

UNITED STATES DISTRICT COURT
for the
DISTRICT OF MASSACHUSETTS

.....
UNITED STATES OF AMERICA,

Plaintiff,

v.

METROPOLITAN DISTRICT COMMISSION,
et al.,

Defendants.
.....

CIVIL ACTION
No. 85-0489-MA

.....
CONSERVATION LAW FOUNDATION OF
NEW ENGLAND, INC.,

Plaintiff,

v.

METROPOLITAN DISTRICT COMMISSION,

Defendants.
.....

CIVIL ACTION
No. 83-1614-MA

MWRA QUARTERLY COMPLIANCE AND
PROGRESS REPORT AS OF DECEMBER 15, 2006

The Massachusetts Water Resources Authority (the "Authority") submits the following quarterly compliance report for the period from September 16, 2006 to December 15, 2006 and supplementary compliance information in accordance with the Court's order of December 23, 1985 and subsequent orders of the Court.

I. Schedule Seven.

A status report for the scheduled activities for the months of September and November 2006 on the Court's Schedule Seven, certified by Frederick A. Laskey, Executive Director of the Authority, is attached hereto as Exhibit "A."

A. Activities Completed.

1. Complete Construction of Hydraulic Relief for BOS017.

As previously reported,¹ the Authority completed the hydraulic relief project at outfall BOS017 in May 2000. Data from metering and modeling conducted by the Authority since then shows that sewer system performance and CSO overflows at BOS017 are consistent with the required level of CSO control for this outfall, which is one activation and an annual discharge volume of 0.02 million gallons in a typical year.

2. Complete Construction of Stony Brook Sewer Separation.

Boston Water Sewer Commission ("BWSC") completed the last construction contract associated with Stony Brook sewer separation in September 2006, in compliance with Schedule Seven. The project is

¹ See Combined Sewer Overflow Control Plan Annual Progress Report 2000, February 2001, p. 14.

intended to minimize combined sewer overflow (“CSO”) discharges into BWSC's Stony Brook Conduit, which drains to the Charles River basin. BWSC installed 73,313 linear feet of new storm drains during the six-year construction program that began in July 2000. As reported previously, the major downspout disconnection contract in the Stony Brook project area, intended to minimize stormwater inflow to the sewer system, is also complete. BWSC has commenced flow metering and hydraulic analyses to verify the performance of the separated systems and confirm attainment of the required level of CSO control for outfall MWR023, which is two discharges with an annual volume of 0.13 million gallons in a typical year.

3. Commence Design of Brookline Connection, Cottage Farm Overflow Chamber Interconnection and Cottage Farm Gate Control.

The Authority issued a Notice To Proceed with the design contract for Cottage Farm Brookline Connection and Inflow Controls effective September 30, 2006. The project is intended to minimize treated discharges at the Cottage Farm CSO Facility by controlling overflows into the facility, by increasing flow conveyance to the Ward Street Headworks, and by taking advantage of upstream storage capacity in the North Charles Metropolitan and North Charles Relief Sewers in Cambridge.

The project includes bringing into operation the historically unused 54-inch “Brookline Connection” that crosses beneath the Charles

River from the Cottage Farm influent chamber on the Cambridge side of the Charles River to a connection with the South Charles Relief Sewer on the Brookline side. It also includes developing gate controls and a control system to optimize and potentially automate the operation of the existing Cottage Farm influent gates, providing a piped interconnection between the two overflow chambers outside the Cottage Farm facility, and optimizing the overflow weir settings within the chambers.

Design work to date has involved preparation of work plans for overall execution of the design scope, QA/QC, local safety, hydraulic modeling, geotechnical engineering and hazardous materials, as well as preliminary design activities. The contract calls for the preliminary design report to be completed by August 2007.

4. Commence Design of Bulfinch Triangle Sewer Separation.

BWSC issued a Notice To Proceed with the design contract for Bulfinch Triangle Sewer Separation effective August 28, 2006, in advance of the November 2006 milestone in Schedule Seven. The goal of the project is to minimize CSO discharges to the Charles River by separating combined sewer systems in the area of Boston roughly bounded by North Station, Haymarket Station, North Washington Street and Cambridge Street. Implementation of the recommended sewer separation plan will reduce the number of overflows to the Charles River, reduce overflows to the Prison Point CSO facility and allow the closure of outfall BOS049.

The design consultant has commenced field investigations, building inspections, survey work, and a public outreach program. A preliminary design report is due in Spring 2007.

5. Commence Design of Brookline Sewer Separation.

The Town of Brookline issued a Notice To Proceed with the design contract for Brookline Sewer Separation effective November 21, 2006, in compliance with Schedule Seven. This project will separate remaining combined sewers in Brookline tributary to the Authority's Charles River Valley Sewer and Ward Street Headworks. The project is intended to reduce treated discharges to the Charles River at the Authority's Cottage Farm CSO Facility.

B. Activities Not Completed.

1. Complete Construction of Storage Conduit for BOS019.

As previously reported, the Authority extended the construction duration for the BOS019 CSO storage conduit from 18 months to 24 months due to the increased size and complexity of the storage facility, moving construction completion six months later than the Schedule Seven milestone.² The project includes two, 280-foot long, 10-

² See Compliance and Progress Report for December 15, 2004, pp. 12-13.

foot by 17-foot underground concrete storage conduits that will provide 670,000 gallons of overflow storage capacity, a pump out facility at the downstream end of the conduits and an influent gate house at the upstream end.

To date, the contractor has completed approximately 85 percent of the construction. The contractor is currently working on completing the pumping station and the influent gate house. The contractor is also performing work in Chelsea Street to tie the new facility into the existing combined sewer and outfall systems.

The contractor expects to complete dry testing of the new storage facility by early March 2007 and complete wet testing later that month. However, there is currently no float time in the project schedule, and the contractor's ability to make substantial progress over the next three months of the winter season will be critical in maintaining schedule and completing the project by the end of March 2007. Work unrelated to operation of the new storage facility, such as site, roadway and sidewalk restoration, will continue as late as June 2007.

C. Progress Report.

1. Combined Sewer Overflow Program.

(a) Commence Construction of Morrissey Boulevard Storm Drain.

BWSC is more than 90-percent complete with the design of the Morrissey Boulevard storm drain project, which is intended to allow

diversion of some North Dorchester Bay stormwater away from the Authority's recommended CSO storage tunnel in storms greater than the 1-year design storm. By the end of this month, BWSC plans to commence construction of the portion of the project that includes the proposed diversion structure between the North Dorchester Bay tunnel and the Morrissey Boulevard storm drain, in compliance with Schedule Seven. BWSC plans to commence construction of the remainder of the project by July 2007.

(b) Union Park Detention and Treatment Facility.

