

MASSACHUSETTS WATER RESOURCES AUTHORITY

Meeting of the Board of Directors

April 12, 2023

A meeting of the Massachusetts Water Resources Authority ("MWRA") Board of Directors was held on April 12, 2023. The meeting was conducted via remote participation by the Board of Directors pursuant to Chapter 20 of the acts of 2021 and subsequent acts extending certain COVID-19 measures adopted during the state of emergency.

Vice Chair Pappastergion and Chair Tepper presided remotely from MWRA headquarters. Also present from the Board were Messrs. Flanagan (remote participation) Foti (remotely from MWRA headquarters), Peña (remotely from MWRA headquarters), Vitale (remote participation), Jack Walsh (remotely from MWRA headquarters) and Rev. White-Hammond (remote participation). Mr. Flanagan, Mr. Patrick Walsh and Ms. Wolowicz were absent.

MWRA Executive Director Frederick Laskey, General Counsel Carolyn Francisco Murphy, Chief Operating Officer David Coppes, Deputy Chief Operating Officer Carolyn Fiore, Director of Administration Michele Gillen, and Assistant Secretary Kristin MacDougall participated remotely from MWRA headquarters. Other MWRA staff in attendance remotely included Thomas Durkin, Finance Director; Kathy Murtagh, Director, Tunnel Redundancy; Patterson Riley, Special Assistant for Affirmative Action; Paula Weadick, Director, MIS; Wendy Chu, Human Resources Director; Sean Navin, Director of Intergovernmental Affairs; John Colbert, Chief Engineer; Marty McGowan, Director of Construction; Charles Ryan, Director of Wastewater Operations and Maintenance; Eben Nash, Director of Western Operations; Katie Ronan, Project Manager, Environmental Permitting; Matthew Horan, Deputy Finance Director/Treasurer; Stephen Estes-Smargiassi, Director of Planning and Sustainability; and, Ria Convery, Special Assistant to the Executive Director and Board Assistant Secretary. Vandana Rao, Executive Office of Environmental Affairs (EEA), and Joseph Favaloro and Matthew Romero, MWRA Advisory Board, participated remotely from MWRA headquarters. Lexi Dewey, Water Citizens Advisory Committee, attended via remote participation.

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

ROLL CALL

MWRA General Counsel Francisco Murphy took roll call of Board Members in attendance. The Vice Chair announced that except for Executive Session, the meeting was open to the public virtually, via a link posted on MWRA's website. He added that the meeting would be recorded, and that the agenda and meeting materials were available on MWRA's website. Vice Chair Pappastergion announced that the meeting would move into Executive Session after the arrival of Chair Tepper, and that the Open Session would resume after the adjournment of Executive Session. He also announced that individual roll call votes would be conducted after each motion was made and given an opportunity for discussion.

APPROVAL OF MARCH 15, 2023 MINUTES

A motion was duly made and seconded to approve the minutes of the Board of Directors' meeting of

March 15, 2023.

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

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

(ref. I)

REPORT OF THE EXECUTIVE DIRECTOR

MWRA Executive Director Frederick Laskey advised that a new Pellet Plant contract will be advertised in late April, 2023. He noted that MWRA's current contractor, NEFCo, had been purchased by Synergro, and that staff had received inquiries from other potential bidders. He then reported that an emergency coupling repair at the South Boston CSO pump station was completed at a cost of \$255,000, well under the \$450,000 estimate, and noted that the leaking coupling did not cause any overflows to the beaches. Next, he noted that MWRA would support the Boston Marathon by checking and sealing manholes and sending five large trucks. He then noted that Massachusetts Climate Chief Melissa Hoffer would address staff on May 16, 2023, as part of MWRA's Lunchtime Speaker Series to promote Environmental Justice and Diversity, Equity and Inclusion. He invited Board Members and meeting participants to attend. He briefly described agenda items planned for upcoming Board meetings.

Next, Mr. Laskey advised that Community Boating had expressed concerns about the language used on new, signage placed at all Combined Sewer Overflow (CSO) outfalls across Massachusetts per Department of Environmental Protection (DEP) requirement. He explained that in Community Boating's view, the signs near their facilities are too alarmist because CSO discharges only potentially impact the Charles River approximately twice a year. He shared an example of the sign with Board Members and advised that staff would discuss Community Boating's concerns with DEP. There was discussion about the signage requirements, and Community Boating's concerns about the signs' wording and placement. MWRA General Counsel Carolyn Francisco Murphy explained that MWRA's legal staff were looking at the matter. Board members offered general feedback on the signage. There was discussion about the infrequency of CSO discharges into the Charles River, the very low concentrations of wastewater present in the discharges, the rapid dispersion of the discharges, and the signs' wording. Deputy Chief Operating Officer Carolyn Fiore explained that the language used on the signs was prescribed by the DEP, and that local public health departments post additional notices on the signs after CSO discharges. There was general discussion about the signs' language and design. Mr. Laskey noted that MWRA and the Tufts Boathouse have developed a successful Sanitary Sewer Overflow (SSO) notification process. There was brief discussion about the number and locations of MWRA CSO outfalls. MWRA Special Assistant to the Executive Director Ria Convery advised that eight different versions of the signs were developed,

