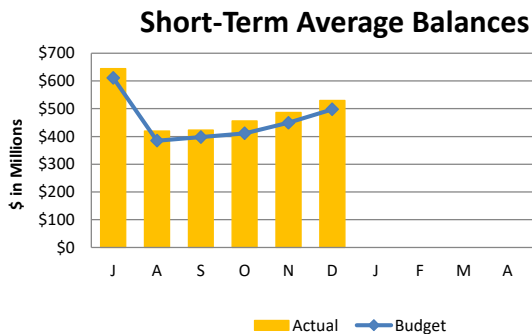
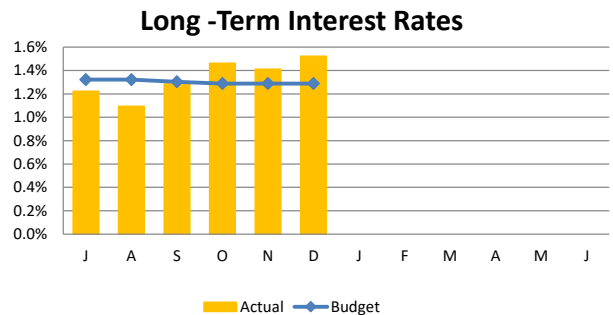
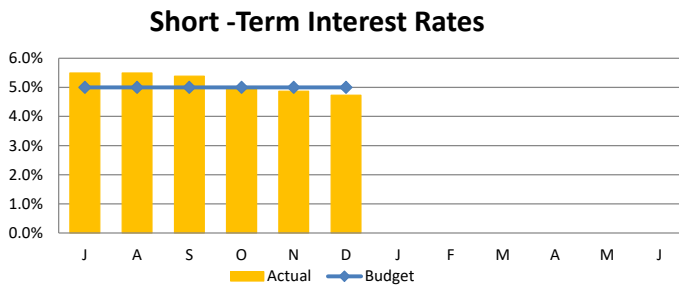
- YTD variance is 9.7%, \$1.3 million, over budget primarily due to higher than budgeted interest rates.



| | YTD BUDGET VARIANCE | | | |
|--------------------------------|---------------------|--------------|----------------|-------------|
| | (\$000) | | | |
| | BALANCES IMPACT | RATES IMPACT | TOTAL | % |
| Renewal & Replacement Reserves | \$6 | -\$4 | \$3 | 1.0% |
| Insurance Reserves | \$0 | \$33 | \$33 | 40.2% |
| Operating Reserves | \$0 | -\$85 | -\$85 | -6.6% |
| Construction | \$181 | \$454 | \$635 | 26.8% |
| Debt Service | \$62 | \$127 | \$190 | 4.9% |
| Debt Service Reserves | \$22 | -\$37 | -\$15 | -1.5% |
| Operating | \$92 | \$111 | \$204 | 10.8% |
| Revenue | \$146 | \$157 | \$304 | 13.8% |
| Redemption | \$0 | \$0 | \$0 | -0.2% |
| Total Variance | \$510 | \$757 | \$1,267 | 9.7% |



Monthly



STAFF SUMMARY


TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: February 12, 2025
SUBJECT: Delegated Authority Report – January 2025



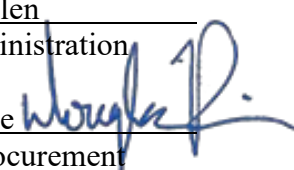
COMMITTEE: Administration, Finance & Audit

X INFORMATION
 VOTE

Barbara Aylward, Administrator A & F
Julio Esperas, Assistant Buyer
Preparer/Title



Michele S. Gillen
Director, Administration



Douglas J. Rice
Director of Procurement

RECOMMENDATION:

For information only. Attached is a listing of actions taken by the Executive Director under delegated authority for the period January 1-31, 2025.

This report is broken down into three sections:

- Awards of Construction, non-professional and professional services contracts and change orders and amendments in excess of \$25,000, including credit change orders and amendments in excess of \$25,000;
- Awards of purchase orders in excess of \$90,000; and
- Amendments to the Position Control Register, if applicable.

DISCUSSION:

The Board of Directors' Management Policies and Procedures, as amended by the Board's vote on February 16, 2022, delegate authority to the Executive Director to approve the following:

Construction Contract Awards:

Up to \$3.5 million if the award is to the lowest bidder.

Change Orders:

Up to 25% of the original contract amount or \$1,000,000.00, whichever is less, where the change increases the contract amount, and for a term not exceeding an aggregate of six months; and for any amount and for any term, where the change decreases the contract amount. The delegations for cost increases and time can be restored by Board vote.

Professional Service Contract Awards:

Up to \$1,000,000 and three years with a firm; or up to \$200,000 and two years with an individual.

Non-Professional Service Contract Awards:

Up to \$1,000,000 if a competitive procurement process has been conducted, or up to \$100,000 if a procurement process other than a competitive process has been conducted.

Purchase or Lease of Equipment, Materials or Supplies:

Up to \$3.5 million if the award is to the lowest bidder.

Up to \$15 million for purchases of chemicals that are required for normal day-to-day operations where the award is to the lowest responsive bidder under a competitive procurement.

Amendments:

Up to 25% of the original contract amount or \$500,000, whichever is less, and for a term not exceeding an aggregate of twelve months.

Amendments to the Position Control Register:

Amendments which result only in a change in cost center.

BUDGET/FISCAL IMPACT:

Recommendations for delegated authority approval include information on the budget/fiscal impact related to the action. For items funded through the capital budget, dollars are measured against the approved capital budget. If the dollars are in excess of the amount authorized in the budget, the amount will be covered within the five-year CIP spending cap. For items funded through the Current Expense Budget, variances are reported monthly and year-end projections are prepared at least twice per year. Staff review all variances and projections so that appropriate measures may be taken to ensure that overall spending is within the MWRA budget.

Construction & Professional Services Delegated Authority Items January 1 – 31, 2025

| No. | Date of Award | Title and Explanation | Contract | Amend/CO | Company | Value |
|-----|---------------|---|----------|----------|--------------------------|--------------|
| C-1 | 01/02/25 | Intermediate High Pipeline Improvements CP2 Fire alarm cables on Mount Auburn Street; Excavation test pits, install and remove line stop, cut and cap mains; Replace defective 12-inch gate valve on Palfrery Street. | 6956 | 7 | Albanese D&S, Inc. | \$105,061.14 |
| C-2 | 01/02/25 | Local Discharge Limits Development for MWRA's Metropolitan Sewerage Service Area Award of a contract to the highest ranked proposer to provide all analyses necessary in order to complete the U.S. Environmental Protection Agency's (EPA) local discharge limits development for the MWRA's metropolitan sewerage service area for a term of 15 months. | OP-480 | Award | Brown & Caldwell | \$143,884.00 |
| C-3 | 01/02/25 | MWRA Office Consolidation Boston/Chelsea Furnish and install an additional door and modify hallway at CH1054; Furnish and install additional emergency lighting in the Chelsea Facility; Furnish and install supports for existing communication wiring in Chelsea Section A and D; Furnish and install return HVAC air diffuser in Executive Suite; Demolish, furnish and install carpeted area in the Tunnel Redundancy area; Install GFCI breakers for all vendor machine circuits in the Chelsea Cafeteria; Demolish, furnish and install approximately 2,650 square yards of carpet in the second floor main hallway in Chelsea; Furnish and install a new power pole and trench the floor between the first and second floor in Room AD222; Add one hour fire rated ceiling in RT 142C at Deer Island; Remove mold identified in RT 130 conference room at Deer Island; Furnish and install 46 additional data drops with associated cables, boxes and faceplates at the Chelsea Facility; Furnish and install 16 additional file cabinets in Area D at the Chelsea Facility. | 7980 | 3 | WES Construction Corp. | \$258,320.82 |
| C-4 | 01/06/25 | Audit Services Increase level of effort to provide continued audit services to cover contract time extension by 12 months from March 31, 2025 to March 31, 2026. | F261 | 1 | CliftonLarson Allen, LLP | \$130,000.00 |

| | | | | | | |
|-------------|-----------------|--|---------------|--------------|---------------------------------------|-------------------------|
| C-5 | 01/11/25 | Wachusett Dam Lower Gatehouse Pipe and Boiler Replacement Extend the contract term by 75 calendar days from April 17, 2025 to July 1, 2025 and address stray voltage at Lower Gate House. | 7380 | 5 | J.F. White Contracting Company | \$200,000.00 |
| C-6 | 01/14/25 | Section 101 Pipeline Extension Waltham Install temporary leveling course of pavement on Lexington Street. | 7457 | 9 | Baltazar Contractors, Inc. | \$75,000.00 |
| C-7 | 01/14/25 | Sudbury Reservoir Dam Spillway and Gatehouse Repairs Extend the contract term by 75 calendar from November 27, 2024 to February 10, 2025 for commercial dive services. | 7615A | 2 | Ardent | \$100,000.00 |
| C-8 | 01/14/25 | Quinapoxet Dam Removal Increase additional costs associated with acceleration to support Quabbin Aqueduct Transfer. | 7348 | 3 | Lucianos Excavation, Inc. | \$200,000.00 |
| C-9 | 01/14/25 | Instrumentation Services – Metropolitan Boston Award of a contract to the lowest responsive bidder to provide scheduled service, non-emergency and emergency on-call services at for replacement parts for gas monitoring equipment at 26 wastewater facilities for a term of 730 calendar days. | OP-483 | Award | Safety, Inc. | \$353,100.00 |
| C-10 | 01/30/25 | Rehabilitation of Sections 23, 24 and 47 Water Mains – Boston and Newton Final balancing change order to decrease the following bid items to reflect actual quantities used: Transport and dispose of Group 1A soil, unlined or lined landfill contaminated soils; Transport and dispose of IIA, unlined landfill contaminated soils; Rock Removal, Transport and dispose of IIB, lined landfill contaminated soils, Transport and dispose of Group III, out of state disposal facility, Remove non-copper water services, water service main to curb, Transport and dispose of Group IB MWRA and City of Newton excavated materials, Police detail services, Work by utility companies, Price adjustments for diesel fuel, gasoline, asphalt and Portland cement contained in cast-in-place concrete. | 6392 | 9 | Albanese D&S, Inc. | (\$1,357,241.14) |
| C-11 | 01/30/25 | Northern Intermediate High Section 89 Replacement Pipeline Additional testing and dewatering of section 89 pipeline; Repair existing 48-inch drain line on Forest Street in Winchester. | 7117 | 11 | P. Gioioso & Sons, Inc. | \$75,658.23 |

Purchasing Delegated Authority Items January 1-31, 2025

| No. | Date of Award | Title and Explanation | Company | Value |
|------------|----------------------|---|--|-----------------------|
| P-1 | 1/6/25 | Purchase Order for One Year of Maintenance and Support for VMware Workspace ONE Subscriptions—<i>State Contract ITC73</i> VMware Workspace ONE subscriptions consolidate multiple endpoint management solutions. This contract will provide the maintenance and support agreements for the software. | Presidio Networked Solutions, LLC | \$118,857.50 |
| P-2 | 1/6/25 | Purchase Order for Quest Software Subscriptions—<i>State Contract ITS75</i> This procurement includes the following software packages: Quest Toad Oracle Developer Edition*, Quest Toad Data Point Professional Edition, Quest Toad Multi-Database Suite Developer, Quest Toad Data Modeler, Quest Toad Oracle Xpert. | Dell Marketing, LP | \$191,070.37 |
| P-3 | 1/6/25 | Two-Year Purchase Order Contract for the Supply and Delivery of Liquid Oxygen Liquid oxygen is a component of primary disinfection at the Carroll Water Treatment Plant. Compared to the current contact, Airgas, Inc.'s bid represents a \$5.32 per ton decrease. | Airgas, Inc. | \$1,833,150.00 |
| P-4 | 1/15/25 | Sole Source Purchase Order for Three Years of Maintenance and Service for the GAI-Tronics Page Party System The Authority has been using Gai-Tronics Page Party systems for over twenty-two years to reliably communicate within facilities. GAI-Tronics holds the exclusive patents for the manufacture, distribution and maintenance of these systems. The Director of Procurement has approved the sole source nature of this procurement. | GAI-Tronics Corporation | \$99,000.00 |
| P-5 | 1/15/25 | One-Year Purchase Order Contract for the Supply and Delivery of Gravel Borrow Gravel borrow is added as a bulking material to Clinton Wastewater Treatment Plant's sludge landfill. Compared to the current contact, Holcim-NER, Inc.'s bid represents an 8% decrease. | Holcim-NER, Inc. | \$268,840.00 |

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: February 12, 2025
SUBJECT: FY25 Financial Update and Summary through January 2025



COMMITTEE: Administration, Finance & Audit

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

X INFORMATION

 VOTE



Thomas J. Durkin
Director, Finance

RECOMMENDATION:

For information only. This staff summary provides the financial results and variance highlights for Fiscal Year 2025 through January 2025, comparing actual spending to the budget, and includes a projection to June 30, 2025.

DISCUSSION:

The total Year-to-Date variance for the FY25 CEB is \$15.6 million, due to lower direct expenses of 6.9% or \$12.4 million, indirect expenses of 2.8% or \$1.2 million, and higher revenue of 0.4% or \$2.0 million. The year-end favorable variance is projected to be 5.1% or \$46.4 million underspent, of which \$17.4 million is related to debt service. Beyond debt service savings, staff project a favorable variance of approximately \$29.0 million at year-end of which \$24.6 million would be from lower direct expenses, \$2.5 million from lower indirect expenses, and \$1.8 million from greater than budgeted revenues.

As the year progresses and more actual spending information becomes available, staff will continue to refine the year-end projections and update the Board accordingly.

FY25 Current Expense Budget

The CEB expense variances through January 2025 by major budget category were:

- Lower Direct Expenses of \$12.4 million or 6.9% under budget. Spending was lower for Wages & Salaries, Other Services, Fringe Benefits, Professional Services, Overtime, Utilities, and Training & Meetings. Spending was higher than budget for Maintenance, Workers' Compensation, Other Materials, and Chemicals.
- Lower Indirect Expenses of \$1.2 million or 2.8% under budget due primarily to lower Watershed reimbursements.

- Debt Service expenses were equal to budget after the transfer of \$2.2 million to the defeasance account.
- Revenue was \$2.0 million or 0.4% over the estimate driven by Investment Income of \$1.3 million due to higher than budgeted interest rates and other Revenue of \$0.5 million.

**FY25 Budget and FY25 Actual Variance by Expenditure Category
(In millions)**

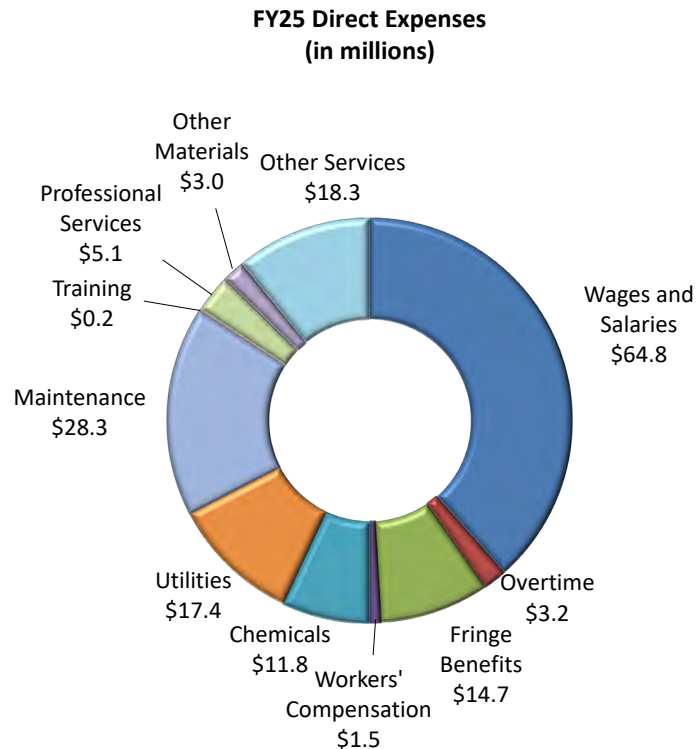
| | FY25 Budget | FY25 Actual | \$ Variance | % Variance |
|-------------------|----------------|----------------|----------------|--------------|
| Direct Expenses | \$180.8 | \$168.3 | -\$12.4 | -6.9% |
| Indirect Expenses | \$44.2 | \$43.0 | -\$1.2 | -2.8% |
| Capital Financing | \$261.3 | \$261.3 | \$0.0 | 0.0% |
| Total | \$486.2 | \$472.5 | -\$13.7 | -2.8% |

Totals may not add due to rounding

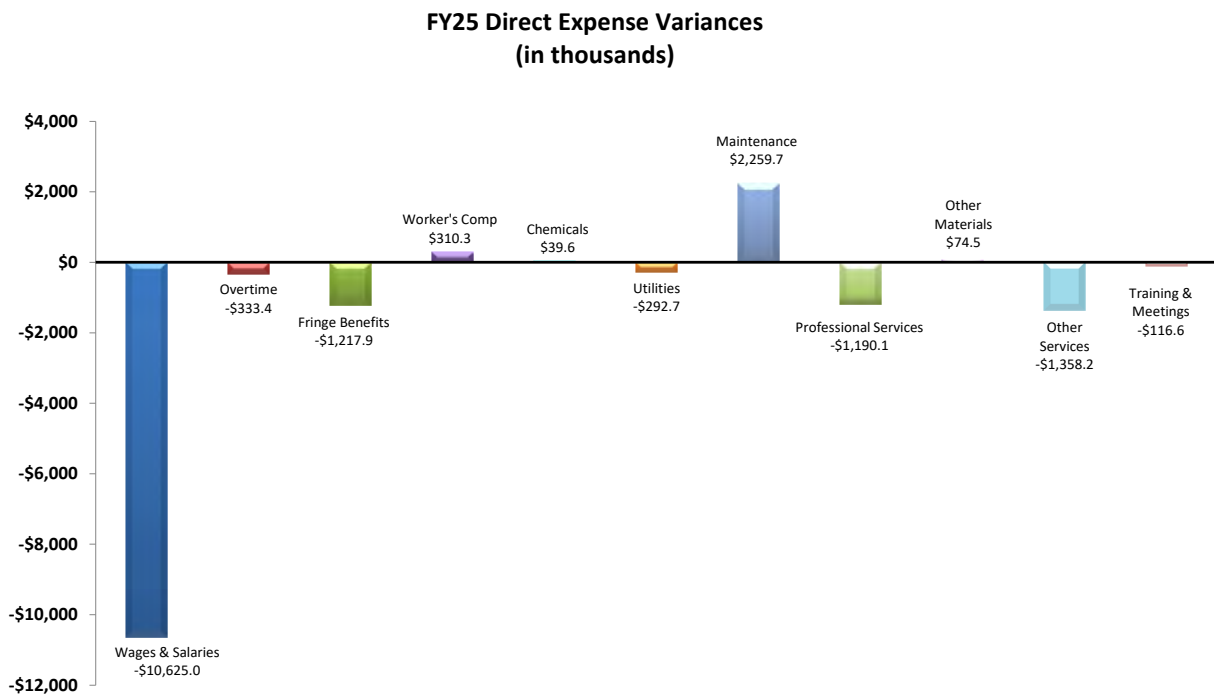
Please refer to Attachment 1 for a more detailed comparison by line item of the budget variances for FY25.

Direct Expenses

FY25 direct expenses through January totaled \$168.3 million, which was \$12.4 million or 6.9% less than budgeted.

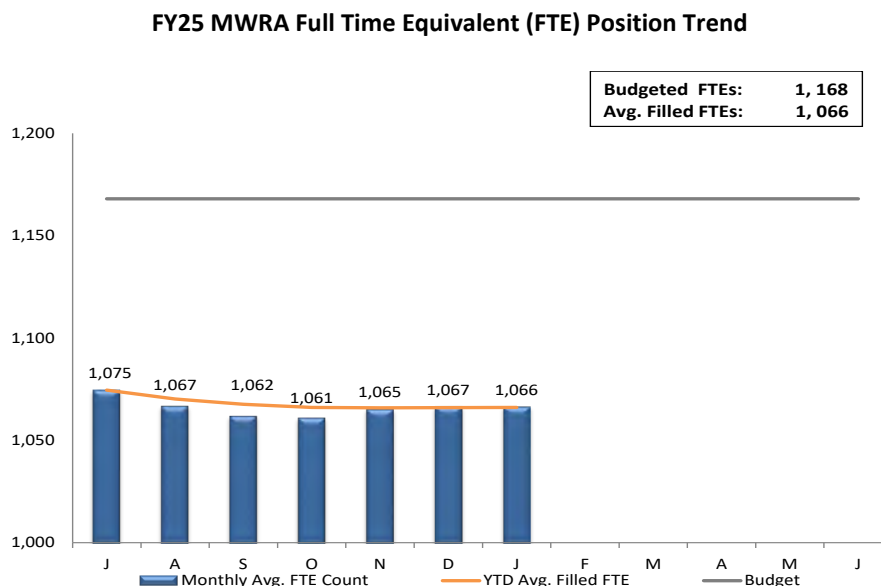


Spending was lower for Wages & Salaries, Other Services, Fringe Benefits, Professional Services, Overtime, Utilities, and Training & Meetings. Spending was higher than budget for Maintenance, Workers' Compensation, Other Materials, and Chemicals.



Wages and Salaries

Wages and Salaries was under budget by \$10.6 million or 14.1%. Through January, there were 102 fewer average FTEs (1,066 versus 1,168 budget) or 8.7% and lower average salaries for new hires versus retirees. The timing of backfilling vacant positions also contributed to Regular Pay being under budget.



Maintenance

Maintenance was greater than budget by \$2.3 million or 8.7%. Maintenance Services were greater than budget by \$2.5 million driven by higher Plant & Machinery Services of \$2.2 million due to greater than anticipated work performed for annual boiler maintenance and earlier than anticipated work on the hydro wicket gate replacement project for the Deer Island Treatment Plant (DITP) Thermal Plant, Hydro Power and Wind Turbine maintenance contract, and Deer Island Treatment Plant centrifuge maintenance, and Electrical Services of \$211,000 primarily due to greater than anticipated Electrical Service maintenance work in Water Operations through January. Maintenance Materials were lower than budget by \$239,000 driven by Special Equipment Materials of \$582,000 due to the timing of purchasing hatch covers at Loring Road Covered Storage and HVAC Materials of \$560,000 due to less than anticipated purchases through January including the Chelsea Facility roof top units. These are partially offset by higher Warehouse Inventory of \$576,000 due to the need for spare parts and purchase of materials early due to long lead times, and Electrical Materials of \$499,000 due to greater than anticipated purchases through January including the DITP LED lighting project.

Other Services

Other Services were lower than budget by \$1.4 million or 6.9% driven by Sludge Pelletization of \$671,000 and Grit & Screenings Removal of \$327,000, both primarily due to lower quantities, and lower than anticipated Telecommunications of \$157,000 through January.

Fringe Benefits

Fringe Benefits spending was lower than budget by \$1.2 million or 7.7%. This is primarily driven by lower Health Insurance costs of \$1.1 million, due to fewer than budgeted participants in health insurance plans, increased contribution by external new hires vs. lower contribution rates of staff retiring, and the shift from family to individual plans which are less expensive.

Professional Services

Professional Services were less than budget by \$1.2 million or 18.8% driven by lower Other Services of \$714,000 due to later than anticipated services which includes the Disparity Study, Lab & Testing Analysis of \$226,000 and Engineering of \$176,000, both due to less than anticipated spending through January.

Overtime

Overtime expenses were lower than budget by \$333,000 or 9.4%. Lower than budgeted spending for the Field Operations Department (FOD) of \$139,000 due to less emergency overtime due to less rain events and planned overtime due to vacancies, and Deer Island Treatment Plant (DITP) of \$33,000 is primarily due to less emergency overtime due to less storm events and shift coverage. Lower spending in Engineering & Construction of \$35,000 is due to less than anticipated needs through January. Year-to-date rainfall was a major contributor for the less than anticipated overtime.

Worker's Compensation

Worker's Compensation expenses were greater than budget by \$310,000 or 25.7%. The variance is due to higher than budgeted expenses for Medical Payments of \$168,000, Compensation Payments of \$99,000, and Administrative Expenses of \$43,000. Due to uncertainties of when spending will happen, the budget was spread evenly throughout the year.

Utilities

Utilities were lower than budget by \$293,000 or 1.6%. Lower than budgeted spending for Electricity of \$465,000 primarily at Deer Island Treatment Plant (DITP) of \$373,000 was driven by lower pricing by Eversource. Electricity in Field Operations was less than budget by \$162,000 primarily due to lower demand as a result of fewer wet weather events, resulting in less pumping. Diesel Fuel was lower than budget by \$124,000 driven by Field Operations of \$217,000 due to lower price and less than anticipated deliveries. This was partially offset by higher Water costs of \$212,000 primarily due to greater than projected water usage at DITP through January as a result of the DITP Primary and Secondary Clarifier Rehabilitation project.

Training & Meetings

Training & Meetings was lower than budget by \$117,000 or 33.8% primarily due to less than anticipated spending on meetings and conferences through January.

Other Materials

Other Materials were greater than budget by \$74,000 or 2.6% driven by higher Computer Hardware of \$182,000 primarily due to additional purchases of materials through January which include additional circuits, Wi-Fi at DITP, and audiovisual upgrades at the Chelsea Facility and Carroll Water Treatment Plant. In addition, higher spending on Lab & Testing Supplies of \$176,000 was due to greater than anticipated lab equipment purchases through January as well as Equipment/Furniture of \$121,000. These were partially offset by lower Other Materials of \$198,000 and Vehicle Expense of \$182,000 due to less than anticipated spending through January.

Chemicals

Chemicals were greater than budget by \$40,000 or 0.3%. Higher spending on Hydrogen Peroxide of \$803,000 due to the need to reduce elevated H₂S levels for odor pretreatment and corrosion control and allows staff to perform maintenance activities and ongoing tank work more safely within the tanks due to the low flows. Higher Ferric Chloride of \$161,000 to keep the orthophosphate levels within the target levels. These are partially offset by lower than budget spending on Sodium Hypochlorite of \$235,000 driven by DITP of \$108,000 due to below average plant flows and Field Operations of \$126,000 due to lower than anticipated wet weather events. Lower Liquid Oxygen of \$213,000 due to lower dosing at Carroll Water Treatment Plant. Lower Activated Carbon of \$145,000 is due to fewer carbon change outs this fiscal year. Lower Sodium Bisulfite of \$140,000 was primarily driven by Wastewater Operations of \$71,000 due to lower dose and volume as a result of less than anticipated CSO activations, and lower volume at DITP of \$42,000 due to lower quantities to dechlorinate the effluent. DITP flows are 20.1% less than the budget and the CWTP flows are 0.9% greater than the budget through January. It is important

to note that Chemical variances are also based on deliveries which in general reflect the usage patterns. However, the timing of deliveries is an important factor.

Indirect Expenses

Indirect Expenses totaled \$43.0 million, which is \$1.2 million or 2.8% lower than budget. The variance is driven by lower Watershed reimbursements.

Based on FY25 operating activity only, the Watershed Division is \$1.2 million or 9.6% under budget. Lower spending on Equipment, Maintenance, and Wages & Salaries are driving the variance. When factoring in the FY24 balance forward of \$156,000 which was paid during Q1 of FY25, Watershed Reimbursement is \$1.4 million or 10.8% below budget through January 2025.

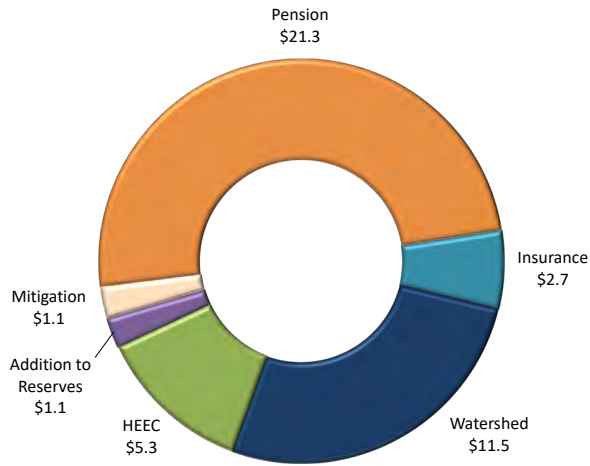
FY25 Watershed Protection Variance

| \$ in millions | YTD Budget | YTD Actual | YTD \$ Variance | YTD % Variance |
|---|-------------------|-------------------|------------------------|-----------------------|
| Operating Expenses | 13.7 | 12.4 | -1.4 | -9.9% |
| Operating Revenues - Offset | 0.9 | 0.7 | -0.1 | -13.8% |
| FY25 Operating Totals | 12.9 | 11.7 | -1.2 | -9.6% |
| DCR Balance Forward (FY24 year-end accrual true-up) | 0.0 | -0.2 | -0.2 | |
| FY25 Adjusted Operating Totals | 12.9 | 11.5 | -1.4 | -10.8% |
| PILOT | 0.0 | 0.0 | 0.0 | 0.0% |
| Total Watershed Reimbursement | 12.9 | 11.5 | -1.4 | -10.8% |

Totals may not add due to rounding

MWRA reimburses the Commonwealth of Massachusetts Department of Conservation (DCR) and Recreation - Division of Water Supply Protection – Office of Watershed Management for expenses. The reimbursements are presented for payment monthly in arrears. Accruals are being made monthly based on estimated expenses provided by DCR and trued-up monthly based on the monthly invoice. MWRA's budget is based on the annual Fiscal Year Work Plan approved by the Massachusetts Water Supply Protection Trust. The FTE count at the end of January was 146 (147.3 on a year-to-date basis) vs. a budget of 151.

**FY25 Indirect Expenses
(in millions)**

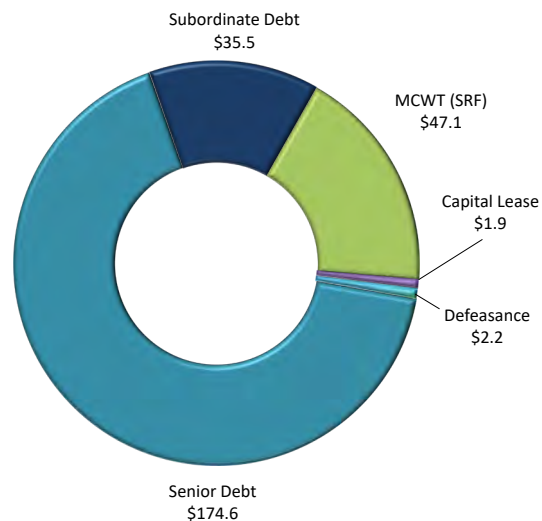


Capital Financing

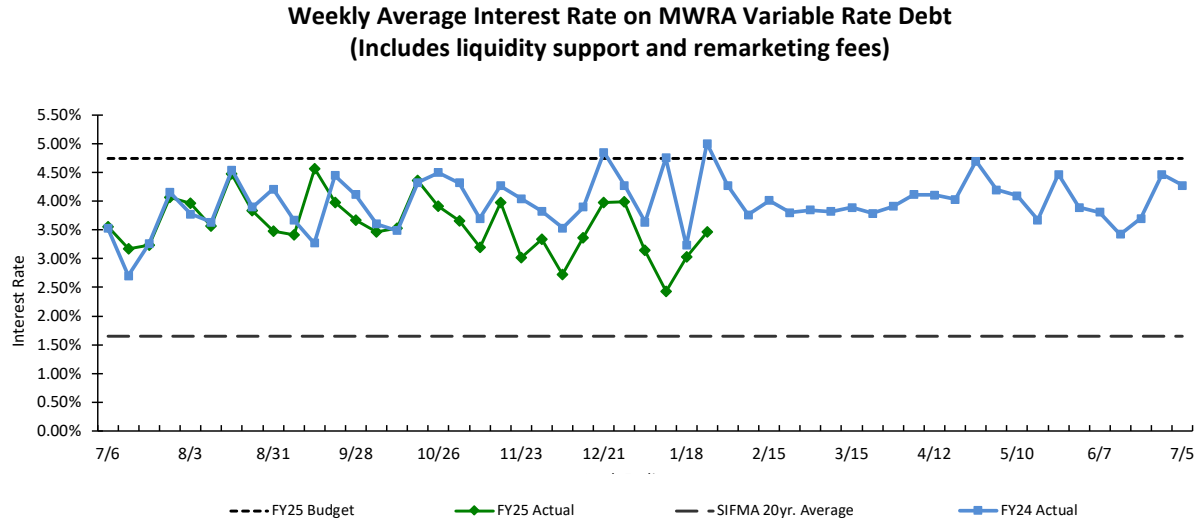
Capital Financing expenses include the principal and interest payments for fixed senior debt, the variable subordinate debt, the Massachusetts Clean Water Trust (SRF) obligation, the commercial paper program for the local water pipeline projects, current revenue for capital, Optional Debt Prepayment, and the Chelsea Facility lease payment.

