



Established

1996

SPRINGFIELD WATER AND SEWER COMMISSION

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Minutes of Meeting

May 18, 2022

The Springfield Water and Sewer Commission held a hybrid meeting on May 18, 2022. The meeting was held in accordance with Chapter 22 of the Acts of 2022.

Chairwoman Otero called the meeting to order at 1:05 p.m. and announced the Commissioners that are participating. Secretary for the Commission Jaimye Bartak called the attendance roll:

William E. Leonard, Present
Daniel Rodriguez, Present
Vanessa Otero, Present

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

Participating Remotely
Bill Fuqua, Director of Wastewater Services
Darleen Buttrick, Director of Engineering
Bob Stoops, Chief Engineer
Frank Zabaneh, 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
James Richardson, Director of IT
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 April 15, 2022, without reading, because copies were furnished to each member of the Commission for their review.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

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

2. Approve the minutes of the executive session held on April 15, 2022, without reading, because copies were furnished to each member of the Commission for their review.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve the minutes of the executive session held on April 15, 2022.

Old Business

3. Appeal by Owner of 801 Perimeter Road, Ludlow.

The appeal withdrawn. This item will be left as old business until the appeal is closed out.

4. Continuation of Draft FY23 Budget Discussion.

Executive Director Josh Schimmel reported that the public hearing for the proposed FY23 budget is May 31, and the budget will be voted on during the Board meeting on June 14.

This item will be removed from old business.

New Business

5. Appeal by Representative of 26-32 Mattoon Street.

Item tabled and moved to old business.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to move the Appeal by Representative of 26-32 Mattoon Street to old business.

6. Financial Update: Report by Comptroller.

Comptroller Tony Basile reported a decrease of \$3.2 million in cash, as a result of advances for capital projects and spending on operations.

Mr. Basile reported a negative variance in revenue of \$1.5 million. The numbers changed slightly from last month due to loss in power generation, even though Solutia revenue increased by \$600,000.

There was \$77.2 million in total expenses, leaving a balance of \$3.2 million or 96% of the operations budget. Personal services are lagging due to position vacancies.

Mr. Basile reported that it is anticipated that 96% of the total budget will be spent by year's end.

Mr. Basile reported that \$55 million has been expended in the capital budget, with the biggest capital spending in Wastewater Collection at \$41.4 million. Most of the spending is on the River Crossing and York Street Pump Station project. There was just under \$380 million in total appropriations unspent.

There was a cash balance at the end of April of \$108.5 million in total cash, of which 21% is working capital. A total of 79% of total cash is restricted.

There was \$6.2 million in total receivables, with \$2.5 million over 60 days old. There was \$900 million in assets including \$5.5 million in the OPEB trust. There was \$688 million in liabilities, most of it in long-term debt.

Commissioner Otero asked about the funding target for the stabilization fund. Mr. Basile responded 30% of revenue or approximately \$30 million. Mr. Schimmel added that the initial driver was the risk posed by Solutia leaving, but the current driver is the risk associated with \$550 million in capital work and aging infrastructure.

7. Consideration of O & M Budget Amendment #3: Report by Comptroller.

Mr. Basile reported that materials were moved to four separate line items. The items are associated with day-to-day spending.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve O & M Budget Amendment #3.

8. Consideration of Utility Billing Credit Summary and Summary of Accounts Receivable for April: Report by Director of Finance.

Director of Finance Domenic Pellegrino reported that there was a net billing of \$6.7 million, collections of \$6 million, and \$5.3 in accounts receivable. The accounts receivable are 4% lower than last year but still higher than the three-year average.

There were 5,960 accounts with receivables over 60 days, totaling \$1.9 million. This is 68% better than last year, and 32% higher than the three-year average.

Commissioner Otero asked about the status of shutoffs and financial assistance from Wayfinders. Mr. Pellegrino responded that properties with eligible for shutoff began to be posted on March 17, with the first shutoff beginning on April 4. All postings and shutoffs are processed by highest balances first. Payment plans continue to be offered, and MassHAF is also now offering utility support if customers can document three missed mortgage payments. Mr. Schimmel reported that Wayfinders assisted with abating 150 shutoffs, and support for further funding of Wayfinders for utility assistance was made to the mayor.

Mr. Pellegrino reported 214 credits issued in the amount of \$24,717.77.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ: to approve credits in the amount of \$24,717.77.

9. Consideration of CIP Amendment 2022-18: Report by Director of Finance.

Mr. Schimmel reported that an amendment was needed due to more asbestos found in the repair of the rapid sand filters, and for peer review of the AECOM design.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ: to approve CIP Amendment 2022-18.

