



Established

1996

SPRINGFIELD WATER AND SEWER COMMISSION

POST OFFICE BOX 995
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413-452-1300

Minutes of Meeting

June 14, 2022

The Springfield Water and Sewer Commission held a hybrid meeting on June 14, 2022. The meeting was held in accordance with Chapter 22 of the Acts of 2022.

Chairwoman Otero called the meeting to order at 10:04 a.m. and announced the Commissioners that are participating. Secretary for the Commission Jaimye Bartak called the attendance roll:

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

Also Present
Joshua Schimmel, Executive Director
Domenic Pellegrino, Director of Finance
Theo Theocles, Director of Legal Affairs/Chief Procurement Officer
Jaimye Bartak, Communications Manager/Secretary for the Commission

Participating Remotely
Anthony Basile, Comptroller
Norman J. Guz, Commission Counsel
Bill Fuqua, Director of Wastewater Services
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
James Richardson, Director of IT
Ryan Wingerter, Deputy Director of Field Services
Raemarie Walker, Assistant Procurement Officer
Katie Shea, Educational Outreach and Communications Specialist
Jaimye Bartak, Communications Manager/Secretary
Caller from 413-575-5682

Business Matters

1. Approve the minutes of the meeting held on May 18, 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 May 18, 2022.

2. Approve the minutes of the executive session held on May 18, 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 May 18, 2022.

Old Business

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

The appeal was withdrawn.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

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

Tabled.

New Business

5. Certification for Fiscal Year 2023: Report by Director of Finance.

Director of Finance Domenic Pellegrino reported that he reviewed the proposed Operating and Capital Projects budgets and the proposed Schedule of Rates, Fees, Charges, and Penalties as set forth in Chapter 5 of the Rules and Regulations for Fiscal Year 2023, and barring any significant amendment to these proposals, or any unanticipated events, there should be sufficient funds to satisfy the requirements of subsections 603(1) and 603(2) of the General Bond Resolution of the Commission.

6. Consideration of Proposed Revisions to the Commission Rules and Regulations: Report by Director of Finance.

Mr. Pellegrino reported on the summary of proposed revisions to the Rules and Regulations for FY23.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve the proposed revisions to the Rules and Regulations for FY23 as presented.

7. Consideration of Proposed Schedule of Fees, Rates and Charges: Report by Director of Finance.

Mr. Pellegrino reported on the proposed schedule of fees, rates and charges for FY23 in Chapter 5 of the Rules and Regulations.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve the proposed schedule of fees, rates and charges for FY23 in Chapter 5 of the Rules and Regulations as presented.

8. Consideration of Proposed FY23 Capital Improvement Program Budget and Three Year Capital Improvement Plan for Fiscal Years 2023-2025: Report by Director of Finance.

Mr. Pellegrino reported on the proposed CIP for FY23-25, including the one-year capital program budget funding of \$39,033,151 for FY23.

Mr. Schimmel added that these projects are vetted and go through iterations of financial review, with great concern to the impacts on rates in the short and long term.

Commissioner Otero added she appreciated the extra meeting during the budget process.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve the Proposed FY23 Capital Improvement Program Budget and Three Year Capital Improvement Plan for Fiscal Years 2023-2025 as presented.

9. Consideration of the Proposed FY23 O&M Budget: Report by Comptroller.

Comptroller Anthony Basile reported on the proposed O&M budget of \$84,217,796, which provides the resources necessary to carry out water/sewer services to our customers.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve the proposed FY23 O&M budget as presented.

10. Financial Update: Report by Comptroller.

Mr. Basile reported ending cash at \$109.4 million, a decrease of \$2.2 million for the first 11 months.

There is anticipated revenue of \$103 million, which is \$1.3 million short of the original proposal. The main driver is the decrease in summer watering due to the weather in summer 2021.

The operating budget is expected to be spent at 96%. There was \$6.7 million unexpended, for a balance of \$3.6 million.

Capital expenditures are just under \$61 million, with most spending in the wastewater collection and river crossing project, for a balance of \$373.6 million.

Cash on hand is \$109.4 million, with \$23.7 representing working capital, which is 22% of overall cash.

There were outstanding receivables just under \$5 million, with just under \$1.7 million over 60 days old.

There were \$688.6 million in assets. Of that, \$5.1 million is in the OPEB trust fund, which decreased 10% from last month due to market conditions. There were \$688.6 million in liabilities.