tailored to various types of outfall locations. Ms. Fiore then described MWRA's CSO and SSO public notification procedures, which include timely text and email alerts for constituents. Board Member Vitale added that the Boston Water and Sewer Commission is developing signs for its CSO outfalls as required.

Mr. Laskey then advised that legislation has been filed to impose a tax on water drawn from the Quabbin Reservoir for eastward distribution. Finally, he noted that after 38 years the April 12, 2023 Board Meeting would be the last one held at MWRA's Charlestown Navy Yard headquarters, because the Authority will vacate the Charlestown facility in May. There was brief discussion about MWRA's tenure at its Charlestown location. (ref. III)

PERSONNEL AND COMPENSATION

Approvals

PCR Amendments – March 2023

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

Wendy Chu, MWRA Human Resources Director, summarized the three proposed PCR Amendments, including a salary adjustment to one filled position in the Operations Division, Deer Island Thermal/Power Plant Department and title and grade changes to vacant positions in the Operations Division, Engineering and Construction Department and Environmental Quality Department.

Committee Member Foti asked if there was any discussion or questions from the Board.

Hearing none, Vice Chair Pappastergion requested a roll call vote in which the members were recorded as follows:

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

(ref. V A.1)

(Rev. White-Hammond joined the meeting after the Roll Call vote.)

WASTEWATER POLICY AND OVERSIGHT

Approvals

Approval of Alfredo Vargas to the Wastewater Advisory Committee

Mr. Laskey noted that Mr. Vargas was highly qualified to serve on the Wastewater Advisory Committee to the MWRA (WAC). Sean Navin, MWRA Director of Intergovernmental Affairs, then summarized Mr. Vargas' qualifications and work experience. He added that if approved, the appointment would bring the

total number of WAC members to 14.

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

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Flanagan		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
White-Hammond		

(ref. VI A.1)

(Chair Tepper joined the meeting after the Roll Call vote.)

EXECUTIVE SESSION

Chair Tepper requested that the Board move into Executive Session to discuss Real Estate and Collective Bargaining, since Open Session may have a detrimental effect on the negotiating and bargaining positions of the Authority. She announced that the planned topics of discussion in Executive Session were a Watershed Land Acquisition and Collective Bargaining – Units 1, 2, 3, 6 and 9. She announced that the Board would return to Open Session after the conclusion of Executive Session.

A motion was duly made and seconded to enter Executive Session for these purposes, and to resume Open Session after Executive Session adjournment.

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

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

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Foti		
Pappastergion		
Peña		

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Vitale		
J. Walsh		
White-Hammond		

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

The Board moved to Executive Session to discuss Real Estate and Collective Bargaining since discussing such in Open Session could have a detrimental effect on the negotiating and bargaining positions of the Authority.

*** EXECUTIVE SESSION ***

The meeting entered Executive Session at 1:25pm and adjourned at 1:47pm.

*** CONTINUATION OF OPEN SESSION ***

ADMINISTRATION, FINANCE AND AUDIT

Information

2023 Change Order and Amendment Report

Staff presented an annual report on all amendments and change orders over a ten-year period, from March 2013 through March 2023. John Colbert, MWRA Chief Engineer, presented a summary of design contract amendments. He described common reasons why amendments for time and/or costs may occur, such as MWRA requests for modifications to address climate change, increase energy efficiency or improve Supervisory Control and Data Acquisition (SCADA) functions; added design for code compliance, permitting or hazardous materials found during design; added engineering for delays from construction issues, permit approvals or supply chain issues; and, redesign for unforeseen conditions during construction. Mr. Colbert then noted that there were no amendments for 71% of 62 contracts since March 2013. He reminded Board members that in accordance with the Management Policies of the Board of Directors as amended in 2022, staff only bring amendments valued at over \$1 million to the Board for approval. He noted that Chapter 149 amendment costs had decreased from 13.4% to 5.9% since January 2022, and added that the decrease is partly attributable to some projects' aging out of the 10-year range of analysis. Next, he highlighted five complex projects with the highest amendment cost percentages. Finally, Mr. Colbert noted that only four of 62 contracts had amendments valued at over \$1 million since March 2013.

