



Established

1996

SPRINGFIELD WATER AND SEWER COMMISSION

POST OFFICE BOX 995
SPRINGFIELD, MASSACHUSETTS 01101-0995
413-452-1300

Minutes of Meeting

October 20, 2022

The Springfield Water and Sewer Commission held a hybrid meeting on October 20, 2022 in accordance with Chapter 107 of the Acts of 2022.

Chairman Rodriguez called the meeting to order at 1:00 p.m. and announced the Commissioners that are participating. Secretary for the Commission Jaimye Bartak called the attendance roll:

Daniel Rodriguez, Present
Vanessa Otero, Present
Matthew Donnellan, Present

Also Present
Joshua Schimmel, Executive Director
Norman J. Guz, Commission Counsel
Theo Theocles, Director of Legal Affairs/Chief Procurement Officer
Jaimye Bartak, Communications Manager/Secretary for the Commission

Participating Remotely
Anthony Basile, Comptroller
Darleen Buttrick, Director of Engineering
Bob Stoops, Chief Engineer
Frank Zabeneh, Senior Engineer
Jim Laurila, Director of Water Operations
Christina Jones, Deputy Director of Water Operations
Steven Frederick, Deputy Director of Wastewater Operations
Kristin Monfette, Safety Manager
Ryan Wingerter, Deputy Director of Field Services
Raemarie Walker, Assistant Procurement Officer
Katie Shea, Educational Outreach and Communications Specialist

Business Matters

1. Approve the minutes of the meeting held on September 15, 2022, without reading, because copies were furnished to each member of the Commission for their review.

UPON MOTION DULY MADE BY COMMISSIONER OTERO AND SECONDED BY COMMISSIONER RODRIGUEZ

**VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO:**

to approve the minutes of the meeting held on September 15, 2022.

New Business

2. Financial Report: Report by Comptroller.

Comptroller Tony Basile reported an ending cash balance of \$120.8 million. This is a \$9 million increase from July through September due to reimbursements from SRF and WIFIA loans.

Mr. Basile reported projected revenues of \$101 million, an increase of \$1.3 million from original estimates due to insurance proceeds from the 42" valve and true-ups.

Mr. Basile reported that there was \$1.2 million projected to be unspent in the operations budget, mostly from personal services due to 20 unfilled vacancies. A vacancy factor is built into the budget.

Mr. Basile reported on the capital budget. There has been \$19.4 million spent this fiscal year, mostly on the river crossing and clearwell projects. Commissioner Rodriguez asked what was expected to be spent of the capital budget this year. Mr. Basile responded approximately \$60-70 million.

Mr. Basile reported that there was \$120.8 million in total cash. Of that, \$36.7 million, or approximately 30%, is working capital. The rest of the cash is restricted.

Mr. Basile reported that there was just under \$7 million in total receivables. There was \$1.6 million in receivables over 60 days. Commissioner Otero asked why there were more outstanding receivables than during the pandemic. Mr. Basile responded that because of the dry summer, bills were generally higher.

Mr. Basile reported that there were \$929 million in assets, and \$716 in total liabilities. The OPEB balance is just over \$5 million, a decrease of the previous month due to the market.

3. Certification of FY22 Financial Policies: Report by Comptroller.

Mr. Basile reported on a letter certifying that the Commission was in compliance with its fiscal policies in FY22. The Commission's financial policies are currently being reviewed for potential amendments. Any potential amendments would be brought forth to the Board.

4. Consideration of Utility Billing Credit Summary and Summary of Accounts Receivable September 2022: Report by Director of Finance.

Mr. Basile reported on a total outstanding receivables balance of \$5.5 million. There were net billings of \$8.5 million. Of that, \$695,000 represents true-ups for the wholesale wastewater contracts.

Comparing the monthly receivable balance in FY22 to FY21 shows a 20% increase from last year, and a 12% increase from the 3-year average. This is due to a dry summer this year compared to a wet summer last year.

Mr. Basile continued that that there was just under \$1.7 million in receivables over 60 days, falling to pre-pandemic levels. There were 5,800 accounts over 60 days.

Commissioner Otero asked if there was a way to target the active accounts with over \$200 outstanding to see if they qualify for any of the Commission's services. Executive Director Josh Schimmel responded that could be done. Commissioner Rodriguez asked for more information about accounts in the shut-off program, including those with CAP credits, payment agreements, and senior discounts. Commissioner Otero added more detailed information may help tailor programs to better serve customers in need. Director of Legal Services Theo Theocles noted that a few landlords with large numbers of properties account for a large portion of the outstanding receivables balance.

Mr. Basile continued that the over-60 day receivables balance is a decrease of 44% from last year, but is still above the three-year average. There are the same number of accounts in this category as last year, but the balance has increased.