Capital Financing expenses for FY25 through January totaled \$261.3 million, which is at budget after the transfer of \$2.2 million year-to-date to the Defeasance account. The transfer reflects lower variable rate debt expense due to lower than anticipated interest rates.

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



The graph below reflects the FY25 actual variable rate trend by week against the FY25 Budget.



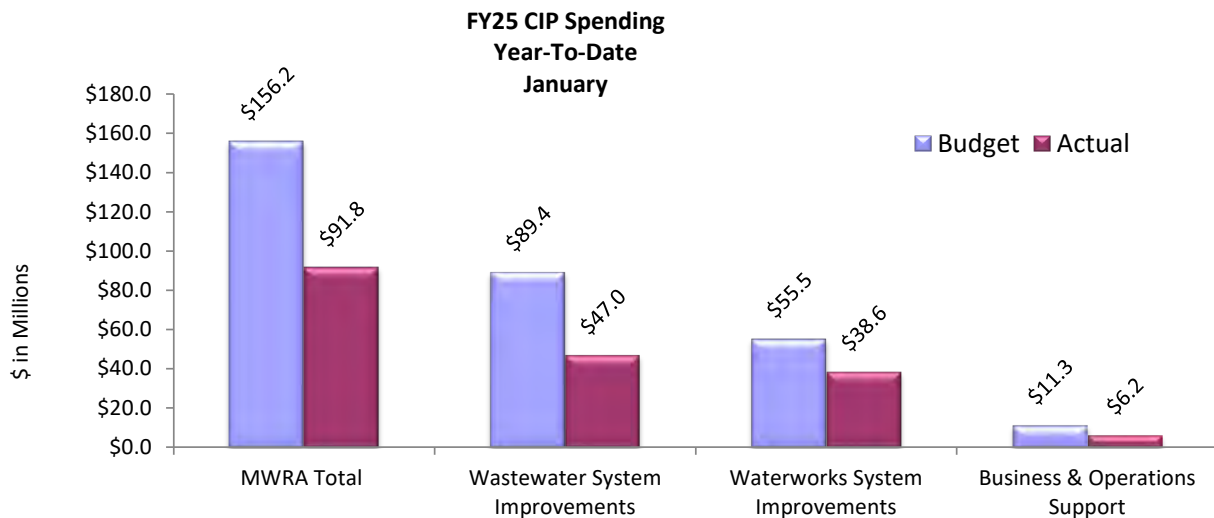
Revenue & Income

Revenues of \$522.7 million were \$2.0 million or 0.4% over the estimate driven by Investment Income which was \$1.3 million or 8.9% over the estimate due to higher than assumed interest rates. Also, Other Revenue of \$501,000 and Other User Charges of \$124,000 contributed to this variance.

FY25 Capital Improvement Program

Capital expenditures in Fiscal Year 2025 through January total \$91.8 million, \$64.5 million or 41.3% under planned spending.

After accounting for programs which are not directly under MWRA's control, most notably the Inflow and Infiltration (I/I) grant/loan program, the Local Water System Assistance loan program, and the community managed Combined Sewer Overflow (CSOs) projects, capital spending totaled \$92.0 million, \$31.3 million or 25.4% under planned spending.



Overall, CIP spending reflects the less than planned spending in Wastewater Improvements (\$42.5 million), Waterworks (\$16.9 million) and Business and Operations Support (\$5.1 million). Major variances in Wastewater are primarily due to less than anticipated requests for community grants and loans for the I/I Local Financial Assistance Program, delays with getting materials on a timely basis for DITP Roofing Replacement, a schedule change for Siphon Structure Rehabilitation Construction contract, an award slightly later than anticipated for Hayes Pump Station Rehab – Construction, lower than projected task order work for DITP As-Needed Design contracts, work delayed due to contractor in process of submitting dive and safety plan for West Roxbury Tunnel Inspection, and planned FY25 work completed in FY24 for Nut Island Odor Control and HVAC Improvements. This was partially offset by greater than anticipated contractor progress for the Deer Island Treatment Plant (DITP) Clarifier Rehab Phase 2 contract, and consultant progress for the Digester & Storage Tank Rehabilitation Design/ESDC.

Waterworks variances are primarily due to less than anticipated requests for community loans for the Water Loan Program, a change in the Notice-to-Proceed of the Metro Water Tunnel Program Final Design/ESDC contract as it was not awarded until October 2024, less than anticipated spending on Metropolitan Water Tunnel Program administration, legal and public acquisition costs, and less than anticipated services for Metro Water Tunnel Program Support and Geotechnical Services. This was partially offset by greater than planned contractor progress for Waltham Water Pipeline Construction.

| \$ in Millions | Budget | Actuals | \$ Var. | % Var. |
|---|----------------|---------------|-----------------|---------------|
| Wastewater System Improvements | | | | |
| Interception & Pumping | 11.5 | 5.5 | (5.9) | -51.7% |
| Treatment | 42.7 | 37.3 | (5.4) | -12.6% |
| Residuals | 0.1 | 0.0 | (0.1) | 0.0% |
| CSO | 3.6 | 3.0 | (0.5) | -15.1% |
| Other | 31.6 | 1.1 | (30.5) | -96.6% |
| Total Wastewater System Improvements | \$89.4 | \$47.0 | (\$42.5) | -47.5% |
| Waterworks System Improvements | | | | |
| Drinking Water Quality Improvements | 2.9 | 1.5 | (1.4) | -47.2% |
| Transmission | 32.0 | 25.5 | (6.5) | -20.3% |
| Distribution & Pumping | 16.4 | 12.8 | (3.5) | -21.6% |
| Other | 4.2 | (1.3) | (5.5) | -131.0% |
| Total Waterworks System Improvements | \$55.5 | \$38.6 | (\$16.9) | -30.4% |
| Business & Operations Support | \$11.3 | \$6.2 | (\$5.1) | -45.1% |
| Total MWRA | \$156.2 | \$91.8 | (\$64.5) | -41.3% |

FY25 Spending by Program:

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

Other Wastewater: Less than planned spending of \$30.5 million

- \$30.5 million for Community I/I due to less than anticipated requests for community grants and loans.

Waterworks Transmission: Less than planned spending of \$6.5 million

- \$2.8 million for Final Tunnel Design/ESDC due to contract awarded later than anticipated.
- \$2.5 million for Metro Water Tunnel Program Administration, Legal & Public Outreach due to less than anticipated costs.
- \$1.9 million for Metro Water Tunnel Program Support and Geotechnical Services due to less than anticipated services.
- \$1.1 million for Wachusett Lower Gatehouse Pipe & Boiler Replacement Construction and REI due to longer lead-time on some larger items and a change in design for the multi-orifice valve.
- \$1.1 million for WASM 3 MEPA/Design/CA/RI due to less than anticipated consultant work.
- \$0.3 million for Watershed Land Acquisition due to less than anticipated land purchases.
- This under planned spending was partially offset by greater than planned contractor progress of \$3.6 million for Waltham Water Pipeline.

Interception & Pumping: Less than planned spending of \$5.9 million

- \$1.6 million for Siphon Structure Rehabilitation Construction due schedule change.
- \$1.4 million for Hayes Pump Station Rehab – Construction due to award being slightly later than anticipated.
- \$0.8 million for West Roxbury Tunnel Inspection due to work delayed due to contractor in process of submitting dive and safety plan.
- \$0.6 million for Ward St. & Columbus Park Headworks Design/CA due to schedule change.

- \$0.5 million for Nut Island Odor Control & HVAC Improvements Design/CA/REI & Construction Phase 2 due to work scheduled for FY25 performed in FY24.

Other Waterworks: Less than planned spending of \$5.5 million

- \$2.7 million for Local Financial Assistance due to less than anticipated requests for community loans.
- \$1.9 million for Steel Tank Improvements - Design/CA, Construction and REI Phase 1 and \$0.6 for Phase 2 Construction and REI due to construction schedule changes.
- \$0.8 million for Beacon St. Line Design/ESDC due to schedule change.

Wastewater Treatment: Less than planned spending of \$5.1 million

- \$3.8 million for the DI Roofing Replacement project due to delay in receiving materials in a timely manner.
- \$1.3 million for DITP As-Needed Design due to lower than projected task order work.
- \$1.3 million for Clinton Wastewater Treatment Plant Digester Cover Replacement due to schedule change.
- This under planned spending was partially offset by greater than planned spending of \$1.7 million for Clarifier Rehabilitation Phase 2 Construction due to contractor progress greater than planned, and \$0.5 million for Digester & Storage Tank Rehabilitation Design/ESDC due to consultant progress greater than anticipated.

Business & Operations Support: Less than planned spending of \$4.2 million

- \$1.5 million for Cabling due to delays in development of the scope of work caused by challenges in locating available conduit paths on Deer Island.
- \$1.3 million for As-Needed Design Contracts due to lower than projected task order work.
- \$0.7 million for Security Equipment & Installation due to project delays including upgrades to communication circuits and Incident Management System.
- \$0.4 million for Oracle Database Appliance v.2 due to schedule change.
- \$0.3 million for MAXIMO Interface Enhancements due to less than anticipated completion of final work.
- This under planned spending was partially offset by greater than planned spending of \$0.4 million for Lawson Upgrade due to software subscription renewal that was forecasted over months when it is a one-time annual expense.

Water Distribution and Pumping: Less than planned spending of \$3.5 million

- \$2.0 million for Section 75 Extension CP-1 Construction due to later than anticipated contract award.
- \$0.9 million for Section 89/29 Replacement Construction due to less than planned contractor progress.
- \$0.6 million for Sections 25 & 24 CP-2 Construction due to contractor behind original schedule.
- \$0.5 million for Northern Extra High Service (NEH) - New Pipelines Legal due to less than planned legal/easement expenses.
- \$0.4 million for Section 56 Replacement/Saugus River Design/CA due to a change in Construction schedule affecting Construction Administration services schedule.

- This under planned spending was partially offset by \$1.7 million for CP-1 NEH Improvements and \$0.6 million for New Connecting Mains CP3-Sections 23, 24 & 47 Rehabilitation due to work scheduled for FY24 including paving performed in FY25.

Drinking Water Quality Improvements: Less than planned spending of \$1.4 million

- \$1.2 million for the John Carroll Water Treatment Plant (JCWTP) Technical Assistance due to lower than projected task order work.

Combined Sewer Overflow: Less than planned spending of \$0.5 million

- \$0.8 million for Somerville Marginal New Pipe Connection due to Notice-to-Proceed issued later than anticipated.

Construction Fund Balance

The construction fund balance was \$142.6 million as of the end of January. Commercial Paper/Revolving Loan available capacity was \$200 million.

ATTACHMENTS:

Attachment 1 – Variance Summary January 2025

Attachment 2 – Current Expense Variance Explanations

Attachment 3 – Capital Improvement Program Variance Explanations

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

ATTACHMENT 1
FY25 Actuals vs. FY25 Budget

| | Jan 2025 Year-to-Date | | | | |
|--------------------------------------|--------------------------|------------------------|--------------------------|--------------|-----------------------|
| | Period 7 YTD Budget | Period 7 YTD Actual | Period 7 YTD Variance | % | FY25 Approved |
| | | | | | |
| <u>EXPENSES</u> | | | | | |
| WAGES AND SALARIES | \$ 75,378,610 | \$ 64,753,566 | \$ (10,625,044) | -14.1% | \$ 133,658,955 |
| OVERTIME | 3,528,990 | 3,195,607 | (333,383) | -9.4% | 6,133,078 |
| FRINGE BENEFITS | 15,899,382 | 14,681,486 | (1,217,896) | -7.7% | 27,834,124 |
| WORKERS' COMPENSATION | 1,209,503 | 1,519,841 | 310,338 | 25.7% | 2,073,434 |
| CHEMICALS | 11,729,943 | 11,769,511 | 39,568 | 0.3% | 19,706,033 |
| ENERGY AND UTILITIES | 17,740,641 | 17,447,966 | (292,675) | -1.6% | 32,048,176 |
| MAINTENANCE | 26,012,387 | 28,272,116 | 2,259,729 | 8.7% | 46,653,201 |
| TRAINING AND MEETINGS | 344,603 | 228,006 | (116,597) | -33.8% | 568,346 |
| PROFESSIONAL SERVICES | 6,318,107 | 5,128,037 | (1,190,070) | -18.8% | 11,121,730 |
| OTHER MATERIALS | 2,919,349 | 2,993,814 | 74,465 | 2.6% | 7,270,879 |
| OTHER SERVICES | 19,675,167 | 18,316,949 | (1,358,218) | -6.9% | 33,945,804 |
| TOTAL DIRECT EXPENSES | \$ 180,756,682 | \$ 168,306,899 | \$ (12,449,785) | -6.9% | \$ 321,013,760 |
| INSURANCE | \$ 2,579,449 | \$ 2,705,606 | \$ 126,157 | 4.9% | \$ 4,471,045 |
| WATERSHED/PILOT | 12,893,688 | 11,501,078 | (1,392,610) | -10.8% | 32,507,642 |
| HEEC PAYMENT | 5,301,872 | 5,344,246 | 42,374 | 0.8% | 8,185,722 |
| MITIGATION | 1,052,056 | 1,052,056 | - | 0.0% | 1,823,564 |
| ADDITIONS TO RESERVES | 1,099,775 | 1,099,775 | - | 0.0% | 1,906,278 |
| RETIREMENT FUND | 21,264,519 | 21,264,519 | - | 0.0% | 21,264,519 |
| POST EMPLOYEE BENEFITS | - | - | - | --- | 5,280,806 |
| TOTAL INDIRECT EXPENSES | \$ 44,191,359 | \$ 42,967,279 | \$ (1,224,080) | -2.8% | \$ 75,439,576 |
| STATE REVOLVING FUND | \$ 47,055,766 | \$ 47,055,766 | \$ - | 0.0% | \$ 85,449,151 |
| SENIOR DEBT | 174,630,260 | 174,630,260 | - | 0.0% | 315,206,721 |
| DEBT SERVICE ASSISTANCE | - | - | - | --- | - |
| CURRENT REVENUE/CAPITAL | - | - | - | --- | 20,200,000 |
| SUBORDINATE MWRA DEBT | 37,722,324 | 37,722,324 | - | 0.0% | 64,768,074 |
| LOCAL WATER PIPELINE CP | - | - | - | --- | 9,827,661 |
| CAPITAL LEASE | 1,855,996 | 1,855,996 | - | 0.0% | 3,217,060 |
| VARIABLE DEBT | - | (2,183,255) | (2,183,255) | --- | - |
| DEFEASANCE ACCOUNT | - | 2,183,255 | 2,183,255 | --- | - |
| DEBT PREPAYMENT | - | - | - | --- | 5,500,000 |
| TOTAL CAPITAL FINANCE EXPENSE | \$ 261,264,346 | \$ 261,264,346 | \$ - | 0.0% | \$ 504,168,667 |
| TOTAL EXPENSES | \$ 486,212,387 | \$ 472,538,524 | \$ (13,673,865) | -2.8% | \$ 900,622,003 |
| <u>REVENUE & INCOME</u> | | | | | |
| RATE REVENUE | \$ 493,550,769 | \$ 493,550,769 | \$ - | 0.0% | \$ 855,488,000 |
| OTHER USER CHARGES | 7,420,580 | 7,544,327 | 123,747 | 1.7% | 10,668,572 |
| OTHER REVENUE | 4,654,688 | 5,155,597 | 500,909 | 10.8% | 6,066,670 |
| RATE STABILIZATION | - | - | - | --- | - |
| INVESTMENT INCOME | 15,106,632 | 16,455,341 | 1,348,709 | 8.9% | 28,398,761 |
| TOTAL REVENUE & INCOME | \$ 520,732,669 | \$ 522,706,034 | \$ 1,973,366 | 0.4% | \$ 900,622,003 |

ATTACHMENT 2
Current Expense Variance Explanations

| Total MWRA | FY25 Budget YTD January | FY25 Actuals January | FY25 Actual vs. FY25 Budget | | Explanations |
|-----------------------|-------------------------------|-------------------------|--------------------------------|--------|---|
| | | | \$ | % | |
| Direct Expenses | | | | | |
| Wages & Salaries | 75,378,610 | 64,753,566 | (10,625,044) | -14.1% | Wages and Salaries were lower than budget by \$10.6 million or 14.1%. Year to date, there have been 102 fewer average FTEs (1,066 versus 1,168 budget), lower average new hire salaries versus retirees, the timing of backfilling vacant positions. |
| Overtime | 3,528,990 | 3,195,607 | (333,383) | -9.4% | Overtime expenses were lower than budget by 333,000 or 9.4%. Lower than budgeted spending for the Field Operations Department (FOD) of \$139,000 due to less emergency overtime due to less rain events and planned overtime due to vacancies, and Deer Island of \$33,000 is primarily due to less emergency overtime due to less storm events and shift coverage. Lower spending in Engineering & Construction of \$35,000 is due to less than anticipated needs through January. Year-to-date rainfall was a major contributor for the less than anticipated overtime. |
| Fringe Benefits | 15,899,382 | 14,681,486 | (1,217,896) | -7.7% | Fringe Benefits spending was lower than budget by \$1.2 million or 7.7%. This is primarily driven by lower Health Insurance costs of \$1.1 million, due to fewer than budgeted participants in health insurance plans, increased contribution by external new hires vs. lower contribution rates of staff retiring, and the shift from family to individual plans which are less expensive. |
| Worker's Compensation | 1,209,503 | 1,519,841 | 310,338 | 25.7% | Worker’s Compensation expenses were greater than budget by \$310,000 or 25.7%. The variance is due to higher than budgeted expenses for Medical Payments of \$168,000, Compensation Payments of \$99,000 , and Administrative Expenses of \$43,000. Due to uncertainties of when spending will happen, the budget was spread evenly throughout the year. |
| Chemicals | 11,729,943 | 11,769,511 | 39,568 | 0.3% | Chemicals were greater than budget by \$40,000 or 0.3%. Higher Hydrogen Peroxide of \$803,000 to reduce elevated H2S levels for odor pretreatment and corrosion control and allows staff to perform maintenance activities and ongoing tank work more safely within the tanks due to the low flows. Higher Ferric Chloride of \$161,000 to keep the orthophosphate levels within the target levels. This is partially offset by lower than budget spending on Sodium Hypochlorite of \$235,000 was driven by DITP of \$108,000 due to below average plant flows and Field Operations of \$126,000 due to lower than anticipated wet weather events. Lower Liquid Oxygen of \$213,000 due to lower dosing at Carroll Water Treatment Plant. Lower Activated Carbon of \$145,000 due to fewer carbon change outs this fiscal year. Lower Sodium Bisulfite of \$140,000 was primarily driven by Wastewater Operations of \$71,000 due to lower dose and volume as a result of less than anticipated CSO activations, and lower volume at DITP of \$42,000 due to lower quantities to dechlorinate the effluent. DITP flows are 20.1% less than the budget and the CWTP flows are 0.9% greater than the budget through January. It is important to note that Chemical variances are also based on deliveries which in general reflect the usage patterns. However, the timing of deliveries is an important factor. |

ATTACHMENT 2
Current Expense Variance Explanations

| Total MWRA | FY25 Budget YTD January | FY25 Actuals January | FY25 Actual vs. FY25 Budget | | Explanations |
|------------|-------------------------------|-------------------------|--------------------------------|-------|---|
| | | | \$ | % | |
| Utilities | 17,740,641 | 17,447,966 | (292,675) | -1.6% | Utilities were lower than budget by \$293,000 or 1.6%. Lower than budgeted spending for Electricity of \$465,000 primarily at Deer Island Treatment Plant (DITP) of \$373,000 was driven primarily by lower pricing by Eversource. Electricity in Field Operations was less than budget by \$162,000 primarily due to lower demand as a result of fewer wet weather events, resulting in less pumping. Diesel Fuel was lower than budget by \$124,000 driven by Field Operations of \$217,000 due to lower price and less than anticipated deliveries. This was partially offset by Water of \$212,000 primarily due to greater than projected water usage at DITP through January as a result of the DITP Primary and Secondary Clarifier Rehabilitation project. |

ATTACHMENT 2
Current Expense Variance Explanations

| Total MWRA | FY25 Budget YTD January | FY25 Actuals January | FY25 Actual vs. FY25 Budget | | Explanations |
|-----------------------|-------------------------------|-------------------------|--------------------------------|--------|--|
| | | | \$ | % | |
| Maintenance | 26,012,387 | 28,272,116 | 2,259,729 | 8.7% | Maintenance was greater than budget by \$2.3 million or 8.7%. <i>Maintenance Services</i> were greater than budget by \$2.5 million driven by higher Plant & Machinery Services of \$2.2 million due to greater than anticipated work performed for annual boiler maintenance and earlier than anticipated work of the hydro wicket gate replacement project for the Deer Island Treatment Plant (DITP) Thermal Plant, Hydro Power and Wind Turbine maintenance contract, and Deer Island Treatment Plant centrifuge maintenance, and Electrical Services \$211,000 primarily due to greater than anticipated Electrical Service maintenance work in Water Operations through January. <i>Maintenance Materials</i> were lower than budget by \$239,000 driven by Special Equipment Materials of \$582,000 due to the timing of purchasing hatch covers at Loring Road Covered Storage and HVAC Materials of \$560,000 due to less than anticipated purchases through January including the Chelsea Facility roof top units. These are partially offset by higher Warehouse Inventory of \$576,000 due to the need for spare parts and purchase of materials early due to long lead times, and Electrical Materials of \$499,000 due to greater than anticipated purchases through January including DITP LED lighting projects. |
| Training & Meetings | 344,603 | 228,006 | (116,597) | -33.8% | Training & Meetings was lower than budget by \$117,000 or 33.8% primarily due to less than anticipated spending on meetings and conferences through January driven by MIS (\$108,000), Procurement (\$12,000), Engineering & Construction of (\$9,000), Operational Health & Safety (\$8,000) and Deer Island Treatment Plant (\$6,000), partially offset by higher spending in Operations Administration of \$29,000 and Water Redundancy of \$13,000. |
| Professional Services | 6,318,107 | 5,128,037 | (1,190,070) | -18.8% | Professional Services were less than budget by \$1.2 million or 18.8% driven by lower Other Services of \$814,000 due to later than anticipated services which includes the Disparity Study, Lab & Testing Analysis of \$226,000 and Engineering of \$176,000, both due to less than anticipated spending through January. |
| Other Materials | 2,919,349 | 2,993,814 | 74,465 | 2.6% | Other Materials were greater than budget by \$74,000 or 2.6% driven by Computer Hardware of \$182,000 primarily due to additional purchases of materials through January which include additional circuits, Wi-Fi at DITP, and audiovisual upgrades at the Chelsea Facility and Carroll Water Treatment Plant. In addition, higher spending on Lab & Testing Supplies of \$176,000 was due to greater than anticipated lab equipment purchases through January as well as Equipment/Furniture of \$121,000. These were partially offset by Other Materials of \$198,000 and Vehicle Expense of \$182,000 due to less than anticipated spending through January. |

ATTACHMENT 2
Current Expense Variance Explanations

| Total MWRA | FY25 Budget YTD January | FY25 Actuals January | FY25 Actual vs. FY25 Budget | | Explanations |
|------------------------------------|-------------------------------|-------------------------|--------------------------------|--------------|---|
| | | | \$ | % | |
| Other Services | 19,675,167 | 18,316,949 | (1,358,218) | -6.9% | Other Services were lower than budget by \$1.4 million or 6.9% driven by Sludge Pelletization of \$671,000 and Grit & Screenings Removal of \$327,000, both primarily due to lower quantities, and lower than anticipated Telecommunications of \$157,000 through January. |
| Total Direct Expenses | 180,756,682 | 168,306,899 | (12,449,783) | -6.9% | |
| Indirect Expenses | | | | | |
| Insurance | 2,579,449 | 2,705,606 | 126,157 | 4.9% | Higher premiums of \$73,000 and payments/claims of \$53,000 than budgeted. |
| Watershed/PILOT | 12,893,688 | 11,501,078 | (1,392,610) | -10.8% | Lower Watershed Reimbursement of \$733,000 driven by lower spending on Equipment, Maintenance, and Wages & Salaries. |
| HEEC Payment | 5,301,872 | 5,344,246 | 42,374 | 0.8% | |
| Mitigation | 1,052,056 | 1,052,055 | (1) | 0.0% | |
| Addition to Reserves | 1,099,775 | 1,099,775 | - | 0.0% | |
| Pension Expense | 21,264,519 | 21,264,519 | - | 0.0% | |
| Post Employee Benefits | - | - | - | | |
| Total Indirect Expenses | 44,191,359 | 42,967,279 | (1,224,080) | -2.8% | |
| Debt Service | | | | | |
| Debt Service | 261,264,346 | 261,264,346 | - | 0.0% | Capital Financing was on budget after the transfer of \$2.2 million to the Defeasance account. The transfer reflects lower variable rate debt expense due to lower than budget variable interest expense of \$2.2 million as a result of lower than anticipated interest rates. |
| Debt Service Assistance | - | - | - | | |
| Total Debt Service Expenses | 261,264,346 | 261,264,346 | - | 0.0% | |
| | | | | | |
| Total Expenses | 486,212,387 | 472,538,524 | (13,673,862) | -2.8% | |

ATTACHMENT 2
Current Expense Variance Explanations

| Total MWRA | FY25 Budget YTD January | FY25 Actuals January | FY25 Actual vs. FY25 Budget | | Explanations |
|--------------------------------------|-------------------------------|-------------------------|--------------------------------|-------|---|
| | | | \$ | % | |
| Revenue & Income | | | | | |
| Rate Revenue | 493,550,769 | 493,550,769 | - | 0.0% | |
| Other User Charges | 7,420,580 | 7,544,327 | 123,747 | 1.7% | Higher than estimated DI water. |
| Other Revenue | 4,654,688 | 5,155,597 | 500,909 | 10.8% | Other Revenue was \$496,000 or 10.7% greater than budget due to Miscellaneous Revenue of \$204,000, Permit Fees of \$109,000, Emergency Water Supply of \$101,000 for the Town of Wayland, Energy Rebates of \$85,000, Energy Revenue of \$74,000, partially offset by Profit & Loss on Disposal of Equipment of \$111,000. |
| Rate Stabilization | - | - | - | | |
| Investment Income | 15,106,632 | 16,455,341 | 1,348,709 | 8.9% | Investment Income is over budget due to higher than budgeted interest rates and higher average balances. |
| Total Revenue | 520,732,669 | 522,706,034 | 1,973,365 | 0.4% | |
| | | | | | |
| Net Revenue in Excess of Expenses | 34,520,282 | 50,167,510 | 15,647,227 | | |

ATTACHMENT 3
FY25 CIP Variance Report (\$000s)

| | FY25 Budget January | FY25 Actuals January | Actuals vs. Budget | | Explanations |
|------------------------------|------------------------|-------------------------|--------------------|--------|---|
| | | | \$ | % | |
| Wastewater | | | | | |
| Interception & Pumping (I&P) | \$11,468 | \$5,535 | (\$5,932) | -51.7% | <u>Less than planned spending</u> Siphon Structure Rehabilitation Construction: \$1.6M (schedule change) Hayes Pump Station Rehab - Construction: 1.4M (award slightly later than anticipated) West Roxbury Tunnel Inspection: \$800k (work delayed due to contractor in process of submitting dive and safety plan) Ward St. & Columbus Park Headworks Design/CA: \$588k (schedule change) Nut Island Odor Control & HVAC Improvements Design/CA/REI & Construction Phase 2: \$504k (work scheduled for FY25 performed in FY24) Caruso, Delauri & Framingham Fuel Tank Replacements: \$331k (schedule change) Columbus Park Headworks Air Handling Equipment: \$309k (delayed delivery of new makeup air units) |
| Treatment | \$42,705 | \$37,321 | (\$5,384) | -12.6% | <u>Less than planned spending</u> DITP Roofing Replacement: \$3.8M (Contractor is behind original schedule due to delays with getting materials on a timely basis) DITP As-Needed Design: \$761k (lower than projected task order work) Clinton Wastewater Treatment Plant Digester Cover Replacement: \$1.3M, and Screw Pump Replacement Phase 2 - Construction: \$627k (schedule changes) <u>Greater than planned spending</u> Clarifier Rehabilitation Phase 2 Construction: \$1.7M (contractor progress greater than planned) Digester & Storage Tank Rehabilitation Design/ESDC: \$544k (consultant progress greater than anticipated) |
| Residuals | \$67 | \$8 | (\$58) | -87.5% | |
| CSO | \$3,573 | \$3,035 | (\$538) | -15.1% | <u>Less than planned spending</u> Somerville Marginal New Pipe Connection: \$750k (Notice-to-Proceed issued later than anticipated) <u>Greater than planned spending</u> CSO Performance Assessment: \$466k (consultant progress greater than originally planned) |
| Other Wastewater | \$31,601 | \$1,063 | (\$30,538) | -96.6% | <u>Less than planned spending</u> I/I Local Financial Assistance: \$30.5M (less than anticipated requests for community grants and loans) |
| Total Wastewater | \$89,413 | \$46,963 | (\$42,450) | -47.5% | |

ATTACHMENT 3
FY25 CIP Variance Report (\$000s)

| | FY25 Budget January | FY25 Actuals January | Actuals vs. Budget | | Explanations |
|-------------------------------------|------------------------|-------------------------|--------------------|--------|---|
| | | | \$ | % | |
| Waterworks | | | | | |
| Drinking Water Quality Improvements | \$2,862 | \$1,511 | (\$1,350) | -47.2% | <u>Less than planned spending</u> CWTP Technical Assistance: \$1.2M (lower than projected task order work) |
| Transmission | \$32,034 | \$25,542 | (\$6,491) | -20.3% | <u>Less than planned spending</u> Metropolitan Water Tunnel Program Final Design/ESDC: \$2.8M (change in Notice-to-Proceed as contract was not awarded until October 23, 2024 Board meeting) Metropolitan Water Tunnel Program Administration, Legal & Public Outreach: \$2.5M (less than anticipated costs) Program Support Services: \$1.2M and Geotechnical Support Services: \$663k (less than anticipated services) WASM 3 - MEPA/Design/CA/RI: \$1.1M (less than planned consultant work) Lower Gatehouse Pipe & Boiler Replacement Construction and REI: \$801k (longer lead time on some larger items and a change in design for the multi-orifice valve) Watershed Land Acquisition: \$255k (less than planned land purchases) <u>Greater than planned spending</u> Waltham Water Pipeline Construction: \$3.6M (greater than planned contractor progress) |