Next, Marty McGowan, MWRA Director of Construction, presented an overview of change orders. He noted that 85 of 141 contracts required change orders during the 10-year period. He added that the change order percentage was 5.5% in 2023, down from 5.92% in 2022. He further noted that the percentage was 4.73% for Chapter 30 contracts and 6.14% for Chapter 149 contracts. He then presented 11 outlier projects in terms of change order totals vs. original contract value, and highlighted nine

projects with total change order amounts exceeding \$1 million. He advised that the Chelsea Creek Headworks Upgrade project had the highest change order costs, and noted that it is one of the most complex projects undertaken by MWRA in recent years. Finally, Mr. McGowan presented examples of projects with change orders due to unforeseen circumstances such as supply chain issues, fabrication delays and unstable pricing; added constraints by municipalities such as requests for night work, work hours adjustments and schedule changes; unforeseen site conditions; inaccurate records of existing utilities; and unexpected conflicts between new work and existing systems.

Secretary Tepper thanked staff for presenting a thorough and informative summary. Board Member Vitale requested a comparison of the annual quantities and costs of change orders submitted vs. accepted. Mr. Colbert advised that staff would provide this information at a later date. There was brief, general discussion about the amendment and change order review processes, and the data presented. Board Member Jack Walsh asked if MWRA benchmarked amendments and change orders with other water and sewer service providers. Mr. Colbert explained that there were not a lot of contracts that contributed to the total amendments/change orders. David Coppes, MWRA Chief Operating Officer, advised that staff would compile information about benchmarking and prepare a report. There was general discussion about the impact of outliers on the amendment and change order data.

Hearing no further discussion or questions from the Board, Committee Chair Foti moved to the next Information item. (ref. VII A.1)

Update on MWRA's Maintenance Program

Staff presented an update on MWRA's Maintenance Program. Charles Ryan, MWRA Director of Wastewater Operations and Maintenance, described the program's goals, including life cycle cost management, reliable plant operations, the preservation of ratepayer investments; the avoidance of budget spikes; and, adherence to industry best practices. He then presented an inventory of MWRA facilities including aqueducts, tunnels, treatment plants, piping, pump stations, headworks, CSO control facilities, office buildings and fleet vehicles.

Next, Ted Regan, MWRA Deputy Director of Maintenance, presented the MWRA Facilities Asset Program's key components and best practices. He noted that staff continuously seek ways to improve the program and increase productivity. Finally, Mr. Regan described the program's benefits, and presented an overview of MWRA's computerized maintenance management (MAXIMO) and condition monitoring systems.

Eben Nash, Director of Western Operations, then presented a summary of staffing for the Maintenance Program. He noted that 40% of all MWRA staff participate in maintenance activities, and that consultants perform some specialized services. Next, he presented Maintenance Program work order metrics and noted that preventative maintenance can increase equipment availability and reduce the need to perform corrective and emergency work. He then described MWRA's Maintenance budget and budgeting process. Finally, Mr. Nash presented positive results from the program, including high equipment reliability and availability; continued service during stressor events; compliance with

regulatory requirements, and award-winning performance.

Mr. Laskey noted that MWRA was created to manage the Boston Harbor Cleanup Project to remediate pollution caused by years of insufficient sewer system maintenance, and added that maintenance is a high priority at MWRA.

(Board Member Peña left and returned to the meeting during the presentation.)

Mr. Jack Walsh asked staff to describe the difference between preventative maintenance and predictive maintenance, and how maintenance data was entered into the MAXIMO system. Mr. Laskey explained that all data was entered into MAXIMO. Mr. Regan further explained that “preventive maintenance” is a calendar-based process, while “predictive maintenance” is technology-based. He added that staff evaluate and enter each asset individually based on industry best practices, and that MAXIMO technology assists in tracking the assets’ life cycles and prompting preventative maintenance frequencies. There was general discussion about the logistics and benefits of MAXIMO. Mr. Vitale requested more information about the organizations with whom MWRA benchmarks its Maintenance Program. Mr. Regan advised that staff would provide a list at a later date. Mr. Vitale asked if the Maintenance Program budget was evaluated by rating agencies, and if rating agencies made recommendations for Program budget allocations. Thomas Durkin, MWRA Director of Finance, explained that depreciation and reinvestment is discussed with, and evaluated by, rating agencies, but not prescribed. He noted that MWRA’s Resolution requires a consulting engineer’s report on the conditions of MWRA’s assets, and that the report is reviewed by rating agencies and bond holders. He added that MWRA’s Maintenance Program is well regarded by rating agencies and investors.