Mr. Basile reported there was \$732,433 in wholesale true-ups. Wholesale water usage was below estimates, and there was a 3.3% variance in wholesale wastewater estimates that contributed to the true-ups.

Mr. Basile reported that there were 150 credits in the amount of \$1,009,184.92.

UPON MOTION DULY MADE BY COMMISSIONER OTERO AND SECONDED BY COMMISSIONER DONNELLAN

**VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:**

to approve credits in the amount of \$1,009,184.92 as presented.

5. Consideration of Vote for Financing of Clearwell and Backwash Pump Station Project: Report by Commission Counsel.

Atty. Guz reported on a vote to increase borrowing from the Clean Water Trust to \$26,573,681 for the Clearwell and Backwash Pump Station Project.

UPON MOTION DULY MADE BY COMMISSIONER OTERO AND SECONDED BY COMMISSIONER DONNELLAN

**VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:**

That \$26,573,681 has been appropriated for the purpose of financing the replacement of the Clearwell and Backwash Pump Station at West Parish Filters (the "Clearwell and Backwash Pump Station Project") including without limitation all costs thereof as defined in Section 1 of Chapter 29C of the General Laws of the Commonwealth, as amended; that to meet this appropriation the Executive Director is authorized to

borrow \$11,573,681 and issue bonds or notes therefore under Chapter 40N of the General Laws, that the Executive Director is authorized to borrow all or a portion of such amount from the Massachusetts Clean Water Trust established pursuant to Chapter 29C, as amended and pursuant to the provision of the Massachusetts Clean Waters Act Chapter 21 of the General Laws of the Commonwealth, as amended; and in connection therewith to enter into a loan agreement and/or a security agreement with the Trust and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loan and for any federal or state aid available for the project or for the financing thereof; that the Executive Director is authorized to enter into a project regulatory agreement with the Department of Environmental Protection, to expend all funds available for the project and to take any other action necessary to carry out the project.

6. Consideration of 45th Supplemental Resolution: Report by Commission Counsel

Atty. Guz reported on the 45th supplemental resolution which would issue two bonds, General Revenue Bonds 2022 Series B and C, to the Clean Water Trust at 2% for a 20-year term. The proceeds of the bonds would fund the York Street Pump Station and Connecticut River Crossing Project and the Clearwell and Backwash Pump Station Project.

UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND SECONDED BY COMMISSIONER OTERO

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER OTERO

COMMISSIONER DONNELLAN:

to authorize the 45th Supplemental Resolution as presented.

7. Consideration of 46th Supplemental Resolution: Report by Commission Counsel.

Atty. Guz reported the issuance of Bond Anticipation Note Series D for \$27,620,000 and Series E for \$2,625,375 for the Locust Transfer and Flow Optimization Project. These will mature in August 2025.

UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND SECONDED BY COMMISSIONER OTERO

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER OTERO

COMMISSIONER DONNELLAN:

to approve the 46th Supplemental Resolution as presented.

8. Consideration of 47th Supplemental Resolution: Report by Commission Counsel.

Atty. Guz reported on a \$12,030,000 General Revenue Bond 2022 Series F. Last year a BAN for \$15 million was issued. The bond is 2%, with the first interest payment in July of next year, and the first principal payment in January 2024. These bonds include loan forgiveness of \$2.9 million due to ARPA; this is issued by not including \$2.9 million in the permanent financing.

UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND SECONDED BY COMMISSIONER OTERO

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER OTERO

COMMISSIONER DONNELLAN: to approve the 47th Supplemental Resolution as presented.

9. Capital Projects Update: Report by Director of Engineering.

Director of Engineering Darleen Buttrick reported on the capital program, including active task orders. The basis of design (10%) was recently finished for West Parish Filters. Site investigations and survey is next. The 42” pipeline rehabilitation is anticipating 90% design and 30% design for the energy dissipation valve project in November. The backwash and clearwell pump station project is progressing well, and is anticipated to be weather-tight by winter. The temporary shutdown of the rapid sand filter plants will occur in November in order to tie-in to the clearwell. The bulk chemical storage project is substantially complete. The FY23 sewer improvements project will be bid on in November.

Deputy Director of Wastewater Operations Steve Frederick reported that the river crossing portion of the York Street Pump Station project is anticipated to be finished in December, on schedule. Installing process piping at the new pump station continues. Excavation for electrical conduit around the wastewater treatment plant is ongoing. The aeration basin was taken offline and cleaned; diffusers are expected to be installed in December and the basin is expected to be back online in January. Then the next basin will be taken offline and upgraded. The 65% design plans for the grit removal project have been submitted to the SRF, with bidding in early 2023 and construction in the summer of 2023.

Commissioner Otero asked about the status of the Bipartisan Infrastructure Law (BIL) funding. Mr. Schimmel responded that non-line-item funding was still working its way through the SRF. The Commission has submitted SRF applications for numerous projects in order to qualify for as much BIL funding as possible.