ATTACHMENT 3
FY25 CIP Variance Report (\$000s)

| | FY25 Budget January | FY25 Actuals January | Actuals vs. Budget | | Explanations |
|--|------------------------|-------------------------|--------------------|---------------|--|
| | | | \$ | % | |
| Distribution & Pumping | \$16,376 | \$12,844 | (\$3,532) | -21.6% | <u>Less than planned spending</u> Section 75A and 47 Extension Extension - CP-1 Construction: \$2.0M (awarded later than anticipated) Section 89/29 Replacement Construction: \$921k (less than planned contractor progress) Sections 25 & 24 - CP-2 Construction: \$616k (contractor behind original schedule) Northern Extra High Service (NEH) - New Pipelines Legal: \$488k (less than planned legal/easement expenses) Section 56 Replacement/Saugus River - Design/CA: \$385k (change in Construction schedule affects CA services schedule) <u>Greater than planned spending</u> NEH Improvements CP-1: \$1.7M and New Connecting Mains CP3-Sections 23, 24 & 47 Rehabilitation: \$567k (work scheduled for FY24 including final paving performed in FY25) |
| Other Waterworks | \$4,210 | (\$1,307) | (\$5,517) | n/a | <u>Less than planned spending</u> Local Water Pipeline Financial Assistance Program: \$2.7M (less than anticipated requests for community loans) Steel Tank Improvements - Design/CA, Construction and REI: \$1.9M and Phase 2 Construction and REI (construction schedule changes) Beacon St. Line - Design/ESDC: \$793k (schedule change) |
| Total Waterworks | \$55,481 | \$38,591 | (\$16,890) | -30.4% | |
| Business & Operations Support | | | | | |
| Total Business & Operations Support | \$11,324 | \$6,215 | (\$5,110) | -45.1% | <u>Less than planned spending</u> Cabling: \$1.5M (delays in development of the scope of work caused by challenges in locating available conduit paths on Deer Island) As-Needed Design Contracts: \$1.3M (lower than projected task order work) Security Equipment & Installation: \$721k (delays with projects including upgrades to communication circuits and Incident Management System) Oracle Database Appliance v.2: \$388k (schedule change) MAXIMO Interface Enhancements: \$309k (less than anticipated completion of final work) <u>Greater than planned spending</u> Lawson Upgrade: \$373k (cost for software subscription renewal was forecasted over months when it is a one-time annual expense) |
| Total MWRA | \$156,219 | \$91,768 | (\$64,450) | -41.3% | |


Attachment 4
FY25 Budget vs. FY25 Projection

| TOTAL MWRA | FY25 Budget | FY25 Projection | Change FY25 Budget vs FY25 Projection | |
|-------------------------|----------------|-----------------|---|--------|
| | | | \$ | % |
| EXPENSES | | | | |
| WAGES AND SALARIES | \$ 133,658,956 | \$ 115,620,736 | \$ (18,038,220) | -13.5% |
| OVERTIME | 6,133,077 | 5,779,767 | (353,310) | -5.8% |
| FRINGE BENEFITS | 27,834,124 | 26,215,824 | (1,618,300) | -5.8% |
| WORKERS' COMPENSATION | 2,073,434 | 2,544,104 | 470,670 | 22.7% |
| CHEMICALS | 19,706,033 | 19,474,912 | (231,121) | -1.2% |
| ENERGY AND UTILITIES | 32,048,177 | 31,142,942 | (905,235) | -2.8% |
| MAINTENANCE | 46,653,200 | 47,165,220 | 512,020 | 1.1% |
| TRAINING AND MEETINGS | 568,346 | 421,713 | (146,633) | -25.8% |
| PROFESSIONAL SERVICES | 11,121,730 | 9,364,497 | (1,757,233) | -15.8% |
| OTHER MATERIALS | 7,270,879 | 7,387,450 | 116,571 | 1.6% |
| OTHER SERVICES | 33,945,804 | 31,304,362 | (2,641,442) | -7.8% |
| TOTAL DIRECT EXPENSES | \$ 321,013,760 | \$ 296,421,526 | \$ (24,592,234) | -7.7% |
| | | | | |
| INSURANCE | \$ 4,471,045 | \$ 4,602,141 | \$ 131,096 | 2.9% |
| WATERSHED/PILOT | 32,507,642 | 29,755,671 | (2,751,971) | -8.5% |
| HEEC PAYMENT | 8,185,723 | 8,259,572 | 73,849 | 0.9% |
| MITIGATION | 1,823,563 | 1,823,563 | - | 0.0% |
| ADDITIONS TO RESERVES | 1,906,278 | 1,906,278 | - | 0.0% |
| RETIREMENT FUND | 21,264,519 | 21,264,519 | - | 0.0% |
| POSTEMPLOYMENT BENEFITS | 5,280,806 | 5,280,806 | - | 0.0% |
| TOTAL INDIRECT EXPENSES | \$ 75,439,576 | \$ 72,892,550 | \$ (2,547,026) | -3.4% |
| | | | | |
| STATE REVOLVING FUND | \$ 85,449,151 | \$ 82,778,555 | \$ (2,670,596) | -3.1% |
| SENIOR DEBT | 315,206,721 | 306,641,805 | (8,564,916) | -2.7% |
| SUBORDINATE DEBT | 64,768,074 | 61,041,669 | (3,726,405) | -5.8% |
| LOCAL WATER PIPELINE CP | 9,827,661 | 7,347,129 | (2,480,532) | -25.2% |
| CURRENT REVENUE/CAPITAL | 20,200,000 | 20,200,000 | - | 0.0% |
| CAPITAL LEASE | 3,217,060 | 3,217,060 | - | 0.0% |
| DEBT PREPAYMENT | 5,500,000 | 5,500,000 | - | 0.0% |
| DEBT SERVICE ASSISTANCE | - | - | - | 0.0% |
| TOTAL DEBT SERVICE | \$ 504,168,667 | \$ 486,726,218 | \$ (17,442,449) | -3.5% |
| | | | | |
| TOTAL EXPENSES | \$ 900,622,003 | \$ 856,040,294 | \$ (44,581,709) | -5.0% |
| REVENUE & INCOME | | | | |
| | | | | |
| RATE REVENUE | \$ 855,488,000 | \$ 855,488,000 | \$ - | 0.0% |
| OTHER USER CHARGES | 10,668,572 | 10,753,761 | 85,189 | 0.8% |
| OTHER REVENUE | 6,066,670 | 6,292,411 | 225,741 | 3.7% |
| RATE STABILIZATION | - | - | - | 0.0% |
| INVESTMENT INCOME | 28,398,761 | 29,892,694 | 1,493,933 | 5.3% |
| TOTAL REVENUE & INCOME | \$ 900,622,003 | \$ 902,426,866 | \$ 1,804,863 | 0.2% |

VARIANCE: **\$ (46,386,573)** **\$ (46,386,572)**

STAFF SUMMARY


TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: February 12, 2025
SUBJECT: Fiscal Year 2025 Mid-Year Capital Improvement Program Spending Report



COMMITTEE: Administration, Finance & Audit

X INFORMATION
 VOTE

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


Thomas J. Durkin
Director, Finance

RECOMMENDATION:

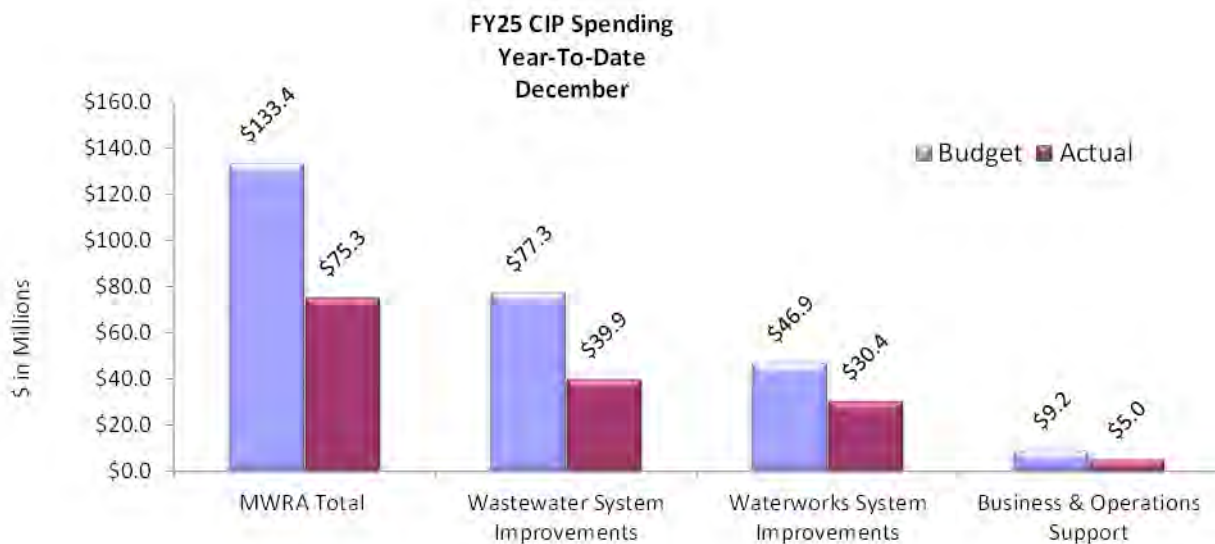
For information only. The Fiscal Year 2025 Mid-Year Capital Improvement Program Spending Report highlights major capital program accomplishments and provides explanations for spending variances and schedule changes versus the plan.

DISCUSSION:

Capital expenditures in Fiscal Year 2025 through December total \$75.3 million, \$58.1 million or 43.6% under planned spending. After accounting for programs which are not directly under MWRA's control, most notably the Inflow and Infiltration (I/I) grant/loan program, the Local Water System Assistance loan program, and the community managed Combined Sewer Overflow (CSOs) projects, capital spending totaled \$79.4 million, \$21.1 million or 21.0% under planned spending.

The projected spending for FY25 updated for the FY26 Proposed CIP is estimated at \$323.7 million which is \$24.2 million or 6.9% lower than plan. Spending over the most recent five fiscal years has been on average 34.8% lower than plan. After accounting for programs which are not directly under MWRA's control, the projected spending for FY25 is estimated at \$231.4, which is \$18.9 million or 7.6% lower than plan. Spending over the most recent five fiscal years has been on average 28.4% lower than plan.

Projected spending may decline due to some major projects that have not yet been awarded. These include Steel Tank Improvements Construction, Siphon Structure Rehabilitation, Deer Island Treatment Plant Chemical Pipe Replacement, and Deer Island Odor Control Design/ESDC contracts. Staff are meeting monthly to discuss planned projects and issues that need to be resolved to ensure timely award of contracts.



Projects that were completed or reached substantial completion in the first half of FY25 include:

- Core Switches
 - FY25 Plan: \$0.5 million
 - Completion Date: August 2024
 - Total Project Duration: 1.4 years
- Maximo Interface Enhancements
 - FY25 Plan: \$1.2 million
 - Completion Date September 2024
 - Total Project Duration: 3.3 years
- Carroll Water Treatment Plant Parapet Wall Repairs
 - FY25 Plan: \$1.4 million
 - Completion Date November 2024
 - Total Project Duration: 0.9 years
- Near Field Communications
 - FY25 Plan: \$0.8 million
 - Completion Date: December 2024
 - Total Project Duration: 0.4 years

MWRA also has a number of projects currently in design or under construction. Expenditures for some of the larger active contracts are:

Wastewater System Improvements

| Project | Subphase | FY25 Budget \$s in 000 | YTD Expenditures Thru December 2024 \$s in 000 | % Complete |
|--|---|---------------------------|---|------------|
| Deer Island Treatment Plant Asset Protection | Clarifier Rehab Phase 2 - Construction | \$289,760 | \$27,903 | 26.8% |
| Deer Island Treatment Plant Asset Protection | DITP Roofing Replacement | \$9,373 | \$3,281 | 36.7% |
| Braintree-Weymouth Relief | B/W Improvements - Construction | \$14,274 | \$2,168 | 91.2% |
| Deer Island Treatment Plant Asset Protection | Digester & Storage Tank Rehab Design/ESDC | \$9,985 | \$1,253 | 21.6% |
| CSO Support | CSO Performance Assessment | \$9,143 | \$801 | 81.3% |
| Facility Asset Protection | Ward St & Columbus Park Headworks Des/CA | \$28,897 | \$630 | 21.0% |
| Deer Island Treatment Plant Asset Protection | Combined Heat & Power Des/ESDC/REI | \$16,500 | \$459 | 2.8% |

Waterworks System Improvements

| Project | Subphase | FY25 Budget \$s in 000 | YTD Expenditures Thru December 2024 \$s in 000 | % Complete |
|---|---|---------------------------|---|------------|
| Metro Redundancy Interim Improvements | Waltham Water Pipeline Construction | \$29,439 | \$9,871 | 92.6% |
| NIH Redundancy & Storage | Section 89 & 29 Repl - Construction | \$35,926 | \$3,915 | 80.7% |
| New Connect Mains-Shaft 7 to WASM 3 | Sect 25 & 24 - Construction CP-2 | \$20,042 | \$3,884 | 78.9% |
| Metro Tunnel Redundancy | Geotechnical Support Services | \$12,790 | \$3,137 | 83.9% |
| Quabbin Transmission System | Wach LGH Pipe&Boiler Relacement Construct | \$20,484 | \$2,224 | 66.1% |
| Dam Projects | Sudbury/Foss Dam Construction | \$4,234 | \$1,242 | 35.9% |
| Northern Extra High Service New Pipelines | CP-1 NEH Improvements | \$11,244 | \$1,128 | 13.5% |
| Metro Redundancy Interim Improvements | CP2 Shafts 5 | \$5,387 | \$1,096 | 20.3% |
| Central Monitoring System | CWTP SCADA Upgrade Construction | \$13,487 | \$975 | 96.6% |
| Metro Tunnel Redundancy | Final Design/ESDC | \$117,842 | \$945 | 0.8% |
| Central Monitoring System | CWTP SCADA Upgrd Design Prog RE | \$7,243 | \$903 | 80.3% |
| CWTP Asset Protection | CWTP Parapet Wall Repairs | \$1,350 | \$700 | 102.7% |
| New Connect Mains-Shaft 7 to WASM 3 | CP3-Sect 23,24,47, Rehab | \$25,761 | \$567 | 95.2% |
| Metro Tunnel Redundancy | Program Support Services | \$24,748 | \$547 | 42.7% |
| Metro Redundancy Interim Improvements | Waltham Water Pipeline REI | \$2,883 | \$427 | 57.5% |

Community Financial Assistance

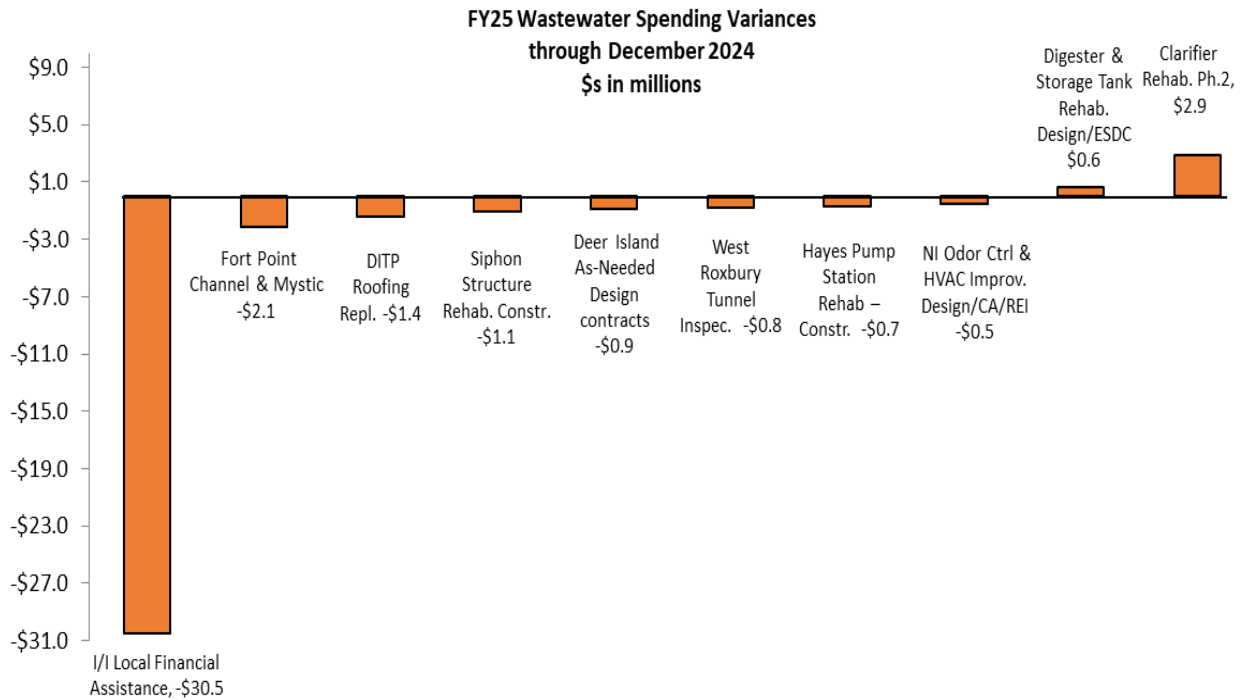
In the first half of FY25, MWRA continued support for the community financial assistance programs includes overall net repayments of \$4.1 million. Inflow and Infiltration (I/I) spending consisted of \$3.3 million in grants and \$2.2 million in loans offset by \$4.4 million in prior period loan repayments for net spending of \$1.1 million. The Local Water System Assistance Program spending was \$14.4 million in loans, including CVA communities, offset by \$19.6 million in prior period loan repayments for net repayments of \$5.2 million that includes net Lead Service Line Replacement repayments of \$1.9 million.

Major Variances to FY25 Plan

| FY25 Capital Improvement Program Spending Through December 2024 (\$000s) | | | | | |
|---|------------------------------|----------------------------|---------------------------|-------------|---|
| Program | Budgeted Spending | Actual Spending | Variance to Budget | | % of Total YTD Actual Spending |
| | | | \$ | % | |
| Total Wastewater System | \$77,308 | \$39,863 | (\$37,445) | -48% | 53% |
| Interception & Pumping | \$8,827 | \$4,372 | (\$4,455) | -50% | 6% |
| Treatment | \$33,678 | \$33,625 | (\$54) | 0% | 45% |
| Residuals | \$0 | \$0 | \$0 | 0% | 0% |
| Combined Sewer Overflow | \$3,202 | \$804 | (\$2,398) | -75% | 1% |
| Other Wastewater Programs | \$31,601 | \$1,063 | (\$30,538) | -97% | 1% |
| Total Waterworks System | \$46,900 | \$30,409 | (\$16,491) | -35% | 40% |
| Drinking Water Quality Improvements | \$2,610 | \$1,177 | (\$1,433) | -55% | 2% |
| Transmission | \$28,602 | \$21,194 | (\$7,408) | -26% | 28% |
| Distribution and Pumping | \$14,058 | \$11,246 | (\$2,813) | -20% | 15% |
| Other Waterworks Programs | \$1,629 | (\$3,208) | (\$4,837) | -297% | -4% |
| Business & Operations Support | \$9,151 | \$4,991 | (\$4,160) | -45% | 7% |
| Total MWRA (without Contingency) | \$133,359 | \$75,263 | (\$58,096) | -44% | 100% |

Wastewater System Improvements

Wastewater year-to-date spending was \$39.9 million, \$37.4 million or 48.4% below plan. The graph below reflects contract variances of \$0.5 million or greater.



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

Other Wastewater: Less than planned spending of \$30.5 million

- \$30.5 million for Community I/I due to less than anticipated requests for community grants and loans.

Interception & Pumping: Less than planned spending of \$4.5 million

- \$1.1 million for Siphon Structure Rehabilitation Construction due schedule change.
- \$0.8 million for West Roxbury Tunnel Inspection due to work delayed due to contractor in process of submitting dive and safety plan.
- \$0.7 million for Hayes Pump Station Rehab – Construction due to award being slightly later than anticipated.
- \$0.5 million for Nut Island Odor Control & HVAC Improvements Design/CA/REI & Construction Phase 2 due to work scheduled for FY25 performed in FY24.

Combined Sewer Overflow: Less than planned spending of \$2.4 million

- \$2.1 million for Fort Point Channel & Mystic due to the timing of Community Managed CSO payments.

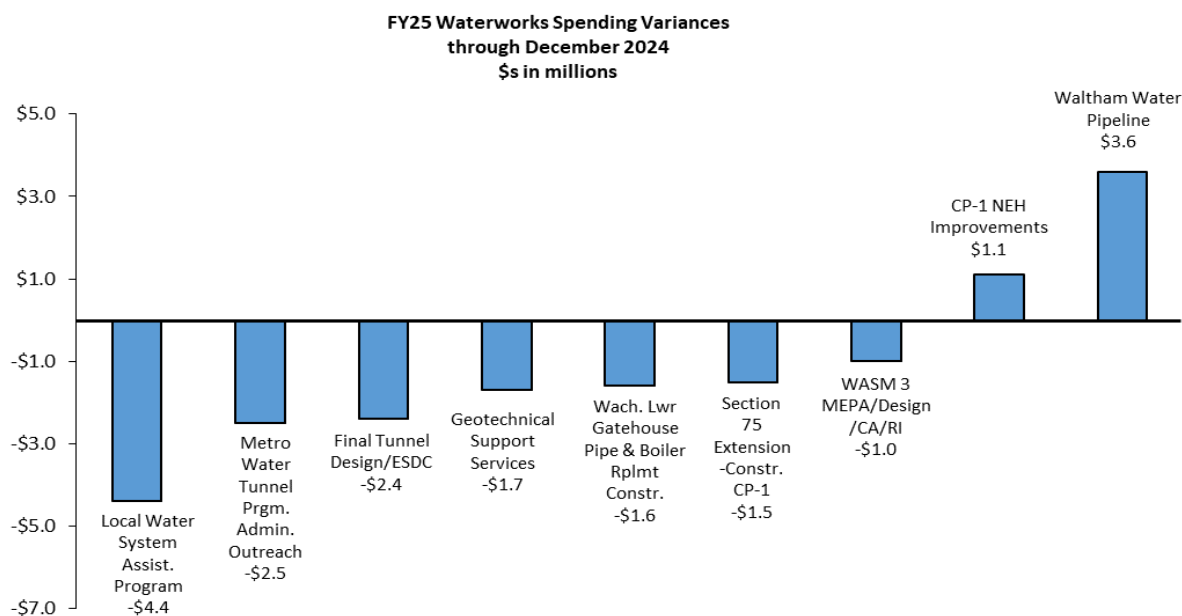
Wastewater Treatment: Less than planned spending of \$0.1 million

- \$1.4 million for DITP Roofing Replacement due to delays with getting materials on a timely basis.
- \$0.9 million for DITP As-Needed Design due to lower than projected task order work.
- \$0.4 million for Clinton Wastewater Treatment Plant Digester Cover Replacement due to schedule change.
- This under planned spending was partially offset by greater than planned spending of \$2.9M for Clarifier Rehabilitation Phase 2 Construction due to contractor progress

greater than planned, \$0.6 million for Digester & Storage Tank Rehabilitation Design/ESDC due to consultant progress greater than anticipated, and \$0.2 million for Clinton Wastewater Treatment Plant Screw Pump Replacement due to work scheduled for FY24 performed in FY25.

Waterworks System Improvements

Waterworks actual spending was \$30.4 million, \$16.5 million or 35.2% less than plan. The graph below reflects contract variances of \$1.0 million or greater.



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

Waterworks Transmission: Less than planned spending of \$7.4 million

- \$2.5 million for Metro Water Tunnel Program Administration, Legal & Public Outreach due to less than anticipated costs.
- \$2.4 million for Final Tunnel Design/ESDC due to contract awarded later than anticipated.
- \$1.7 million for Metro Water Tunnel Program Support and Geotechnical Services due to less than anticipated services.
- \$1.6 million for Wachusett Lower Gatehouse Pipe & Boiler Replacement Construction due to longer lead-time on some larger items and a change in design for the multi-orifice valve.
- \$1.0 million for WASM 3 MEPA/Design/CA/RI due to less than anticipated consultant work.
- \$0.7 million for Sudbury Dam Improvements – Construction due to additional change order work delaying original completion date by 75 days.
- \$0.6 million for Shaft 5 CP2 Construction due to contractor running behind on the concrete rehab work.
- \$0.3 million for Watershed Land Acquisition due to less than anticipated land purchases.

- This under planned spending was partially offset by greater than planned contractor progress of \$3.6 million for Waltham Water Pipeline.

Other Waterworks: Less than planned spending of \$4.8 million

- \$4.4 million for Local Financial Assistance due to less than anticipated requests for community loans.
- \$0.6 million for Beacon St. Line Design/ESDC due to schedule change.

Water Distribution and Pumping: Less than planned spending of \$2.8 million

- \$1.5 million for Section 75 Extension CP-1 Construction due to later than anticipated contract award.
- \$0.6 million for Section 89/29 Replacement Construction due to less than planned contractor progress
- \$0.5 million for Northern Extra High Service (NEH) - New Pipelines Legal due to less than planned legal/easement expenses.
- \$0.5 million for Sections 25 & 24 CP-2 Construction due to contractor behind original schedule as a result of a holiday break.
- \$0.3 million for Section 56 Replacement/Saugus River Design/CA due to a change in Construction schedule affecting Construction Administration services schedule.
- This under planned spending was partially offset by \$1.1 million for CP-1 NEH Improvements and \$0.6 million for New Connecting Mains CP3-Sections 23, 24 & 47 Rehabilitation due to work scheduled for FY24 including paving performed in FY25.

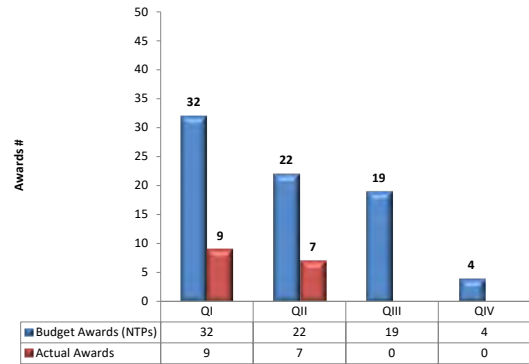
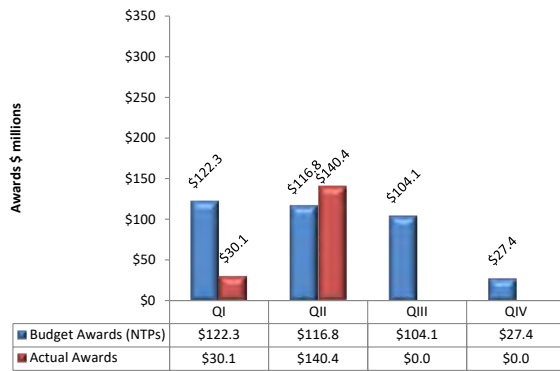
Business & Operations Support: Less than planned spending of \$4.2 million

- \$1.2 million for As-Needed Design Contracts due to lower than projected task order work.
- \$1.0 million for Cabling due to delays in development of the scope of work caused by challenges in locating available conduit paths on Deer Island.
- \$0.8 million for Security Equipment & Installation due to project delays including upgrades to communication circuits and Incident Management System, and less than anticipated fencing work.
- \$0.4 million for Oracle Database Appliance v.2 due to schedule shift.
- \$0.3 million for MAXIMO Interface Enhancements due to less than anticipated completion of final work.
- This under planned spending was partially offset by greater than planned spending of \$0.6 million for Lawson Upgrade due to software subscription renewal that was forecasted over months when it is a one-time annual expense).

Please refer to Attachment A for detailed FY25 CIP variance explanations.

Status of Contract Awards Planned for FY25

MWRA's FY25 CIP projected 77 contracts to be awarded for the year with a value of \$371.0 million. Through December, 54 awards with a value of \$239.3 were planned. Through mid-year, MWRA has awarded 16 contracts with a value of \$170.5 million or 71.2% of plan. The three largest contract awards total \$137.5 million and are the Metro Water Tunnel Final Design/ESDC (\$93.6 million), Hayes Pump Station Rehab Construction (\$25.6 million), and Deer Island Combined Heat & Power Design/ESDC/REI (\$18.4 million).



As part of the FY25 CIP development and monthly CIP coordination meetings, staff have reviewed planned contract awards for FY25 and have updated assumptions based on new information. By the end of FY25, staff expect to award 26 additional planned contracts valued at \$131.7 million for a total of 42 contracts valued at \$302.2 million.

The primary reasons for not expecting to award all contracts in FY25 are:

- Six projects have been delayed due to changes in scope that have required additional work;
- Twenty-one projects were delayed due to a change in priorities;
- Seven projects with Bidder Issue/Outside Design Delay/Contractor issue/Additional specifications review; and
- Four projects have been deleted or are being either combined with another project, are on hold or will be handled through as-needed technical assistance.

The following table summarizes the total number of capital contract awards planned for FY25 and highlights the number planned for award during the second half of FY25.

Summary of Planned Contract Awards

| | # of Awards | \$ Award |
|---|-------------|----------------|
| Total Planned Awards per FY25 CIP | 77 | \$371.0 |
| | | |
| Planned Awards first half of FY25 | 13 | 76.5 |
| Unplanned Awards first half of FY25 | 3 | 94.0 |
| Subtotal | 16 | \$170.5 |
| Expected to be Awarded second half of FY25 | 26 | \$131.7 |
| Shifted Beyond FY25 - Scope/Priority Change/Issues/Permit | 34 | 150.1 |
| Deleted/Transferred from CIP/Project on hold | 4 | 19.0 |
| | | |
| Total Projects Planned to be awarded in FY25 | 42 | \$302.2 |

Please refer to Attachment B for contract award status for all FY25 planned contracts.

The following 16 contracts were awarded in the first half of FY25:

- Metro Water Tunnel Final Design/ESDC - \$93.6 million
- Hayes Pump Station Rehab Construction - \$25.6 million
- Deer Island Combined Heat & Power Design/ESDC/REI - \$18.4 million
- New Connecting Mains Section 75A and 47 Extension Construction - \$17.3 million
- Somerville Marginal New Pipeline Connection - \$4.4 million
- Cottage Farm PCB Abatement – Design/CA - \$3.8 million
- New Connecting Mains Section 75A and 47 Extension REI - \$1.8 million
- Hayes Pump Station Rehabilitation REI - \$1.8 million
- West Roxbury Tunnel Inspection - \$1.7 million
- CP2 Tops of Shafts REI - \$0.9 million
- Oracle Database Application v.2 - \$0.5 million
- PI Vision Process Book Replacement - \$0.3 million
- Technical Assistance Appraisal Services 2 contracts - \$0.2 million each
- IT Disaster Recovery - \$0.1 million
- MS Office Upgrades - \$33,000

Major Awards Planned for the 2nd Half of FY25

Looking ahead to the second half of FY25, the MWRA anticipates awarding 26 contracts including several major construction contracts for \$131.7 million. The largest projected awards are listed below:

| Major Planned Contract Awards in Second Half of FY25 | | |
|--|---|---|
| Program/Project | Subphase | FY25 Budget Contract Amount \$s in millions |
| Northern Extra High Service New Pipeline | CP-2 NEH Improvements | \$21.0 |
| Deer Island Treatment Plant Asset Protection | Odor Control Rehab - Design/ESDC | \$14.0 |
| Metro Redundancy Interim Improvements | WASM 3 Rehab CP-2 | \$13.9 |
| Waterworks Facility Asset Protection | Steel Tank/Improvement Construction | \$9.8 |
| Siphon Structure Rehabilitation | Construction | \$8.3 |
| Deer Island Treatment Plant Asset Protection | DI Dystor Membrane Replacements | \$8.0 |
| NIH Redundancy & Storage | NIH Storage - Design/CA/RI | \$6.9 |
| NHS - Revere & Malden Pipe | Section 56 Replacement- Construction | \$6.7 |
| Clinton Wastewater Treatment Plant | Digester Cover Replacement | \$5.8 |
| Watershed Division Capital Improvements | Maintenance Garage/Wash Bay/Storage Building Construction | \$5.4 |
| Deer Island Treatment Plant Asset Protection | Centrifuge Replac Des/ESCD/REI | \$5.2 |
| Cathodic Protection Of Distribution Mains | Cathodic Protection Shafts E,L,N&W Construction | \$5.1 |
| Deer Island Treatment Plant Asset Protection | HVAC Design/ESDC | \$4.5 |
| Clinton Wastewater Treatment Plant | Screw Pump Replacement Phase 2 Construction | \$4.5 |
| Facility Asset Protection | Hingham Pump Station Rehab Des/ESDC | \$2.9 |
| Northern Extra High Service New Pipeline | REI CP-2 | \$1.5 |
| Waterworks Facility Asset Protection | Roofs Gillis/Brattle St/Newton Construction | \$1.5 |
| | Total | \$124.9 |

In the second half of the FY25, MWRA also anticipates substantial completion on major contracts including Braintree-Weymouth Improvements Construction, Columbus Park Headworks Air Handling Equipment, and Deer Island Treatment Plant Roof Replacements.