Hearing no further discussion or questions from the Board, Mr. Foti moved to the next Information item. (ref. VII A.2)

2022 Annual Update on New Connections to the MWRA System

Katie Ronan, MWRA Project Manager, Environmental Permitting, presented an annual update on new connections to the MWRA system. She explained that the report was prepared pursuant to the annual update requirements of the MWRA System Expansion Policy for any new connections. She then provided a brief overview of MWRA’s five System Expansion policies: OP.04 (sewer straddle), OP.05 (emergency water), OP.09 (water straddle), OP.10 (new water community), and OP.11 (new sewer community). She noted that admissions to MWRA systems are subject to Board of Directors’ approval. She then reminded Board Members of the temporary Entrance Fee Waiver for new water communities that was recommended by the MWRA Advisory Board and approved by the Board in September, 2022. She generally described the terms, requirements and benefits of the waiver.

Next, Ms. Ronan discussed new sewer connections since 2002, noting that 10 entities had been approved to discharge into the MWRA wastewater system during that time, most recently Crescent Ridge Dairy (2019, OP.11) and the Rivers School (2020, OP.04). She explained that all new sewer connections are governed by sewer connection agreements that include discharge limits and mitigation,

inflow removal requirements and entrance fees. She advised that the Rivers School had exceeded its discharge limit in 2022, and that staff are working with the school to determine the cause and next steps, including a potential amendment.

Ms. Ronan then presented a report on new water connections since 2002. She noted that two OP.09 entities and six new communities, including Burlington and Ashland (2020, OP.10), had joined during that time. She explained that all new water connections are governed by water supply agreements that include withdrawal limits, entrance fees and other requirements. She advised that Burlington exceeded its Phase One withdrawal limit in 2022. She noted that staff are reviewing the agreement, and would prepare an amendment for Phase Two. Ms. Ronan then explained that the partially-supplied water communities of Wilmington and Dedham/Westwood had received temporary exceedances in 2022 under emergency provisions.

Ms. Ronan then presented an update on MWRA's three System Expansion Studies, which began in 2020. She noted that studies for the Ipswich River Basin and the South Shore were completed in fall 2022, and that a MetroWest study was underway. She explained that the studies were at the conceptual and planning level, intended to determine the feasibility of supplying water to communities with water supply challenges. She further explained that the studies considered such factors as infrastructure requirements, construction time and costs. Finally, Ms. Ronan reported that a number of study area communities were considering joining, or increasing withdrawal limits from, the MWRA water system under OP.10, including Hopkinton, Lynnfield Center Water District, Walpole, Wayland, Wellesley and Weymouth.

Hearing no discussion or questions from the Board, Mr. Foti moved to the next agenda item. (ref. VII A.3)

Delegated Authority Report – March 2023

Michele Gillen, MWRA Director of Administration, reminded Board Members that the April 12, 2023 Delegated Authority Staff Summary includes updates on actions taken by staff under the new delegations of authority. She then invited questions from Board Members.

Mr. Vitale asked who at MWRA signs payroll checks, and checks processed through the Accounts Payable Department. Mr. Durkin explained that Matthew Horan, Deputy Finance Director/Treasurer, signs all of those checks automatically through a MICR printing system. Mr. Vitale asked if second signatures were required on checks over a certain amount. Mr. Durkin explained that second signatures are not required, but that MWRA's banks are required to review checks issued at or over established limits. Mr. Jack Walsh asked for more details on Item P-10, Emergency Leak Repair at the South Boston CSO Pump Station. Mr. Coppes explained that the item was to repair a leaking discharge coupling. He further explained that staff had issued an emergency purchase order for the work based on estimated costs, and that the actual cost was approximately half of the estimate.

Mr. Foti asked if there was further discussion or questions from the Board. Hearing none, he moved to

the next Information item. (ref. VII A.4)

FY23 Financial Update and Summary through March 2023

Mr. Durkin advised that financial patterns and trends reported during the first quarter of FY23 continued through the month of March. He explained that the progress of each budget year informs the development of the following year's budget. Finally, Mr. Durkin noted that staff were preparing to present MWRA's FY24 budget in May and June, 2023.

Mr. Vitale asked for clarification on the under-budget spending variance for senior debt as reported in the Capital Financing section of the April 12, 2023 Staff Summary. Mr. Durkin explained that the senior lien portion of the budget is comprised of fixed debt, and that variable rate debt is described on the subordinate. Mr. Horan added that the senior lien variance was driven by the timing of transactions. He explained that a planned issuance in October, 2022 was delayed until the end of April, 2023 because spending was lower than anticipated, and that year-end projections reported in the staff summary were based on the scheduled transactions.

