



Established

1996

SPRINGFIELD WATER AND SEWER COMMISSION

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Minutes of Meeting

February 20, 2025

The Springfield Water and Sewer Commission held a public meeting on February 20, 2025, in accordance with Chapter 2 of the Acts of 2023.

Chairman Rodriguez called the meeting to order at 1:01 PM 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
Norm Guz, Commission Counsel
Anthony Basile, Comptroller
Domenic Pellegrino, Director of Finance
Theo Theocles, Director of Legal Services and Procurement
Ryan Wingerter, Director of Field Service
Darleen Buttrick, Director of Engineering
James Laurila, Director of Water Operations
Steve Frederick, Director of Wastewater Operations
Jennifer Boulais, Director of Human Resources
Rick Gomez, Director of IT
Patrick Burns, Comptroller
Christina Jones, Deputy Director of Water Operations
Rory Ferrell, Attorney for the Commission
Bruce Leiter, Attorney for the Commission

Participating Remotely
Raemarie Walker, Deputy Director of Finance
Frank Zabaneh, Engineering Manager
Kristin Monfette, Safety Manager
Nicole Boland, Billing and Collections Manager
Nicole Sanford, Water Resources Manager
Katie Shea, Educational Outreach Manager

Business Matters

1. Approve the minutes of the meeting held on January 16, 2025, 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 OTERO

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:**

to approve minutes of the meeting held on January 16, 2025.

2. Approve the executive session minutes of the meeting held on January 16, 2025, 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 OTERO

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:**

to approve minutes of the executive session held on January 16, 2025.

Executive Session

3. Springfield Water and Sewer Commission v CDM Smith, Inc. et. al.: Report by Commission Counsel.

AT 1:02 PM UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND SECONDED BY COMMISSIONER OTERO

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:**

to enter executive session to discuss strategy related to SWSC v CDM, et al, as it was determined that holding the discussion in open session would be detrimental to the Commission's litigation position. It was announced open session would resume in approximately 45 minutes.

AT 1:35 PM UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND SECONDED BY COMMISSIONER OTERO

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:**

to exit executive session.

**AT 1:37 PM UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND
SECONDED BY COMMISSIONER OTERO**

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:**

to enter executive session to consider the purchase of real estate property located at 52 Colton Street, as it was determined that holding the discussion in open session would be detrimental to the Commission's negotiating position.

**AT 2:06 PM UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND
SECONDED BY COMMISSIONER OTERO**

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:**

to exit executive session.

**AT 2:10 PM UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND
SECONDED BY COMMISSIONER OTERO**

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:**

to enter public session.

New Business

4. Financial Update: Report by Comptroller.

Comptroller Patrick Burns reported the cash balance was \$126.5 million, with a YTD negative cash flow of \$9.9 million. There was a \$12.6 million long-term debt payment made in January.

The revenue budget projects a negative variance of \$1.3 million, due to a decrease in water/sewer usage compared to estimates.

A deficit is projected in the fringe benefits cost group due to workers compensation claims.

The Operating Budget is projected to be spent at 97% resulting in year-end surplus of \$2 million. This surplus will offset negative revenue variance of \$1.3 million.

Capital budget spending year to date was \$45.1 million, with a projected \$119.5 in spending in FY25. Capital expenditures will increase as construction proceeds at the new water plant.

There was \$126.5 million in cash, of which \$23.8 was restricted, representing 19% of overall cash.

Outstanding receivables were \$6.9 million, and \$3 million of this total was over 60 days.

Assets totaled over \$1 million, and liabilities totaled \$720.5 million and include outstanding debt and OPEB liability.

Commissioner Otero asked whether departments will need to tighten their budgets. Mr. Burns responded that the personnel budget and biosolids account will make up for the revenue shortfall.

5. Consideration of Utility Billing Credit Summary and Summary of Accounts Receivable January 2025: Report by Director of Finance.

Director of Finance Domenic Pellegrino reported net billings of \$8 million, payments of \$7.8 million, for an AR balance of \$5.8 million.

There were 6,894 accounts with receivables over 60 days, representing \$2.3 million.

There were 119 credits issued, totaling \$70,248.62.

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 \$70,248.62 as presented.