ATTACHMENTS:

- A. FY25 CIP Variance Explanations through December 2024
- B. FY25 CIP Contract Award Update

ATTACHMENT A
FY25 CIP Variance Report (\$000s)

| | FY25 Budget December | FY25 Actuals December | Actuals vs. Budget | | Explanations |
|---------------------------------|----------------------------|-----------------------------|--------------------|--------|--|
| | | | \$ | % | |
| Wastewater | | | | | |
| Interception & Pumping (I&P) | \$8,827 | \$4,372 | (\$4,455) | -50.5% | <u>Less than planned spending</u> Siphon Structure Rehabilitation Construction: \$1.1M (schedule change) West Roxbury Tunnel Inspection: \$800k (work delayed due to contractor in process of submitting dive and safety plan) Hayes Pump Station Rehab - Construction: 687k (award slightly later than anticipated) Nut Island Odor Control & HVAC Improvements Design/CA/REI & Construction Phase 2: \$472k (work scheduled for FY25 performed in FY24) Ward St. & Columbus Park Headworks Design/CA: \$370k (schedule change) Columbus Park Headworks Air Handling Equipment: \$304k (delayed delivery of new makeup air units) |
| Treatment | \$33,678 | \$33,625 | (\$54) | -0.2% | <u>Less than planned spending</u> DITP Roofing Replacement: \$1.4M (Contractor is behind original schedule due to delays with getting materials on a timely basis) DITP As-Needed Design: \$1.1M (lower than projected task order work) Clinton Wastewater Treatment Plant Digester Cover Replacement: \$417k (schedule change) <u>Greater than planned spending</u> Clarifier Rehabilitation Phase 2 Construction: \$2.9M (contractor progress greater than planned) Digester & Storage Tank Rehabilitation Design/ESDC: \$629k (consultant progress greater than anticipated) Clinton Wastewater Treatment Plant Screw Pump Replacement: \$200k (work scheduled for FY24 performed in FY25) |
| Residuals | \$0 | \$1 | \$1 | 0.0% | |
| CSO | \$3,202 | \$804 | (\$2,398) | -74.9% | <u>Less than planned spending</u> Fort Point Channel & Mystic: \$2.1M (later than planned Community Managed CSO payments) Somerville Marginal New Pipe Connection: \$500k (Notice-to-Proceed issued later than anticipated) <u>Greater than planned spending</u> CSO Performance Assessment: \$428k (consultant progress greater than originally planned) |
| Other Wastewater | \$31,601 | \$1,063 | (\$30,538) | -96.6% | <u>Less than planned spending</u> I/I Local Financial Assistance: \$30.5M (less than anticipated requests for community grants and loans) |

ATTACHMENT A
FY25 CIP Variance Report (\$000s)

| | FY25 Budget December | FY25 Actuals December | Actuals vs. Budget | | Explanations |
|-------------------------------------|----------------------------|-----------------------------|--------------------|---------------|--|
| | | | \$ | % | |
| Total Wastewater | \$77,308 | \$39,864 | (\$37,444) | -48.4% | |
| Waterworks | | | | | |
| Drinking Water Quality Improvements | \$2,610 | \$1,177 | (\$1,433) | -54.9% | <u>Less than planned spending</u> CWTP Technical Assistance: \$1.0M (lower than projected task order work) CWTP Parapet Wall Repairs: \$400k (contractor progress less than planned) |
| Transmission | \$28,602 | \$21,194 | (\$7,408) | -25.9% | <u>Less than planned spending</u> Metropolitan Water Tunnel Program Administration, Legal & Public Outreach: \$2.5M (less than anticipated costs) Metropolitan Water Tunnel Program Final Design/ESDC: \$2.4M (change in Notice-to-Proceed as contract was not awarded until October 23, 2024 Board meeting) Wachusett Lower Gatehouse Pipe & Boiler Replacement Construction and REI: \$1.6M (longer lead time on some larger items and a change in design for the multi-orifice valve) Program Support Services: \$1.0M and Geotechnical Support Services: \$663k (less than anticipated services) WASM 3 - MEPA/Design/CA/RI: \$968k (less than planned consultant work) Sudbury/Foss Dam Improvements - Construction: \$713k (additional change order work delayed original completion date by 75 days) Shaft 5, CP2 Construction: \$571k (contractor running behind on the concrete rehab work) Watershed Land Acquisition: \$255k (less than planned land purchases) <u>Greater than planned spending</u> Waltham Water Pipeline Construction: \$3.6M (greater than planned contractor progress) |

ATTACHMENT A
FY25 CIP Variance Report (\$000s)

| | FY25 Budget December | FY25 Actuals December | Actuals vs. Budget | | Explanations |
|--|----------------------------|-----------------------------|--------------------|---------------|---|
| | | | \$ | % | |
| Distribution & Pumping | \$14,058 | \$11,246 | (\$2,813) | -20.0% | <u>Less than planned spending</u> Section 75A and 47 Extension Extension - CP-1 Construction: \$1.5M (awarded later than anticipated) Section 89/29 Replacement Construction: \$635k (less than planned contractor progress) Northern Extra High Service (NEH) - New Pipelines Legal: \$488k (less than planned legal/easement expenses) Sections 25 & 24 - CP-2 Construction: \$466k (contractor behind original schedule) Section 56 Replacement/Saugus River - Design/CA: \$332k (change in Construction schedule affects CA services schedule) <u>Greater than planned spending</u> NEH Improvements CP-1: \$1.1M and New Connecting Mains CP3-Sections 23, 24 & 47 Rehabilitation: \$567k (work scheduled for FY24 including final paving performed in FY25) |
| Other Waterworks | \$1,629 | (\$3,208) | (\$4,837) | n/a | <u>Less than planned spending</u> Local Water Pipeline Financial Assistance Program: \$4.4M (less than anticipated requests for community loans) Beacon St. Line - Design/ESDC: \$595k (schedule change) Steel Tank Improvements: \$409k (less than planned consultant progress) |
| Total Waterworks | \$46,900 | \$30,409 | (\$16,491) | -35.2% | |
| Business & Operations Support | | | | | |
| Total Business & Operations Support | \$9,151 | \$4,991 | (\$4,160) | -45.5% | <u>Less than planned spending</u> As-Needed Design Contracts: \$1.2M (lower than projected task order work) Cabling: \$974k (delays in development of the scope of work caused by challenges in locating available conduit paths on Deer Island) Security Equipment & Installation: \$753k (delays with projects including upgrades to communication circuits and Incident Management System, and less than anticipated fencing work) Oracle Database Appliance v.2: \$388k, and PI Vision Process Book Replacement: \$221k (schedule changes) MAXIMO Interface Enhancements: \$309k (less than anticipated completion of final work) <u>Greater than planned spending</u> Lawson Upgrade: \$581k (cost for software subscription renewal was forecasted over months when it is a one-time annual expense) |
| Total MWRA | \$133,359 | \$75,264 | (\$58,095) | -43.6% | |

**ATTACHMENT B
FY25 Contract Awards**

| Project | Contract No. | Subphase | Notice to Proceed | Revised NTP | FY25 Budget (\$ in millions) | Award Amount (\$ in millions) | Vender | Schedule Change Reason Code * |
|---|--------------|--|-------------------|---------------------|------------------------------|-------------------------------|--|-------------------------------|
| Application Improvement Program | 8088 | PI Vision Process Book Replace | Jul-24 | Jun-25 | \$0.2 | \$0.3 | Capstone Technology | 1 |
| Application Improvement Program | 8096 | Hyperion v.2 | Jul-24 | Aug-25 | \$0.3 | | | 6 |
| Information Security Program ISP | 7657 | ITSM Access Management | Jul-24 | Jul-25 | \$0.3 | | | 6 |
| IT Infrastructure Program | 7664 | Instrumentation & Controls IT | Jul-24 | Nov-25 | \$0.3 | | | 6 |
| IT Infrastructure Program | 8097 | Oracle Database Appliance v.2 | Jul-24 | Jul-24 | \$0.5 | \$0.4 | Mythics | 1 |
| Siphon Structure Rehabilitation | 6225 | Construction | Jul-24 | Jan-25 | \$8.3 | | | 3 |
| Siphon Structure Rehabilitation | 7996 | Siphon Structure Phase 1 REI | Jul-24 | Jan-25 | \$1.0 | | | 3 |
| West Roxbury Tunnel | 6898 | Tunnel Inspection | Jul-24 | Jul-24 | \$1.2 | \$1.7 | Black Dog Divers, Inc. | 1 |
| New Connect Mains-Shaft 7 to WASM 3 | 7484 | Section 75A and 47 Extension - Const CP-1 | Jul-24 | Jan-25 | \$16.9 | \$17.3 | P. Gioioso & Sons, Inc. | 1 |
| New Connect Mains-Shaft 7 to WASM 3 | 8067 | Sect 75A and 47 REI CP-1 | Jul-24 | Jan-25 | \$2.0 | \$1.8 | CDM Smith, Inc. | 1 |
| Waterworks Facility Asset Protection | 7729 | Beacon St Line Des/ESDC | Jul-24 | Jul-28 | \$4.9 | | | 5 |
| Watershed Division Capital Improvement | 7569 | QAB Concept Des Report | Jul-24 | Jan-25 | \$0.3 | | | 3 |
| IT Infrastructure Program | 8092 | Distributed Antenna System Upg | Aug-24 | Jan-26 | \$0.3 | | | 6 |
| IT Infrastructure Program | 8098 | Servers v.2 | Aug-24 | Jan-26 | \$0.2 | | | 6 |
| Hydraulic Relief Projects | 7985 | Somm Marginal New Pipe Connection | Aug-24 | Oct-24 | \$4.6 | \$4.4 | RJV Construction | 1 |
| Hydraulic Relief Projects | 8070 | Som.-Marg.New Pipe Conn. REI | Aug-24 | Apr-25 | \$0.5 | | | 3 |
| Facility Asset Protection | 7392 | Cottage Farm PCB Abatement - Design/CA | Aug-24 | Oct-24 | \$2.7 | \$3.8 | Weston & Sampson Engineers | 1 |
| Facility Asset Protection | 7989 | Belle Isle Rehab Des/ESDC/REI | Aug-24 | May-26 | \$2.5 | | | 7 |
| Residuals Asset Protection | 7145 | Residuals Facility Upgrades - Design | Aug-24 | Subphase eliminated | \$4.0 | | | 2 |
| Deer Island Treatment Plant Asset Protection | 6730 | CHP Des/ESDC/REI | Aug-24 | Aug-24 | \$16.5 | \$18.4 | Burns & McDonnell Engineering | 1 |
| Deer Island Treatment Plant Asset Protection | 7110 | HVAC Design/ESDC | Aug-24 | Jan-25 | \$4.5 | | | 3 |
| Clinton Wastewater Treatment Plant | 7648 | Digester Cover Replacement | Aug-24 | Jan-25 | \$5.8 | | | 3 |
| Waterworks Facility Asset Protection | 7711 | Water Tank Masonry/Strct.Con Assessment/Eval | Aug-24 | Sep-26 | \$0.9 | | | 7 |
| Metro Redundancy Interim Improvements | 7702 | CP2 Tops of Shafts REI | Aug-24 | Aug-24 | \$0.7 | \$0.9 | Mott MacDonald | 1 |
| Facility Asset Protection | 7375 | Hayes Pump Station Rehab Construction | Sep-24 | Nov-24 | \$22.7 | \$25.6 | Waterline Industries Corporation | 1 |
| Facility Asset Protection | 7668 | Hayes Pump St Rehab REI | Sep-24 | Jan-25 | \$1.1 | \$1.8 | Hazen & Sawyer | 1 |
| IT Infrastructure Program | 7663 | Disaster Recovery | Sep-24 | Sep-24 | \$1.0 | \$0.1 | ePlus Technology | 1 |
| IT Infrastructure Program | 8091 | MS Office Upgrades | Sep-24 | Jan-25 | \$0.2 | \$0.0 | Dell Marketing LP | 1 |
| Facility Asset Protection | 7637 | Fuel Oil Tank Repl Caruso, DeLauri, Framingham | Sep-24 | Jul-25 | \$4.0 | | | 7 |
| Facility Asset Protection | 7689 | Somerville-Marginal CSO Facility Rehab Des/CA | Sep-24 | Sep-26 | \$3.0 | | | 5 |
| Deer Island Treatment Plant Asset Protection | 7169 | Gas Protect System Replac Ph 2 | Sep-24 | Subphase eliminated | \$6.5 | | | 2 |
| Clinton Wastewater Treatment Plant | 7591 | Screw Pump Replac Ph 2 Const | Sep-24 | May-25 | \$4.5 | | | 3 |
| Application Improvement Program | 8095 | LIMS Upgrade v.2 | Oct-24 | Aug-25 | \$0.8 | | | 6 |
| Deer Island Treatment Plant Asset Protection | 6728 | Digester Gas Flare No 4-Des/ESDC | Oct-24 | Now part of the CHP | \$1.2 | | | 2 |
| South Spine Distribution Mains | 7120 | Section 22 - Design/ESDC | Oct-24 | Jul-25 | \$3.1 | | | 5 |
| NIH Redundancy & Storage | 7311 | NIH Storage - Design/CA/RI | Oct-24 | Mar-25 | \$6.9 | | | 3 |
| CWTP Asset Protection | 7595 | CWTP Water Pump VFD Repl | Oct-24 | Oct-29 | \$0.2 | | | 6 |
| Waterworks Facility Asset Protection | 7676 | Steel Tanks Impr REI | Oct-24 | Mar-25 | \$1.1 | | | 3 |
| Waterworks Facility Asset Protection | 7727 | Steel Tank Improv Constr Ph2 | Oct-24 | Nov-25 | \$7.1 | | | 7 |
| Waterworks Facility Asset Protection | 7728 | Steel Tank Improv REI Ph2 | Oct-24 | Nov-25 | \$0.8 | | | 6 |
| Waterworks Facility Asset Protection | 7493 | Steel Tank/Impr Constr | Oct-24 | Mar-25 | \$9.8 | | | 3 |
| Information Security Program ISP | 8090 | Data Center Firewalls | Nov-24 | Nov-24 | \$0.8 | | | 3 |
| Facility Asset Protection | 7410 | CB1 Sect 23, 24, 25, 26 Des/ESDC | Nov-24 | Nov-25 | \$2.0 | | | 5 |

**ATTACHMENT B
FY25 Contract Awards**

| Project | Contract No. | Subphase | Notice to Proceed | Revised NTP | FY25 Budget (\$ in millions) | Award Amount (\$ in millions) | Vender | Schedule Change Reason Code * |
|--|--------------|--|-------------------|---------------------|------------------------------|-------------------------------|--------|-------------------------------|
| Deer Island Treatment Plant Asset Protection | 6852 | Chemical Pipe Replacement - Construction | Nov-24 | Jul-25 | \$9.0 | | | 5 |
| Watershed Division Capital Improvement | 7577 | Maint Gar/Wash Bay/Stor Bldg Constr | Nov-24 | Apr-25 | \$5.4 | | | 3 |
| Capital Maintenance Planning | 8063 | As-Needed Des Contract 23 | Dec-24 | Dec-25 | \$2.5 | | | 6 |
| Alternative Energy Initiatives | 7270 | Future Renewable Energy Projects | Dec-24 | Jul-25 | \$10.0 | | | 6 |
| Deer Island Treatment Plant Asset Protection | 7088 | Odor Control Rehab - Design/ESDC | Dec-24 | Mar-25 | \$14.0 | | | 3 |
| Deer Island Treatment Plant Asset Protection | 7137 | Centrifuge Replac Des/ESCD/REI | Dec-24 | May-25 | \$5.2 | | | 3 |
| Deer Island Treatment Plant Asset Protection | 7397 | Clarifier Rehab Phase 2 - REI | Dec-24 | Subphase eliminated | \$7.3 | | | 2 |
| NHS - Revere & Malden Pipe | 7486 | Section 56 Replacement- Construction | Dec-24 | Feb-25 | \$6.7 | | | 3 |
| NHS - Revere & Malden Pipe | 7681 | Sect 56 Replace REI | Dec-24 | Feb-25 | \$0.6 | | | 3 |
| Northern Extra High Service New Pipeline | 7725 | CP-2 NEH Improvements | Dec-24 | Apr-25 | \$21.0 | | | 3 |
| Northern Extra High Service New Pipeline | 8004 | REI CP-2 | Dec-24 | Feb-25 | \$1.5 | | | 3 |
| Quabbin Transmission System | 8149 | Heat Pmps WLGH/N.Nep/Newt PS | Jan-25 | Jan-25 | \$1.1 | | | 3 |
| Capital Maintenance Planning | 8062 | As-Needed Des Contract 22 | Jan-25 | Dec-25 | \$2.5 | | | 6 |
| Application Improvement Program | 7666 | PI (OSI) | Jan-25 | Aug-25 | \$0.3 | | | 6 |
| Wastewater Meter System-Equipment | 6928 | Comm. Unmetered Flows Eval. | Jan-25 | Jan-26 | \$2.7 | | | 6 |
| Facility Asset Protection | 8106 | Prison Point Repack Des/CA/RI | Jan-25 | Jan-26 | \$2.3 | | | 5 |
| Waterworks Facility Asset Protection | 7900 | Roofs Gillis/Bratt/Newt REI | Jan-25 | Mar-25 | \$0.3 | | | 3 |
| Waterworks Facility Asset Protection | 7901 | Roofs Gillis/Bratt/Newt Constr | Jan-25 | Mar-25 | \$1.5 | | | 3 |
| MetroWest Tunnel | 8080 | Shaft L Interconnect Des/ESDC | Jan-25 | May-26 | \$1.1 | | | 6 |
| Watershed Division Capital Improvement | 8073 | New Salem Building Design | Jan-25 | Jan-27 | \$2.1 | | | 6 |
| Deer Island Treatment Plant Asset Protection | 7051 | Fire Alarm System Replacement - Construc | Mar-25 | Mar-26 | \$35.0 | | | 7 |
| Deer Island Treatment Plant Asset Protection | 7135 | DI DiStor Membrane Replacements | Mar-25 | Jun-25 | \$8.0 | | | 3 |
| Deer Island Treatment Plant Asset Protection | 7139 | Cryo Plant Equipment Repl. Des-ESDC-REI | Mar-25 | Mar-26 | \$6.3 | | | 6 |
| Deer Island Treatment Plant Asset Protection | 7420 | MCC & Switchgr Replace Const | Mar-25 | Sep-25 | \$23.5 | | | 7 |
| Deer Island Treatment Plant Asset Protection | 7426 | Fire System Replacement - REI | Mar-25 | Mar-26 | \$4.8 | | | 7 |
| Cathodic Protection Of Distribution Mains | 6439 | Cath Pro Shafts E,L,N&W Const | Mar-25 | Jun-25 | \$5.1 | | | 3 |
| Cathodic Protection Of Distribution Mains | 7610 | Cath Pro Shafts E,L,N&W REI | Mar-25 | Jun-25 | \$1.0 | | | 3 |
| Carroll Water Treatment Plant | 8130 | Technical Assistance 15 | Mar-25 | Jul-25 | \$2.5 | | | 6 |
| Carroll Water Treatment Plant | 8131 | Technical Assistance 16 | Mar-25 | Jul-25 | \$2.5 | | | 6 |
| Carroll Water Treatment Plant | 7790 | CWTP UV Rooms Dehumidification | Mar-25 | Mar-27 | \$1.6 | | | 6 |
| Facility Asset Protection | 7827 | Hingham Pump Station Rehab Des/ESDC | Apr-25 | Apr-25 | \$2.9 | | | 3 |
| Facility Asset Protection | 7217 | Inter Ren 7-Malden&Melrose-Const | May-25 | May-26 | \$9.4 | | | 6 |
| Facility Asset Protection | 7751 | Intercept Renewal 7 REI | May-25 | May-26 | \$1.3 | | | 6 |
| Metro Redundancy Interim Improvements | 6543 | WASM 3 Rehab CP-2 | May-25 | May-25 | \$13.9 | | | 3 |

77 Planned contracts

\$371.0

\$76.5

Unplanned Awards in FY25

| | | | | | | | | |
|-----------------------------------|--------------|--|---------------|---------------|----------------|---------------|--|----------|
| Metro Water Tunnel Program | 7556 | Final Design/ESDC | Jun-24 | Nov-24 | \$117.8 | \$93.6 | WSP USA Inc. | 1 |
| Technical Assistance | 623TA | Technical Assistance Appraisal Services | Jul-24 | Jul-24 | \$0.2 | \$0.2 | Foster Appraisal Consulting Corp. | 1 |
| Technical Assistance | 624TA | Technical Assistance Appraisal Services | Jul-24 | Jul-24 | \$0.2 | \$0.2 | BBG Real Estate Services | 1 |

*** Reason Codes:**

1. NTP issued in FY25
2. Project/Phase eliminated or being performed in-house; combined with another project, or phase completed but on hold.
3. NTP expected in FY25
4. Schedule change due to permitting.
5. Scope changes.
6. Changes in priorities.
7. Bidder Issue/Outside Design Delay/Contractor issue/Additional specifications review


STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: February 12, 2025
SUBJECT: Preliminary FY26 Water and Sewer Assessments

COMMITTEE: Administration, Finance & Audit

 X INFORMATION
 VOTE

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


Thomas J. Durkin
 Director of Finance

Consistent with the Proposed FY26 Current Expense Budget (CEB), preliminary FY26 water and sewer assessments are based on a Rate Revenue Requirement of \$881,006,000, a 3.0% increase over the FY25 Rate Revenue Requirement. This includes a 3.9% increase for water assessments, and a 2.4% increase for sewer assessments.

The preliminary FY26 Rate Revenue Requirement will be allocated to MWRA communities based on their respective shares of CY24 MWRA water use, the average of CY22-CY24 wastewater flows, corresponding strength of flows, and population.

RECOMMENDATION:

For information only. This staff summary provides information on preliminary FY26 wholesale water and sewer assessments. Staff plan to transmit preliminary FY26 assessments to MWRA communities on or before Thursday, February 13, 2025.

DISCUSSION:

The Proposed FY26 CEB recommends a Rate Revenue Requirement of \$881,006,000, an increase of 3.0% over the final FY25 requirement.

| | Rate Revenue Requirement | | Change from FY25 | |
|--------------|--------------------------|---------------|------------------|---------|
| | FY26 Preliminary | FY25 Approved | \$ | Percent |
| Water | \$323,597,942 | \$311,379,328 | \$12,218,614 | 3.9% |
| Sewer | \$557,408,058 | \$544,108,672 | \$13,299,386 | 2.4% |
| Total | \$881,006,000 | \$855,488,000 | \$25,518,000 | 3.0% |

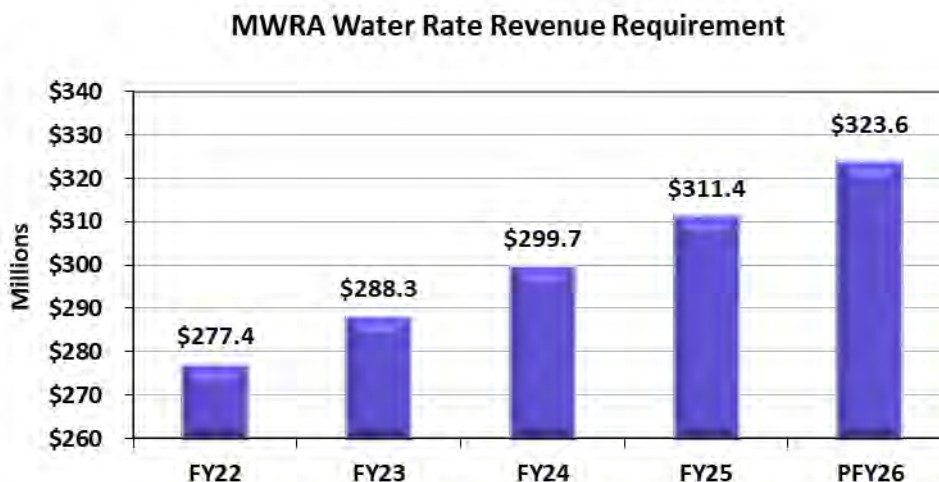
Attachment 1 summarizes preliminary FY26 wholesale water and sewer charges for each MWRA community.

The estimated annual impact of the preliminary FY26 assessment increase on the MWRA portion of the average household bill for water and sewer service in a fully served MWRA community that uses close to the system average of 61,000 gallons of water per year is approximately \$19.

Water Assessments

MWRA calculates water assessments for customer communities by apportioning the water rate revenue requirement according to each community's share of total water use for the most recent calendar year. Preliminary FY26 assessments are based on each community's share of CY24 water use of 64.647 billion gallons, a 3.6% increase compared to CY23 water use of 62.387 billion gallons. Changes in FY26 water assessments for customer communities compared to FY25 assessments will vary considerably, depending on each community's use of water and how that use factors into their share of the water system in CY24 compared to CY23. This is particularly true for communities that receive only part of their water from MWRA.

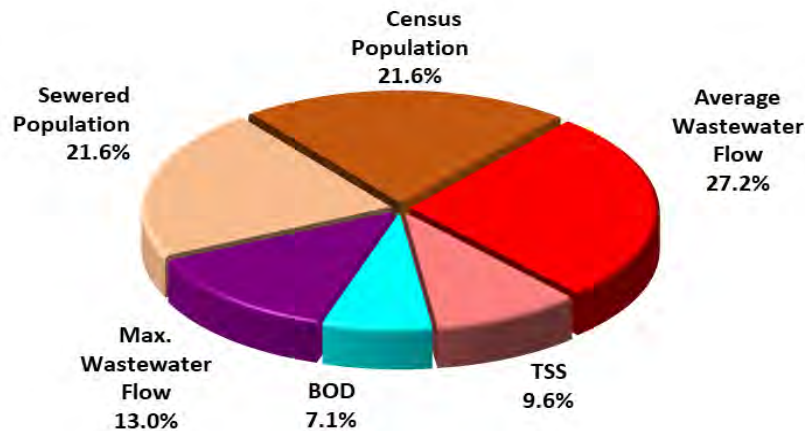
The graph below illustrates the water Rate Revenue Requirement for the past 5 years. The changes from FY25 to PFY26 are primarily the result of increased debt service related to water system rehabilitation and improvements.



Sewer Assessments

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

On average, approximately 57% of a community's preliminary FY26 sewer assessment is based on each community's share of wastewater flow and strength of flow (total suspended solids or TSS and biochemical oxygen demand or BOD), and approximately 43% is based on population as illustrated in the following graph.

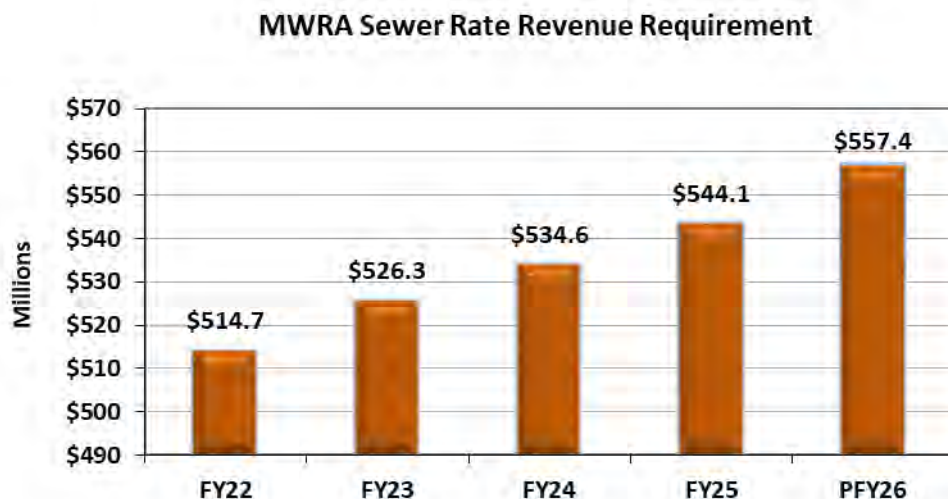


Both the preliminary and final FY26 assessments for population will be calculated using July 2023 community population estimates from the U.S. Census Bureau, as well as the percentage of total population receiving municipal sewer service reported by each MWRA community.

Preliminary FY26 assessments have also been calculated using the average of CY22, CY23 and CY24 wastewater flows. CY22 wastewater flows were estimated during the sewer system meter replacement project, and are based on the average of CY19, CY20, and CY21 flows.

Although preliminary FY26 assessments have been determined using the average of CY22, CY23 and CY24 wastewater flows, ongoing review of meter data may result in revised flows prior to issuing final assessments in June.

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



Clinton and Lancaster Sewer Assessments

Proposed FY26 operating and maintenance (O&M) and capital expenses attributable to the Clinton Wastewater Treatment Plant are \$5,727,664, an increase of 4.3% from FY25. This includes a 6.1% increase in operating costs, and a 0.8% increase in capital expenses.

In accordance with the agreement that allows the City of Worcester to take water from the Wachusett watershed, Worcester is charged approximately 7.9% of the direct operating expenses for the Clinton Wastewater Treatment Plant. Proposed FY26 direct operating expenses for the plant total \$3,133,595, resulting in a preliminary FY26 charge of \$247,898 for the City of Worcester. Worcester has been paying this annual charge to MWRA or its predecessors since 1914.

The Town of Clinton and the Lancaster Sewer District are allocated proportional shares of the remaining expenses based on annual metered wastewater flow to the Clinton Plant. Based on proposed FY26 expenses and CY24 wastewater flows, Lancaster's preliminary FY26 charge is \$531,878, an increase of 6.0% from FY25.

The preliminary FY26 charge for the Town of Clinton is \$4,896,828. However, pursuant to Chapter 307, Section 8 of the Acts of 1987, Clinton is only liable for the first \$500,000 of its share of O&M and capital costs.

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

CVA Water Assessments

Based on the Proposed FY26 CIP and CEB for the Chicopee Valley Aqueduct (CVA) water system, the preliminary FY26 system assessment is \$6,044,457, an increase of 3.0% from FY25.