11. Consideration of O & M Amendment #4: Report by Comptroller.

Mr. Basile reported on a transfer of \$250,000 to the personal service account to the OPEB trust fund. The unexpended funds from personal services is due to vacancies. Mr. Basile reported that less than 60% of the salaries for open positions due to difficulties in hiring.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ:

to approve O&M Amendment #4.

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

Mr. Pellegrino reported there were net billings of \$6.9 million, collections of \$8.1 million, leaving a \$4.1 million receivable balance as of 6/30/2022.

The balance is 94% lower compared to FY 2021 and 7% lower than pre-pandemic three-year average.

There were 5,748 accounts over 60 days old, totaling \$1.7 million. The amount over 60 days old is still higher than the three-year average, but 9% lower compared to last year.

Commissioner Otero asked whether customers are being offered payment plans. Mr. Pellegrino responded we continue to offer payment agreements to eligible customers when requested.

Mr. Pellegrino reported 109 credits in the amount of \$11,147.68.

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

VOTED YES –

COMMISSIONER OTERO
COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ:

to approve credits in amount of \$11,147.68.

13. Consideration of CIP Amendment 2022-19: Report by Director of Finance.

Mr. Pellegrino reported the bids for the Locust Transfer Project came in higher than estimated. The amendment would increase the appropriation for the project to accommodate the higher bid amounts.

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

VOTED YES –

COMMISSIONER OTERO
COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ:

to approve CIP Amendment 2022-19.

14. Consideration of Kleinfelder Task Order 18 for Construction Engineering Services: Report by
Director of Wastewater Operations.

Director of Wastewater Operations Bill Fuqua reported that the task order is for construction administrative services for Kleinfelder to assist in the construction phase of the Locust Transfer project. Tasks would include document review, submittals, and on-site inspection services.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve Kleinfelder Task Order 18 for Construction Engineering Services.

15. Consideration of Construction Contract with Baltazar Construction, Inc. – Locust Transfer Project: Report by Director of Wastewater Operations.

Mr. Fuqua reported that three bids were received for the Locust Transfer project. The project went to the second-lowest bidder after the first-lowest withdrew. There is a \$6 million difference between the two. The largest change associated with the appropriation is the extra cost associated with the required bypass activities needed during construction, as it relies on optimal weather conditions. Kleinfelder evaluated the bid and recommended Baltazar be awarded the contract rather than re-bidding, due to the volatile bidding landscape and supply chain shortages.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve the Construction Contract with Baltazar Construction, Inc. – Locust Transfer Project.

16. Consideration of Hazen and Sawyer, DPC, Task Order No. 4 for West Parish Filters Water Treatment Facility Upgrade Basis of Design Report: Report by Director of Engineering.

Director of Engineering Darleen Buttrick reported on a new task order for West Parish Filters, which will advance design of the new plant to 10% completeness.

Commissioner Otero thanked staff for the visit with Congressman Neal the prior week.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to authorize the executive director to execute Task Order No. 4 for West Parish Filters Water Treatment Facility Upgrade Basis of Design Report.

17. Consideration of City of Springfield 2022 Pavement Sidewalk Improvements, SWSC Acceptance of Alternate No. 2: Report by Director of Legal Services.

Director of Legal Services Theo Theocles reported that the City went to bid and carried several different sidewalk pavement alternates. There was a 20% increase over the estimate, but the estimate was dated.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to authorize the Executive Director to execute the inter-governmental agreement and for the Commission to pay for its component of work.

18. Consideration of Appointment of Contract Administrator for Wastewater Service Contract: Report by Commission Counsel.

Atty. Guz reported that a new contract administrator for the wastewater services contract needs to be appointed due to Mr. Fuqua's upcoming retirement. The administrator oversees day-to-day issues and monthly reports. Atty. Guz thanked Mr. Fuqua for his service and recommended naming Steve Frederick as the contract administrator under the wastewater service contract with Veolia.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve the appointment of Steve Frederick as Contract Administrator for the wastewater service contract.

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

Mr. Schimmel reported that the EPA audit of the water treatment plant went very well, and they were pleased with efforts to address disinfection byproducts. The Commission will provide EPA with monthly progress updates. DEP was also in attendance. The attendees visited the plant, reservoirs, and distribution system.