As of the end of November 2006, construction of the Union Park detention and treatment facility is 97-percent complete. The contractor completed installing tanks, pumps and piping for the chemical system and is continuing with the installation of the power and control wiring for the chemical system. The contractor is also continuing work on the installation of piping and equipment throughout the new CSO facility, including conduit and wiring, HVAC systems, fire protection, plumbing and process piping. Physical equipment check outs, including flushing gates, fine screens and dewatering pumps, are ongoing. The contractor is now focusing its efforts on having the facility available for partial use by December 31, 2006. The Authority is working with the contractor to ensure that the contractor completes the work necessary to achieve

partial use by December 31, 2006 and substantial completion in April 2007.

As indicated in the last compliance and progress report, the date for completion of the Union Park detention and treatment facility has been delayed until April 2007. In order to mitigate the impacts of this delay, the Authority plans to commence partial use of the facility at the end of this month by using the fine screens and detention basins during wet weather to store up to 1.5 million gallons of flow that will be pumped back into the sewer system after storms for treatment at the Deer Island wastewater treatment plant. The Authority also plans to commence testing of the disinfection and dechlorination systems in February during wet weather but is reluctant to do so without a NPDES permit to discharge from this facility.

For the purposes of the NPDES permit, the Authority's detention and treatment facility will have treatment limits at the point at which the flow leaves the facility which will be designated as CSO outfall MWR215. MWR215 is a new discharge point (outfall) and is not in the Authority's current NPDES permit, which expired in August 2005 and therefore cannot be modified to include this new outfall. The Authority included MWR215 in its February 10, 2005 NPDES renewal permit application for the Deer Island wastewater treatment plant and the Authority's existing CSO outfalls. Due to the complexities of the Authority's current NPDES permit and the issues involved in the renewal process, it is doubtful that

the Authority's new NPDES permit for the Deer Island wastewater treatment plant and the Authority's existing CSO outfalls will be issued prior to testing of the facilities in February 2007 or start-up of the facilities, which is expected to commence in April 2007. The Authority is concerned that a discharge from the facility without a NPDES permit authorizing the facility to discharge would violate the Clean Water Act. The Authority brought this concern to the attention of the United States Environmental Protection Agency ("EPA") and the Massachusetts Department of Environmental Protection ("DEP"). EPA and DEP are currently looking at NPDES permitting options for the facility.

(c) Cambridge Sewer Separation.

Cambridge is still unable to move forward with construction of the new stormwater outfall and stormwater wetland detention basin, which are part of Cambridge's Contract 12, due to the citizens' appeal of the Superseding Order of Conditions that was issued by DEP to the City of Cambridge Department of Public Works ("DPW") pursuant to the Wetlands Protection Act.³ Since the Authority's last report, the Division of Administrative Law Appeals ("DALA") has ruled on certain motions to strike prefiled testimony filed by the parties. DEP's and DPW's motions

³ See Compliance and Progress Reports dated September 15, 2006, pp. 6-7; June 15, 2006, pp.6-7; March 15, 2006, pp. 5-6; December 15, 2005, pp. 6-7; September 15, 2005, pp. 8-9; June 15, 2005, pp. 10-11; December 15, 2004, pp. 10-12; and September 15, 2004, pp. 6-7 for previous reports on the wetland permitting issue.

to strike the prefiled testimony of the Petitioners' witnesses, were allowed in significant part. The Administrative Magistrate determined that Petitioners' witness Stephen Kaiser, who sought to testify as to all of the outstanding issues, was not competent to testify as to any of those issues. Therefore, the Administrative Magistrate struck all of Mr. Kaiser's prefiled direct testimony on a significant number of the issues raised on appeal. Subsequently, the Administrative Magistrate also struck all of Mr. Kaiser's prefiled rebuttal testimony for the same reasons. Petitioners filed a motion to strike portions of DPW's prefiled testimony, and that motion was denied in its entirety.

Following DALA's orders on the motions to strike, DPW is preparing and will file shortly a motion for directed decision. Pursuant to a scheduling order, Petitioners will have 14 calendar days to respond to the motion(s) for directed decision, and the movants will then have seven calendar days to respond to Petitioners' response.

(d) North Dorchester Bay Storage Tunnel and Related Facilities.

The Authority continues with construction of the North Dorchester Bay CSO storage tunnel that began in August 2006. The Authority recently issued a Notice To Proceed with the design contract for the North Dorchester Bay CSO Facilities, effective November 27, 2006. The facilities include the 15 million-gallon per day pumping station at Massport's Conley Terminal and 24-inch force main that will be used to

dewater the tunnel after storms, as well as the remote odor control facility at the upstream end of the tunnel, near the State Police Building. This design contract is the last agreement required to implement the North Dorchester Bay CSO control plan, and the Notice to Proceed allows completion of the entire project by May 2011, in compliance with Schedule Seven.

(e) Quarterly CSO Progress Report.

In accordance with Schedule Seven, the Authority submits as Exhibit "B" its Quarterly CSO Progress Report (the "Report"). The Report summarizes progress made in design and construction on the CSO projects during the past quarter and identifies issues that affect or may affect compliance with Schedule Seven.

2. Residuals Back-Up Plan.

(a) Walpole Landfill Site.

As reported in the last compliance and progress report, the Authority was preparing a draft license agreement that will allow the Town of Walpole to use a portion of the Authority's Walpole landfill site for recreational purposes. The license agreement fully reserves the Authority's right to terminate the license immediately should the site become necessary for the disposal of treatment process residuals. A

copy of the draft license agreement, which has been forwarded to the Town, is attached as Exhibit "C."

3. Wind Turbine Feasibility Study.

When this Court allowed the Authority's motion to delete secondary battery D and any residuals facilities to support secondary battery D in 1995, the Authority agreed to use space on Deer Island in such a way that the space necessary for additional treatment would be available, should further treatment capacity be required.⁴

The Authority recently received the results of a wind turbine feasibility study that reviewed the possibility of siting a wind energy project at the Deer Island wastewater treatment plant. Based upon that study and subject to the amount of financial incentives available to assist with the project, the Authority is planning to build as many as seven such turbines at Deer Island for the purpose of reducing its ever-increasing energy and utility costs. One of the locations that have been determined to be suitable for as many as three turbines is the space where an additional secondary treatment battery could be built. The Authority does not foresee any need for building additional secondary treatment facilities. However, if wind turbines are placed at this site, the Authority will remain committed to dismantling and removing the

⁴ See Compliance and Progress Report for June 15, 1995, pp. 10-11, and Motion of the MWRA Concerning Battery D and Related Facilities filed August 15, 1996.

turbines should an additional battery of secondary treatment facilities be necessary. The Authority is planning to move forward with this project if it receives all necessary permits and approvals.

4. Water and Sewer Rate Relief Fund.

On November 10, 2006, Governor Romney made budget cuts eliminating all funding for the Water and Sewer Rate Relief Fund (the "Fund") from the Commonwealth's Fiscal Year 2007 ("FY07") budget. Prior to this cut, the Authority expected to receive approximately \$18.75 million in state debt service assistance from the Fund for FY07. The Authority cannot predict whether any of this funding will be restored for FY07 or whether amounts will be appropriated to the Fund in the future.

