



Established

1996

SPRINGFIELD WATER AND SEWER COMMISSION

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

Minutes of Meeting

October 24, 2024

The Springfield Water and Sewer Commission held a public meeting on October 24, 2024, in accordance with Chapter 2 of the Acts of 2023.

Chairman Rodriguez called the meeting to order at 10:02 AM and announced the Commissioners that are participating. Secretary for the Commission Jaimye Bartak called the attendance roll:

Daniel Rodriguez, Present
Vanessa Otero, Not Present
Matthew Donnellan, Present

Also Present

Joshua Schimmel, Executive Director
Anthony Basile, Comptroller
Domenic Pellegrino, Director of Finance
Theo Theocles, Director of Legal Services and Procurement
Jaimye Bartak, Communications Manager/Secretary to the Commission
Norm Guz, Commission Counsel
Darleen Buttrick, Director of Engineering
Jim Laurila, Director of Water Operations
Steve Frederick, Director of Wastewater Operations
Ryan Wingerter, Director of Field Services

Participating Remotely

Mike Olkin, Deputy Director of IT
Ashley Demarey, Deputy Director of Field Services
Christina Jones, Deputy Director of Water Operations
Raemarie Walker, Deputy Director of Finance
Frank Zabaneh, Engineering Manager
Kristin Monfette, Safety Manager
Nicole Sanford, Water Resources Manager
Nicole Boland, Collections Manager
Katie Shea, Educational Outreach Manager

Business Matters

1. Approve the minutes of the meeting held on September 26, 2024, without reading, because copies were furnished to each member of the Commission for their review.

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

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER DONNELLAN:**

to approve minutes of the meeting held on
September 26, 2024.

2. Approve the minutes of the executive session on September 26, 2024, without reading, because copies were furnished to each member of the Commission for their review.

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

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER DONNELLAN:**

to approve minutes of the executive session held
on September 26, 2024.

3. Approve the minutes of the meeting held on October 10, 2024, without reading, because copies were furnished to each member of the Commission for their review.

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

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER DONNELLAN:**

to approve minutes of the meeting held on
October 10, 2024.

Executive Session

**AT 10:01 AM UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND
SECONDED BY COMMISSIONER DONNELLAN**

VOTED YES –

**COMMISSIONER DONNELLAN
COMMISSIONER RODRIGUEZ:**

to enter executive session to discuss negotiations
related to an employment contract with the
Executive Director. It was announced that public
session would resume following executive
session.

4. Consideration of Employment Contract for Executive Director: Report by Commission Counsel and Attorney Dupere.

Addressed in executive session.

**AT 10:44 AM UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND
SECONDED BY COMMISSIONER RODRIGUEZ**

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER DONNELLAN: to exit executive session.

AT 10:51 AM UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND SECONDED BY COMMISSIONER RODRIGUEZ

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER DONNELLAN:** to return to public session.

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

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER DONNELLAN:** to increase the salary of the Executive Director by 3% for contract year of July 1, 2024 – June 30, 2025.

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

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER DONNELLAN:** to approve the employment contract between the Commission and the Executive Director in the form presented.

New Business

5. Fiscal Year 2024 Draft Audit Presentation: Report by Marcum.

Comptroller Anthony Basile introduced Tanya Campbell of Marcum to present results of the 2024 audit. Ms. Campbell noted that Marcum was changing to C. Biz effective next month. The team will remain the same.

Ms. Campbell explained the roles and responsibilities of the auditors and the Board. Ms. Campbell noted that the audit does not provide absolute assurance on every transaction and that audits are conducted in accordance with government audit standards. Once the ACFR is submitted to GASBY, there is a 6-9 month review process.

Ms. Campbell reported that based on the auditors' analysis, the Commission is compliant with accounting principles. Procurement was reviewed due to its large role in the Commission's operations and no issues were found. The Commission is also in compliance with its own financial policies. The monthly reports provided by the Comptroller and Director of Finance were found to be accurate for use in decision making.

Ms. Campbell pointed out that the accounts receivable reflected a good indication of collections, and has remained fairly consistent except during the pandemic. Ms. Campbell reported that unfunded liabilities

represented just under \$74 million, which is little changed from last year. Net OPEB liability only went up a couple of hundred thousand dollars as well. Audits of the WIFIA loan did not reveal any issues.

Commission Counsel Norm Guz noted that in regard to pages 52-53, general revenue bonds and direct borrowing are differentiated in that one does not require a reserve, reflecting a loan (CWT) vs. a general revenue bond (which requires a bond purchase agreement and reserve).

6. Financial Update: Report by Comptroller.

Mr. Basile reported an ending balance of \$132.6 million, which is a decrease of cash flows by \$3.7 million. This will fluctuate as the year goes on.

Projections show a negative variance of \$2.5 million in the revenue budget, water and sewer usage is down approximately 4-5% resulting in a decrease in anticipated revenue. Also, Solutia is curtailing part of their operations, representing a 7% reduction in projected revenue.