Mr. Schimmel reported that the Commission received a memo from DHCD in regards to its concerns with the LIWAP program. The funding needs to be spent by September. Any remaining balance will go to people who applied and received the funds. The program is delayed and was supposed to be in place last September. Commission staff will work to implement the LIWAP once all contract issues are resolved.

Mr. Schimmel added the Commission continues to advocate for a safety net for its customers that struggle to pay their bill.

Mr. Schimmel reported that a condition assessment of the power plant is concluding. A legal firm is also investigating options related to FERC permitting and jurisdiction. The 1935 in-line hydro was also approved for exemption from FERC jurisdiction. This relieves the timeline for rebuilding the plant and related notifications, opening up more options for solutions.

Mr. Schimmel reported the CSO notification law will go into effect in July. The public can sign up for notifications when CSOs are activated. Administration of the CSO notification system is being handled by Veolia.

Mr. Schimmel reported on an update to a job description for a payroll and accounting specialist. The position is newly vacant. The proposed starting pay range is \$60,000 - \$70,000.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve the updated Payroll and Accounting Specialist position.

Mr. Schimmel reported on the search for the HR Manager position. Mr. Schimmel requested an increase in the starting pay range, depending on qualifications, due to the tight job market. Mr. Schimmel requested the new pay range be updated to \$86,000 - \$125,000.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve the updated pay range for the HR Manager position to \$86,000 – \$125,000.

Mr. Schimmel reported that capacity at West Parish Filters is just under 60 MGD, which is sufficient for the summer. Mr. Schimmel reported that a contractor hit the wash water electrical line and the treatment process is now stabilized.

Mr. Schimmel reported that there would be another public notification for disinfection byproducts due to the increased reliance on the slow sand filters while the rapid sand filters are repaired. The repair is delayed to August or September due to materials shortages.

Mr. Schimmel recognized Director of Water Operations Jim Laurila and Deputy Director of Water Operations Christina Jones for their quick response and problem-solving when the wash water electrical line was impacted at West Parish Filters.

Mr. Schimmel recognized Bill Fuqua's upcoming retirement and thanked him for his top-quality work and commitment to public service. Mr. Fuqua thanked the Board and Mr. Schimmel for the opportunity to serve. The Board thanked Mr. Fuqua for his service.

The next meeting is July 7 at 9 AM.

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

The Commissioners discussed compensation for the Executive Director. The Board noted the importance of retaining Mr. Schimmel's leadership and expertise during a critical time in the Commission's history.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to increase the salary of the Executive Director by 10.84% and increase the expense stipend by \$2,500.

Exhibits Reviewed During June 14, 2022 Board Meeting:

- Draft minutes from May 18, 2022
- Draft executive session minutes from May 18, 2022
- Memorandum on Funding for Fiscal Year 2023
- Draft revisions to Fiscal Year 2023 Proposed Revisions to the Rules and Regulations
- Draft revisions to Chapter 5 Schedule of Rates, Fees, Charges, and Penalties
- Draft Fiscal Year 2023 Three-Year CIP Plan
- Proposed Operating Budget Fiscal Year 2023
- Interim Unaudited Financial Statements for the period from 7/1/21 through 5/31/22
- Memorandum Re. FY22 O&M Transfer of Funds – Amendment #4
- Utility Billing Credit Summary and Summary of Accounts Receivable June 2022
- Capital Improvement Program Amendment 2022-19
- Engineering Services Contract Summary – Kleinfelder Northeast Inc. Task Order 18
- Construction Contract Summary Baltazar Contractors Inc., SWSC Bid Number 22-23
- Scope of Work, Hazen and Sawyer Inc., Contract No. R-21-01 H&S, West Parish Filters Water Treatment Facility Upgrade Basis of Design Report
- Contract Summary, Palmer Paving Corp., DPW Bid No. 22-241 & SWSC Alternate Bid No. 2
- Contracts and Task Orders Executed by SWSC Executive Director Under \$250,000, 5/17/22 to 6/14/22
- Cobble Mountain Reservoir % Capacity – Weekly Average
- Rainfall at Borden Brook Reservoir and WPF Raw Water UV254
- Job Description – Payroll and Accounting Specialist

Voted unanimously to adjourn at 11:35 AM.

Submitted By:

A handwritten signature in black ink, appearing to read 'J Bartak', written in a cursive style.

Jaimye Bartak, Secretary