Hearing no further discussion or questions from the Board, Chair Tepper moved to Correspondence to the Board. (ref. VII A.5)

CORRESPONDENCE TO THE BOARD

WSCAC Comments on March 15, 2023 MWRA Staff Summary Regarding Watershed Forestry Review
Chair Tepper announced that the Board of Directors had received correspondence from the Water Citizens Advisory Committee to the MWRA (WSCAC) dated April 7, 2023 regarding the Watershed Review Staff Summary presented at the March 15, 2023 Board meeting. She opened the floor for discussion.

Mr. Laskey noted that watershed forestry has been a longtime topic of discussion at MWRA. Mr. Coppes explained that MWRA's March 15, 2023 forestry Staff Summary was intended to highlight the need for a long-term program to promote a resilient forest for water supply protection, and to avoid the need to build costly and energy-inefficient water filtration facilities. He advised that there may have been some miscommunication with WSCAC because their April 7 correspondence focused on a different topic: the value of Green Certification for the Watershed Forestry Program. Mr. Coppes noted that MWRA staff had briefed the Board in March and June, 2021 on the results of an evaluation on Green Certification. He explained that pursuit of Green Certification had been determined to be a difficult and time consuming endeavor due to the amount of documentation required.

Next, Stephen Estes-Smargiassi, MWRA Director of Planning and Sustainability, provided a brief overview of WSCAC's long-standing role as a valued advisory organization to MWRA and its predecessor agency (MDC) on such topics as water quality, source water protection, and demand and supply management. He noted that MWRA's relationship with WSCAC has historically been productive. Mr. Estes-Smargiassi advised that the purpose of the March 15 forestry Staff Summary was not to re-argue the issue of Green Certification but to promote the importance of a long term, measured, incremental

program of small interventions over many decades that will help protect the forest from natural or climate related disasters, and in turn, protect drinking water quality. Mr. Estes-Smargiassi acknowledged the good faith differences of opinion on policy, noting that he believed MWRA and WSCAC share common ground on the importance of a robust Watershed Forestry Program for water supply protection. Finally, Mr. Estes-Smargiassi suggested that Board Members tour DCR watershed forestry operations at a future Board meeting.

Mr. Laskey stressed the importance of maintaining the age and species diversity for watershed trees that can withstand disease, invasive species, droughts and other events. He noted that the current Watershed Forestry Program is not a money maker for the Authority; that it costs the Authority money and there is no profit motivation for the Authority. Mr. Laskey then described some lessons learned from past watershed forestry practices and noted that the current program was designed with advice from a panel of experts to advance MWRA/DCR-specific goals.

Mr. Jack Walsh remarked on photos included with WSCAC's correspondence. He noted that he understood MWRA's position regarding Green Forestry certification, and asked if the photos, which were undated, depicted the results of a typical watershed tree-cutting operation. Mr. Estes-Smargiassi acknowledged that the immediate after-effects of major forestry operations can appear visually unappealing at first, but that over time the work results in important benefits such as improved soil health, seed germination and species diversity. He explained that much of the existing watershed forest was planted en masse nearly a century ago, and that forestry management was needed to ensure that the forests will be resilient to change. There was further, brief discussion about the photos included with the correspondence. Mr. Coppes noted that DCR was responsible for overseeing the forestry program contractors. He added that staff will ask DCR, which has managed the program diligently, to consider monitoring the tree contractors more closely.

Mr. Laskey explained that the environmental impacts of tree cutting is part an ongoing, wider conversation, and advised that staff strongly believe that responsible forestry management is key to maintaining MWRA's drinking water quality and public health.

Mr. Peña noted that he understood the importance of forestry management and asked if there were any limitations on forestry on watershed lands held under a Watershed Preservation Restriction (WPR). Mr. Coppes advised that staff would confirm and provide this information at a later date.

(Mr. Foti left and returned to the meeting during the discussion.) (ref. VIII A)

Other Business

Mr. Laskey reminded Board Members that Climate Chief Hoffer would be a featured speaker for an MWRA lunchtime talk in May, 2023. (ref. IX)

ADJOURNMENT

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

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

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Tepper		
Flanagan		
Foti		
Pappastergion		
Peña		
Vitale		
J. Walsh		
White-Hammond		

The meeting adjourned at 2:59pm.

Approved: May 24, 2023

Attest:

 for

Brian Peña, Secretary