MWRA's CVA water assessment methodology allocates CVA assessments to the three communities served by the CVA system based on their share of prior calendar year water use. Based on CY24 water use, preliminary FY26 assessments are as follows:

- City of Chicopee: \$4,210,045 (+3.0%)
- South Hadley Fire District #1: \$ 887,809 (+17.4%)
- Town of Wilbraham: \$ 946,603 (+10.3%)

As with the metropolitan water system, changes in preliminary FY26 water assessments for each CVA community compared to FY25 assessments vary depending on their water use and how that use factors into their share of the CVA water system in CY24 compared to CY23. Chicopee's share of the CVA water system decrease by 2.8% in CY24, while South Hadley Fire District #1's share increased by 10.8% and Wilbraham's share increased by 4.0%

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

Wholesale Water Rate

MWRA's wholesale water rate per million gallons is applied to customers purchasing MWRA water on a pay-as-you-go basis (including customers with emergency agreements). The preliminary wholesale water rate for FY26 is \$5,005.64 per million gallons. The proposed FY26 CEB includes revenue of \$158,225 from these customers.

Retail Sewer Rate

MWRA provides direct retail sewer service to Regis College in Weston and the New England Center for Children in Southborough. In accordance with MWRA Policy #OP.11, "Admission of New Community to MWRA Sewer System and Other Requests for Sewer Service to Locations Outside MWRA Sewer Service Area", both entities are charged a modified per million gallon "retail" rate that captures both sanitary and non-sanitary flows. Based on preliminary FY26 sewer assessments, the FY26 retail sewer rate will be \$8,927.96 per million gallons. The Proposed FY26 CEB includes revenue of \$73,777 from these customers.

ATTACHMENTS:

1. Preliminary FY26 Water and Sewer Assessments
2. Clinton Wastewater Treatment Plant Sewer User Charge Determination
3. Chicopee Valley Aqueduct System Assessment

| MWRA Fully Served Water and Sewer Customers | Final FY25 Water Assessment | Preliminary FY26 Water Assessment | Percent Change from FY25 | Final FY25 Sewer Assessment | Preliminary FY26 Sewer Assessment | Percent Change from FY25 | Final FY25 Combined Assessment | Preliminary FY26 Combined Assessment | Dollar Change from FY25 | Percent Change from FY25 |
|---|-----------------------------|-----------------------------------|--------------------------|-----------------------------|-----------------------------------|--------------------------|--------------------------------|--------------------------------------|-------------------------|--------------------------|
| ARLINGTON | \$5,700,350 | \$6,087,599 | 6.8% | \$9,492,790 | \$9,662,664 | 1.8% | \$15,193,140 | \$15,750,263 | \$557,123 | 3.7% |
| BELMONT | 3,259,822 | 3,608,362 | 10.7% | 5,692,509 | 5,771,796 | 1.4% | 8,952,331 | 9,380,158 | 427,827 | 4.8% |
| BOSTON (BWSC) | 109,867,908 | 112,816,245 | 2.7% | 150,037,179 | 152,698,746 | 1.8% | 259,905,087 | 265,514,991 | 5,609,904 | 2.2% |
| BROOKLINE | 8,373,742 | 8,986,468 | 7.3% | 13,457,245 | 13,244,235 | -1.6% | 21,830,987 | 22,230,703 | 399,716 | 1.8% |
| CHELSEA | 5,851,930 | 6,200,998 | 6.0% | 9,894,333 | 10,289,816 | 4.0% | 15,746,263 | 16,490,814 | 744,551 | 4.7% |
| EVERETT | 6,856,064 | 7,072,297 | 3.2% | 10,362,447 | 10,642,569 | 2.7% | 17,218,511 | 17,714,866 | 496,355 | 2.9% |
| FRAMINGHAM | 9,692,961 | 10,197,614 | 5.2% | 14,830,822 | 15,822,936 | 6.7% | 24,523,783 | 26,020,550 | 1,496,767 | 6.1% |
| LEXINGTON | 8,432,204 | 8,650,822 | 2.6% | 9,153,352 | 9,359,196 | 2.2% | 17,585,556 | 18,010,018 | 424,462 | 2.4% |
| MALDEN | 9,497,417 | 9,243,076 | -2.7% | 14,576,224 | 14,640,267 | 0.4% | 24,073,641 | 23,883,343 | (190,298) | -0.8% |
| MEDFORD | 8,041,818 | 8,387,383 | 4.3% | 14,191,728 | 13,829,558 | -2.6% | 22,233,546 | 22,216,941 | (16,605) | -0.1% |
| MELROSE | 3,865,069 | 3,762,588 | -2.7% | 6,926,272 | 6,860,838 | -0.9% | 10,791,341 | 10,623,426 | (167,915) | -1.6% |
| MILTON | 4,046,121 | 4,294,618 | 6.1% | 6,786,934 | 7,311,205 | 7.7% | 10,833,055 | 11,605,823 | 772,768 | 7.1% |
| NEWTON | 15,254,114 | 15,601,358 | 2.3% | 24,471,190 | 25,565,828 | 4.5% | 39,725,304 | 41,167,186 | 1,441,882 | 3.6% |
| NORWOOD | 4,735,735 | 4,842,022 | 2.2% | 9,377,625 | 9,617,068 | 2.6% | 14,113,360 | 14,459,090 | 345,730 | 2.4% |
| QUINCY | 14,668,740 | 15,546,511 | 6.0% | 23,271,259 | 23,578,747 | 1.3% | 37,939,999 | 39,125,258 | 1,185,259 | 3.1% |
| READING | 2,854,927 | 3,089,421 | 8.2% | 5,198,653 | 5,106,478 | -1.8% | 8,053,580 | 8,195,899 | 142,319 | 1.8% |
| REVERE | 6,555,178 | 6,847,418 | 4.5% | 12,651,589 | 12,963,103 | 2.5% | 19,206,767 | 19,810,521 | 603,754 | 3.1% |
| SOMERVILLE | 10,694,450 | 11,051,015 | 3.3% | 17,561,095 | 18,481,236 | 5.2% | 28,255,545 | 29,532,251 | 1,276,706 | 4.5% |
| STONEHAM | 3,671,848 | 4,019,561 | 9.5% | 6,085,041 | 6,154,248 | 1.1% | 9,756,889 | 10,173,809 | 416,920 | 4.3% |
| WALTHAM | 12,987,389 | 13,409,660 | 3.3% | 15,008,366 | 15,146,955 | 0.9% | 27,995,755 | 28,556,615 | 560,860 | 2.0% |
| WATERTOWN | 4,583,303 | 4,688,527 | 2.3% | 7,277,190 | 7,713,813 | 6.0% | 11,860,493 | 12,402,340 | 541,847 | 4.6% |
| WINTHROP | 2,127,216 | 2,047,059 | -3.8% | 4,029,198 | 4,227,689 | 4.9% | 6,156,414 | 6,274,748 | 118,334 | 1.9% |
| TOTAL | \$261,618,306 | \$270,450,622 | 3.4% | \$390,333,041 | \$398,688,991 | 2.1% | \$651,951,347 | \$669,139,613 | \$17,188,266 | 2.6% |

| MWRA Full Sewer and Partial Water Customers | Final FY25 Water Assessment | Preliminary FY26 Water Assessment | Percent Change from FY25 | Final FY25 Sewer Assessment | Preliminary FY26 Sewer Assessment | Percent Change from FY25 | Final FY25 Combined Assessment | Preliminary FY26 Combined Assessment | Dollar Change from FY25 | Percent Change from FY25 |
|---|-----------------------------|-----------------------------------|--------------------------|-----------------------------|-----------------------------------|--------------------------|--------------------------------|--------------------------------------|-------------------------|--------------------------|
| ASHLAND | \$0 | \$0 | - | \$2,975,664 | \$3,079,415 | 3.5% | \$2,975,664 | \$3,079,415 | \$103,751 | 3.5% |
| BURLINGTON | 2,637,231 | 2,573,260 | -2.4% | 6,231,204 | 6,394,401 | 2.6% | 8,868,435 | 8,967,661 | 99,226 | 1.1% |
| CANTON | 2,745,413 | 2,690,642 | -2.0% | 5,157,794 | 5,346,680 | 3.7% | 7,903,207 | 8,037,322 | 134,115 | 1.7% |
| NEEDHAM | 1,212,985 | 1,776,283 | 46.4% | 7,445,411 | 7,792,755 | 4.7% | 8,658,396 | 9,569,038 | 910,642 | 10.5% |
| STOUGHTON | 97,985 | 95,933 | -2.1% | 5,752,600 | 5,922,772 | 3.0% | 5,850,585 | 6,018,705 | 168,120 | 2.9% |
| WAKEFIELD | 3,304,401 | 3,685,827 | 11.5% | 6,791,838 | 6,753,118 | -0.6% | 10,096,239 | 10,438,945 | 342,706 | 3.4% |
| WELLESLEY | 3,262,215 | 3,710,550 | 13.7% | 7,020,669 | 7,386,688 | 5.2% | 10,282,884 | 11,097,238 | 814,354 | 7.9% |
| WILMINGTON | 484,407 | 1,102,504 | 127.6% | 3,341,156 | 3,400,367 | 1.8% | 3,825,563 | 4,502,871 | 677,308 | 17.7% |
| WINCHESTER | 2,034,253 | 2,410,018 | 18.5% | 5,385,020 | 5,777,913 | 7.3% | 7,419,273 | 8,187,931 | 768,658 | 10.4% |
| WOBURN | 5,715,234 | 5,759,665 | 0.8% | 11,159,078 | 11,589,297 | 3.9% | 16,874,312 | 17,348,962 | 474,650 | 2.8% |
| TOTAL | \$21,494,124 | \$23,804,682 | 10.7% | \$1,260,434 | \$1,443,406 | 3.6% | \$82,754,558 | \$87,248,088 | \$4,493,530 | 5.4% |

| MWRA Fully Served Sewer-only Customers | Final FY25 Water Assessment | Preliminary FY26 Water Assessment | Percent Change from FY25 | Final FY25 Sewer Assessment | Preliminary FY26 Sewer Assessment | Percent Change from FY25 | Final FY25 Combined Assessment | Preliminary FY26 Combined Assessment | Dollar Change from FY25 | Percent Change from FY25 |
|--|-----------------------------|-----------------------------------|--------------------------|-----------------------------|-----------------------------------|--------------------------|--------------------------------|--------------------------------------|-------------------------|--------------------------|
| BEDFORD | | | | \$3,886,054 | \$3,962,475 | 2.0% | \$3,886,054 | \$3,962,475 | \$76,421 | 2.0% |
| BRAINTREE | | | | 10,613,254 | 10,582,378 | -0.3% | 10,613,254 | 10,582,378 | (30,876) | -0.3% |
| CAMBRIDGE | | | | 31,407,738 | 33,069,500 | 5.3% | 31,407,738 | 33,069,500 | 1,661,762 | 5.3% |
| DEDHAM | | | | 6,319,318 | 6,382,741 | 1.0% | 6,319,318 | 6,382,741 | 63,423 | 1.0% |
| HINGHAM SEWER DISTRICT | | | | 2,165,417 | 2,113,865 | -2.4% | 2,165,417 | 2,113,865 | (51,552) | -2.4% |
| HOLBROOK | | | | 2,122,461 | 2,248,664 | 5.9% | 2,122,461 | 2,248,664 | 126,203 | 5.9% |
| NATICK | | | | 6,648,860 | 6,992,708 | 5.2% | 6,648,860 | 6,992,708 | 343,848 | 5.2% |
| RANDOLPH | | | | 7,343,719 | 7,647,968 | 4.1% | 7,343,719 | 7,647,968 | 304,249 | 4.1% |
| WALPOLE | | | | 4,670,240 | 4,845,594 | 3.8% | 4,670,240 | 4,845,594 | 175,354 | 3.8% |
| WESTWOOD | | | | 3,171,027 | 3,084,892 | -2.7% | 3,171,027 | 3,084,892 | (86,135) | -2.7% |
| WEYMOUTH | | | | 14,167,109 | 14,344,876 | 1.3% | 14,167,109 | 14,344,876 | 177,767 | 1.3% |
| TOTAL | | | | \$92,515,197 | \$95,275,661 | 3.0% | \$92,515,197 | \$95,275,661 | \$2,760,464 | 3.0% |

| MWRA Fully Served Water-only Customers | Final FY25 Water Assessment | Preliminary FY26 Water Assessment | Percent Change from FY25 | Final FY25 Sewer Assessment | Preliminary FY26 Sewer Assessment | Percent Change from FY25 | Final FY25 Combined Assessment | Preliminary FY26 Combined Assessment | Dollar Change from FY25 | Percent Change from FY25 |
|--|-----------------------------|-----------------------------------|--------------------------|-----------------------------|-----------------------------------|--------------------------|--------------------------------|--------------------------------------|-------------------------|--------------------------|
| LYNNFIELD WATER DISTRICT | \$919,790 | \$947,614 | 3.0% | | | | \$919,790 | \$947,614 | \$27,824 | 3.0% |
| MARBLEHEAD | 3,043,998 | 3,195,219 | 5.0% | | | | 3,043,998 | 3,195,219 | 151,221 | 5.0% |
| MARLBOROUGH | 7,379,850 | 7,280,864 | -1.3% | | | | 7,379,850 | 7,280,864 | (98,986) | -1.3% |
| NAHANT | 567,027 | 550,871 | -2.8% | | | | 567,027 | 550,871 | (16,156) | -2.8% |
| NORTHBOROUGH | 1,550,117 | 1,607,902 | 3.7% | | | | 1,550,117 | 1,607,902 | 57,785 | 3.7% |
| SAUGUS | 5,363,922 | 5,357,267 | -0.1% | | | | 5,363,922 | 5,357,267 | (6,655) | -0.1% |
| SOUTHBOROUGH | 1,086,340 | 1,234,149 | 13.6% | | | | 1,086,340 | 1,234,149 | 147,809 | 13.6% |
| SWAMPSCOTT | 2,496,307 | 2,429,832 | -2.7% | | | | 2,496,307 | 2,429,832 | (66,475) | -2.7% |
| WESTON | 2,462,486 | 2,935,214 | 19.2% | | | | 2,462,486 | 2,935,214 | 472,728 | 19.2% |
| TOTAL | \$24,869,837 | \$25,538,932 | 2.7% | | | | \$24,869,837 | \$25,538,932 | \$669,095 | 2.7% |

| MWRA Partial Water-only Customers | Final FY25 Water Assessment | Preliminary FY26 Water Assessment | Percent Change from FY25 | Final FY25 Sewer Assessment | Preliminary FY26 Sewer Assessment | Percent Change from FY25 | Final FY25 Combined Assessment | Preliminary FY26 Combined Assessment | Dollar Change from FY25 | Percent Change from FY25 |
|-----------------------------------|-----------------------------|-----------------------------------|--------------------------|-----------------------------|-----------------------------------|--------------------------|--------------------------------|--------------------------------------|-------------------------|--------------------------|
| DEDHAM-WESTWOOD WATER DISTRICT | \$909,823 | \$1,734,437 | 90.6% | | | | \$909,823 | \$1,734,437 | \$824,614 | 90.6% |
| LYNN (LWSC) | 163,485 | 121,220 | -25.9% | | | | 163,485 | 121,220 | (42,265) | -25.9% |
| PEABODY | 2,323,753 | 1,948,049 | -16.2% | | | | 2,323,753 | 1,948,049 | (375,704) | -16.2% |
| TOTAL | \$3,397,061 | \$3,803,706 | 12.0% | | | | \$3,397,061 | \$3,803,706 | \$406,645 | 12.0% |
| SYSTEMS TOTAL | \$311,379,328 | \$323,597,942 | 3.9% | \$544,108,672 | \$557,408,058 | 2.4% | \$855,488,000 | \$881,006,000 | \$25,518,000 | 3.0% |

Massachusetts Water Resources Authority
Clinton Wastewater Treatment Plant
Sewer User Charge Determination
Preliminary FY26

| BUDGETED EXPENSES: | |
|--|-------------|
| Clinton Direct Operating Expenses: | \$3,133,595 |
| MWRA Support Allocation: | 646,184 |
| Subtotal O&M Expenses: | \$3,779,779 |
| Total Debt Service Expenses: | \$1,947,885 |
| Total Clinton Service Area Expenses | \$5,727,664 |
| Less Revenue (City of Worcester Payment) | -247,898 |
| Clinton WWTP Rate Revenue Requirement: | \$5,479,766 |

| WASTEWATER FLOW and FLOW SHARES: | | CY2024 | |
|----------------------------------|----------------------|-------------------------------|-----------------------|
| | Town of Clinton Flow | Lancaster Sewer District Flow | Total Wastewater Flow |
| Average Daily Flow (MGD) | 2.370 | 0.282 | 2.652 |
| Average Flow (MG/YR) | 865.071 | 102.981 | 968.052 |
| Proportional Share of Flow | 89.36% | 10.64% | 100.0% |

Sewer User Charge Determination

| TOWN OF CLINTON | |
|--|-------------|
| O&M Expenses | \$3,779,779 |
| Less Revenue (City of Worcester Payment) | -247,898 |
| O&M Expenses to be Recovered | \$3,531,880 |
| Clinton's Share of Flow | 89.36% |
| Clinton's Share of O&M Costs | \$3,156,159 |
| Total Clinton O&M Charge | \$3,156,159 |

| LANCASTER SEWER DISTRICT | |
|---|-------------|
| O&M Expenses | \$3,779,779 |
| Less Revenue (City of Worcester Payment) | -247,898 |
| O&M Expenses to be Recovered | \$3,531,880 |
| Lancaster's Share of Flow | 10.64% |
| Lancaster's Share of O&M Costs | \$375,721 |
| Total Lancaster Sewer District O&M Charge | \$375,721 |

| | |
|------------------------------------|-------------|
| Debt Service Costs to be Recovered | \$1,947,885 |
| Clinton's Share of Wastewater Flow | 89.36% |

| | |
|--------------------------------------|-------------|
| Debt Service Costs to be Recovered | \$1,947,885 |
| Lancaster's Share of Wastewater Flow | 10.64% |

| | |
|-----------------------------------|-------------|
| Total Clinton Debt Service Charge | \$1,740,669 |
|-----------------------------------|-------------|

| | |
|--|-----------|
| Total Lancaster Sewer District Debt Service Charge | \$207,216 |
|--|-----------|

| | |
|---|-------------|
| Total Clinton O&M and Debt Service Charge | \$4,896,828 |
|---|-------------|

| | |
|---|-----------|
| Total Lancaster O&M and Debt Service Charge | \$582,937 |
|---|-----------|

| | |
|---|--------------|
| Less MWRA Water Ratepayer Subsidy | -\$4,396,828 |
| Billable Charge to the Town of Clinton as per CH. 307, Section 8 The Acts of 1987 | \$500,000 |

| | |
|---|-----------|
| Billable Charge to Lancaster Sewer District | \$582,937 |
|---|-----------|

Clinton WWTP Charges and Payment Schedule

| Sewer Customer | Billable Charges | Change from Prior Year | |
|---|------------------|------------------------|------|
| Town of Clinton (billable) | \$500,000 | \$0 | 0.0% |
| Lancaster Sewer District (before adj.) | \$582,937 | | |
| Lancaster Sewer District (prior yr. adj.) | -\$51,059 | | |
| Lancaster Sewer District (billable) | \$531,878 | \$29,942 | 6.0% |
| Total Billable Sewer Use Charges | \$1,031,878 | | |
| City of Worcester | \$247,898 | \$14,872 | 6.4% |

| Payment 1 on or before Sept 15, 2025 | Payment 2 on or before Nov 15, 2025 | Payment 3 on or before Feb 15, 2026 | Payment 4 on or before May 15, 2026 |
|--|---|---|---|
| \$125,000 | \$125,000 | \$125,000 | \$125,000 |
| \$132,970 | \$132,970 | \$132,970 | \$132,970 |
| \$257,970 | \$257,970 | \$257,970 | \$257,970 |
| \$0 | \$0 | \$247,898 | \$0 |

Massachusetts Water Resources Authority

Chicopee Valley Aqueduct Water System Assessment

Preliminary FY2026 Budget and Assessments

| CVA Operating Budget | FY25 | PFY26 |
|--------------------------------------|--------------------|--------------------|
| CVA Cost Center Expenses | \$1,106,821 | \$1,150,560 |
| Allocated Waterworks Expenses | 141,904 | 154,197 |
| Allocated Watershed/PILOT | 494,160 | 552,813 |
| Allocated Watershed Land Acquisition | 27,561 | 28,962 |
| Allocated MWRA Indirect Expenses | 682,305 | 764,145 |
| SUBTOTAL OPERATING BUDGET | \$2,452,753 | \$2,650,677 |

| Change from Prior Year | |
|------------------------|-------------|
| Dollars | Percent |
| \$43,738 | 4.0% |
| 12,293 | 8.7% |
| 58,653 | 11.9% |
| 1,401 | 5.1% |
| 81,840 | 12.0% |
| \$197,925 | 8.1% |

| CVA Capital Budget | FY25 | PFY26 |
|-------------------------|--------------------|--------------------|
| Capital Expenses | \$3,393,987 | \$3,502,351 |
| | | |
| TOTAL CVA BUDGET | \$5,846,740 | \$6,153,029 |

| Change from Prior Year | |
|------------------------|-------------|
| Dollars | Percent |
| \$108,364 | 3.2% |
| \$306,289 | 5.2% |

| BASE COMMUNITY ASSESSMENT | FY25 ¹ | FY26 ² |
|-----------------------------------|--------------------|--------------------|
| Chicopee | \$4,188,894 | \$4,282,749 |
| South Hadley Fire District #1 | 777,399 | 906,510 |
| Wilbraham | 880,446 | 963,770 |
| CVA BASE SYSTEM ASSESSMENT | \$5,846,740 | \$6,153,029 |

| Change from Prior Year | |
|------------------------|-------------|
| Dollars | Percent |
| \$93,855 | 2.2% |
| 129,110 | 16.6% |
| 83,324 | 9.5% |
| \$306,289 | 5.2% |

| PRIOR PERIOD ADJUSTMENTS ³ | FY24 | FY25 |
|---------------------------------------|-------------------|-------------------|
| Chicopee | -\$100,261 | -\$72,704 |
| South Hadley Fire District #1 | -21,429 | -18,700 |
| Wilbraham | -22,516 | -17,168 |
| TOTAL ADJUSTMENTS | -\$144,207 | -\$108,572 |

| Change from Prior Year | |
|------------------------|---------------|
| Dollars | Percent |
| \$27,557 | -27.5% |
| 2,729 | -12.7% |
| 5,348 | -23.8% |
| \$35,635 | -24.7% |

| ADJUSTED ASSESSMENT | FY25 | PFY26 |
|-------------------------------|--------------------|--------------------|
| Chicopee | \$4,088,633 | \$4,210,045 |
| South Hadley Fire District #1 | 755,970 | 887,809 |
| Wilbraham | 857,930 | 946,603 |
| ADJUSTED ASSESSMENT | \$5,702,533 | \$6,044,457 |

| Change from Prior Year | |
|------------------------|--------------|
| Dollars | Percent |
| \$121,412 | 3.0% |
| 131,839 | 17.4% |
| 88,672 | 10.3% |
| \$341,924 | 6.00% |

¹ Based on CY2023 water use and before prior period adjustments.

² Based on CY2024 water use and before prior period adjustments.

³ Prior period adjustment to account for budget to actual expenses.

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: February 12, 2025
SUBJECT: Transmittal of the FY26 Proposed Current Expense Budget



COMMITTEE: Administration, Finance & Audit

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

 INFORMATION

 X VOTE


Thomas J. Durkin
Director, Finance

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

To ensure that MWRA's long-term goals will continue to be met in future years, staff recommend continuing conservative, fiscally responsible budgeting practices while addressing all outstanding long-term liabilities.

The FY26 Proposed Budget puts forth a 3.0% combined assessment increase.

The FY26 Proposed Budget reflects the benefits of a planned \$15.0 million defeasance to be executed in FY25 with targeted savings during FY26-32. Besides the planned defeasances, the Authority is continuing to address the Pension and the Other Post Employment Benefits (OPEB) obligations, which are the largest long-term liabilities after the debt payments.

RECOMMENDATION:

To approve transmittal of the FY26 Proposed Current Expense Budget to the MWRA Advisory Board for its 60 day review and comment period.

DISCUSSION:

This staff summary presents an overview of the FY26 Proposed Current Expense Budget (CEB) and projects the Rate Revenue Requirement for the next five years.

Summary

The FY26 Proposed Budget recommends a combined increase in rates and charges of 3.0%. Capital Financing costs remain the largest component of the CEB and account for 55.6% of total expenses. Total expenses are \$922.2 million, an increase of \$21.6 million or 2.4% over the FY25 Budget. There are no offsets from Debt Service Assistance (DSA) assumed for FY26 or in any future years.

Total expenses include \$512.6 million for Capital Financing costs and \$409.6 million for operating expenses, of which \$329.5 million is for Direct Expenses and \$80.1 million is for Indirect Expenses. The total expense increase over FY25 was driven by the following:

- Higher Direct Expenses of \$8.5 million mainly due to increased costs for Wages & Salaries, Other Services and Fringe Benefits, due to updated costs, partially offset by lower costs for Maintenance driven by the completion of several large projects.
- Higher Capital Financing costs of \$8.4 million due to the structure of the existing debt and the FY25 and FY26 projected borrowings, offset by the benefit of the projected defeasance.
- Higher Indirect Expenses of \$4.6 million mainly due to increased Retirement Fund contributions and Watershed Reimbursement, partially offset by lower HEEC costs.

The FY26 Proposed Budget revenues, excluding rate revenue, total \$41.2 million, a decrease of \$4.0 million or 8.8% from the FY25 Budget primarily due to a decrease in Investment Income. The FY26 Proposed Budget non-rate revenue budget includes \$17.7 million in Other User Charges and Other Revenue, and \$23.5 million for Investment Income.

The FY26 Proposed Rate Revenue Requirement is \$881.0 million, an increase of \$25.5 million or 3.0% over the FY25 Budget.

Table 1 on the following page provides a comparison of the FY26 Proposed CEB and FY25 Budget

| Table 1 MWRA Current Expense Budget FY26 Proposed Budget versus FY25 Approved Budget | | | | |
|---|----------------------------|----------------------------|----------------|-------------|
| (\$ in Millions) | FY25 Approved Budget | FY26 Proposed Budget | \$ Change | % Change |
| Directs | \$ 321.0 | \$ 329.5 | \$ 8.5 | 2.6% |
| Indirects | 75.4 | 80.1 | 4.6 | 6.2% |
| Sub-Total Operating Expenses | \$ 396.5 | \$ 409.6 | \$ 13.1 | 3.3% |
| Capital Financing (before Offsets) | 504.2 | 512.6 | 8.4 | 1.7% |
| Offsets: Bond Redemption ¹ | - | - | - | - |
| Variable Debt Savings | - | - | - | - |
| Debt Service Assistance | - | - | - | - |
| Sub-Total Capital Financing | \$ 504.2 | \$ 512.6 | \$ 8.4 | 1.7% |
| Total Expenses | \$ 900.6 | \$ 922.2 | \$ 21.6 | 2.4% |
| | | | | |
| Investment Income | \$ 28.4 | \$ 23.5 | \$ (4.9) | -17.4% |
| Non-Rate Revenue | 16.7 | 17.7 | 1.0 | 5.8% |
| Rate Stabilization ¹ | - | - | - | - |
| Sub-Total Non-Rate Revenue | \$ 45.1 | \$ 41.2 | \$ (4.0) | -8.8% |
| Rate Revenue | 855.5 | 881.0 | 25.5 | 3.0% |
| Total Revenue & Income | \$ 900.6 | \$ 922.2 | \$ 21.6 | 2.4% |
| | | | | |
| FY26 Rate Revenue Increase | | | 3.0% | |
| Combined Use of Reserves | | | \$ - | |

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

EXPENSES:

Direct Expenses

FY26 Direct Expenses total \$329.5 million, an increase of \$8.5 million, or 2.6%, over the FY25 Budget.

| FY26 PROPOSED CURRENT EXPENSE BUDGET | | | | |
|--------------------------------------|----------------------|----------------------|------------------------|-------------|
| MWRA DIRECT EXPENSES BY LINE ITEM | | | | |
| Line Item | FY25 Approved Budget | FY26 Proposed Budget | Change FY26 vs FY25 | |
| WAGES AND SALARIES | \$133,658,956 | \$137,174,159 | \$3,515,203 | 2.6% |
| OVERTIME | \$6,133,077 | \$6,440,931 | \$307,854 | 5.0% |
| FRINGE BENEFITS | \$27,834,124 | \$29,316,610 | \$1,482,486 | 5.3% |
| WORKERS' COMPENSATION | \$2,073,434 | \$2,179,730 | \$106,296 | 5.1% |
| CHEMICALS | \$19,706,033 | \$20,102,976 | \$396,943 | 2.0% |
| ENERGY AND UTILITIES | \$32,048,177 | \$31,416,124 | (\$632,053) | -2.0% |
| MAINTENANCE | \$46,653,200 | \$43,354,835 | (\$3,298,366) | -7.1% |
| TRAINING AND MEETINGS | \$568,346 | \$627,241 | \$58,895 | 10.4% |
| PROFESSIONAL SERVICES | \$11,121,730 | \$10,926,404 | (\$195,326) | -1.8% |
| OTHER MATERIALS | \$7,270,879 | \$7,278,366 | \$7,487 | 0.1% |
| OTHER SERVICES | \$33,945,804 | \$40,680,124 | \$6,734,320 | 19.8% |
| TOTAL | \$321,013,760 | \$329,497,499 | \$8,483,739 | 2.6% |

- *Wages and Salaries* – The budget includes \$137.2 million for Wages and Salaries as compared to \$133.7 million in the FY25 Budget, an increase of \$3.5 million or 2.6%. Regular Pay makes up \$134.7 million or 98.2% of the total Wages and Salaries. The FY26 Budget includes 1,166.2 FTE's which is 1.8% less than the FY25 Budget. As always, new hires and backfilling of vacant positions will be managed at the agency level and addressed on a case-by-case basis by senior management. A vacancy adjustment (reduction) of \$5.6 million is factored in to the FY26 proposed Budget.
- *Overtime* – The budget includes \$6.4 million for Overtime, an increase of \$308,000 or 5.0% over the FY25 Budget. Overtime was increased to reflect wage increases and recent trends in planned overtime for off-hours maintenance, emergency, coverage, and planned projects that include construction.
- *Fringe Benefits* – The budget includes \$29.3 million for Fringe Benefits, an increase of \$1.5 million or 5.3% over the FY25 Budget. Health Insurance premiums total \$25.5 million, an increase of \$1.4 million or 5.6% over the FY25 Budget largely due to anticipated increases in the health plans rates.