6. Consideration of Award of SWSC Bid No. 25-01 West Parish Filters Residuals Management Project: Report by Director of Engineering.

Director of Engineering Darleen Buttrick reported that on February 13, the Commission received bids for the West Parish Filters Residuals Management Project. The project includes the removal and dewatering of approximately 23,000 cubic yards of water treatment residuals from the Upper Lagoon located at the West Parish Filters treatment plant, including disposal/beneficial reuse of the materials at an approved facility.

Four bids were received and ranged from a low bid of \$2,443,445 to a high bid of \$3,781,500.00. The engineer's estimate was \$4,200,000 including the bid alternate work. Synagro Northeast was the apparent low bidder.

The consulting engineer Brown and Caldwell determined that Synagro is the lowest responsible and responsive bidder, and recommended award of the contract, pending receipt of acceptable bonds and insurance certificates. Construction is anticipated to begin in the spring, and completion of the project by August.

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

VOTED YES –

COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:

to authorize the execution of Contract No. 20250049 with Synagro Northeast, LLC, pending receipt of acceptable bonds and insurance.

7. WIFIA Quarterly Report: Report by Director of Engineering.

Director of Engineering Darleen Buttrick reported that as of December 31, \$267.1 million of the total WIFIA program has been expended, and of that approximately \$35 million of the WIFIA loan. Spending trended behind what was budgeted in this quarter due to a slower startup of the West Parish WTP project, a schedule shift in the MIS connection for the Locust Project (completed in mid-December and invoiced in the next quarter), and the delay of the Birnie Avenue work due to the Riverside Road rehabilitation (with the Riverside work beginning next quarter).

During this quarter, Walsh mobilized to the WTP project site, and began work on Bridge 4. In addition, work began for the 42" transmission main and energy dissipation valve project, with demolition completed and foundation work started for the project. Work continued on the Grit project, with basin foundations completed and work on the vortex unit walls beginning.

Ms. Buttrick reported the overall quarterly report was also updated to reflect completion of the Backwash Pump Station project, as well as the York Street Pump Station project. These projects were moved to the completed projects pages, and two new projects were added in their place – the West Parish Lagoon Cleaning project, and the Birnie Avenue and Riverside Road Improvements.

Commissioner Rodriguez requested adding the original schedule estimates and fallbacks, to see how far projects may be falling behind schedule.

8. Consideration of 53 Supplemental Resolution for financing of the Replacement of the West Parish Water Treatment Plant with the MA Clean Water Trust: Report by Commission Counsel.

Commission Counsel Norm Guz reported that bond financing with the Clean Water Trust was closed on February 6 for a little over \$50 million.

The York Street Pump Station and Locust Street projects have been permanently financed, which includes loan forgiveness. The BAN for the West Parish Project was also permanently financed, including loan forgiveness and the BAN proceeds have been spent.

Atty. Guz reported that the 53rd Supplemental Resolution is for the new water treatment plant. The \$15 million loan is issued at 2% interest for a 20-year term. A BAN will be in place at 0% interest until the BAN is permanently financed.

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

VOTED YES –

COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:

to authorize the 53rd Supplemental Resolution for Series E as presented.

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

Commissioner Otero asked about implications of recent federal budget cuts on federal and state loan programs and agreements.

Atty. Guz responded that the WIFIA loan is a solid commitment, with representations of due authority. The funding was likely also appropriated before the loan was issued. Atty. Guz stated he does not have the same confidence for the MaCWT. This is because in the MaCWT master loan agreement there is language stating if a project's regulatory agreement is amended, or if the MaCWT does not receive sufficient funding from EPA or the state, they have the right to reduce their commitment. In addition, loan forgiveness is administered based on Environmental Justice designation. Atty. Guz recommended closing out the York Street Pump Station and Backwash Facility projects as soon as possible in order to secure loan forgiveness associated with those projects.

Executive Director Josh Schimmel commented that the \$5 million Department of Energy grant for the hydropower station is also likely at risk, as it contains DEI requirements that conflict with the recent executive order.

Commissioner Otero asked about regulatory impacts from the new administration. Mr. Schimmel responded that climate resiliency requirements in NPDES permits will likely be curtailed.