In response, the Authority's management is evaluating the current status of the FY07 budget and developing a plan to address this revenue shortfall. Among the options the Authority expects to consider are increasing rates and charges for FY07, reducing current operating expenses, restructuring debt service and applying available reserve funds. The Authority expects that the elimination of state debt service

assistance likely will cause an increase in the estimated future rate revenue requirements and related percentage increases for ensuing fiscal years.

By its attorneys,

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of this document, which was filed via the Court's ECF system, will be sent electronically by the ECF system to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non-registered participants on December 15, 2006:

/s/ John M. Stevens
John M. Stevens (BBO No. 480140)
jstevens@foleyhoag.com

Dated: December 15, 2006

B3292455.1

SCHEDULE SEVEN

MWRA MONTHLY COMPLIANCE REPORT
September and November 2006

EXHIBIT "A"


**LONG-TERM
SLUDGE
MANAGEMENT**

**NEW BOSTON HARBOR
SECONDARY
TREATMENT PLANT**

MONTH/YEAR **CSO CONTROL**

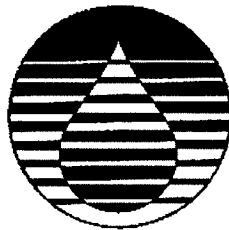
- September 2006 MWRA to complete construction of hydraulic relief for BOS 017.
(Completed May 25, 2000)
- MWRA, in cooperation with BWSC, to complete construction of Stony Brook
sewer separation.
(Completed September 30, 2006)
- MWRA to commence design of the Brookline Connection, Cottage Farm
overflow chamber interconnection, and Cottage Farm gate control.
(Completed September 30, 2006)
- MWRA to complete construction of storage conduit for BOS 019.
(Not Complete - See December 15, 2006 Compliance and Progress Report)
- November 2006 MWRA, in cooperation with BWSC, to commence design of Bulfinch
Triangle sewer separation.
(Completed August 30, 2006)
- MWRA, in cooperation with Brookline, to commence design of
Brookline sewer separation.
(Completed November 21, 2006)

Certification of Completed Activities

By: 
Frederick A. Laskey
Executive Director, MWRA

Date: December 15, 2006

Massachusetts Water Resources Authority



Combined Sewer Overflow Control Plan

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1. Quarterly Progress Overview

This quarterly progress report is presented to comply with reporting requirements in the Federal District Court's Order in the Boston Harbor Case. For the combined sewer overflow (CSO) projects referenced in the Court's Order and related schedule of milestones (Schedule Seven), the report summarizes progress made during the period from September 16, 2006, to December 15, 2006, identifies project schedules relative to corresponding Court milestones, and describes issues that have affected or may affect compliance with Schedule Seven.

Detailed descriptions of the CSO projects and identification of all corresponding Court milestones for design and construction are not presented in this report, but can be found in MWRA's *CSO Annual Progress Report 2005*, dated March 2006. The Annual Report is available for public review on MWRA's website, at www.mwra.com.

MWRA and its CSO member communities continue to make substantial design and construction progress on the CSO projects, and they achieved several important design and construction milestones during the last quarter. Table 1 shows the status of implementation for each of the 35 projects that comprise the long-term CSO control plan as referenced in Schedule Seven. Schedule Seven includes six milestones in the period September through November 2006: 1) MWRA to complete construction of hydraulic relief at BOS 017; 2) MWRA to complete construction of storage conduit for BOS 019; 3) MWRA, in cooperation with BWSC, to complete construction of Stony Brook sewer separation; 4) MWRA to commence design of the Brookline Connection, Cottage Farm overflow chamber interconnection and Cottage Farm gate control; 5) MWRA, in cooperation with BWSC, to commence design of Bulfinch Triangle sewer separation, and 6) MWRA, in cooperation with Brookline, to commence design of Brookline sewer separation. Of these, only the BOS019 milestone was not met, for reasons the MWRA identified and reported to the Court during final design.

MWRA completed construction of the hydraulic relief project at outfall BOS017 in May 2000, under a contract that also included construction of the hydraulic relief project at CAM005, which was subject to an earlier milestone. Information regarding each of the other milestones noted above is included in the respective project section below.

MWRA and Cambridge continued to be unable to commence design of either CAM400 manhole separation or the interceptor connection and floatables control installation at the Alewife Brook outfalls, which were required by Schedule Seven to start by July 2006. These and other projects that comprise the Alewife Brook CSO control plan have suffered additional delay in the last quarter, pending final administrative law decisions on the citizens' appeal of the wetlands permit for the proposed stormwater wetland and new storm drain outfall in Cambridge's Contract 12.

Table 1. CSO Project Progress

		Status as of December 15, 2006		
		IN DESIGN	IN CONSTRUCTION	COMPLETE
MWRA Contract	CSO Projects in Schedule Seven			
MWRA Managed Projects				
N. Dorchester Bay Tunnel	N. Dorchester Bay CSO Storage Tunnel and Related Facilities	✓	✓	
N. Dorchester Bay Facilities				
Pleasure Bay Storm Drain Improvements				✓
Hydraulic Relief Projects	CAM005 Relief			✓
	BOS017 Relief			✓
East Boston Branch Sewer Relief		✓	✓	
BOS019 CSO Storage Conduit			✓	
Chelsea Relief Sewers	Chelsea Trunk Sewer Relief			✓
	Chelsea Branch Sewer Relief			✓
	CHE008 Outfall Repairs			✓
Union Park Detention/Treatment Facility			✓	
CSO Facility Upgrades and MWRA Floatables	Cottage Farm Upgrade			✓
	Prison Point Upgrade			✓
	Commercial Point Upgrade			✓
	Fox Point Upgrade			✓
	Somerville-Marginal Upgrade			✓
MWRA Floatables and Outfall Closings				✓
Brookline Connection and Cottage Farm Overflow Interconnection and Gate		✓		
Charles River Interceptor Gate Controls and Additional Interceptor Connections		Start 1/08		
Optimization Study of Prison Point CSO Facility		✓		
Community Managed Projects				
South Dorchester Bay Sewer Separation			✓	
Stony Brook Sewer Separation				✓
Neponset River Sewer Separation				✓
Constitution Beach Sewer Separation				✓
Fort Point Channel Sewer Separation and System Optimization			✓	
Morrissey Boulevard Storm Drain		✓		
Reserved Channel Sewer Separation		✓		
Bulfinch Triangle Sewer Separation		✓		
Brookline Sewer Separation		✓		
Somerville Baffle Manhole Separation				✓
Cambridge/Alewife Brook Sewer Separation	CAM004 Outfall and Basin	✓		
	CAM004 Sewer Separation	✓	✓	
	CAM400 Manhole Separation	Start 1/07		
	Interceptor Connection Relief/Floatables	Start 1/07		
	MWR003 Gate and Rindge Ave. Siphon*	Start 10/09		
Region-wide Floatables Control and Outfall Closings		✓	✓	

* MWRA will manage the design and construction of this project and will own the new facilities.