Commissioner Rodriguez asked whether power generation would resume during the fiscal year. Director of Engineering Darleen Buttrick responded no, as parts are still to arrive, resulting in a downward trend in power generation.

Mr. Basile continued that the operating budget is expected to have \$2 million unexpended by the end of the year, which does not cover the projected negative revenue of \$2.5 million. Tightening on operations and expenditures will have to take place.

There was \$9.2 million expended through the first quarter in the capital budget, with anticipated spending to reach \$120 million in FY25 as the new water treatment plant gets underway.

There was \$29.6 million in unrestricted working capital, representing 20% of cash.

There was just under \$8 million in receivables, with \$1.6 million over 60 days. This will probably stay elevated until the next shutoff season in the spring.

There was \$1 billion in assets, and \$730 million in liabilities. The OPEB trust fund was \$8.6 million before any contributions this fiscal year.

7. Consideration of Utility Billing Credit Summary and Summary of Accounts Receivable
September 2024: Report by Director of Finance.

Director of Finance Domenic Pellegrino reported net billings of \$10.2 million, collections of just under \$9 million, for an accounts receivable balance of \$6.6 million. Receivables over 60 days represented \$1.6 million in 5,462 accounts. There were 64 credits made in September totaling \$68,395.01.

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

VOTED YES –

COMMISSIONER RODRIGUEZ
COMMISSIONER DONNELLAN:

to approve credits in the amount of \$68,395.01
as presented.

8. Water and Sewer Updates: Report by the Executive Director.

Executive Director Josh Schimmel noted that Cobble Mountain Reservoir was still at normal capacity levels.

Mr. Schimmel reported that a public notification for HAA5 was sent on October 4. Chlorine levels are at their lowest levels in 5 years due to good water quality.

Mr. Schimmel noted the groundbreaking on October 16 was a success.

Mr. Schimmel reported that the Commission has met requirements of the new Lead and Copper Rule Revisions well ahead of time. Approximately 2,300 customers were contacted and the material of 1,400 service lines was identified. Of those, 665 service lines were replaced, 993 service lines were cut and capped, and 133 service lines were identified through photos. There are now zero unknown service lines. Mr. Schimmel commended staff for their work.

Director of Human Resources announced that Patrick Burns had accepted the position of Comptroller. His offer included 5 weeks of vacation with a salary of \$162,000, as well as the standard benefits package. Mr. Burns will start in mid-December.

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

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER DONNELLAN:**

to authorize the employment of Patrick Burns according to the terms and conditions as presented.

Director of Engineering Darleen Buttrick reported that the water treatment plant project is beginning, with tie-ins to move critical infrastructure as the first step. The contractor for the 42" energy dissipating valve is mobilized and on-site. Warranty items are being worked through on the Backwash Facility. Substantial completion of FY24 water improvements and FY25 wastewater improvements is expected next month. The Locust Street project continues, with delays due to procurement and summer wet weather, with a final tie-in scheduled that will require diverting flow to the new York Street Pump Station. The tie-in will take 10 days and will become complicated if there are large storms.

Ms. Buttrick continued that the Birnie Avenue project is delayed due to emergency repair work on Riverside Drive, which is awaiting approval from the U.S. Army Corps of Engineers. The emergency work is expected to cost over \$1 million.

Director of Water Operations Jim Laurila reported that vacancies are being filled, and staff are working with contractors to coordinate for the new water plant project. There are also ongoing repairs to the rapid sand filter nozzles.

Director of Field Services Ryan Wingerter reported that a recent water main break on State Street was isolated within under an hour, with a fast cleanup. There has been 145 feet of water main replaced since May.

Director of Legal Services Theo Theocles commended Engineering staff for their assistance during the water treatment plant procurement effort. Work is also continuing on an RFP for a new billing vendor.

Director of Wastewater Operations Steve Frederick reported that the new York Street Pump Station is at half capacity due to the dry weather. Coordination is ongoing with Veolia to complete the Locust Street work. Closeout of the new York Street Pump Station project will continue into next year. Three out of

four ICIs are complete. Delivery of electrical components from Eversource are delaying the final project. The grit removal project is slightly behind, and will proceed with work on concrete over the winter.

Director of Finance Domenic Pellegrino reported that there is a week left in the shutoff program, and an additional \$850,000 in LIWHAP funding has been distributed to customers. Renegotiation of the Solutia contract is upcoming.

Director of IT Rick Gomez reported that staff are continuing to replace end-of-life networking equipment. Business Intelligence is continuing to be a popular internal service. Work is underway on a unidirectional gateway that will allow for a one-way transfer of SCADA data in real-time for informational use.

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

None considered.

**AT 11:55 AM, UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND
SECONDED BY COMMISSIONER RODRIGUEZ**

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER DONNELLAN:**

to adjourn.

Submitted By:



Jaimye Bartak, Secretary

Exhibits:

Executive Director Employment Contract
September 2024 Financial Report
2024 September Finance Director Report
Draft FY2024 Audit
Cobble Mountain Reservoir Capacity Levels
Contracts Signed by Josh Schimmel