- *Workers' Compensation* – The budget includes \$2.2 million for Workers' Compensation. This is \$106,000 or 5.1% greater than the prior year's level and is based on a three-year historical average spending for Worker's Compensation.
- *Chemicals* – The budget includes \$20.1 million for Chemicals, an increase of \$397,000 or 2.0% over the FY25 Budget. Several chemicals increased including Soda Ash by \$215,000 or 6.1% primarily due to price, Ferric Chloride by \$180,000 or 4.6% due to volume and price, Activated Carbon of \$167,000 or 44.1% due to replacement need at Nut Island Headworks, and Sodium Bisulfite by \$85,000 or 11.0% and Liquid Oxygen by \$75,000 or 8.2% both primarily due to price. These increases were partially offset by lower Sodium Hypochlorite of \$372,000 or 5.5% primarily due to lower pricing for Deer Island Treatment Plant offset by higher pricing for Field Operations. The FY26 Budget includes \$711,000 for the anticipated Deer Island National Pollutant Discharge Elimination System (NPDES) permit, which is projected to have more stringent requirements for enterococcus treatment compliance.
- *Utilities* – The budget includes \$31.4 million for Utilities, which is a decrease of \$632,000 or 2.0% from the FY25 Budget. The budget funds \$24.0 million for Electricity, a decrease of \$826,000 or 3.3% less than the FY25 budget primarily due to lower pricing, removal of interval renewable energy certificates (RECs), partially offset by increased volume. The Diesel Fuel budget of \$3.3 million is \$100,000 or 2.9% lower than the FY25 Budget primarily due to decreases in pricing at Deer Island Treatment Plant (DITP) and Field Operations Department (FOD) facilities. These decreases were partially offset by higher Natural Gas of \$85,000 or 10.1% greater than the FY25 Budget primarily due to higher pricing at the FOD facilities.
- *Maintenance* – The budget includes \$43.4 million for Maintenance projects, a decrease of \$3.3 million or 7.1% from the FY25 budget. The decrease is driven by Plant and Machinery Services of \$6.9 million for projects expected to be completed in FY25 including Norumbega tank cleaning, DITP combustion turbine generator control system upgrades, DITP wicket gate replacement, and majority of duct cleaning for pump stations, updated FY26 cost for reactor mixer gearbox rebuilds, and new work for CO2 piping repairs at John Carroll Water Treatment Plant and FY26 projected work on the DITP boiler, STG, hydroelectric and wind power contract. This decrease was partially offset by increases for Plant and Machinery Materials of \$1.1 million for aerator mixer 150 HP VFD's, East/West Odor Control Fan 100 HP, Reactor Mixer Gearbox 50 HP replacement, glass lined pipe fittings, partially offset by less than anticipated spending for purchases of submersible wastewater pumps at headworks; Building and Grounds Services of \$944,000 for paving at Southborough Facility, Shaft 8 catwalk repair, Reservoir Wide Plant Population Survey/Water Quality Analysis, partially offset by DITP door replacement to be completed before FY26; Electrical Services of \$613,000 for heat pump upgrades at various wastewater facilities, Halon/Deluge System preventive maintenance primary operations, partially offset by the JJCWTP Switchgear PLC replacement expected to be completed before FY26; and Computer Software – Licenses/Upgrades of \$541,000 for security software/licenses,

Infor Cloudsuite Pre-pro Tenant licenses, and Enterprise Content Management upgrades and workflows.

- *Training and Meetings* – The budget includes \$627,000 for Training and Meetings, an increase of \$59,000 or 10.4% over the FY25 Budget.
- *Professional Services* – The budget includes \$10.9 million for Professional Services, a decrease of \$195,000 or 1.8% lower than the FY25 Budget. The decrease is primarily driven by Engineering Services of \$267,000 due to Local Limits analysis for Boston Harbor NPDES Permit that will be completed in FY25, partially offset by higher spending on the DITP Hydorolectric Feasibility Study.
- *Other Materials* – The budget includes \$7.3 million for Other Materials, an increase of \$7,000 or 0.1% over the FY25 Budget.
- *Other Services* – The budget includes \$40.7 million for Other Services, an increase of \$6.7 million or 19.8% over the FY25 Budget. Sludge Pelletization increased by \$6.1 million or 26.9%. This increase is due to \$6.0 million budgeted for potential landfill disposal costs due to PFAS issues, an increase of \$4.8 million over the FY25 landfill budget and an increase of \$1.3 million mainly due to inflation adjustment based on the pelletization contract terms. Also, Grit & Screenings Removal increased by \$322,000 based on higher average quantities as well as anticipated higher pricing for the new contract which will begin in August 2025.

Indirect Expenses

Indirect Expenses for FY26 total \$80.1 million, an increase of \$4.6 million or 6.2% over the FY25 Budget. Below are the highlights of major changes:

- The budget includes \$5.1 million for Insurance, an increase of \$603,000 or 13.5% over the FY25 Budget. Insurance Premiums include a 10% increase due to market conditions and inflation. Claim payments decreased based on a 5-year average.
- The budget includes \$35.1 million for the Watershed Management budget, an increase of \$2.6 million or 8.0% above the FY25 Budget. The budget includes \$25.7 million for reimbursement of operating expenses net of revenues, and \$9.5 million for Payment in Lieu of Taxes (PILOT). The budget increase is driven by contractual wage increases and health care costs, as well as increased equipment costs and PILOT.
- The budget includes \$6.8 million for the Harbor Energy Electric Company (HEEC), a decrease of \$1.4 million or 16.8% from the FY25 Budget. The budget reflects the latest cost estimates due for the prior calendar year.
- The budget includes \$1.9 million for Mitigation payments to the City of Quincy and Town of Winthrop in accordance with the mitigation agreements.

- Funding for the Additions to the Operating Reserve for FY26 is \$1.8 million. The Operating Reserve balance is in compliance with MWRA General Bond Resolution which requires a balance of one-sixth of annual operating expenses. Based on the FY26 Proposed Budget, the required balance is \$61.4 million versus the \$59.6 million required in FY25.
- The budget includes \$24.1 million for the Retirement Fund, an increase of \$2.8 million or 13.3% over the FY25 budget. This includes \$18.3 million based on the January 2024 actuarial valuation. Staff are also recommending an additional \$5.8 million be allocated for the Retirement Fund to assist in reaching the full funding target by 2030. MWRA's pension fund is at the 88.9% funding level and projected to be fully funded by June 30, 2030.
- The Authority continues to comply with the GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB)*, by disclosing this liability in the year-end Financial Statements. As part of the multi-year strategy to address its unfunded liabilities for OPEB and pension holistically, the Board approved a plan to pay down the pension liability and upon reaching full funding, move to address the OPEB obligation. To maximize the benefits in terms of returns and accounting treatment, an irrevocable OPEB Trust was established with Board approval and funding started on April 23, 2015. The OPEB Trust balance was \$85.2 million (44.1% funded) as of December 2024. Starting in FY18, GASB 75 is the governing regulation for employee OPEB contributions. The FY26 \$5.3 million budget is based on 50% of the Annual Determined Contribution (ADC) determined in the January 1, 2024 actuarial report. This is a \$68,000 increase over FY25.

Capital Financing

Capital financing as a percent of total expenses is 56% which is the same as the FY25 Current Expense Budget. Much of this debt service is for completed projects, primarily the Boston Harbor Project, the Integrated Water Supply Improvement Program, and the Combined Sewer Overflow (CSO) projects. MWRA's capital spending, from its inception, had been dominated by projects mandated by court ordered or regulatory requirements, which in total have accounted for ~70% of capital spending to date. Going forward, the majority of spending will be focused on asset protection and water redundancy initiatives.

The Authority has actively managed its debt structure to take advantage of favorable interest rates. Tools used by MWRA to lower borrowing costs and manage rates include current and advanced refunding of outstanding debt, maximizing the use of the subsidized State Revolving Fund (SRF) debt, issuance of variable rate debt, swap agreements (all swaps terminated in FY24), and the use of positive year-end budget variances to defease debt. MWRA also uses tax exempt commercial paper to minimize the financing cost of construction in process.

The FY26 Proposed Budget capital financing costs total \$512.6 million and remains the largest portion of the MWRA's budget.

The FY26 Proposed Budget includes a planned defeasance of \$15.0 million in FY25 which will reduce debt service by approximately \$0.7 million in FY25 through FY28, \$2.2 million in FY29, \$7.8 million in FY30, \$0.3 million in FY31, and \$5.3 million in FY32.

The FY26 Proposed Budget assumes a 4.5% interest rate for variable rate debt which is less than the FY25 assumed rate of 4.75%. The Authority's variable rate debt assumption is comprised of three separate elements: the interest rate for the daily and weekly series; liquidity fees for the Standby Bond Purchase Agreement, Letter of Credit, and Direct Purchase providers; and remarketing fees. While the Federal Reserve Open Market Committee has reduced the Federal Funds Rate to between 4.25% and 4.50% , this rate still remains elevated as compared to rates over the last 10 years. Changes in the level of the Federal Funds Rate will continue to shape the interest outlook for all short-term markets.

The FY26 Proposed Budget capital financing costs increased by \$8.4 million or 1.7% compared to the FY25 Budget. This increase in the MWRA's debt service is the result of projected FY25 and FY26 borrowings, the structure of the existing debt, and by the impact of the projected defeasance.

The FY26 capital financing budget includes:

- \$291.9 million in principal and interest payments on MWRA's senior fixed rate bonds. This amount includes \$41.1 million to support a new money issuance of \$200.0 million in FY25 and \$292 million in January 2026;
- \$92.1 million in principal and interest payments on subordinate bonds;
- \$85.4 million in principal and interest payments on SRF loans. This amount includes \$10.3 million to support an issuances of \$147.0 million during fiscal 2025;
- \$21.5 million to fund ongoing capital projects with current revenue and to meet coverage requirements;
- \$8.5 million in debt prepayment;
- \$10.0 million to fund the interest expense related to the Local Water Pipeline Assistance Program; and,
- \$3.2 million for the Chelsea Lease.

Revenue

FY24 non-rate revenue totals \$41.2 million, which is a decrease of \$4.0 million or 8.8% versus the FY25 Budget. The FY26 non-rate revenue budget includes:

- \$11.0 million in Other User Charges, including \$6.0 million for the Chicopee Valley Aqueduct (CVA) communities, \$2.4 million for Deer Island water usage, \$500,000 for the Commonwealth's partial reimbursement for Clinton Wastewater Treatment Plant expenses, and \$426,000 for entrance fees payments from existing member communities. Other User Charges are \$365,000 or 3.4% higher than the FY25 Budget.
- \$6.7 million in Other Revenue, an increase of \$609,000 or 10.0% over the FY25 Budget. Other Revenue includes \$2.0 million from the sale of the Authority's Renewable Portfolio Credits, revenue from participation in load response programs, and the sale of generated power to the grid. The balance of Other Revenue includes \$3.1 million in permit fees and penalties, an increase of \$100,000 over the FY25 Budget.
- \$23.5 million in Investment Income, a decrease of \$4.9 million or 17.4% from the FY25 Budget. The budget assumes an average interest short-term interest rate of 3.75% in FY26 (down from 5.0% in FY25) and a long-term rate of 3.75% based on existing and projected investments.

The Rate Revenue Requirement for FY26 is \$881.0 million, an increase \$25.5 million or 3.0% over the FY25 Budget. The Rate Revenue Requirement is the difference between total expenses of \$922.2 million and non-rate revenue of \$41.2 million.

Planning Estimates and Future Rate Projections

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

Table 3 below presents the combined estimated future rate increases and household charges based on the Proposed FY26 Budget. The planning estimates shown below assume no Debt Service Assistance from the Commonwealth or use of Bond Redemption reserves through FY30 with modest amounts of Rate Stabilization being used beginning in FY27.

Table 3

| Rates & Budget Projections | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Proposed FY26 CEB | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 |
| Total Rate Revenue (\$000) | \$ 855,488 | \$ 881,006 | \$ 907,187 | \$ 934,281 | \$ 962,937 | \$ 992,326 |
| Rate Revenue Change from Prior Year (\$000) | \$ 21,220 | \$ 25,518 | \$ 26,181 | \$ 27,093 | \$ 28,657 | \$ 29,388 |
| Rate Revenue Increase | 2.5% | 3.0% | 3.0% | 3.0% | 3.1% | 3.1% |
| Use of Reserves (\$000) | \$ - | \$ - | \$ 780 | \$ 782 | \$ 740 | \$ 140 |

Estimated Household Bill

| | | | | | | |
|---|---------|---------|---------|---------|---------|---------|
| Based on annual water usage of 61,000 gallons | \$1,424 | \$1,485 | \$1,548 | \$1,614 | \$1,683 | \$1,756 |
| Based on annual water usage of 90,000 gallons | \$2,111 | \$2,191 | \$2,284 | \$2,381 | \$2,484 | \$2,591 |

CEB Review and Adoption Process

The Advisory Board has a minimum of 60 days from the transmittal of the FY26 Proposed Budget to review the budget and prepare comments and recommendations. During the review period, Advisory Board and MWRA staff will continue to meet and evaluate the impact of changing circumstances as they arise. Following the receipt of the Advisory Board's comments and recommendations, MWRA staff presents their official responses to the Board of Directors at budget hearings. Staff will present the final budget and the final assessments and for Fiscal Year 2026 to the Board for approval in June 2025.

ATTACHMENTS:

- Attachment A FY26 Proposed vs. FY25 Budget
- Attachment B FY26 Proposed compared to FY25 Projection

ATTACHMENT A

FY26 Proposed Budget vs. FY25 Approved Budget

| TOTAL MWRA | FY25 Approved Budget | FY26 Proposed Budget | Change FY26 Proposed Budget vs FY25 Approved Budget | |
|--|-----------------------|-----------------------|---|-------------|
| | | | \$ | % |
| EXPENSES | | | | |
| WAGES AND SALARIES | \$ 133,658,956 | \$ 137,174,159 | \$ 3,515,203 | 2.6% |
| OVERTIME | 6,133,077 | 6,440,931 | 307,854 | 5.0% |
| FRINGE BENEFITS | 27,834,124 | 29,316,610 | 1,482,486 | 5.3% |
| WORKERS' COMPENSATION | 2,073,434 | 2,179,730 | 106,296 | 5.1% |
| CHEMICALS | 19,706,033 | 20,102,976 | 396,943 | 2.0% |
| ENERGY AND UTILITIES | 32,048,177 | 31,416,124 | (632,053) | -2.0% |
| MAINTENANCE | 46,653,200 | 43,354,835 | (3,298,366) | -7.1% |
| TRAINING AND MEETINGS | 568,346 | 627,241 | 58,895 | 10.4% |
| PROFESSIONAL SERVICES | 11,121,730 | 10,926,404 | (195,326) | -1.8% |
| OTHER MATERIALS | 7,270,879 | 7,278,366 | 7,487 | 0.1% |
| OTHER SERVICES | 33,945,804 | 40,680,124 | 6,734,320 | 19.8% |
| TOTAL DIRECT EXPENSES | \$ 321,013,760 | \$ 329,497,499 | \$ 8,483,739 | 2.6% |
| INSURANCE | \$ 4,471,045 | \$ 5,074,300 | \$ 603,255 | 13.5% |
| WATERSHED/PILOT/DEBT | 32,507,642 | 35,118,900 | 2,611,258 | 8.0% |
| HEEC PAYMENT | 8,185,723 | 6,806,454 | (1,379,269) | -16.8% |
| MITIGATION | 1,823,563 | 1,869,152 | 45,589 | 2.5% |
| ADDITIONS TO RESERVES | 1,906,278 | 1,764,319 | (141,959) | -7.4% |
| RETIREMENT FUND | 21,264,519 | 24,097,116 | 2,832,597 | 13.3% |
| POSTEMPLOYMENT BENEFITS | 5,280,806 | 5,349,184 | 68,378 | 1.3% |
| TOTAL INDIRECT EXPENSES | \$ 75,439,576 | \$ 80,079,425 | \$ 4,639,849 | 6.2% |
| STATE REVOLVING FUND | \$ 85,449,151 | \$ 85,383,397 | \$ (65,754) | -0.1% |
| SENIOR DEBT | 315,206,721 | 291,891,799 | (23,314,922) | -7.4% |
| SUBORDINATE DEBT | 64,768,074 | 92,132,968 | 27,364,894 | 42.3% |
| LOCAL WATER PIPELINE CP | 9,827,661 | 9,984,530 | 156,869 | 1.6% |
| CURRENT REVENUE/CAPITAL | 20,200,000 | 21,500,000 | 1,300,000 | 6.4% |
| CAPITAL LEASE | 3,217,060 | 3,217,060 | - | 0.0% |
| DEBT PREPAYMENT | 5,500,000 | 8,500,000 | 3,000,000 | 54.5% |
| DEBT SERVICE ASSISTANCE | - | - | - | 0.0% |
| TOTAL DEBT SERVICE | \$ 504,168,667 | \$ 512,609,754 | \$ 8,441,087 | 1.7% |
| TOTAL EXPENSES | \$ 900,622,003 | \$ 922,186,678 | \$ 21,564,675 | 2.4% |
| REVENUE & INCOME | | | | |
| RATE REVENUE | \$ 855,488,000 | \$ 881,006,000 | \$ 25,518,000 | 3.0% |
| OTHER USER CHARGES | 10,668,572 | 11,033,884 | 365,312 | 3.4% |
| OTHER REVENUE | 6,066,670 | 6,675,396 | 608,726 | 10.0% |
| RATE STABILIZATION | - | - | - | 0.0% |
| INVESTMENT INCOME | 28,398,761 | 23,471,398 | (4,927,363) | -17.4% |
| TOTAL REVENUE & INCOME | \$ 900,622,003 | \$ 922,186,678 | \$ 21,564,675 | 2.4% |
| Rate Revenue Increase over FY25 | 3.0% | | | |

Attachment B
FY26 Proposed vs. FY25 Projection

| TOTAL MWRA | FY25 Budget | FY25 Projection | FY26 Proposed | Change FY26 Proposed Budget vs FY25 Projection | |
|-------------------------|-----------------|-----------------|-----------------|--|--------|
| | | | | \$ | % |
| EXPENSES | | | | | |
| WAGES AND SALARIES | \$ 133,658,956 | \$ 115,620,736 | \$ 137,174,159 | \$ 21,553,423 | 18.6% |
| OVERTIME | 6,133,077 | 5,779,767 | 6,440,931 | 661,164 | 11.4% |
| FRINGE BENEFITS | 27,834,124 | 26,215,824 | 29,316,610 | 3,100,786 | 11.8% |
| WORKERS' COMPENSATION | 2,073,434 | 2,544,104 | 2,179,730 | (364,374) | -14.3% |
| CHEMICALS | 19,706,033 | 19,474,912 | 20,102,976 | 628,064 | 3.2% |
| ENERGY AND UTILITIES | 32,048,177 | 31,142,942 | 31,416,124 | 273,182 | 0.9% |
| MAINTENANCE | 46,653,200 | 47,165,220 | 43,354,835 | (3,810,386) | -8.1% |
| TRAINING AND MEETINGS | 568,346 | 421,713 | 627,241 | 205,528 | 48.7% |
| PROFESSIONAL SERVICES | 11,121,730 | 9,364,497 | 10,926,404 | 1,561,907 | 16.7% |
| OTHER MATERIALS | 7,270,879 | 7,387,450 | 7,278,366 | (109,084) | -1.5% |
| OTHER SERVICES | 33,945,804 | 31,304,362 | 40,680,124 | 9,375,762 | 30.0% |
| TOTAL DIRECT EXPENSES | \$ 321,013,760 | \$ 296,421,526 | \$ 329,497,499 | \$ 33,075,973 | 11.2% |
| | | | | | |
| INSURANCE | \$ 4,471,045 | \$ 4,602,141 | \$ 5,074,300 | \$ 472,159 | 10.3% |
| WATERSHED/PILOT | 32,507,642 | 29,755,671 | 35,118,900 | 5,363,230 | 18.0% |
| HEEC PAYMENT | 8,185,723 | 8,259,572 | 6,806,454 | (1,453,118) | -17.6% |
| MITIGATION | 1,823,563 | 1,823,563 | 1,869,152 | 45,589 | 2.5% |
| ADDITIONS TO RESERVES | 1,906,278 | 1,906,278 | 1,764,319 | (141,959) | -7.4% |
| RETIREMENT FUND | 21,264,519 | 21,264,519 | 24,097,116 | 2,832,597 | 13.3% |
| POSTEMPLOYMENT BENEFITS | 5,280,806 | 5,280,806 | 5,349,184 | 68,378 | 1.3% |
| TOTAL INDIRECT EXPENSES | \$ 75,439,576 | \$ 72,892,550 | \$ 80,079,425 | \$ 7,186,876 | 9.9% |
| | | | | | |
| STATE REVOLVING FUND | \$ 85,449,151 | \$ 82,778,555 | \$ 85,383,397 | \$ 2,604,842 | 3.1% |
| SENIOR DEBT | 315,206,721 | 306,641,805 | 291,891,799 | (14,750,006) | -4.8% |
| SUBORDINATE DEBT | 64,768,074 | 61,041,669 | 92,132,968 | 31,091,299 | 50.9% |
| LOCAL WATER PIPELINE CP | 9,827,661 | 7,347,129 | 9,984,530 | 2,637,401 | 35.9% |
| CURRENT REVENUE/CAPITAL | 20,200,000 | 20,200,000 | 21,500,000 | 1,300,000 | 6.4% |
| CAPITAL LEASE | 3,217,060 | 3,217,060 | 3,217,060 | - | 0.0% |
| DEBT PREPAYMENT | 5,500,000 | 5,500,000 | 8,500,000 | 3,000,000 | 54.5% |
| DEBT SERVICE ASSISTANCE | - | - | - | - | - |
| TOTAL DEBT SERVICE | \$ 504,168,667 | \$ 486,726,218 | \$ 512,609,754 | \$ 25,883,536 | 5.3% |
| | | | | | |
| TOTAL EXPENSES | \$ 900,622,003 | \$ 856,040,294 | \$ 922,186,678 | \$ 66,146,384 | 7.7% |
| | | | | | |
| REVENUE & INCOME | | | | | |
| | | | | | |
| RATE REVENUE | \$ 855,488,000 | \$ 855,488,000 | \$ 881,006,000 | \$ 25,518,000 | 3.0% |
| OTHER USER CHARGES | 10,668,572 | 10,753,761 | 11,033,884 | 280,123 | 2.6% |
| OTHER REVENUE | 6,066,670 | 6,292,411 | 6,675,396 | 382,985 | 6.1% |
| RATE STABILIZATION | - | - | - | - | - |
| INVESTMENT INCOME | 28,398,761 | 29,892,694 | 23,471,398 | (6,421,296) | -21.5% |
| TOTAL REVENUE & INCOME | \$ 900,622,003 | \$ 902,426,866 | \$ 922,186,678 | \$ 19,759,812 | 2.2% |
| | | | | | |
| VARIANCE: | \$ (46,386,573) | | \$ (46,386,573) | | |


STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: February 12, 2025
SUBJECT: Enterprise Content Management System Purchase and Implementation
Cadence Solutions Inc.
Contract 7438, Amendment 4

COMMITTEE: Administration, Finance, & Audit

 INFORMATION
 X VOTE

Douglas Rice, Director, Procurement
Paula Weadick, MIS Director
Paul Fentross, Business Applications Manager, MIS
Preparer/Title

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

Michele S. Gillen
Director, Administration

RECOMMENDATION:

That the Board of Directors, on behalf of the Authority, approve Amendment 4 to Contract 7438, Enterprise Content Management System Purchase and Implementation, with Cadence Solutions Inc. to increase the contract amount by \$372,750.67, from \$2,532,323.19 to \$2,905,073.86, and extend the contract term by 24 months, from March 24, 2025 to March 24, 2027.

DISCUSSION:

In December 2020, the Board of Directors approved the award of Contract 7438 for an Enterprise Content Management System (ECM) to Cadence Solutions, Inc. The initial implementation of ECM focused on streamlining the management processes for the collection, review, approval and distribution of various engineering and construction documents. Eleven engineering, five construction, and eleven records management workflows were implemented along with thirty-one associated data sources/databases.

Initial implementation also included the migration of the legacy Infostar records management system to ECM. The Records Center staff use the records management modules in ECM daily to manage physical records at the Records Center. Physical boxes being transferred into and out of the Records Center are tracked in ECM, which aids in the dispositioning of records via configured workflows to automate the process.

Prior Amendments

This contract has been amended three times. Amendment 1 extended the contract by twelve months and incorporated the additional modification, testing and training of eight workflows and the development of two custom forms to support the automation of configured workflows for an

additional cost of \$198,150. Amendment 1 also included a one-year renewal of the OpenText maintenance and support for \$98,838.19, for a total increase of \$296,988.19.

Amendment 2 added two additional workflows to address other critical Authority workflow needs including the Staff Summary review and approval process; and the Policy and Procedures review and approval process. Also, the Contract Requisition workflow in ECM needed modifying to support all contract types. Staff leveraged the lessons learned from the ad-hoc processes previously created to configure these workflows. The two new workflows will utilize the robust tools inside ECM (e.g. version control and same-time, multi-person document commenting, automation, and tracking) to provide better visibility into the routing process. Amendment 2 also extended the contract end date an additional 12 months to account for the time needed to configure, test and train staff on these additional workflows scopes.

While the Executive Director had sufficient delegated authority to approve the cost for the additional work covered by Amendment 2, he did not have any remaining delegated authority to extend the contract time. Accordingly, following the Board's approval of Amendment 2, the Executive Director, under delegated authority, approved Amendment 3 in the amount of \$86,700 to cover the costs of the Amendment 2 work.

This Amendment

Engineering and Construction (E&C) and Records Center staff have begun using the ECM system to manage physical and electronic records generated by Authority projects. Work is nearing completion of the three workflows identified in Amendment 2, and staff anticipate completion of these workflows prior to the current contract end date of March 24, 2025.

The ECM application and infrastructure is complex and can be difficult to support without substantial prerequisite knowledge. The entire ECM application environment consists of over 30 individual servers and databases. In addition to the complexity of the core application there have been many custom configurations and workflows implemented by Cadence Solutions that require developmental support. With ECM being in an adoption phase at the MWRA, maintaining a high level of support of the application and infrastructure is important. A new junior position to provide administrative support for ECM has been filled and is positioning herself to gain the necessary capability to adequately maintain the system, but at this point the MWRA does not presently have the required level of expertise. It is expected to take at least a year for the new MWRA administrator to gain the required competence and capability.

To bridge the ECM administrative and maintenance gap that exists with MWRA support personnel, staff recommend entering into a Managed Services Agreement with Cadence Solutions for two years so that the ECM application has the required level of support and MIS staff have the opportunity to go through on-the-job training. Staff will work closely with Cadence Solutions during the agreement to transfer knowledge, capability and support responsibility to the MWRA. The total cost for a two year Managed Services Agreement with Cadence Solutions is \$124,200.

This amendment also includes an additional two years of maintenance and support for the ECM software licenses, OpenText and Brava 3D. Cadence Solutions is an Authorized OpenText Partner

and this relationship allows Cadence Solutions to offer its customers a 65% discount on OpenText software maintenance renewals. The total cost for two years of maintenance and support of the OpenText and Brava 3D software is \$231,488.92 and \$17,061.74 respectively, to be paid annually.

In summary, staff recommend a two-year contract extension with Cadence Solutions Inc. from March 24, 2025 to March 24, 2027 and to increase the contract amount by \$372,750.67, from \$2,532,323.19 to \$2,905,073.86 for managed services and software maintenance and support.

CONTRACT SUMMARY:

| | <u>Amount</u> | <u>Time</u> | <u>Dated</u> |
|----------------------|----------------|-------------|--------------|
| Original Contract: | \$2,148,635.00 | 24 Months | 03/24/2021 |
| Amendment 1 | \$296,988.19 | 12 Months | 03/15/2023 |
| Amendment 2 & 3 | \$86,700.00 | 12 Months | 03/13/2024 |
| Proposed Amendment 4 | \$372,750.67 | 12 Months | (Pending) |
| Amended Contract | \$2,905,073.86 | 60 Months | |

BUDGET/FISCAL IMPACT:

The FY25 CIP includes \$2,629,508 for Contract 7438. Including this amendment for \$372,750.67, the adjusted contract value will be \$2,905,073.86, or \$275,565.86 over the amount in the CIP. This amount will be absorbed within the five-year CIP spending cap.

MBE/WBE PARTICIPATION:

Cadence Solutions is not a certified Minority-owned or Women-owned business.

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: February 12, 2025
SUBJECT: Combined Sewer Overflow Program Update



COMMITTEE: Wastewater Policy & Oversight

 X INFORMATION
 VOTE

Brian L. Kubaska, P.E., Chief Engineer
Rebecca Weidman, Deputy Chief Operating Officer
Preparer/Title



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

RECOMMENDATION:

For information only.

DISCUSSION:

A key component of the Boston Harbor Federal District Court case was the development and implementation of a Long Term Control Plan ("LTCP") by MWRA to reduce Combined Sewage Overflow (CSO) discharges into receiving waters from MWRA and community outfalls. The approved plan included 35 projects at a total cost of over \$900 million, with projects to eliminate CSOs to protect beach and shellfish areas and projects to reduce CSO activations and volumes in other locations. Since completion of the projects associated with that plan, MWRA and its member CSO communities have continued to reduce CSO discharges through the completion of additional projects, further reducing discharges to the environment.

The result has been revitalization of waterfront neighborhoods and new recreational opportunities near vastly cleaner natural resources. Wildlife has returned to Boston Harbor and our urban beaches are considered among the cleanest in the country. From an estimated annual discharge of 3.3 billion gallons of CSO to the harbor and rivers in the late 1980s to 401 million gallons, an 88% reduction with 94% of the remaining discharges receiving some treatment. Of the 86 CSOs that were active in the late 1980's, only 41 remain active with 36 being permanently closed and 5 effectively eliminated.

The Massachusetts Surface Water Quality Standards were modified in several receiving waters to allow limited CSO discharges at MWRA and community outfalls. The Water Quality Standard for the Alewife Brook/Upper Mystic River Basin and the Lower Charles River/Charles Basin, where MWRA and the Cities of Cambridge and Somerville each have CSO outfalls, is Class B which effectively does not permit any CSO discharge to the receiving waters.¹ The Massachusetts Department of Environmental Protection (MassDEP) issued Water Quality Standards Variances - - temporary modifications to the standards -- to allow MWRA, Cambridge and Somerville to

¹At the Alewife Brook/Upper Mystic River Basin MWRA has one outfall, Cambridge has four outfalls, Somerville has one outfall and one outfall is shared by Somerville and MWRA. At the Lower Charles River/Charles Basin MWRA has six outfalls and Cambridge has three outfalls.

operate their CSOs to these water bodies. The most recent Variances, issued on August 30, 2024, have multiple requirements including:

- Development of Updated CSO Control Plans;
- Consideration of climate change when evaluating control alternatives; and
- An extensive public outreach program during planning efforts.

MWRA, Cambridge and Somerville are each required to submit a draft Updated CSO Control Plan for their respective outfalls (or a joint plan) to MassDEP and the U.S. Environmental Protection Agency (EPA) by December 31, 2025. Plans are required to include evaluation of CSO control alternatives *up to and including full elimination*. MWRA, Cambridge, and Somerville shall each complete their own affordability analysis consistent with EPA's February 2023 Clean Water Act Financial Capability Assessment Guidance. Each plan shall also include documentation necessary to support further issuance of Water Quality Standards Variances if full elimination is recommended, or, if full elimination is not recommended, for reclassifying the receiving waters from Class B to Class B (CSO). At this time, it is unclear what level of CSO control would be considered elimination by MassDEP and EPA. Ultimately, the decision on what plan to recommend will also determine if a change in the WQS should also be requested.

Work is well underway to evaluate control strategies and develop MWRA's plan. MWRA staff are being assisted by its consultant, AECOM. In close coordination with Cambridge and Somerville, an updated "2050 Typical Year" and 2050 five-year and 25-year storms have been developed that incorporates climate projection models. This 2050 Typical Year and the larger 2050 storms are being used to evaluate the effectiveness of CSO control alternatives. As expected, these future storms predict an increase in annual CSO volumes over those predicted using the "Typical Year" under the LTCP.²

In addition to developing a 2050 Typical Year and design storms to assess the impacts of CSO control alternatives, a unified hydraulic and hydrologic model was developed which joins the MWRA systemwide model with Cambridge's and Somerville's sewer system model. This has provided a common tool for the three entities in evaluating CSO alternatives that will include combinations of CSO control tools such as green infrastructure, sewer/stormwater separation, inflow/infiltration reduction, treatment, storage and improved conveyance.