10. Consideration of Professional Services Contracts: Report by Executive Director.

Mr. Schimmel reported on a contract renewal for Peter Karalekas to serve as an engineering and compliance advisor to water treatment plant improvements and operations.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ: to approve Professional Services Contract with Peter Karalekas.

11. Consideration of Legal Services Contracts: Report by Commission Counsel.

Commission Counsel Norm Guz reported on contract renewals for various attorneys that advise the Commission. Atty. John Liebel advises on damage claims and damage to Commission property; Atty. Peter Murphy advises on labor relations; Atty. James Chadwell advises on workers' compensation; Atty. Bruce Leiter advises on procurement and construction contracts; and Atty. Norm Guz advises on general Commission work. All contracts would be renewed with the same budgets and rates.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ: to approve Legal Services Contracts as presented.

12. Update on Veolia/SUEZ Merger: Report by Commission Counsel.

Atty Guz reported that Veolia Water America Inc. acquired the stock of SUEZ, and the entire transaction was completed in March. Currently Veolia has changed the name of the vendor under the service contract, the service contract has not been assigned. The Commission has a right to approve the assignment of the service contract. The rights of the Commission under the guarantee agreement include access to financials, increase in the letter of credit, and for Veolia's parent company to assume the guarantee, if there is an assignment. Atty. Guz noted there is no cause for concern at this point, but that the process will continue to be monitored.

13. Update on LIWAP Contract: Report by Commission Counsel.

Atty. Guz reported that the contract for the Low Income Water Assistance Program (LIWAP) with the state is still in negotiation. The issues still under discussion relate to DPU/OCS and indemnification. Mr. Schimmel noted that Boston Water and Sewer Commission has not yet signed the contract due to similar concerns. Commissioner Otero noted the importance of this program for customers. Mr. Schimmel reported that negotiations with the state will continue in order to implement this program for Commission customers.

14. Update on Water and Sewer Activities: Report by Executive Director.

Mr. Schimmel reported on contracts under \$250,000 that he signed, and on Cobble Mountain Reservoir levels.

Mr. Schimmel reported on job description for Assistant Administrator II, with a salary range of \$75,000-\$95,000.

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

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

to approve the Assistant Administrator II job description as presented.

Mr. Schimmel reported on a revised job description for the executive assistant, with the same salary range of \$45,000 - \$55,000.

**UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND SECONDED BY
COMMISSIONER RODRIGUEZ**

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

to approve the revision to the executive assistant job description as presented.

Mr. Schimmel reported that an EPA compliance audit of West Parish Filters would start Monday. Mr. Schimmel reported he had previously invited DEP and EPA to visit the plant to view progress. EPA will also be auditing the wholesale communities. EPA is hiring consultants to do the technical reviews.

Mr. Schimmel reported that the Commission recently submitted an amendment for \$5 million in ARPA funding in the governor's FORWARD bill. The amendment would specify the funding to go towards water and sewer upgrades at the Commission.

Mr. Schimmel reported that the Commission will be commenting on DEP's recent revision to the public notification template for disinfection byproducts.

Mr. Schimmel reported that the development of the apprenticeship program with Putnam Tech is still underway.

Atty. Guz reported that the City did not include the Commission in the recent discussions of issuing pension bonds. Atty. Guz reported that he would like to review the City's proposed plan to see how they are accounting for Commission funds. Atty. Guz reported that he also wanted to discuss the possibility of the City assisting the Commission in issuing pension obligation bonds, since the Commission cannot issue its own.

Mr. Schimmel reported that the rapid sand filters would now be finished in late August or September due to materials availability. The slow sand filters have been blinding due to poor raw water quality. The current maximum filtration capacity is 50 MGD. It is currently believed that production demand can be met barring a long heatwave. Commissioner Rodriguez asked if water restrictions were possible. Mr. Schimmel responded that they were.

Commissioner Otero asked for an update on the 42" bypass. Mr. Schimmel replied that the design of the replacement pipe is about to start. Design is expected to take six months.

Atty. Guz reported that a Notice of Intent for an exemption at the hydropower plant has been filed with FERC. This will provide a permanent blanket exemption. FERC will still need to receive notification of what the project is once decided.

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

None considered.

The next Board meeting will be June 14 at 10 AM.

Executive Session

16. Update on SWSC v Ace Insurance Company – U.S. District Court – Case 3:21 -CV 30096-KAR (breach of contract and MGL Ch 93A Sec 11): Report by Commission Counsel.

**AT 2:42 PM UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND
SECONDED BY COMMISSIONER RODRIGUEZ**

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

to enter into executive session to consider existing litigation pertaining to SWSC v Ace American Insurance Company. It was determined that holding the discussion in public session could be detrimental to the Commission's position in the existing litigation. It was announced that public session will not resume at the end of executive session.

Submitted By:



Jaimye Bartak, Secretary