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As shown in Table 1, MWRA and the CSO communities have completed 16 of the 35 projects in the long-term CSO control plan, one more than reported last quarter due to the completion of the Stony Brook sewer separation project in September 2006. Nine of the remaining projects are "in construction," including five projects for which major construction efforts are presently underway - North Dorchester Bay CSO storage tunnel, Union Park detention/treatment facility, BOS019 CSO storage conduit, South Dorchester Bay sewer separation, and Fort Point Channel sewer separation - and three projects for which early portions of construction were previously completed and later phases are scheduled - East Boston Branch Sewer relief project, Cambridge/Alewife Brook sewer separation, and regionwide floatables controls.

The following are highlights of the progress MWRA and the CSO communities made on CSO control projects in the third quarter of 2006. More information is provided in later sections of this report.

- Boston Water and Sewer Commission (BWSC) completed the Stony Brook Sewer Separation project in September, in compliance with Schedule Seven.
- MWRA issued the Notice to Proceed with the design contract for the Brookline Connection, Cottage Farm overflow chamber interconnection and Cottage Farm gate control in September, in compliance with Schedule Seven.
- The Town of Brookline issued the Notice to Proceed with the design contract for the Brookline sewer separation project in November, in compliance with Schedule Seven.
- MWRA continued to make progress with construction of the Union Park detention/treatment facility and the BOS019 CSO storage conduit. Construction work on these projects is 97% complete and 85% complete, respectively. MWRA expects to complete the Union Park construction by April 2007 and complete the BOS019 construction by March 2007.
- BWSC continued to make progress with construction of the South Dorchester Bay and Fort Point Channel sewer separation projects, which BWSC continues to expect to complete on schedule. BWSC also continued to make design progress on Reserved Channel sewer separation, Bulfinch Triangle sewer separation and the Morrissey Boulevard storm drain.
- MWRA continued its study to optimize operation of the Prison Point CSO facility and related structures to minimize treated discharges from the facility to the Inner Harbor.
- Cambridge continued to make progress with design of floatables controls for its CSO outfalls on the Charles River. Cambridge also

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continued its efforts to respond to the citizens' appeal of the Superseding Order of Conditions that was issued by DEP pursuant to the Wetlands Protection Act for the wetland basin and stormwater outfall associated with the CAM004 sewer separation project.

2. Project Implementation

2.1 MWRA-Managed Projects

North Dorchester Bay Tunnel and Related Facilities

MWRA made progress on early construction work for the North Dorchester Bay CSO storage tunnel, which commenced in August 2006. MWRA and the contractor have established construction coordination with Massport, State Police, BWSC, NStar and Verizon. The contractor and MWRA's Construction Manager (CM) have mobilized to the Auxiliary Field Complex located at MWRA's Columbus Park Headworks, and the contractor has completed the Fargo Street staging area for equipment and materials storage and handling. The contractor has relocated Massport's perimeter road within Conley Terminal away from the construction work area for the tunnel mining shaft, and is currently installing and relocating utilities and setting up the CM's field complex in this work area. The contractor is setting up other work areas near certain CSO outfalls where near-surface pipeline construction and drop shaft construction are planned.

In the same period, MWRA received the permit from the Department of Conservation and Recreation (DCR) for construction within DCR land in Marine Park and along Day Boulevard.

MWRA also issued the Notice to Proceed with the design contract for the North Dorchester Bay CSO Facilities, effective November 27, 2006. The facilities include the 15 million gallon per day (mgd) pumping station at Massport's Conley Terminal and 24-inch force main that will be used to dewater the tunnel after storms, as well as the remote odor control facility at the upstream end of the tunnel, near the State Police Building.

East Boston Branch Sewer Relief (BOS003-014)

Initial design and construction phases for this project were completed earlier by MWRA. MWRA's consultant for the current design phase, which commenced in June 2006, completed the final Health and Safety Plan in September and completed the final Geotechnical and Hazardous Materials Work Plan in October. The geotechnical and hazardous materials field investigations began on October 18. Work in the period also included inspections of existing wastewater structures and wetlands surveys.

MWRA met with representatives of KeySpan in October to coordinate the CSO project with KeySpan's proposed installation of a 24-inch gas main across Chelsea Street and Chelsea Creek. MWRA also met with representatives of

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the Boston Water and Sewer Commission in November to discuss common technical interests, including the design of underflow baffles in the BWSC CSO regulators for floatables control, and coordination matters such as BWSC's ongoing and planned sewer separation work and proposed water, sewer and drainage reconstruction projects along Border and Condor Streets.

The design schedule calls for completion of the geotechnical and hazardous materials field investigations and submission of the draft Design Report next quarter.

BOS019 CSO Storage Conduit

Construction is approximately 85% complete. Earlier this year, MWRA completed installing the storage conduits and backfilling over them. Work is continuing on the pumping station and the influent gate house, and the contractor expects to complete both by February 2007. The contractor is also performing work in Chelsea St. to tie the new facility into the existing combined sewer and outfall systems. This work is scheduled to be complete next month. The contractor expects to complete dry testing of the new storage facility by early March 2007 and complete wet testing later that month.

There is currently no float time in the project schedule, and the contractor's ability to make substantial work progress over the next three months of the winter season will be critical in maintaining schedule and completing the project by the end of March 2007. Work unrelated to operation of the new storage facility, such as site, roadway and sidewalk restoration will continue as late as June 2007.

Union Park Detention/Treatment Facility

Construction of the Union Park detention and treatment facility is more than 97 percent complete. The contractor completed installing tanks, pumps and piping for the chemical system and is continuing with the installation of the power and control wiring for the chemical systems. The contractor is also continuing work on the installation of piping and equipment throughout the new CSO facility, including conduit and wiring, HVAC systems, fire protection, plumbing, and process piping. Physical equipment check outs including flushing gates, fine screens and dewatering pumps are ongoing. MWRA has accelerated the contractor's efforts, in order to achieve partial utilization of the new facility by December 31, 2006, and achieve substantial completion by April 2007.

Completion of the Union Park detention and treatment facility has been delayed until April 2007 due to errors and omissions in the design of power and controls of the chemical feed system. In order to mitigate the impacts of this delay, MWRA plans to commence partial utilization of the facility by December 31, 2006, by using the fine screens and detention basins during wet weather to store up to 1.5 million gallons of flow

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which will be pumped back into the sewer system after storms for treatment at Deer Island. Flow entering the facility that exceeds the storage capacity of the tanks will enter the existing wet well and be pumped to the Roxbury Canal Conduit for discharge at outfall BOS070, as all flow does today. MWRA also plans to commence testing of the disinfection and dechlorination systems in February during wet weather, but is reluctant to do so without a NPDES permit to discharge from this facility.

**Brookline Connection and Cottage Farm
Overflow Chamber Interconnection and Gate**

MWRA issued the Notice to Proceed with the design contract for Cottage Farm Brookline Connection and Inflow Controls effective September 30, 2006, in compliance with Schedule Seven. Design work to date has involved preparation of work plans for overall design execution, QA/QC, Local Safety, hydraulic modeling, geotechnical engineering and hazardous materials. The consultant is also making progress with preliminary design investigations towards completion of a preliminary design report in August 2007.

