



Established

1996

SPRINGFIELD WATER AND SEWER COMMISSION

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Minutes of Meeting

December 1, 2022

The Springfield Water and Sewer Commission held a hybrid meeting on December 1, 2022 in accordance with Chapter 107 of the Acts of 2022.

Chairman Rodriguez called the meeting to order at 9:04 a.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, 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
Attorney James Chadwell

Business Matters

1. Approve the minutes of the meeting held on October 20, 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 DONNELLAN

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

to approve the minutes of the meeting held on October 20, 2022.

New Business

2. Consideration of Appeal by Owner of 153 Dartmouth Street: Report by Director of Legal Services.

Director of Legal Affairs Theo Theocles reported that 153 Dartmouth Street is a single-family home that has received estimated billing since 2018. The Commission gained entry to the home to check the meter on July 13, 2022. The meter was heavily damaged and at first appeared to be a tamper, and tamper fines were applied. Further investigation revealed the property to be vacant and under rehabilitation with a frozen meter. The customer agreed to pay for the cost of a new meter and have the water shut off in the street, for a total cost of \$374.73. Executive Director Josh Schimmel recommended the Board accept the settlement as presented.

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

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

to approve the removal of tamper fines and final charges of \$374.73 for the owner of 153 Dartmouth Street.

3. FY22 Draft ACFR presentation: Report by Melanson Heath & Co.

Comptroller Tony Basile introduced Tanya Campbell of Melanson Heath to review the draft FY22 Annual Comprehensive Financial Report.

Ms. Campbell reported that Melanson is responsible for expressing an opinion on the audit, but the audit is not designed to find fraud nor is that the intent. Government auditing standards utilize the concept of materiality, which varies from year to year. Materiality in FY22 was considered above \$1.8 million, so testing was conducted at or above that level. It is Commission management's responsibility to generate financial statements, design and implement internal controls, ensure laws and regulations are followed, and provide financial documentation and information in a timely fashion. The Board is responsible for oversight of these processes.

Ms. Campbell continued that this is the 10th ACFR, and all previous versions were certified with certificates of achievement. The Government Finance Officers Association (GFOA) will review the ACFR. The report includes components required by the Government Accounting Standards Board (GASB).

Highlights include that there were no exceptions found in internal control testing of payroll, procurement, and financial policies compliance. There was an increase in the receivables balance, which has not returned to pre-pandemic levels. The allowance for uncollectable receivables decreased. Non-current liabilities of \$66.7 million include net pension, debt, and OPEB. This is a decrease of \$2.8 million due to

positive investment returns on the Commission's portion of the City's unfunded pension. The pension has increased from 33% funded to 39% funded.

Commissioner Rodriguez asked if the pension is considered over- or under-funded. Ms. Campbell responded that it is considered under-funded. There is a funding schedule the Commission does not have control over. There is a 9.2% increase scheduled over the next several years, and then the fund is subject to the market. The Commission's pension is a part of the City's per Chapter 40N, but the OPEB liability will decrease with time.

Ms. Campbell continued that the net OPEB liability is a share of retiree health insurance costs, and there is no requirement to fund that liability. There was a \$5.3 million decrease in the OPEB liability due to an increase in the discount rate (to calculate reliability). The OPEB liability is funded at 19%. As the fund increases, the discount rate becomes closer to the return on investment. Also, as the municipal bond rate increases, the liability decreases, as occurred this year. Ms. Campbell said it is advisable to keep funding the OPEB account.

Ms. Campbell continued that no issues with federal grants arose in the audit.

Commissioner Rodriguez asked if the report reflected the amount of debt coverage at the end of the year. Ms. Campbell responded that the Clean Water Trust moved a loan closing date, so the number increased, but debt coverage still falls within the provisions of the financial policies.

4. Financial Report: Report by Comptroller.

Mr. Basile reported total ending cash of \$118.2 million. Transfers to and from reserves (\$6.5 million year to date) fluctuate with capital projects and replenishment from SRF. Of the \$118.2 million in cash, there was \$34.1 million (29%) in unrestricted cash, and \$52 million in bond covenant reserves.

Of the operating budget, 98% is projected to be expended, and 94% personal services is projected to be expended, with 24 current vacancies. More positions are being retained.

Of the revenue budget, \$101 million is expected to be expended, which is \$1.1 million above the original projection due to insurance proceeds from the 42" pipeline claim.

Approximately \$73.5 million is expected to be spent in the capital budget. Approximately \$1 million/month is spent on revenue projects as well. Cash flows are likely to change as more projects advance.

There was \$7.7 million in outstanding receivables, of which \$2.4 million was over 60 days old.

There were \$933.2 million in assets, and \$715 million in liabilities, including just over \$5 million in OPEB liabilities. There is \$592 million in long-term debt, including WIFIA.