Staff continue to meet regularly with MassDEP and EPA and with watershed associations as the planning process progresses. In addition, four public meetings have been held to date, each aimed at advancing an understanding of the combined sewer systems and to provide an overview of the planning process. Topics have included the background on MWRA and the communities' CSO control efforts, the goals of the program and priorities, and the available tools for CSO control. The most recent meeting, held on January 22, 2025, shared potential control alternatives under evaluation, preliminary estimated costs and the process for developing a Financial Capability Assessment. Staff will present some key slides from the presentation at the Board meeting. All of the public presentations have been recorded, the presentations can be found on the joint project website: <https://voice.somervillema.gov/joint-cso-planning>.

Over the next several months, staff will begin organizing alternatives based on relevant criteria in order to evaluate and ultimately recommend a plan. Attention will be given to a number of

² The performance objectives of MWRA's LTCP include annual frequency and volume of CSO discharge at each outfall based on "Typical Year" rainfall developed in 1992 from 40 years of rainfall records at Logan Airport.

important evaluation criteria including the relative environmental benefit from increased CSO control on the receiving water bodies. AECOM will update the receiving water quality model used in the final performance assessment of the LTCP and run it to determine the water quality impact under the 2050 Typical Year, with and without further CSO control. Past receiving water modeling, based on the Typical Year under the LTCP, indicated that CSO full elimination alone will not result in water bodies meeting water quality standards. Pollutants from stormwater and upstream sources will continue to prevent this.

Local impacts from construction of control alternatives to residents, roadways and parks will also be considered. The range of alternatives under analysis include large infrastructure projects that will create temporary (five to ten years) impacts during construction and permanent impacts to spaces along the Charles River, Alewife Brook, and Mystic River. The watershed associations continue to advocate for full elimination of any CSO discharges on an expedited timeline. It is possible that these groups will continue to advocate for higher levels of control, regardless of costs, level of water quality improvements to the receiving water bodies, and local construction impacts. Working preliminary estimates for the cost of the full elimination of CSOs are on the order of billions of dollars. Staff will work to broaden community outreach to include as many impacted stakeholders as possible to reach the best outcome from this planning process.

Depending on the alternatives selected for the Updated CSO Control Plan, the timeline for implementation could involve lengthy permitting, design and construction. This will be factored into this Authority's recommendation. Finally, the costs of the selected alternatives and the impact on rate payers, including the Environmental Justice populations the Authority serves (approximately 60% of the service area), will also be important factors, especially when weighed against the environmental benefits determined from the receiving water quality analysis. Robust discussions and collaboration with the Advisory Board are expected.

BUDGET/FISCAL IMPACTS:

The FY25 CIP includes \$5,000,000 for future CSO projects. When a final plan is recommended, staff will add any resultant projects in future CIP requests.

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: February 12, 2025
SUBJECT: Deer Island Treatment Plant HVAC Control System,
Equipment and Fume Hood Replacement-Preliminary Design, Final Design,
Bidding and Engineering Services During Construction
Mott MacDonald, LLC
Contract 7110



COMMITTEE: Wastewater Policy and Oversight

David F. Duest, Director, Deer Island Treatment Plant
Richard Adams, Manager, Engineering Services
Jenna Surette, Program. Manager, Engineering Services
Preparer/Title

 INFORMATION

 X VOTE



Michele S. Gillen

Director of Administration



David W. Coppes, P.E.

Chief Operating Officer

RECOMMENDATION:

To approve the recommendation of the Consultant Selection Committee to award Contract 7110, Deer Island Treatment Plant HVAC Control System, Equipment and Fume Hood Replacement-Preliminary Design, Final Design, Bidding and Engineering Services During Construction, to Mott MacDonald, LLC and to authorize the Executive Director, on behalf of the Authority, to execute said contract in an amount not to exceed \$8,274,489.37 for a contract term of 78 months from the Notice to Proceed.

DISCUSSION:

The HVAC system at the Deer Island Treatment Plant was placed into operation in the mid-1990s. Due to age and harsh operating conditions, much of the equipment is at or near the end of its useful life, including control systems, which are obsolete. It is crucial to ensure that the existing HVAC and fume hood systems continue to operate in order to have the ability to meet the minimal requirements of the Massachusetts State Building Code for building occupancy (ventilation, heating and cooling), and to ensure that the laboratory can continue to perform testing required for the Deer Island Treatment Plant to be in compliance with the DEP mandated discharge permit. In order to keep the HVAC system operational, staff have leased mobile chiller units, replaced failing HVAC equipment, and increased the frequency of maintenance on the existing equipment.

Contract 7110 includes professional engineering services that are required to complete a rehabilitation and upgrade of the HVAC system. Due to the magnitude of the construction effort, the work will be designed and bid in three separate construction packages. The scope of the construction work will include the replacement of the plant-wide HVAC control system, laboratory

fume hoods and other plant-wide HVAC equipment.

In December 2018, the Authority publicly bid as one large construction package the rehabilitation and upgrade of the Deer Island HVAC system. That scope was designed under a previous professional services contract. At that time, MWRA received only one bid for an amount approximately 80% higher than the Engineer's Estimate. Staff reviewed the single bid and chose at that time to not recommend award of the construction contract. The original design for this construction project included the replacement of equipment in the Administration/Laboratory and Warehouse buildings, including thirty-one fume hoods, three main chillers and HVAC and fan coil units, as well as several other HVAC units.

Staff considered possible causes for the submission of only one bid for the project to develop options for rebidding. Staff learned there were few DCAMM certified contractors that met the single project limit and had the capacity to bid on the project. Staff contacted those firms and determined that only one would be willing to bid on a public project of this size and complexity for wastewater applications. Based on that information, staff decided to split the work into three smaller projects to generate more competition. At that time, there were twelve HVAC qualified firms on the DCAMM certification list that could meet the single project limit if the work was divided into three smaller, individual projects.

Based on the above information, staff requested the designer to provide a cost to repackage the design. The designer proposed a cost that would more than double the original contract. After discussion it was determined that staff should develop a new scope of work for professional design services. The new design contract requires the work to be split into three distinct construction packages: 1) replacement of the HVAC controls systems; 2) replacement of HVAC equipment; and, 3) replacement of the fume hood systems.

Procurement of the design consultant was delayed between October 2021 and August 2022 due to the ongoing work under Contract 7980, the Office Consolidation Project, which included office space modifications and building space reconfigurations at Deer Island and Chelsea buildings.

The scope of professional design services for Contract 7110 includes preparation of construction contract plans; specifications and cost estimates; bidding phase assistance; and Engineering Services During Construction for the three separate construction projects.

Procurement Process

On August 28, 2024, MWRA issued a one-step Request for Qualifications Statements/Proposals (RFQ/P) that was publically advertised in the Central Register, the Boston Herald, Banner Publications, Dorchester Reporter and El Mundo. There were 284 firms on the electronic notification list. In addition, staff reached out to six firms. The RFQ/P included the following evaluation criteria and points: Cost (25 points); Qualifications and Key Personnel (25 points); Experience/Past Performance on Similar Non-Authority Projects and on Authority Projects (25 points); Technical Approach/ Capacity/Organization and Management Approach (20 points); and Minority-owned and Women-Owned Business Enterprise Participation (5 points).

On November 20, 2024, MWRA received one proposal, which was submitted by Mott MacDonald. The specialized nature of the engineering services required under Contract 7110 and the reference that the Consultant shall modify and supplement the bid documents prepared under the original design likely contributed to the limited RFQ/P response.

The following table represents the cost and level of effort proposed by Mott MacDonald.

| Proposer | Proposed Cost | Proposed Hours |
|----------------------------|-----------------------|-----------------------|
| Mott MacDonald, LLC | \$8,274,476.37 | 39,606 |
| <i>Engineer's Estimate</i> | <i>\$3,993,938.00</i> | <i>17,946</i> |

Mott MacDonald's proposed cost of \$8,274,476.37 was more than double the Engineer's Estimate of \$3,993,938 due primarily to a higher level of effort carried for the design phase. When staff interviewed principals for Mott Macdonald, after the proposal was received, they learned Mott MacDonald would use the original design as a "reference only" document and that they believed the original design was outdated due to equipment and code changes. In addition, Mott MacDonald included in its proposal significant time to conduct updated field investigation of site conditions, including existing equipment, all of which would result in a total new design for the three separate construction projects.. The remaining components of Mott MacDonald's cost proposal (bidding phase assistance and Engineering Services During Construction) staff determined were within 10% of the Engineer's Estimate.

Staff found Mott MacDonald's proposal included highly qualified personnel who have the required experience in HVAC equipment, control systems and laboratory fume hoods. Staff believe Mott MacDonald presented a multi-disciplinary team, including subconsultants (STV Engineering for the fume hoods), who have extensive experience with HVAC-related projects. In addition to positive references for performance on past projects, all references indicated that they would rehire the firm. Additionally, staff agree Mott MacDonald demonstrated a full understanding of the project requirements as evidenced by the site-specific challenges it presented in its Technical Approach and the manner in which it will achieve the project goals. Thus, staff found the proposal was well presented and the proposed project team has the capacity to successfully perform the work.

In lieu of awarding this contract as recommended, staff considered two other options. The first option was to modify the existing RFQ/P, re-advertise and encourage firms to apply. However, due to the lack of firms that have expertise in HVAC and fume hood systems staff do not believe MWRA would be successful in attracting additional proposers. In addition, staff expressed concern that Mott McDonald, may refrain from providing another proposal due to the time and effort necessary to prepare a new proposal for submission.

The second option considered by staff was to add the above-described scope of services to another design project. However, staff expressed concerns that such an approach may also result in little to no interest from design firms due to the larger size, scope and complexity of the project as well as their staffing capacity limitations.

Staff recommend awarding this contract to Mott MacDonald for following reasons: a significant increase in costs to maintain and/or replace the existing HVAC equipment (e.g. maintenance costs are approximately \$1.5 million for the past three years and are expected to increase); and design costs have significantly increased over the last five years and are expected to continue to do so, which may further increase costs for the design of the project.

The Selection Committee recommends the award of Contract 7110 to Mott MacDonald, LLC in the amount not to exceed \$8,274,476.37.

BUDGET/FISCAL IMPACTS:

The FY25 Capital Improvement Program includes a budget of \$4,500,000 for Contract 7110; the recommended contract amount is \$8,274,476.37 or \$3,774,476.37 over the amount in the CIP. This amount will be covered within the five-year CIP spending cap.

MBE/WBE PARTICIPATION:

The minimum MBE and WBE participation requirements for this project were established at 7.18% and 5.77%, respectively. Mott MacDonald has committed to 7.54% MBE and 8.94% WBE participation.

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: February 12, 2025
SUBJECT: Digester Fixed Cover and Valve and Gate Replacement, Clinton Treatment Plant
Walsh Construction Company II, LLC
Contract No. 7648



COMMITTEE: Wastewater Policy & Oversight

David Duest, Director, Deer Island Treatment Plant
Richard J. Adams, Manager, Engineering Services
Preparer/Title

 INFORMATION

 X VOTE



Michele S. Gillen

Director of Administration



David W. Coppes, P.E.

Chief Operating Officer

RECOMMENDATION:

To approve the award of Contract 7648, Digester Fixed Cover and Valve and Gate Replacement at the Clinton Wastewater Treatment Plant, to the lowest responsible and eligible bidder, Walsh Construction Company II, LLC, and to authorize the Executive Director, on behalf of the Authority, to execute said contract in the amount of \$7,013,650 for a contract term of 540 calendar days from the Notice to Proceed.

DISCUSSION:

The Clinton Wastewater Treatment Plant provides advanced wastewater treatment, including nutrient removal, for the Town of Clinton and Lancaster Sewer District prior to discharging the treated effluent to the South Nashua River. The original treatment plant was constructed in 1955-56 and was expanded and upgraded in 1992 and again in 2019 to meet new NPDES permit requirements.



Figure 1 - Drone View of Clinton Wastewater Treatment Plant (c. 2019)

The treatment facility includes preliminary treatment in the form of grit removal and screening, followed by primary settling, trickling filtration, biological treatment using aeration tanks and secondary clariflocculators for dissolved organics and nutrient removal, tertiary treatment using a disc filtration system for phosphorus removal, and chlorination and dechlorination prior to discharge to the river. The facility includes an anaerobic digestion system followed by digested sludge storage with biogas handling and sludge dewatering facilities. All

digested dewatered sludge along with grit and screenings are disposed of in an MWRA-owned sewage sludge landfill within the Town of Clinton. The anaerobic digestion storage system includes two digesters that are 40 feet in diameter. One of the digesters has a fixed concrete dome cover and the second digester has a floating steel cover. Each of the two tanks has the ability to hold approximately 265,000 gallons of sludge. Both digesters have been in service for over 30 years. Both digesters received new mixing systems under Contract 7277A, which was awarded by the Board of Directors in March 2014. Under this contract, the floating cover digester also had major repairs done to the structural steel floating cover to repair years of corrosion.



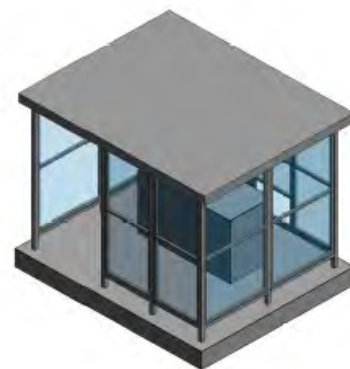
Figure 2 - Digester Fixed Concrete Cover

Contract 7648 will replace the existing 40-foot diameter concrete dome with a new stainless steel dome cover. The existing cover no longer provides a proper gas seal making this repair a critical safety item for the plant. The contract will also provide much-needed repairs in the secondary biological process by replacing stop plates and plug valves designed to provide isolation to each of the three clariflocculators and to regulate the biomass generated in the secondary treatment system. The existing stop plates and plug valves currently do not seat properly. Both repairs are critical to the overall operation of the treatment plant and continued compliance with the plant's NPDES permit.



Figure 3 – Distribution Box

The stop plate and plug valve replacement scope of work requires a bypass pumping system for all flows around a distribution box to the clariflocculators. Contract 7648 also includes concrete repair and coating work in the distribution box while it is out of service. In addition, this project will provide a new influent sampler enclosure complete with concrete pad and sidewalk, tubing and associated electrical connections. The existing influent samplers are to remain and will be relocated inside the new enclosure. This work will resolve long standing access issues due to exposure to the weather along with winter freeze-ups.



**Figure 4 - Influent Sampler Enclosure
Isometric View**

Procurement Process:

Contract 7648 was bid in accordance with Chapter 149 of Massachusetts General Laws and publicly advertised in the Central Register, Commbuys, the Boston Herald, Banner Publications, the Dorchester Reporter and El Mundo, as well as on the MWRA Supplier Portal. General bids were received, opened and reviewed on December 11, 2024, from the following two contractors:

| Bidder | Bid Price |
|---|---------------------|
| <i>Engineer's Estimate</i> | \$6,270,435 |
| Walsh Construction Company II, LLC | \$6,974,750* |
| WES Construction Corp. | \$8,685,000* |

* Contractors were instructed to include a \$500,000 allowance for the Waterproofing Filed subbid.

Two separate rebids were required for the Division 7 - Waterproofing, Damp-Proofing and Caulking category. The original round of filed sub bids was received on October 9, 2024, with only one bid received for the Division 7 - Waterproofing, Damp-Proofing and Caulking category. After review, the Authority rejected the bid due to ambiguities discovered in the specification. Staff instructed the General Contractors to include a placeholder in the amount of \$500,000 for the category in order to minimize delays with the bid and award of the contract. General bids were received on December 11, 2024.

Staff modified the specifications and drawings through the use of an Addendum to remove the ambiguities in the bid documents. Two new filed sub bids for Division 7 - Waterproofing, Damp-Proofing and Caulking were received on December 18, 2024. Both bids were withdrawn by the bidders: one for mathematical errors and the other for inclusion of work not called for in the specification. A second rebid for the category was scheduled for opening on January 17, 2025 and two bids were received. The lower of the two bids received was for \$538,900, which is \$38,900 more than the allowance carried in the General Contractors' bids.

Walsh Construction Company II, LLC's bid was the lowest received at \$6,974,750, which is \$704,315 or 11.2% higher than the Engineer's Estimate. Upon receipt of successful Waterproofing sub bids, Walsh's bid was adjusted from \$6,974,750 to a revised amount of \$7,013,650.

Staff have reviewed Walsh's bid in detail, and conducted a formal interview with the contractor on December 16, 2024. Staff have determined that the bid is complete, reasonable, and includes the payment of prevailing wages as required. Staff have determined that the Engineer's Estimate for the Digester Fixed Cover and Valve and Gate Replacement was lower than the bid amount due to recent cost increases in the commodities market (stainless steel). References were checked and found to be favorable. Two of the references were either recently completed or ongoing projects performed for the Deer Island Treatment Plant: Contract 7373-Chemical Tank Relining and Pipe Replacement and Contract 7395-Deer Island Treatment Plant Clarifier Rehabilitation, Phase II. Based upon the information received during the interview, staff are of the opinion that Walsh Construction Company II, LLC understands the scope, nature, and complexity of the project, has the skill, ability, and integrity necessary to complete the work, and is qualified to do so.

Therefore, staff recommend that Contract 7648 be awarded to Walsh Construction Company II, LLC as the lowest responsible and eligible bidder.

BUDGET/FISCAL IMPACT:

The FY25 Capital Improvement Program includes \$5,800,000 for the Digester Fixed Cover and Valve and Gate Replacement project. The proposed award amount is \$7,013,650 or \$1,213,650 over budget. This amount will be absorbed within the five-year CIP spending cap.

MBE/WBE PARTICIPATION:

The MBE and WBE participation requirements for this contract were established at 7.24% and 3.6% respectively. Walsh represented that it will be able to exceed the WBE goal, and obtained 5.31% participation (a dollar value of \$370,390), but could not meet the MBE goal with 0% MBE participation. Walsh requested a waiver of the MBE requirement citing, among other things, the limited MBE subcontractors available to do the work on the project despite good faith efforts made by Walsh to solicit participation. Based on these representations, MWRA granted the waiver of the MBE participation requirement for this contract.

STAFF SUMMARY

TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: February 12, 2025
SUBJECT: Northern Extra High Pressure Zone Improvements - CP2
RJV Construction Corporation
Contract 7725



COMMITTEE: Water Policy & Oversight

 INFORMATION

 X VOTE



Michele S. Gillen

Director of Administration

Brian L. Kubaska, P.E., Chief Engineer
Paul T. Rullo P.E., Sr. Program Manager
Preparer/Title



David W. Coppes, P.E.

Chief Operating Officer

RECOMMENDATION:

To approve the award of Contract 7725, Northern Extra High Pressure Zone Improvements - CP2, to the lowest responsible and eligible bidder, RJV Construction Corporation, and to authorize the Executive Director, on behalf of the Authority, to execute said contract in the bid amount of \$26,846,000 for a contract term of 880 calendar days from the Notice to Proceed.

DISCUSSION:

The Northern Extra High (NEH) Pressure Zone provides water to Arlington, Bedford (through Lexington), Belmont, Burlington, Lexington, Waltham, and Winchester. These communities are supplied an average of 13.42 million gallons per day (mgd) from MWRA. Water is pumped to these communities and into storage facilities in Arlington, Lexington, and Waltham by three pump stations: Spring Street Pump Station; Brattle Court Pump Station; and Lexington Street Pump Station. The pump stations draw water from the Norumbega Covered Storage Facility via the Weston Aqueduct Supply Main 3.

The NEH Pressure Zone Improvements program has been separated into three construction packages (known as CP1, CP2 and CP3). The program involves installation of approximately 36,600 linear feet of new/replacement 24-inch diameter water main and rehabilitation of revenue meters. The program will improve reliability in the NEH Pressure Zone by replacement of aging infrastructure, and through installation of new redundant pipeline segments. The majority of the improvements are located in Lexington and Arlington, and the general locations and extent of the proposed improvements are presented in Figure 1.

This project, NEH Pressure Zone Improvements - CP2, Sections 45 and 63, includes installation of approximately 11,000 linear feet of new 24-inch diameter water main in Lexington to interconnect Section 45 Extension to the new pipeline installed in CP1 to improve redundancy. CP2 also includes installation of two revenue meters for Lexington, and replacement of 3,400

linear feet of 20-inch diameter water main of Section 63 in Arlington with 24-inch water main.

CP1, Contract 6522, was substantially complete in October 2023 and included installation of approximately 5,200 linear feet of new MWRA 24-inch diameter water main to extend Section 63 in Lexington. Contract 6522 improved water supply in Lexington and connected to a new pipeline constructed by the town of Burlington allowing it to take water. Burlington joined the MWRA water system in December 2020. CP3 will include installation of approximately 14,000 linear feet of 24-inch diameter water main in Arlington and rehabilitation of revenue meters, which will improve reliability and redundancy in the MWRA NEH Pressure Zone.

Procurement Process

Contract 7725 was advertised in the Central Register, the Boston Herald, Banner Publications, El Mundo, and COMMBUYS and bid utilizing MWRA's e-procurement system (Event 6058) in accordance with Massachusetts General Laws, Chapter 30, section 39M. Five bids were received and opened on January 22, 2025. The bid results were as follows:

| <u>Bidder</u> | <u>Bid Amount</u> |
|----------------------------|--------------------------|
| <i>Engineer's Estimate</i> | \$22,833,825 |
| RJV Construction Corp. | \$26,846,000 |
| P. Gioioso & Sons Inc. | \$27,445,000 |
| Albanese D&S, Inc. | \$27,844,000 |
| Albanese Bros. Inc. | \$33,954,590 |
| D'Allessandro Corp. | \$41,496,482 |

RJV Construction Corporation (RJV) submitted a bid price that is \$4,012,175 (17.6%) higher than the Engineer's Estimate. However, RJV's bid was 2.2% less than the next lowest bidder, which demonstrates reasonableness of price. The cost difference between the Engineer's Estimate and the award amount is attributed largely to inflationary costs for materials for the 2025 and 2026 construction seasons.

Staff interviewed RJV and confirmed that the bid price reflects all work described in the contract documents. Staff reviewed RJV's bid in detail and discussed the major bid items with the company. Based on the bid review and subsequent discussions with RJV, staff are satisfied that the firm understands the full scope of work and can perform the work for the bid price, which includes the payment of prevailing wages.

References were checked and found to be favorable. RJV has a history of constructing MWRA projects. Recent and relevant MWRA projects include: Low Service Pressure Reducing Valves Improvements; Southern Extra High Section 111 Pipe Installation (7,000 feet of new 36-inch pipe, with large diameter valves); and Northern Extra High Section 36 Pipe Replacement (replacement of 6,000 feet of 24-inch and 36-inch pipe). These projects were completed successfully and received favorable reviews from MWRA staff. In September 2024, MWRA awarded RJV with Contract 7985, Somerville Marginal New Pipe Connection, for installation of a wastewater flow control chamber in Somerville.

External reference checks were made for work completed on water and sewer replacement projects for Boston Water and Sewer Commission and a roadway reconstruction project with MassDOT. RJV received excellent reviews. Staff also checked references for other non-MWRA projects, all of which were favorable.

Occupational Safety and Health Administration (OSHA) records for RJV were reviewed for the last five years. The review indicated one incident that occurred in 2020 in which two citations were issued. OSHA found the incident was not a willful violation and such has not affected RJV's DCAMM certification status.

Staff have concluded that RJV possesses the skill, ability, and integrity necessary to perform the work under this contract, and is qualified to do so. Staff have determined that the bid price is reasonable, complete and includes the payment of prevailing wage rates, as required. Therefore, staff recommend that Contract 7725 be awarded to RJV Construction Corporation as the lowest responsible and eligible bidder.

BUDGET/FISCAL IMPACT:

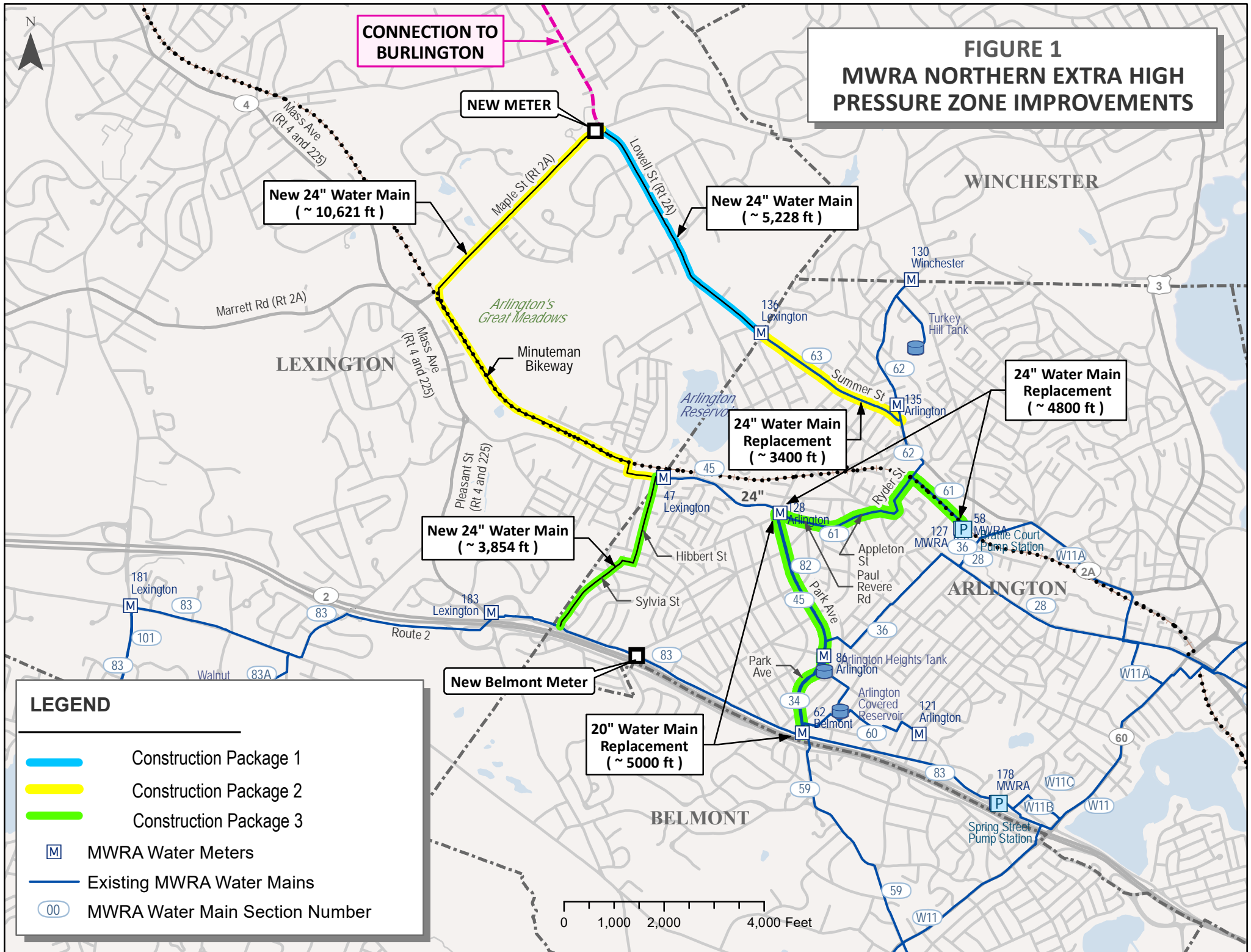
The FY25 CIP includes \$21,046,000 for Contract 7725. The award amount is \$26,846,000.00 or \$5,800,000 over the CIP amount. This amount will be absorbed within the five-year CIP spending cap. This project is a candidate for funding from the State Revolving Fund (SRF). The project was bid utilizing language indicating it was exempt from the Build America Buy America Act provided by the SRF program. After receipt of bids, the SRF program indicated that the exemption does not apply to this project. Staff are working to determine if this project will still be eligible for SRF funding.

MBE/WBE PARTICIPATION:

MassDEP establishes D/MBE and D/WBE participation goals for SRF funded projects. The D/MBE and D/WBE goals established for this project are 4.2% and 4.5%, respectively. RJV has represented that it will meet the D/MBE and D/WBE goals.

ATTACHMENT:

Figure 1



STAFF SUMMARY

TO: Board of Director
FROM: Frederick A Laskey, Executive Director
DATE: February 12, 2025
SUBJECT: February 2025 PCR Amendments



COMMITTEE: Personnel and Compensation

Wendy Chu, Director of Human Resources
Preparer/Title

 INFORMATION
 X VOTE



Michele S. Gillen

Director, Administration

RECOMMENDATION:

To approve amendments 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, except those resulting only in a change in title or cost center, must be approved by the Personnel and Compensation 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 and Compensation Committee.

February 2025 PCR Amendments

There are two PCR Amendments this month.

Organizational Changes:

1. Creation of a new position in the Finance Division, Risk Management Department for a Director, Risk Management (Non-Union, Grade 15) to better meet staffing needs. The incumbent in the Manager, Risk Management (Unit 6, Grade 13) title is retiring in February 2025. As this role is a department head with policymaking and budget responsibilities, a Non-Union classification is more appropriate.
2. Creation of a new position in the Administration Division, Director's Office for a Manager, Real Property and Outreach (Non-Union, Grade 13) to better meet staffing and Authority-wide real property program needs. This position will manage MWRA's real property program, reporting directly to the Director of Administration. Management of MWRA's leases (Chelsea, Metropolitan Tunnel, Records Center) will be consolidated under this position. This position will also serve as MWRA's lead negotiator on Metropolitan Tunnel Redundancy real property acquisitions, as well as all other MWRA real property

acquisitions, dispositions, and revenue generating permits. The position will have a dotted line reporting structure to the Director, Tunnel Redundancy and the Director, Public Affairs.

BUDGET/FISCAL IMPACT:

The annualized budget impact of these PCR amendments will be a cost of \$300,000. Staff will ensure that the cost associated with these PCR amendments will not result in spending over the approved FY25 Wages and Salaries budget.

ATTACHMENTS:

Job Descriptions

MASSACHUSETTS WATER RESOURCES AUTHORITY
POSITION CONTROL REGISTER AMENDMENTS
FISCAL YEAR 2025

| PCR AMENDMENTS REQUIRING BOARD APPROVAL - February 12, 2025 | | | | | | | | | | | | | | | | | |
|---|--------------------------------------|-----|------|-----------------|-----|-----|-------------------------------------|----|----|-----------------------|----------------------|-----------------------|------------------|-----------|---------------|-----------|--|
| Number | Current PCR # | V/F | Type | Current Title | UN | GR | Amended Title | UN | GR | Current/Budget Salary | Estimated New Salary | | Estimated Annual | | Reason | | |
| | | | | | | | | | | | | | \$ | Impact | For Amendment | | |
| B19 | Finance Risk Management TBD | N/A | N/A | N/A | N/A | N/A | Director, Risk Management | NU | 15 | \$0 | \$140,000 | - | \$170,000 | \$140,000 | - | \$170,000 | Creation of a management level position to better meet staffing needs. |
| B20 | Administration Director's Office TBD | N/A | N/A | N/A | N/A | N/A | Manager, Real Property and Outreach | NU | 13 | \$0 | \$110,000 | - | \$130,000 | \$110,000 | - | \$130,000 | Creation of a management level position to better meet staffing needs. |
| | | | | BOARD TOTAL = 2 | | | | | | TOTAL: | | \$250,000 - \$300,000 | | | | | |

**MWRA
POSITION DESCRIPTION**



POSITION: Director, Risk Management

DIVISION: Finance

DEPARTMENT: Risk Management

BASIC PURPOSE:

Develops a variety of risk management programs to protect MWRA assets against catastrophic loss using combinations of various techniques including Risk Retention and Risk Transfer. Oversees \$2 million in insurance programs. Develops, implements, and directs risk management and claims management programs for the MWRA's Construction projects.

SUPERVISION RECEIVED:

Works under the general supervision of the Director, Finance. May receive guidance from Deputy Director, Finance/Treasurer on projects.