Optimization Study of Prison Point CSO Facility

The Optimization Study is ongoing. The MWRA is collecting operational data during each activation and reviewing the operational protocols to identify which of them can be modified to minimize treated discharges from Prison Point without increasing untreated overflows elsewhere.

2.2 Community-Managed Projects

South Dorchester Bay Sewer Separation

South Dorchester Bay sewer separation is intended to eliminate CSO flows to the Commercial Point and Fox Point CSO treatment facilities by the Schedule Seven milestone of November 2008, allowing MWRA to decommission the facilities. BWSC commenced construction in April 1999. To date, eight separation contracts have been completed, leaving one ongoing contract that is 89% complete. Overall project work has resulted in the installation of 133,276 linear feet of new storm drain of the total 135,398 called for in the project plans.

The second major downspout disconnection contract commenced in late 2004, and this contract is now approximately 74% complete. BWSC plans one additional downspout disconnection contract. Overall, approximately 50% of downspouts have been removed. Final paving work is also conducted under separate contracts. The first two paving contracts are complete. The third and final paving contract commenced in October 2005 and will continue through November 2008.

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Stony Brook Sewer Separation

Stony Brook sewer separation is intended to minimize CSO discharges into BWSC's Stony Brook Conduit, which drains to the Charles River Basin. BWSC commenced construction in July 2000 and has completed construction of all four separation contracts. The fourth contract was completed in September in accordance with Schedule Seven. BWSC installed a total of 73,313 linear feet of new storm drains to complete this project.

BWSC has completed the initial paving contract. The second and final paving contract commenced in October 2005 and will continue through May 2008. As reported earlier, the major downspout disconnection contract in the Stony Brook project area is complete.

BWSC is conducting post separation monitoring of the Stony Brook system. Following the monitoring program, modeling will be used to predict the frequency and volume of overflows in a typical year to validate that the CSO performance objectives have been met. These results are expected in February 2007.

Fort Point Channel Sewer Separation

The goal of the Fort Point Channel sewer separation project is to eliminate CSO discharges in a typical year at outfalls BOS072 and BOS073. The separation work will require the installation of approximately 4,550 feet of new storm drain. BWSC commenced construction of a portion of the work on March 1, 2005, in compliance with the milestone in Schedule Seven.

BWSC commenced a larger, final construction contract in September 2005. This contract is now approximately 91% complete. Overall project work has resulted in the installation of a total of 4,181 linear feet of new storm drain, bringing the project to approximately 92% completion overall. Construction is scheduled to be substantially complete by March 2007 in compliance with Schedule Seven.

Morrissey Boulevard Storm Drain

A component of the North Dorchester Bay CSO control plan, the Morrissey Boulevard storm drain project is intended to direct some of the North Dorchester Bay stormwater away from MWRA's recommended CSO storage tunnel in storms greater than the 1-year design storm. BWSC commenced design of this project in June 2005.

Design is more than 90% complete. A proposed storm drain outfall basin in Savin Hill Cove is intended to allow for sedimentation of solids in the stormwater discharges. BWSC is redesigning the basin to address concerns raised by UMass regarding the potential for resuspension of sediments. Environmental review and permitting is delayed until the basin design is finalized. However, BWSC plans to commence construction to meet the

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December 2006 milestone in Schedule Seven by issuing a work order for the new diversion structure that will connect the North Dorchester Bay tunnel and the Morrissey Boulevard Storm Drain. BWSC plans to complete design and issue a larger construction contract in 2007.

Reserved Channel Sewer Separation

Reserved Channel sewer separation is intended to minimize CSO discharges to the Reserved Channel by separating combined sewer systems in adjacent areas of South Boston. Implementation of the recommended sewer separation plan will reduce the number of overflows to Reserved Channel from as many as 37 to 3 in a typical year.

BWSC is currently in the data collection phase with field investigations, building inspections, geotechnical investigations and flow metering being performed. The current schedule calls for submission of the preliminary design report by December 2007. Final design will commence in January 2008, with start of construction by May 2009.

Bulfinch Triangle Sewer Separation

The goal of Bulfinch Triangle sewer separation is to minimize CSO discharges to the Charles River by separating combined sewer systems in the area of Boston roughly bounded by North Station, Haymarket Station, North Washington St., Cambridge St. Implementation of the recommended sewer separation plan will reduce the number of overflows to the Charles River, reduce overflows to the Prison Point CSO facility and close outfall BOS049. Work activities since commencement of design in August 2006 include field investigations, building inspections, survey work, and public outreach efforts. A preliminary design report is expected in Spring 2007.

Brookline Sewer Separation

This project will separate several areas of Brookline, totaling 72 acres, where there are remaining combined sewers tributary to MWRA's Charles River Valley Sewer. The project is intended to reduce discharges to the Charles River at the Cottage Farm facility. The Town of Brookline issued the Notice to Proceed with the design contract on November 21, 2006, in compliance with Schedule Seven.

Cambridge/Alewife Brook Sewer Separation

Since last reporting, there has been little progress on the citizens' appeal of the Superseding Order of Conditions that was issued by DEP pursuant to the Wetlands Protection Act, and Cambridge has therefore been unable to move forward with construction of the new stormwater outfall and stormwater wetland detention basin, which are part of Contract 12. Cambridge and DEP are currently preparing motions for directed decision which they intend to file by the end of this month.

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In addition to the CAM004 stormwater outfall and detention basin (Contract 12), other projects in the Alewife Brook CSO control plan have been delayed, including the projects for which Cambridge has been unable to commence design as required by recent milestones in Schedule Seven. These are CAM400 manhole separation and interceptor connection relief and floatables control at CAM002, CAM401B, SOM01A and CAM001, and the delay beyond the milestone dates is now approximately six months.

A portion of the Cambridge/Alewife sewer separation project will be implemented by MWRA. The work involves installation of an overflow control gate and floatables control at outfall MWR003 and hydraulic relief of an MWRA siphon near Rindge Avenue. Due to delays associated with Cambridge's Contract 12, MWRA has revised its schedule for the MWR003 and Rindge Avenue Siphon improvements. MWRA now plans to commence design by October 2009, six months later than the milestone in Schedule Seven.

2.3 Region-wide Floatables Control and Outfall Closing Projects

MWRA and BWSC have completed work to control floatables in CSO discharges from the outfalls they own and operate, with the exception of floatables control at MWRA outfall MWR003, discussed above under "Cambridge/Alewife Brook Sewer Separation."

Cambridge Floatables Control

Floatables control will be installed by Cambridge at four Cambridge outfalls, as well as one Somerville outfall, along Alewife Brook as part of the Cambridge/Alewife Brook sewer separation project. These controls were included in the various regulatory filings on the Alewife sewer separation project and Alewife Brook/Upper Mystic River Variance. As previously reported, Cambridge has completed floatables control at one of these locations, CAM401A, and plans to complete construction at the other Alewife locations by 2008, but design work is on hold pending resolution of the Contract 12 wetlands appeal.