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

Director of Finance Domenic Pellegrino reported that there was \$9.3 million in net billings through the end of October, of which approximately \$8 million was collected. The accounts receivable balance is \$6.9 million, which is 4% higher than last year.

There were 6,058 accounts with balances over 60 days old, totaling \$1.7 million. This is 11% lower than last year, but higher than pre-pandemic.

There were 89 credits issued, totaling \$151,856.45.

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

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER OTERO

COMMISSIONER DONNELLAN: to approve credits in the amount of \$151,856.45 as presented.

6. Consideration of CIP Amendment 2023-07: Report by Director of Finance.

Mr. Pellegrino reported a request to transfer \$5.2 million from the WIFIA account to a new Supply and Transmission Main project account so the cost can be properly applied to wholesalers.

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

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER OTERO

COMMISSIONER DONNELLAN: to approve CIP Amendment 2023-07.

7. Consideration of CIP Amendment 2023-08: Report by Director of Finance.

Mr. Pellegrino reported on close-outs of revenue accounts and transfers of un-encumbered funds to the CIP Reserve account.

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

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER OTERO

COMMISSIONER DONNELLAN: to approve CIP Amendment 2023-08.

8. Consideration of CIP Amendment 2023-09: Report by Director of Finance.

Mr. Pellegrino reported on the transfer of \$202,274.48 from the CIP Reserve account to the Water Treatment System Improvement account for repair of the rapid sand filters.

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

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

to approve CIP Amendment 2023-09.

9. Consideration of 48th Supplemental Resolution: Report by Commission Counsel.

Atty. Guz reported on ARPA loan forgiveness in addition to SRF disadvantaged community loan forgiveness. For the nutrient removal project, there is \$2,526,911 in ARPA forgiveness and \$3,330,521 in disadvantaged community forgiveness. For the Locust Street project, there is \$1,176,742 in ARPA loan forgiveness and \$3,603,00 in disadvantaged community forgiveness. There is approximately \$6 million in loan forgiveness for ICI projects.

Atty. Guz reported that the Clean Water Trust recently issued a bond for \$293 million, and of that \$79 million is the Commission's debt.

Atty. Guz reported that an initial Bond Anticipation Note was approved for \$10 million. The 48th Supplemental Resolution increases the authorization to \$11,573,681 to cover the remaining cost for the clearwell project. The BAN will be issued in January.

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

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

to approve the 48th Supplemental Resolution as presented.

Executive Session

(Taken Out of Order)

17. Update on Disability Claim by Heriberto Rodriguez: Report by Executive Director.

**AT 10:02 AM UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND
SECONDED BY COMMISSIONER OTERO**

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

to enter into executive session to discuss strategy related to a disability claim. It was determined that holding the discussion in public session could be detrimental to the Commission's position in the negotiation of the claim. It was announced that public session will resume at the end of executive session.

AT 10:18 AM UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND SECONDED BY COMMISSIONER OTERO

VOTED YES –

COMMISSIONER DONNELLAN

COMMISSIONER OTERO

COMMISSIONER RODRIGUEZ: to exit executive session.

AT 10:19 AM UPON MOTION DULY MADE BY COMMISSIONER OTERO AND SECONDED BY COMMISSIONER DONNELLAN

VOTED YES –

COMMISSIONER DONNELLAN

COMMISSIONER OTERO

COMMISSIONER RODRIGUEZ: to enter public session.

Business Matters Continued

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

Director of Engineering Darleen Buttrick reported that the water treatment plant is at 30% design. There is a design and constructability review in early January.

Design of the 42” pipeline is at 90% completion and design for the energy dissipation valve is at 30% completion.

Site investigations and test pits are being conducted for the Locust Street project. More construction will start at the beginning of the year. The shutdown and tie-in work for the clearwell project was completed before Thanksgiving. An alternative analysis report for the Cobble Mountain Hydrostation is underway.

Director of Wastewater Operations Steve Frederick reported that the river crossing work continues, with the hope that the concrete pipe will be placed in the river before Christmas and submerged and set in place by January. The pier is to be dismantled in early February. The York Street pump station continues with pipe installation and electrical work, and meetings about how to start the station up in the spring are upcoming.

Mr. Frederick reported that the ICI work continued, including a new electrical distribution system, new conduit for an electrical feeder system, and new diffusers in the secondary aeration basin. The grit screening room project is currently in design with construction to start in late summer.

Commissioner Otero asked how river crossing work can continue in January, and what the York Street lot will look like when construction is complete.

Mr. Frederick responded that work can continue in the river as long as the river does not ice over, and that because construction must pause between March and June due to environmental regulations, it is a priority to finish the river work. Atty. Guz responded that the majority of the York Street lot the Commission is currently using is owned by the City, and cleanup and restoration will follow construction. Mr. Frederick added that there will be new landscaping and fencing in front of the existing and new pump stations at York Street.