10. Consideration of Hazen and Sawyer, DPC, Task Order No. 7 for West Parish Filters Water Treatment Plant Upgrade – Engineering Services for Preliminary Design: Report by Director of Engineering.

Ms. Buttrick reported on a task order to advance design of West Parish Filters to 30%. This will include development of an updated design and construction schedule, preliminary design drawings, sustainability screening, and permitting.

UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND SECONDED BY COMMISSIONER OTERO

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER OTERO

COMMISSIONER DONNELLAN:

to authorize the executive director to sign and execute Hazen and Sawyer, DPC, Task Order No. 7 for West Parish Filters Water Treatment Plant Upgrade – Engineering Services for Preliminary Design.

11. Water and Sewer Updates: Report by Executive Director.

Director of Water Operations Jim Laurila reported staff are focused on the plant shutdown, and design and construction of upgrades are continuing.

Mr. Schimmel reported that the current cost estimate for the new West Filters Parish water treatment plant has increased to \$300 million. The WIFIA portfolio was designed to be flexible, and more SRF funding can be sought to cover these increased costs. Discussions at the state level are ongoing to increase the drinking water maximum SRF loan amount beyond the current \$15 million cap, similar to the wastewater SRF loans. The WIFIA program has communicated with the SRF program about its commitments to the Commission. The current unknown cost is the power plant. An assessment was completed due to its rapid deterioration. Rate modeling will commence when cost options are in-hand. The Board will be provided with these scenarios.

Commissioner Rodriguez asked for the reason behind the cost increase, and what projects might be able to be delayed. Ms. Buttrick responded that there were no substantial scope changes, and the original planned capacity of the plant was reduced from 80 MGD to 65 MGD. But the original planning level estimate was developed prior to the pandemic, and much of the increase is due to materials prices, supply chain issues, and bidding environment volatility. During the ongoing design development it must be assumed that those costs will not go down, even if they might. It is possible to explore different ways to phase the project. Commissioner Otero noted that staff should be considering how to communicate that the CIP is subject to change.

Atty. Guz reported that documentation is being filed to the SRF for the grit removal project, which requires authorization from the Board.

UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND SECONDED BY COMMISSIONER OTERO

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER OTERO

COMMISSIONER DONNELLAN:

Whereas, Springfield Water and Sewer Commission, after thorough investigation, has determined that the work activity consisting of: the construction of a dedicated grit removal system at the Springfield Regional Wastewater Treatment Facility (SRWTF) - the SRWTF Grit Removal Upgrade Project is both in the

public interest and necessary to protect the public health, and that to undertake this activity, it is necessary to apply for assistance;

and Whereas, the Massachusetts Department of Environmental Protection (the "MassDEP") and the Massachusetts Clean Water Trust (the "Trust") of the Commonwealth of Massachusetts, pursuant to Chapter 21 and Chapter 29C of the General Laws of the Commonwealth ("Chapter 21" and "Chapter 29C") are authorized to make loans to municipalities for the purpose of funding planning and construction activities relative to Water Pollution Abatement Projects; and

Whereas, the Applicant has examined the provisions of the Act, Chapter 21 and Chapter 29C, and believes it to be in the public interest to file a loan application.

NOW, THEREFORE, BE IT RESOLVED by Board of Commissioners as follows:

1. That Executive Director, Springfield Water and Sewer Commission is hereby authorized on behalf of the Applicant to file applications and execute agreements for grant and/or loan assistance as well as furnishing such information, data and documents pertaining to the applicant for a grant(s) and/or loan(s) as may be required; and otherwise to act as the authorized representative of the Applicant in connection with this application;
2. That the purpose of said loan(s), if awarded, shall be to fund construction activities;
3. That if said award is made the Applicant agrees to pay those costs which constitute the required Applicant's share of the project cost.

Mr. Schimmel reported that comments on the proposed Water Management Act regulations are being prepared.

Mr. Schimmel reported that another public notification about DBPs was issued in early October, as expected.

Mr. Schimmel reported that the DCAMM Commissioner recently visited Cobble Mountain Road.

Mr. Schimmel reported that hiring continues as much as possible.

12. Consideration and/or action on any other matters that may come before the Commission at this meeting.

None considered.

The next meeting will be on Thursday, December 1, at 9 AM.

Voted unanimously to adjourn at 2:52 PM.



Exhibits considered:

Draft July 21, 2022 Meeting Minutes
Monthly Financial Report
Certification of FY22 Financial Policies
September Utility Billing Credit Summary and Summary of Accounts Receivable
Capital Projects Update
Hazen and Sawyer R-21-01-HS-07 Summary PDR
45th Supplemental Resolution
46th Supplemental Resolution
47th Supplemental Resolution
Contracts signed by Joshua Schimmel
Cobble Mountain Reservoir capacity chart