With respect to Charles River floatables control, Cambridge has commenced final design for providing floatables control at two CSO outfalls it owns and operates (CAM007 and CAM017), with construction scheduled to be completed by December 2007, in compliance with Schedule Seven. Recently, Cambridge determined that two other CSO outfalls (CAM009 and CAM011) on the Charles River that were previously slated for floatables control are plugged with sediment. Cambridge intends to leave them in this condition and monitor system performance over the next two years to determine whether they can be permanently closed without adverse hydraulic effect.

DRAFT

LICENSE AGREEMENT

This LICENSE AGREEMENT is made as of this ___ day of ___, 2007 by and between the MASSACHUSETTS WATER RESOURCES AUTHORITY, a body politic and corporate and an instrumentality of the Commonwealth of Massachusetts existing pursuant to Chapter 372 of the Acts of 1984, with its principal place of business at 100 First Avenue, Charlestown Navy Yard, Boston, Massachusetts 02129 (hereinafter referred to as the "Licensor") and the TOWN OF WALPOLE a municipal corporation duly organized and existing under the laws of the Commonwealth of Massachusetts, with its principal place of business at Town Hall, 135 School Street, Walpole, Massachusetts 02081 (hereinafter referred to as the "Licensee")(collectively, the "Parties").

WHEREAS, the Licensor is the owner of record of a parcel of unimproved land located in Walpole, Norfolk County, Massachusetts and shown on the Town of Walpole Assessors Map 51, Block 156, constituting approximately 94 acres in total, as evidenced by a deed dated May 20, 1991 recorded with the Norfolk County Registry of Deeds in Book 8927, Page 709; and

WHEREAS, the Licensee desires to access that portion of the Licensor's property constituting approximately ___ acres, or _____ square feet in total and shown on Exhibit "A" attached hereto and made a part hereof (such portion of the Licensor's property hereinafter referred to as the "Premises") in order to construct playing fields on the Premises and use such playing fields for youth sports and recreation activities; and

WHEREAS, the Licensor is willing to permit the Licensee to occupy and use the Premises for such purposes; and

WHEREAS, the General Court of the Commonwealth of Massachusetts has approved the intended use of the Premises by the Licensee under Chapter 246 of the Acts of 2006, a copy of which is attached hereto as Exhibit "B" and made a part hereof.

NOW, THEREFORE, the Licensor hereby grants such entry and License to use the Premises, subject to the following terms and conditions:

I. USE, PURPOSE, TERM, CONSIDERATION, AND CONDITIONS

1.1 Premises: Entry and use are limited to the Premises, as shown on said Exhibit "A".

1.2 Purpose and Permitted Uses: Entry and use of the Premises are specifically and exclusively granted to the Licensee and its agents for the sole purpose of: (A) constructing and maintaining playing fields, including but not limited to tree removal, grading, turf installation, mowing, general grounds maintenance, and trash pick-up and removal; and (B) using such

playing fields for youth sports and recreation activities. The uses permitted herein are called the "Permitted Uses" and shall be undertaken at the Licensee's sole cost and expense. Notwithstanding any provision of this License Agreement to the contrary, Permitted Uses shall not include any use which is in violation of any present or future ordinance, code, order, rule or regulation, or in violation of any such law, ordinance, order, rule or regulation governing safety, pollution, environmental review, or environmental standards.

1.3 Structures: No structures, improvements or alterations of any description shall be built or placed upon the Premises. All equipment and fixtures necessary or useful to the conduct of youth sports or recreational activities upon the Premises shall be portable and easily removable.

1.4 Assignment: This License Agreement is not assignable and shall be used solely by the Licensee for the purposes set forth herein.

1.5 Term: Such entry and use by the Licensee shall be exercised for a period of two (2) years from the date hereof, unless terminated earlier pursuant to the terms of this License Agreement; provided, however, that the Licensor may, pursuant to the terms of Article IX of this License Agreement, terminate and/or revoke the license and use of the Premises by the Licensor at any time with or without cause, including, but not limited to, such causes relating to the Licensor's need to use the Premises for the purposes intended and reserved for the Premises under applicable orders of the United States District Court for the District of Massachusetts in the case of U.S.A. v. MDC, et al., C.A. No. 85-0489-RGS (collectively, the "Case"). Subject to the terms of Article IX and any other applicable terms of this Agreement, this License Agreement shall automatically renew for successive two (2) year terms. Such entry and use shall be further limited by the provisions of Sections II and VII.

1.6 Entry by Licensor: The Licensor shall have the right to make entry upon the Premises for review and inspection of the Premises and for purposes associated with the Licensor's responsibilities under the Case.

1.7 Consideration: Consideration for this License Agreement shall be the observation and performance by the Licensee of all the obligations and covenants set forth within this License Agreement.

1.8 Plans and Specifications: The Licensee shall submit all construction plans and specifications in advance to the Licensor for the Licensor's review. All construction plans shall be stamped by a Professional Engineer registered in the Commonwealth of Massachusetts. The Licensor's review of the Licensee's plans and specifications shall in no way limit the Licensee's liability under the terms of this License Agreement.

1.9 Fencing: Upon the request of the Licensor, the Licensee shall, at its sole cost, construct temporary fencing around the perimeter of the Premises in order to separate and protect the Licensor's remaining property from the Premises. The type of temporary fencing to be used by the Licensee shall be subject to the Licensor's advance approval.

1.10 Coordination: The Licensee shall coordinate all work to be performed on the Premises with the Licensor, by giving a minimum of two weeks advance notice to:

Massachusetts Water Resources Authority
Charlestown Navy Yard
100 First Avenue
Boston, MA 02129
Attention: Daniel K. O'Brien
Manager, Engineering Services

1.11 Signage: All signage posted on the Premises shall be subject to the Licensor's prior review and approval.

1.12 Maintenance: The Licensee shall undertake a regular program of debris and trash removal at the Premises, and shall at all times keep the Premises in good repair and in a clean and sanitary condition.

1.13 Groundwater Monitoring Wells: In connection with the Licensor's obligations under the Case, the Licensor has installed groundwater monitoring wells (the "Wells") at various locations on the 94-acre property. In the event that any Wells are located on the Premises, the Licensee may remove and relocate such Wells only upon the prior written approval of the Licensor and at the Licensee's sole cost and expense. Notwithstanding the foregoing, the Licensor may, in its discretion, elect to undertake the removal and relocation of any Wells located at the Premises on behalf of the Licensee and at the Licensee's sole cost and expense.

1.14 Environmental Permits: The Licensee acknowledges that the Licensor has obtained several environmental permits covering the Premises in connection with the planned use of the Premises under the Case (collectively, the "Permits"), and that no activity upon or use of the Premises by the Licensee may result in the violation of any terms or conditions contained in the Permits. The Licensor agrees to make the Permits available to the Licensee for the Licensee's review.