11. Consideration of Kleinfelder Task Order 25 for Birnie Avenue Water Transmission Main Improvements Final Design and Bidding: Report by Director of Engineering.

Ms. Buttrick reported on a task order to include survey, permitting, water system modeling, and bidding support for \$526,213.48. Bidding documents are expected by May.

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 Kleinfelder Task Order 25 for Birnie Avenue Water Transmission Main Improvements Final Design and Bidding.

12. Consideration of Construction Contract for the FY23 Sewer Infrastructure Improvements Project: Report by Director of Engineering.

Ms. Buttrick reported that there were 17 received bids for this work, which includes the lining of 600' of brick sewer on Main Street ahead of the Court Square streetscape project, and rehabilitating cast-iron double-barrel siphons under Watershops Pond. The improvements will also address sink holes and other high-priority issues, and rehabilitate sewer mains on Wilbraham Road. National Water Main Cleaning was the winning bid for \$3,573,316.20. The lowest bid is 12% higher than engineers' estimates due to the current bidding climate.

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 the FY23 Sewer Infrastructure Improvements Project with National Water Main Cleaning.

13. Consideration of Kleinfelder Task Order 29 for Construction Phase Engineering Support Relative to the FY23 Sewer Infrastructure Improvements Project: Report by Director of Engineering.

Ms. Buttrick reported on a task order for construction engineering services of the FY23 Sewer Infrastructure Improvements including oversight, administration, and construction close-out.

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 Kleinfelder Task Order 29 for Construction Phase Engineering Support.

14. Consideration of Agreement for Professional Consultant Services at Wastewater Treatment Plant: Report by Executive Director.

Mr. Schimmel reported on a contract to support Wastewater Operations management of projects and the Veolia service contract.

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 the Agreement for Professional Consultant Services at Wastewater Treatment Plant.

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

Mr. Schimmel reported on a job description for a Water Operations Manager to aid in support of the work at the water plant. The starting salary range is proposed at \$100,000 - \$135,000.

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

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:**

to authorize the Water Operations Manager job description as presented.

Mr. Schimmel reported that analysis of data on 60-day receivables in different contexts (geospatially, with Census data, etc.) was in the initial stages of being developed for future consideration. Mr. Schimmel reported that the new credits for the LIWAP program have been raised to \$1,500 account arrearages, and \$450 for LIHEAP-eligible customers.

Commissioner Otero asked whether data on people who were denied LIHEAP could be obtained to identify customers that are just over the income cut-off. Mr. Schimmel responded that data is available at the LIHEAP agencies.

Mr. Schimmel reported that the Commission was successful in obtaining a two-week extension for comments on the Water Management Act regulations, and submitted comments. Area legislators (Velis, Oliveira, Boldyga, Puppolo, Ashe) as well as local elected officials (Councilors Govan and Lederman and Mayor Sarno) supported the Commission's position. Mr. Schimmel outlined two mechanisms to appeal

the new regulations. Attorney Guz added that an appeal of any new regulations need to be filed within 30 days, and that Board approval is needed for funding to seek counsel to review appeal options of the proposed WMA regulations.

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 engage counsel to review options related to the proposed regulations of the Water Management Act in an amount not to exceed \$75,000.

Mr. Schimmel reported that a headhunter has been engaged to fill a few key positions.

Mr. Schimmel reported that the City has contacted the Commission about Covid testing of wastewater. There will be no cost to the Commission.

Deputy Director of Water Operations Christina Jones reported that the shutdown of the rapid sand filter plant to tie in the clearwell was successful and completed on time with no impact on customers' water quality. Staff worked well together and all 50 water operations staff worked long hours and double-shifts for days in a row. Ms. Jones highlighted the work of Pete Thayer and Mike Popko in leading the operations and labor staff in a calm and respectful manner.

Mr. Schimmel added that there will be more of these operations in the future as construction of the new water plant advances, which will naturally increase risk to the water supply. Emergency response and communication exercises among staff are to take place monthly.

The next meeting is scheduled for Wednesday, January 25, 2023 at 9 AM.

Commissioners unanimously voted to adjourn at 11:19 am.

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

None considered.

Executive Session

17. Update on Disability Claim by Heriberto Rodriguez: Report by Executive Director.

Addressed in executive session.

Exhibits considered:



Draft October 20, 2022 Meeting Minutes
Monthly Financial Report
Draft FY22 ACFR
October Utility Billing Credit Summary and Summary of Accounts Receivable
CIP Amendment 2023-07
CIP Amendment 2023-08
CIP Amendment 2023-09
48th Supplemental Resolution
Capital Projects Update
Kleinfelder Task Order 25
FY23 Sewer Infrastructure Improvements Construction Contract
Kleinfelder Task Order 29
Documents Related to Appeal by Owner of 153 Dartmouth
Consulting Agreement with William D. Fuqua
Contracts signed by Joshua Schimmel
Cobble Mountain Reservoir capacity chart