SUPERVISION EXERCISED:

Exercises direct supervision over professional insurance and risk management staff.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

- Recommends limits for MWRA insurance reserve funds by identifying loss potentials and establishing probable maximum losses.
- Oversees Risk Retention/Risk Transfer Program by developing appropriate techniques such as Owner Controlled Insurance Program for the Deer Island facility.
- Supervises administration and coordination of claims adjustment and claims records for claims except for workers compensation.
- Coordinates with Human Resources Department and Department of Occupational Health and Safety staff to reduce insurance costs and with Law and Procurement Departments on matters of liability.
- Negotiates insurance necessary for self insurance and risk retention plan.
- Adheres to General Bond Resolution requirements.

- Maintains all aspects of self-insured programs.
- Develops and oversees contractors' compliance with insurance requirements.
- Reviews leases and contracts to determine risk exposures.
- Maintains a comprehensive knowledge of Loss Prevention and the fluctuating insurance marketplace.
- Directs the development procedures for construction change order review and approvals.
- Oversees the claims management (CM) in providing in-depth progress analysis and documentation of contractor claims.
- Manages CM claims review process and determine (in conjunction with Authority engineering and construction staffs) responsibility for changes in scope of work; analyzes scheduling and financial impact, files appropriate reports and makes recommendation to MWRA Chief Engineer.
- Responsible for Construction Contract claim handling including supervision of staff and subject matter.
- Provides advice and guidance to staff from Law, Procurement, Internal Audit, Engineering and Operations on a wide range of Insurance, Claims and Risk Management matters.
- Communicates with construction, law and insurance firms and coordinates loss cases with the Authority's Human Resources and Law Departments.
- Oversees and maintains an automated information system for the timely and accurate monitoring of claims.
- Directs the preparation of implementation and management of a claims mitigation program including boards, commissions or other bodies with procedures established to resolve disputes. Coordinates as necessary and develops procedures for avoiding, managing, mitigation and resolving claims.
- Responsible for Department work load, including, staff supervision, budgeting, estimates, accruals, forecasts, prioritizing of work, procedures and processes.
- Prepares materials and presents to MWRA Board of Directors, MWRA Advisory Board, Watershed Protection Trust, insurance companies and other forums.

- Directs the safety plan development for each project within the department's responsibility, compiles safety statistics from each project and provides program safety management.
- Develops Risk Management department policies and procedures.
- Advises Director, Finance on related matters.
- Provides 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.
- Manages the Department in a manner that is consistent with MWRA's goals of Diversity, Equity, and Inclusion.
- Participates in preparing for collective bargaining and hears Step-One grievances.

SECONDARY DUTIES:

- Performs related duties as required.

MINIMUM QUALIFICATIONS:

Education and Experience:

- (A) Knowledge of principles and practices of business and insurance as normally attained through a Bachelor's degree business administration or a related field; an advanced degree is preferred; and
- (B) Practical knowledge of risk mitigation and safety precautions to reduce damage or loss of property and life as well as understanding of the commercial insurance marketplace as acquired by at least eight years of experience in the field, preferably in the public sector, with at least four (4) years in a management or supervisory capacity; or
- (C) Any equivalent combination of education and experience.

Necessary Knowledge, Skills, and Abilities:

- (A) Subject matter expertise in laws, regulations, and industry practices on matters related to insurance, risk management, and claims management.
- (B) Ability to exercise independent judgement.
- (C) Demonstrated ability to work effectively as part of a team and to function independently with minimal supervision.
- (D) Proficiency with computer software, such as MS Office Suite and videoconference applications.
- (E) Excellent interpersonal, oral and written communications skills.

SPECIAL REQUIREMENTS:

- A valid Massachusetts Class D Motor Vehicle Operators License.

TOOLS AND EQUIPMENT USED:

Office equipment as normally associated with a professional office environment, including the use of telephones, personal computers, word processing and other software, email, videoconference applications, copiers, scanners, and fax machines.

PHYSICAL DEMANDS:

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

While performing the duties of this job, the employee is regularly required to sit and talk or hear. The employee is frequently required to use hands to finger, handle, or operate objects, including office equipment and 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 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 a moderately quiet office setting. This position may be eligible for up to 50% telework.

February 2025

**MWRA
POSITION DESCRIPTION**

NEW

POSITION: Manager, Real Property and Outreach

DIVISION: Administration

DEPARTMENT: Real Property

BASIC PURPOSE:

Manages MWRA's needs in real property acquisition, disposition, leases, easements, licenses, commercial permits, and land use planning. Responsible for the outreach, communication and coordination with individual, commercial, and public entity property owners and lessors.

SUPERVISION RECEIVED:

Works under the direct supervision of the Director of Administration. Dotted line reporting relationship to the Director of Tunnel Redundancy and Director of Public Affairs.

SUPERVISION EXERCISED:

Exercises close supervision of one or more personnel.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

- Develops and implements negotiation strategy and leads the negotiations to acquire or dispose of real estate rights and property interests consistent with MWRA's Enabling Act and related policies and procedures.
- Oversees the acquisition of MWRA real property including, the development of Requests for Qualifications/Proposals Coordinates as necessary, with municipalities and Commonwealth of Massachusetts agencies, such as the Division of Capital Asset Management and Maintenance regarding acquisition.
- Serves as the lead negotiator and liaison for all real property acquisitions, including acquisitions associated with the Metropolitan Water Tunnel Program (MWTP). Provides other support to MWTP and other departments regarding real property as needed.
- Evaluates factors associated with site acquisitions/dispositions including environmental, construction, scheduling and maintaining a positive relationship with our member communities.. Procures and manages acquisitions.
- Develops Requests for Qualifications/Proposals for space needs for the Authority and manages the process through the signing of the lease.

- Oversees the disposition of real property including the developing Requests for Qualifications/Proposals and coordinating, as necessary, with municipalities and Commonwealth of Massachusetts agencies such as the Division of Capital Asset Management and Maintenance.
- Develops and implements the plans and actions of the Real Property Department in coordination with MWTP, Law, Public Affairs, Environmental and Regulatory Affairs, Wastewater, Water and other MWRA divisions and departments.
- Manages consultant contracts supporting MWRA's real property needs such as appraisers, architects, and planners.
- Manages and oversees MWRA's leases including the MWTP office and Rock Core Storage Facility (Needham), the MWRA Records Center (Walpole), the MWRA Chelsea facility, and other facilities as needed.
- Oversees revenue-generating license agreements and 8(m) permits including cell company agreements, long-term land use agreements, and other agreements as needed.
- Prepares staff summaries for presentation to the MWRA Board of Directors or Executive Director. Presents to the Board and/or external constituents.
- Prepares materials in support of and participates in outreach, communication and coordination with stakeholders related to real property.
- Conducts real property interest research in coordination with Law Division staff.
- Maintains and manages the Authority's real property records and database.
- Prepares and monitors adherence to the department's budget.
- Manages department budget and staffing.
- Assists in maintaining harmonious labor management relations through proper applications of collective bargaining agreement provisions and established personnel policies. Prepares for, participates in and hears step one grievances and pre-disciplinary hearings. Participates in collective bargaining negotiations.
- Develops, mentors, and trains department staff.
- Manages the department in a manner that is consistent with MWRA's goals of Diversity, Equity, and Inclusion.

SECONDARY DUTIES:

- Performs other related duties as required.

MINIMUM QUALIFICATIONS:

Education and Experience:

- (A) A Bachelor's degree in real estate, business administration, urban planning, paralegal studies, or related field; and
- (B) Understanding of real estate financing, land use and planning as acquired through at least six (6) years of related experience including at least one (1) year of supervisor experience; or
- (C) Any equivalent combination of education and experience.

Necessary Knowledge, Skills and Abilities:

- (A) Basic knowledge of real estate laws and regulations, procurement policies, and disposition rules.
- (B) Experience in public finance and planning issues is preferred.
- (C) Solid knowledge of the Microsoft Office Suite and ability to use video-conferencing applications such as WebEx.
- (D) Excellent interpersonal, analytical, written and oral communication skills including public speaking and presentation skills.
- (E) Advanced negotiation skills and ability to maintain strong working relationships with internal and external parties.

SPECIAL REQUIREMENTS:

Valid Class D Massachusetts Motor Vehicle Operators License.

Availability to attend meetings outside the normal business hours (i.e. nights and/or weekends).

TOOLS AND EQUIPMENT USED:

Office machines as normally associated with a professional office environment, including the use of telephones, personal computers, word processing and other software, email, videoconference applications, copiers, scanners, 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 functions.

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 employee occasionally works in outside weather conditions at construction sites.

The noise level in the work environment is usually a moderately quiet office setting. The position may be eligible to telework up to 50%.

February 2025

STAFF SUMMARY


TO: Board of Directors
FROM: Frederick A. Laskey, Executive Director
DATE: February 12, 2025
SUBJECT: Appointment of Deputy Director of Procurement



COMMITTEE: Personnel & Compensation

 INFORMATION
 X VOTE

Douglas Rice, Director of Procurement
Wendy Chu, Director of Human Resources
Preparer/Title


Michele S. Gillen
Director, Administration

RECOMMENDATION:

To approve the appointment of Mr. Tsuyoshi Fukuda to the position of Deputy Director of Procurement (Non-Union, Grade 15) in the Administration Division, at the annual salary of \$166,000.00 commencing on a date to be determined by the Executive Director.

DISCUSSION:

MWRA's Procurement Department is managed by the Director of Procurement and is organized into three units: contracts, purchasing and materials management. The Deputy Director position provides direct oversight to the contracts group and manages the procurement of more complex projects. The Deputy serves as a key advisor to the Director of Procurement as well as other department heads. The Deputy also oversees all Tunnel Redundancy Program professional services and construction procurements as well as any related amendments and change orders. This position serves as the Director of Procurement in the absence of the Director. The position became vacant when the incumbent, Rita Mercado, was appointed the Chief Diversity and Equity Officer of the Authority.

Since joining the MWRA in 2017 Mr. Fukuda has served as a Deputy Contracts Manager in the Procurement Department. In this position, Mr. Fukuda has overseen the procurement of many of MWRA's larger, more complex projects in the areas of both construction and professional services and has also served as a valued advisor to the Director of Procurement. Mr. Fukuda has consistently demonstrated a willingness to assist his colleagues within the Procurement Department as well as the project managers that he works with on a daily basis.

Prior to joining the MWRA, Mr. Fukuda served as an Assistant General Counsel at the Massachusetts Department of Conservation and Recreation (DCR) where he represented the DCR as its in-house counsel, focusing on construction related matters. Prior to his position at the DCR, Mr. Fukuda served as Labor Counsel at the Commonwealth of Massachusetts Human Resources Division where he represented the Commonwealth in labor and employment matters before the Department of Labor Relations, Civil Service Commission and Massachusetts Commission Against Discrimination. Mr. Fukuda served as staff counsel to the Boston Police Department

where he handled employment matters including FMLA, ADA and discrimination cases and as Assistant Corporation Counsel for the City of Boston where he represented the City in all phases of civil litigation. Finally, Mr. Fukuda clerked for Justices on the Connecticut Appellate Court and Massachusetts Appeals Court.

Mr. Fukuda holds a BA in Religious Studies from the College of Holy Cross and a JD from the University of Connecticut School of Law.

BUDGET/FISCAL IMPACTS:

There are sufficient funds in the Administration Division's FY25 Current Expense Budget to fund this position.

ATTACHMENTS:

Resume of Tsuyoshi Fukuda
Position Description
Procurement Organizational Chart

Tsuyoshi Fukuda

EMPLOYMENT:

MASSACHUSETTS WATER RESOURCES AUTHORITY

Deputy Contracts Manager

June 2017 – Present

- Reviews, drafts, and negotiates contract terms and conditions for construction and professional services.
- Facilitates the procurement of construction, professional and non-professional service contracts.
- Prepares and updates standard bid and contract forms.
- Assembles and reviews contract documents and post-award submittals.
- Analyzes contract amendments, change orders, and contract close-out documents.
- Implements policies and procedures, and applicable laws, for all elements of contracting, including, but not limited to the creation, review and evaluation of contract documents, Request for Qualifications, Requests for Proposals, and bids.
- Directs Assistant Contract Manager in the performance of similar duties and functions.

COMMONWEALTH OF MASSACHUSETTS

Department of Conservation and Recreation

Assistant General Counsel

Feb. 2013 – May 2017

- Represented the DCR as its in-house counsel focusing on construction contract related matters.
- Specific experience included: reviewing horizontal (M.G.L. c. 30) and vertical (M.G.L. c. 149) construction contracts.
- Worked with DCR's contract administration staff to ensure compliance with applicable bid laws.
- Advised DCR's Planning and Engineering Divisions on construction contract related issues pre-award and post-award.
- Represented DCR at Office of Attorney General's Bid Protest Unit.
- Worked directly with the DCR's Director of Contracts and Procurement on any related issues.
- Assisted on various DCR employment/labor issues.

Human Resources Division

Labor Counsel

Dec. 2007 – Feb. 2013

- Represented Executive Branch agencies in labor and employment matters at the Department of Labor Relations, Civil Service Commission, Massachusetts Commission Against Discrimination and labor arbitrations.
- Successfully represented management in labor grievance arbitrations involving matters such as employee discipline, promotions, and classifications, as well as negotiated settlement agreements with unions.
- Advised management in all areas of state and federal labor and employment law.

GALLAGHER & CAVANAUGH

Associate Attorney

July 2007 – Dec. 2007

- Represented clients in all stages of the civil litigation process.
- Practice focused on products liability, construction litigation, and premises liability defense.

CITY OF BOSTON

Office of the Legal Advisor, Boston Police Department

Attorney

Aug. 2006 – July 2007

- Represented the BPD as its in-house counsel.
- Specifically assigned to work with HR, including FMLA, ADA and discrimination cases.
- Handled all recruit hiring issues; provided legal advice to the recruit investigations unit, litigated bypass cases and worked with the Commonwealth's Human Resources Division.
- Handled internal disciplinary hearings.
- Drafted MOU's and general BPD policy.
- Experience at the MCAD, Civil Service Commission, State and Federal Courts.

Tsuyoshi Fukuda

Corporation Counsel, Boston City Hall

Assistant Corporation Counsel

Sept. 2002 – Aug. 2006

- Represented the City of Boston in every phase of civil litigation, including discovery, depositions, motion practice, negotiation, settlements and jury trials.
- Member in the Tax Title Department responsible for representing the city in its 1700 open tax foreclosure cases.
- Experience in District Court, Land Court, Superior Court, Federal Court and MCAD.
- Practice areas included negligence, employment discrimination, civil rights and tax foreclosure law.

MASSACHUSETTS APPEALS COURT

Law Clerk for The Honorable David A. Mills

Sept. 2001 – Aug. 2002

- Researched, edited and drafted Appeals Court opinions in all areas of the law with Judge Mills.
- Wrote legal memoranda to assist Judge Mills prepare for oral argument.
- Discussed complex legal issues raised in oral argument with judges and other law clerks.

CONNECTICUT APPELLATE COURT

Law Clerk

Aug. 2000 – Aug. 2001

- Researched, edited and drafted Appellate Court opinions in all areas of the law for former Connecticut Supreme Court Justices (Healey and Shea) and former Connecticut Appellate Court Judges (Hennessy, Daly and Stoughton).
- Wrote and edited legal memoranda to assist judges prepare for oral argument.
- Discussed complex legal issues raised in argument with judges and other law clerks.

OTHER EMPLOYMENT:

SystemSoft Corporation, Program Manager,

June 1995 – June 1996

Bishop Feehan High School, Teacher/Hockey Coach

Sept. 1993 – June 1995

BAR ADMISSIONS:

Massachusetts 2001; US District Court, Massachusetts 2004; Connecticut 2001 (retired)

EDUCATION:

University of Connecticut School of Law

Hartford, Connecticut

Juris Doctor, 2000

Awards: CALI Excellence for the Future Award (Torts)
West Publishing Company Corpus Juris Secundum Award (Torts)

Journal: Connecticut Journal of International Law
Editor-In-Chief, Spring 2000; Managing Editor, 99-00; Member 98-99

College of the Holy Cross

Worcester, Massachusetts

Bachelor of Arts, Religious Studies, 1993

Activities: Men's Varsity Hockey, Team Member 1989 – 1992
Women's Club Ice Hockey, Coach 1992 – 1993

**MWRA
POSITION DESCRIPTION**

POSITION: Deputy Director of Procurement

DIVISION: Administration

DEPARTMENT: Procurement

BASIC PURPOSE:

Assists in the overall direction of the operations of the contract office and manages all aspects of construction, professional and non-professional services contracts from pre-bidding or pre-solicitation to close-out. Establishes and implements policies and procedures related to the drafting, bidding, negotiating, and awarding of contracts. Provides guidance to the Purchasing Unit as necessary. Acts as the Director of Procurement in the absence of the Director.

SUPERVISION RECEIVED:

Works under the general supervision of the Director of Procurement.

SUPERVISION EXERCISED:

Exercises close supervision of Deputy Contract Managers. Oversees the entire Procurement Department in the absence of the Procurement Director. Provides functional guidance to Manager, Purchasing and purchasing staff.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

- Provides oversight and direction to the employees in the contracts and purchasing units in accordance with the organization's policies and procedures and applicable statutes and as directed by the Director of Procurement.
- Drafts, recommends, and implements of Authority-wide policies and procedures for all elements of the contract function, including creation, review and/or evaluation of RFQs, RFPs, proposals, bids and contracts as well as the negotiation of contracts and terms and the review of contract amendments, change orders, contract close out and final payment.
- Directs the review of contract processes and documents for format and substance as well as compliance with Authority standards and applicable law, especially MGL Chapters 149 and 30.
- Provides guidance and direction as needed to staff on vendor and contract diversity.

- Advises Law Division as required and Senior Authority staff regularly on contract matters; represents Authority before Massachusetts Department of Labor; directs Deputy and Assistant Contract Managers in performance of these functions.
- Manages advertising programs and systems to open bids and award and execute contracts in compliance with Authority standards and Commonwealth law.
- Participates in the defense of contract claims and the dispute resolution process.
- Oversees maintenance of a contract database that tracks progress through the advertising, bidding and award stages as well as through the life of the contract.
- Directs the Deputy and Assistant Contract Managers in the performance of their responsibilities for reviewing, drafting and negotiating contracts; reviewing and evaluation of proposals, including compensation analysis and cost control; and the provision of assistance and direction to Authority staff in the preparation of contract documents.
- In coordination with the Director of Procurement or in the Director's absence, reviews and approves Procurement and other staff summaries prior to submission to the Board of Directors; may appear before the Board on procurement matters.
- In coordination with the Director of Procurement or in the Director's absence, approves all contracts prior to execution by the Executive Director.
- Directs and participates in Consultant /Contractor Selection Committees as needed.
- Prepares and monitors adherence to the Contract Office budget.
- Manages the Department in a manner that is consistent with MWRA's goals of Diversity, Equity, and Inclusion

SECONDARY DUTIES:

- Performs related duties as required.

MINIMUM QUALIFICATIONS:

Education and Experience:

- (A) A Bachelor's Degree in business administration, public administration or a related field; and a JD in Law; and

- (B) Understanding of procurement and contract management as acquired through a minimum of eight (8) years' experience, preferably in a large public sector agency, of which at least three (3) years should be in a management or supervisory capacity; or
- (C) Any equivalent combination of education or experience.

Necessary Knowledge, Skills and Abilities:

- (A) Knowledge of contract law.
- (B) Knowledge and experience with MGL Chapters 149 and 30, construction contracts and construction procedures required.
- (C) Excellent written and oral communication skills are required.
- (D) Experience with the full Microsoft Office Suite and proficiency in meeting software such as WebEx.

SPECIAL REQUIREMENTS:

A valid Massachusetts Class D Motor Vehicle Operator's License.

TOOLS AND EQUIPMENT USED:

Office machines such as phones, mobile devices, laptop, etc and associated software programs, 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 functions.

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:

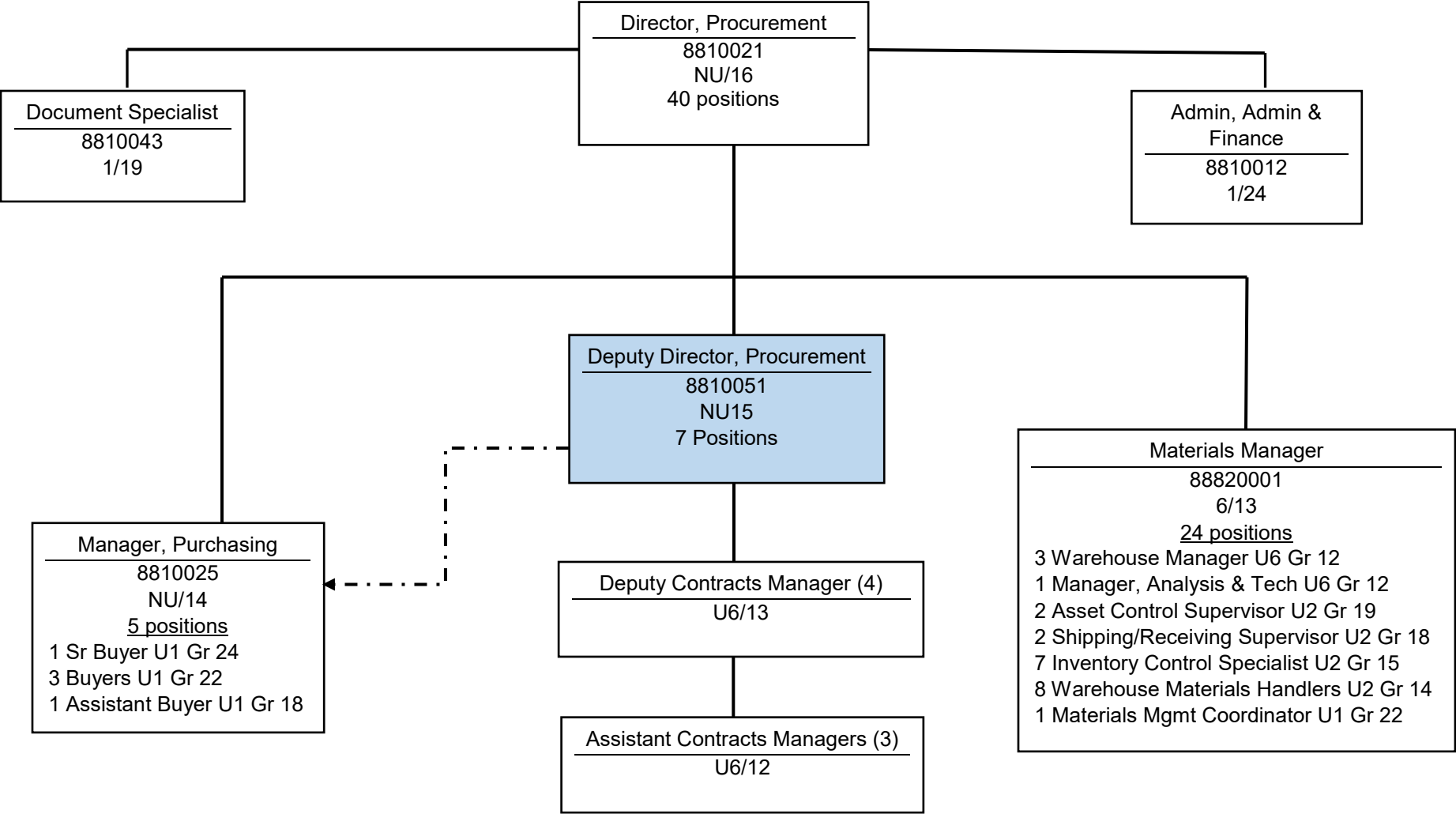
The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. While performing the duties of this job, the employee regularly works in an office environment.

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

July 2023

Administration Division, Procurement

January 2025



From: [Susan Dougherty](#)
To: [MacDougall, Kristin](#)
Cc: [Rizzi, Colleen](#); Jo.Comerford@masenate.gov; aaron.saunders@mahouse.gov
Subject: [EXTERNAL] MWRA Board of Directors Quabbin Feasibility Study.
Date: Monday, January 20, 2025 6:59:49 AM

[EXTERNAL]: This is an external email. Do not click on links or attachments if sender is unknown or if the email is unexpected.

Dear Kristin MacDougall:

I appreciated the recent Quabbin Watershed Communities Alternatives Evaluation Study and consider it to be a good screening exercise useful for generating ideas and guiding future feasibility studies. My initial response regarding the Petersham/Phillipston Project (#4) was that it was too expensive and served a low percentage of the population (too many dollars for too few). However, upon reflection, the study triggered a few thoughts:

- If Phillipston was removed from Project #4, the economics may be significantly improved for Petersham. Phillipston is uphill from Petersham; if Phillipston is not interested in a project then removing the required pumps (and distribution lines) should result in a significant cost decrease.
- The group discussion about PFAS was enlightening. The water *quality* delivered to Petersham may actually be more valuable than the water *quantity*. Unfortunately, because residents have private wells, there is a strong disincentive to measure PFAS levels in wells so we don't know if we have a problem.
- Generally, low population density is both a charming benefit and an insidious challenge for Petersham. It is tough to efficiently deliver services to residents that are spread out (internet, school busses, snow plows, ... public water supply). [note also, some of these Quabbin towns have misleading density statistics because water covers some of the town area.] Even so, Petersham and Phillipston will be difficult to provide efficient water and sewer services simply due to low density.
- Petersham arguably has a bigger issue with waste water than water supply. If we are mitigating drought, then this isn't a big problem; but, if we're increasing water supply, we should plan for increased sewer water in tandem.
- Petersham *may* have a future development project in the center of town that *may* benefit from a MWRA project. It would be a small senior housing project on six acres. However, this is a politically sensitive project for this town (this cannot be overstated). And, again, adequate septic is likely a bigger challenge than water availability (there is already a water well on site).
- Providing current-day costs along with 2029 costs may be helpful. People unfortunately tend to disregard the future reference resulting in magnified sticker shock.

Again, I commend the efforts of Tighe & Bond and MWRA to provide some general ideas of what future water projects could look like. Naturally, the devil is in the details, but focusing on communities' water supply type and source of water from the Quabbin Watershed (intake v. wells) was a good first step.

Sue Dougherty
Selectboard Chair



TOWN OF PELHAM

RHODES BUILDING, 351 AMHERST ROAD, PELHAM MA 01002

Select Board

To: Executive Director Laskey and Members of the MWRA Board of Directors
From: Town of Pelham Select Board—Robert Agoglia, Tara Loomis, David Shanabrook
Date: January 22, 2025
Subj: Comments on the November 19, 2024, MWRA presentation of the
Quabbin Reservoir Watershed Communities: Alternative Evaluation Summary

Key Concerns Identified in the Review:

1. Irrelevance of Study Scope:

The MWRA's feasibility study, tailored for North Shore, South Shore, and MetroWest communities, fails to address the distinct needs of Quabbin watershed communities. Differences in location, demographics, tax base, and stewardship roles require criteria specific to Quabbin's unique challenges. These towns play a critical role in protecting the Quabbin watershed and neighboring areas, yet their needs remain inadequately evaluated.

2. Insufficient Engagement and Preparation Time:

The study's schedule, with only one information session (April 12, 2024) and a meeting with officials (November 19, 2024), provided minimal opportunity for towns to prepare or offer input. Most of the 12 towns lack professional staff, relying on volunteers who could have contributed valuable data. This limited engagement undermines the study's ability to reflect the unique needs of diverse communities.

3. Flawed Conceptual Project Design:

- *Project 1: Southwest Intake* covers Pelham, Belchertown, Ware, and Ludlow, serving 25,500 people (53%) at a cost of \$170 million. However, it does not address the needs of Pelham's 1,300 residents.
- Ludlow is already partially served by Springfield, and Belchertown and Ware are near the MWRA Brutsch Water Treatment Plant, which the study overlooked.
- Amherst, the largest nearby water user, was excluded, despite its ongoing growth and proximity to the Quabbin.

4. Overlooking Local Contributions and Context:

Pelham protects multiple watersheds and prioritizes forest and wetland preservation over commercial development. Its Watershed Protection Zoning Bylaw (in place since the 1980s) and reliance on septic systems highlight the town's proactive approach. The study fails to consider these efforts or address the financial and environmental costs borne by rural communities like Pelham in supporting MWRA water quality.

5. Lack of Recognition and Compensation:

The MWRA relies on Quabbin watershed towns to safeguard water quality for eastern Massachusetts, yet the study does not account for their vital contributions. Meaningful evaluations should reflect the unique conditions of each community and propose fair compensation for their stewardship.

Recommendations:

The study should have:

- Recognized the distinct characteristics and contributions of Quabbin watershed towns.
- Provided realistic, actionable evaluations tailored to these communities.
- Ensured adequate consultation and engagement with local stakeholders.



Steven J. Williams
Town Manager

Office of
TOWN MANAGER
The Finnerty House
One South Main Street, Post Office Box 670
Belchertown, Massachusetts 01007-0670
Telephone: (413) 323-0403 • Facsimile: (413) 323-0494

January 30, 2025

Executive Director Laskey and
Members of the MWRA Board of Directors
Kristin.macdougall@mwra.com

Re: Comments on the November 19, 2024, MWRA presentation of the
Quabbin Reservoir Watershed Communities: Alternative Evaluation Summary

Key Concerns Identified in the Review:

1. Irrelevance of Study Scope:

The MWRA's feasibility study, tailored for North Shore, South Shore, and MetroWest communities, fails to address the distinct needs of Quabbin watershed communities. Differences in location, demographics, tax base, and stewardship roles require criteria specific to Quabbin's unique challenges. These towns play a critical role in protecting the Quabbin watershed and neighboring areas, yet their needs remain inadequately evaluated.

2. Insufficient Engagement and Preparation Time:

The study's schedule, with only one information session (April 12, 2024) and a meeting with officials (November 19, 2024), provided minimal opportunity for towns to prepare or offer input. Most of the 12 towns lack professional staff, relying on volunteers who could have contributed valuable data. This limited engagement undermines the study's ability to reflect the unique needs of diverse communities.

3. Flawed Conceptual Project Design:

- *Project 1: Southwest Intake* covers Pelham, Belchertown, Ware, and Ludlow, serving 25,500 people (53%) at a cost of \$170 million. However, it does not address the individual needs of smaller communities.
- Ludlow is already partially served by Springfield, and Belchertown and Ware are near the MWRA Brutsch Water Treatment Plant, which the study overlooked.
- Amherst, the largest nearby water user, was excluded, despite its ongoing growth and proximity to the Quabbin.

4. **Overlooking Local Contributions and Context:**

Belchertown protects multiple watersheds and prioritizes forest and wetland preservation over commercial development. Our Zoning By-laws and aggressive efforts to preserve open space highlight the Town's commitment to protecting the watershed. The study fails to consider these efforts or address the financial and environmental costs borne by rural communities like Belchertown in supporting MWRA water quality.

5. **Lack of Recognition and Compensation:**

The MWRA relies on Quabbin watershed towns to safeguard water quality for eastern Massachusetts, yet the study does not account for their vital contributions. Meaningful evaluations should reflect the unique conditions of each community and propose fair compensation for their stewardship.

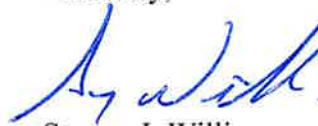
Based on my estimates, we lose approximately 9.5 million dollars annually in tax revenue.

Recommendations:

The study should have:

- Recognized the distinct characteristics and contributions of Quabbin watershed towns.
- Provided realistic, actionable evaluations tailored to these communities.
- Ensured adequate consultation and engagement with local stakeholders.

Sincerely,



Steven J. Williams
Town Manager

SJW/ms

cc: colleen.rizzi@mwra.com
jo.comerford@masenate.gov
aaron.saunders@mahouse.gov