II. USE LIMITATIONS

Sound Management Practices: The Licensee shall operate its activities on the Premises in a manner that will prevent the unpermitted discharge of pollutants into air, water, land or other natural resources of the commonwealth.

III. CONDUCT

During the exercise of the rights hereby granted, the Licensee shall at all times conduct itself so as not to interfere with the operations of the Licensor. The Licensee shall observe and obey all reasonable directives from the duly designated representatives of the Licensor, as well

as all other applicable laws, statutes, ordinances regulations and permitting or licensing requirements.

IV. INSURANCE

4.A Insurance Requirements during Design, Construction and Use

The Licensee shall carry, and also require its Contractors, Subcontractors and Design/Engineer(s) to carry, insurance coverages with minimum limits of coverage as set forth below for claims that may result directly or indirectly from the Licensee's operations under this Agreement.

- 4.A.1 Workers' Compensation Insurance: The Licensee shall carry, and also require its Contractors, Subcontractors and Design/Engineer(s) to carry, insurance sufficient to discharge its obligations under all applicable workers' compensation laws of the territories and states of the United States of America. Such coverage shall also include Employer's Liability insurance with a minimum limit per accident or disease of \$100,000.
- 4.A.2 Commercial General Liability Insurance: The Licensee shall carry, and also require its Contractors, Subcontractors and Design/Engineer(s) to carry Commercial General Liability insurance including a comprehensive broad form endorsement covering the full scope of this Agreement with limits not less than \$1,000,000 per occurrence and \$1,000,000 aggregate for personal or bodily injuries and \$1,000,000 per occurrence and aggregate for property damage. A combined single limit per occurrence of \$1,000,000 is acceptable. Such insurance shall include the following:
- 4.A.2.1 Comprehensive general liability insurance, including all products, premise-operations, and completed operations liability, independent contractors, additional interests of employees, incidental medical malpractice liability, including notice of occurrence and knowledge of occurrence endorsements satisfactory to the Licensor.
 - 4.A.2.2 Blanket contractual liability endorsement covering all liabilities assumed under a contract agreement.
 - 4.A.2.3 Personal injury coverage endorsement (Coverages A, B and C), with no exclusions for liability and assumed contractually or for injuries sustained by employees of the Contractor.
 - 4.A.2.4 Broad from coverage for damage to property of the Authority as well as damage to property of other third parties while in the care, custody, or control of the Contractor.

- 4.A.3 Comprehensive Business Automobile Liability: The Licensee shall carry, and also require its Contractors, Subcontractors and Design/Engineer(s) to carry Business Automobile insurance covering the ownership, maintenance, and use of any motor vehicle to be used in conjunction with this License, in amounts not less than \$1,000,000.
- 4.A.4 Pollution Liability Insurance: The Licensee shall carry, and also require its Contractors and Subcontractors to carry Pollution Liability Insurance in an amount not less than \$1,000,000 per occurrence and \$1,000,000 annual aggregate, covering bodily injury, property damage and clean-up costs. Coverage shall apply to sudden and non-sudden pollution conditions.
- 4.A.5 Professional Liability Insurance: The Licensee shall require its Designer/Engineer(s) to carry professional liability insurance coverage for negligent acts, errors and omissions in an amount of not less than \$3,000,000, with a deductible of not more than \$100,000. Such insurance shall extend to any negligent act, error and omission in the performance of services related to this Agreement committed or alleged to have been committed by the Designer/Engineer(s), its agents, subcontractors, or employees, or any other person or entity for whom the Designer/Engineer is responsible. Such coverage shall be in effect from the date services are first provided and shall be maintained in force until the completion of the Designer/Engineer's services and shall be maintained for an additional period of six years after completion of the Designer/Engineer's services.

4.B Insurance Requirements – General

- 4.B.1 Insurance certificates acceptable to the Licensor evidencing the above coverages are to be furnished to the Licensor prior to the execution of this License (for Licensee required coverages) and before the start of any construction work (for Contractor, Subcontractor and Design/Engineer required coverages). Such certificates and all insurance policies required by these Insurance Requirements shall contain provisions requiring at least thirty (30) days prior written notice to the Licensor of any cancellations of or restrictions in the policies and shall name the Licensor as an Additional Insured and Loss Payee. All such policies shall contain provisions or endorsements necessary to assure coverage of claims by one insured against another. All required insurance policies shall be endorsed to state that Licensee's policies shall be primary to all other insurance available to the Licensor for liability arising out of or resulting from the Licensee's operations under this License Agreement. Insurance Certificates shall indicate the effective dates and the dates of expiration of policies.
- 4.B.2 The purchase of insurance to satisfy the above requirements, or the furnishing of certificates evidencing same, shall not be a satisfaction of the Licensee's liability under this License Agreement or in any way modify the Licensee's indemnification of the Licensor.

V. GENERAL INDEMNIFICATION

The Licensee shall defend, by outside counsel reasonably acceptable to the Licensor (“Outside Counsel”) all actions against any stockholder, officer, director, agent, contractor or employee of the Licensor (collectively, “Licensor Indemnified Parties”) with respect to, and pay, protect, indemnify and save harmless, to the extent permitted by law, all Licensor Indemnified Parties, from and against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys’ fees and costs, remedial response costs, and expert consultants’ fees and expenses), bodily injury or property damage (collectively, “Costs and Expenses”) of any nature arising out of the Licensee’s use of the Premises, unless solely caused by one or more of the Licensor Indemnified Parties. Nothing in this Section shall be construed to expand the limitations of the Licensee’s Environmental Indemnification as set forth below in Section VI.

VI. ENVIRONMENTAL INDEMNIFICATION

The Licensee shall defend, by outside counsel all actions against the Licensor with respect to, and pay, protect, indemnify and save harmless, to the full extent permitted by law, all Licensor Indemnified Parties, from and against any and all Costs and Expenses of any nature arising out of or claimed to be arising out of any “Environmental Conditions” (as defined hereinafter) to the extent that such Environmental Conditions result in whole or in part from the actions or omissions of the Licensee, its contractors, agents, employees, or invitees from and after the Term Commencement Date.

For purposes of this License Agreement, “Environmental Conditions” shall mean any “disposal”, “release”, “threat of release” or “activity which spreads, transfers, or otherwise exacerbates release” of “Hazardous Substances” (as defined hereinafter) on, from or about the Premises or storage of Hazardous Substances on, from or about the Premises, other than in compliance with the “Environmental Laws” (as defined hereinafter).

For purposes of this License Agreement, “Hazardous Substances” shall mean any “oil”, “Hazardous material”, or “hazardous substance” or “toxic substance” (collectively referred to herein as “Hazardous Substances”), as the foregoing terms (in quotations) are defined in the Environmental Laws.

For purposes of this License Agreement, “Environmental Laws” shall mean any federal, state and/or local statute, ordinance, by-law, code, rule and/or regulation, now or hereafter enacted, pertaining to any aspect of the environment or human health, including, without limitation, Chapter 21C, and Chapter 21E of the General Laws of Massachusetts and the regulations promulgated by DEP thereunder, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. Sections 9601 *et seq.*, the Federal Resources Conservation and Recovery Act, as amended, 42 U.S.C. Sections 6901 *et seq.*, the Federal Water Pollution Control Act and the Federal Clean Air Act.

Notwithstanding anything in this License Agreement to the contrary, the Licensor agrees that the Licensee shall not be responsible for Environmental Conditions to the extent that such

Environmental Conditions (i) exist as of the commencement of this License Agreement, or (ii) result solely from the actions or omissions of the Licensor, its contractors, agents, employees, or invitees, but specifically excluding the Licensee, either before the commencement of this License Agreement, during the Term hereof or after the termination of this License Agreement. The Licensor makes no representations, express or implied, as to the presence or absence of any Hazardous Substances at the Premises.

The Licensee shall not cause any materials on OSHA's right to know list or which are subject to regulation by any Environmental Laws to be located on the premises except in accordance with all Environmental Laws, and shall remove any such materials stored on the Premises by the Licensee which are not in such compliance. The Licensee shall comply with all requirements of public authorities and of the Board of Fire Underwriters in connection with methods of storage, use and applicable disposal thereof. The Licensee shall not use or devote the Premises or any part thereof for any purpose which is contrary to any law or ordinance or liable to invalidate or increase premiums for any insurance on the Premises or its contents (unless the Licensee shall pay such increase) nor commit or permit any waste in or with respect to the Premises except in accordance with all Environmental Laws, nor generate, store or dispose of any oil and petroleum products, asbestos, polychlorinated biphenyls, toxic substances, hazardous waste, or hazardous materials (each, a "Hazardous Material"), or permit the same, in or on the Premises except in accordance with all laws, regulations and governmental requirements.

VII. COMPLIANCE WITH LAW

All work undertaken by the Licensee on the Premises shall conform to all applicable laws or ordinances or any orders or regulations of any public authority arising from the Licensee's use of the Premises. The Licensee shall not generate, store or dispose of any Hazardous Substances, as defined in Section VI hereof, from the Premises to any other location except in compliance with the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §6901 et seq., the Massachusetts Hazardous Waste Management Act, M.G.L. c. 21C, as amended, the Massachusetts Oil and Hazardous Material Release Prevention and Response Act, M.G.L. c. 21E, as amended, and all other applicable codes, regulations, ordinances and laws. The Licensee shall conform to all applicable Federal and State reporting requirements regarding the release or discovery of release of a reportable quantity or concentration of any Hazardous Substance. The Licensee shall notify the Licensor of any incident which would require the filing of a notice under Chapter 232 of the Acts of 1982 and shall comply with the orders and regulations of all governmental authorities with respect to zoning, building, fire, health and other codes, regulations, ordinances or laws applicable to the Premises.

The Licensee shall bear all costs associated with proper management, testing and disposal of soil or groundwater resulting from the Licensee's activities.

The Licensee shall provide the Licensor, from time to time, upon the Licensor's request, with copies of all records and information regarding any Hazardous Substance maintained on the Premises by Licensee.

The Licensor shall have the right, at the Licensor's expense, to make such inspections as the Licensor shall reasonably elect from time to time to determine if the Licensee is complying with this Section VII.

The Licensee shall comply promptly with the reasonable recommendations of any insurer, foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Premises, by reason of the Licensee's use thereof. In no event shall any activity be conducted by the Licensee on the Premises which may give rise to any cancellation of any insurance policy or make any insurance unobtainable.

VIII. SECURITY, SAFETY.

8.1 The Licensee shall be solely responsible for providing security at the Premises for any of the Licensee's personal property, materials and equipment.

8.2 The Licensee shall develop a Safety and Emergency Response Plan for the Premises in conjunction with the Walpole Police and Fire Departments.

IX. TERMINATION AND REVOCATION

9.1 This License Agreement may be immediately terminated and/or revoked by the Licensor with or without cause, including, but not limited to, such causes relating to the Licensor's need to use the Premises for the purposes intended and reserved for the Premises under applicable orders of the United States District Court for the District of Massachusetts in the case of U.S.A. v. MDC, et al., C.A. No. 85-0489-RGS.

9.2 Within thirty (30) days of notice of termination or revocation under this License Agreement, the Licensee shall remove all temporary structures, fencing, signage, personal property, materials and equipment from the Premises at the Licensee's sole cost and expense. If the Licensee fails to comply with the removal obligations set forth in this Section 9.2, the Licensor may undertake such removal, and the cost of such removal shall be repaid to the Licensor by the Licensee. The terms of this Section 9.2 shall survive this License Agreement. Any obligation of the Licensee under this License Agreement which has not been performed as of the date of any termination, including the provisions concerning insurance coverages and indemnification of the Licensor by the Licensee, shall survive the termination as to all claims or liabilities which originated or occurred within the period during which this License Agreement was in effect.

X. MODIFICATION AND AMENDMENTS

Modifications or amendments to this License Agreement shall be in writing and duly executed by both parties hereto to be effective.

XI. NOTICE

For purpose of this License Agreement, the parties shall be deemed duly notified in accordance with the terms and provisions hereof, if written notices are mailed to the following addresses:

Licensor: Massachusetts Water Resources Authority
100 First Avenue
Charlestown Navy Yard
Boston, MA 02129
Attention: General Counsel

Licensee: Town of Walpole
Town Hall
135 School Street
Walpole, MA 02081
Attention:

These addresses are subject to change, and the parties hereto agree to inform each other of such changes as soon as practicable.

XII. NO ESTATE CREATED

This License Agreement shall not be construed as creating or vesting in the Licensee any estate in the Premises, but only in the limited right of possession as hereinabove stated.

XIII. EXHIBITS AND ATTACHMENTS

Any and all exhibits and attachments referenced herein or attached hereto are duly incorporated within this agreement.

XIV. MISCELLANEOUS

A) Entire Agreement: This License Agreement constitutes the entire agreement between the parties hereto, and all prior agreements between the parties hereto concerning the activities permitted herein, are superseded by this License Agreement.

B) Governing Law: This License Agreement shall be deemed to be made and construed in accordance with the laws of the Commonwealth of Massachusetts.

C) Invalid Provision: If any provision of this License Agreement or any application thereof shall be held to be invalid by a court of competent jurisdiction, the remainder of this

License Agreement shall not be affected thereby, unless, one or both Parties would be substantially and materially prejudiced.

IN WITNESS WHEREOF, the parties hereto have caused this License Agreement to be executed as a sealed instrument and signed in duplicate by their duly authorized representatives, as of the date first above written.

LICENSOR:

LICENSEE:

MASSACHUSETTS WATER
RESOURCES AUTHORITY

TOWN OF WALPOLE
BY ITS BOARD OF SELECTMEN

By: _____
Frederick A. Laskey
Executive Director