Director of Field Services Ryan Wingerter reported that there have been 31 main breaks so far this year, with an average pipe age of 99 years. In the smart meter program, 12 of the real-time accounts indicated leaks in basements that were able to be intercepted.

Director of Legal Affairs Theo Theocles reported that he is assisting Engineering with various contracts in the WIFIA portfolio, HR issues, and with the appeal of the WMA ruling scheduled for April.

Deputy Director Raemarie Walker reported that the CIP was under development and coordination was underway for the next WIFIA draw-down.

Deputy Director of Water Operations Christina Jones reported that in-house upgrades to the rapid sand filters are nearing completion. Water production is currently around 25 MGD. Cobble Mountain Reservoir is at the lowest level it has been in 10 years, but will likely fill back up by spring according to modeling. The Commission's drought management plan is due to the state on April 7.

Ms. Buttrick reported that work on Bridge 4 at West Parish Filters is complete. Concrete was poured for the 42" EDV project. The Locust Street and Riverside Road projects have re-mobilized. The goal of the Riverside Road project is to restabilize the area.

Mr. Burns reported that work continues on the FY26 O&M budget, with meetings next week with directors. The ACFR is under final review.

Mr. Pellegrino reported that he is working on finalizing a contract with Solutia, and developing an official statement for the next bond sale.

Director of Wastewater Operations Steve Frederick reported that the south walls of the grit project were up and past delays have been mitigated. The biosolids contract will be negotiated soon. MassDEP is testing PFAS at wastewater plants, and the Commission plans to conduct its own parallel testing. Any PFAS detections are likely to impact the new biosolids contract.

Director of Human Resources Jennifer Boulais reported that hiring and union negotiations are ongoing.

Educations Outreach Manager Katie Shea reported that 50 Pipeline Program applications have been received so far. The deadline is March 26.

Mr. Schimmel reported that NEWWA is advancing a regional Work for Water initiative.

Atty. Guz reported that if the amendment of Chapter 2 of the Act of 2023 expires, the public will have a right to attend Board meetings in person. Virtual options are still allowed to be offered as well.

The next meeting will be at 9 AM on Thursday, March 20.

Participants left except Mr. Schimmel, Mr. Theocles, Mr. Burns, Ms. Boulais, and Atty. Guz.

Mr. Schimmel reported on a proposed retention strategy for director-level staff. The proposal is to allow directors to cash out up to a year of their earned sick time upon retirement with the Commission. Currently there already exists an uncapped sick leave buy-back program for non-bargaining employees that is based on a percentage rate scale for categories of accrued sick leave. Union employees have a defined sick leave buy-back program in their CBAs, for which they bargained. The proposal would provide this retention bonus for directors that have worked at the Commission for more than 10 years, and only after they apply for and collect retirement. The program would be capped at one year, whereas the current program is not capped.

The purpose is to keep director-level staff at the Commission for the entirety of their career. Mr. Schimmel noted that the private sector is recruiting experienced water/wastewater utility leaders, particularly in engineering. Mr. Schimmel also stated that the new Social Security Windfall Elimination provisions have made the private sector positions even more appealing for employees to leave prior to retiring or otherwise separating from the public sector after they have vested status in the retirement system in order to collect additional non-offset Social Security benefits. There are 9 directors total, including the Comptroller position, which is treated like a Director.

Commissioner Rodriguez commented that the Commission's sick time policy is extremely generous compared to the private sector. Mr. Schimmel responded that the incentive is also a reward for not abusing sick time that has been earned by the employee.

Commissioner Otero asked how a new person starting at the Commission would understand what the potential career progressions are within the Commission. Ms. Boulais responded that many people enter the Commission through the labor force, where there is a clear ladder of progression. Commissioner Otero asked where that was written. Mr. Schimmel responded that to some degree it is outlined in the union contracts.

Commissioner Otero stated that people who do not progress in their careers often simply have become what they are labeled without awareness of other potential opportunities for growth. Commissioner Otero stated that she is interested to know how the workforce is being shaped for the future, whereas this program is about directors that are here now. Commissioner Rodriguez added that he would rather see this amount of money benefit more people.

Mr. Schimmel stated that as an example all employees are encouraged to take courses that will give them knowledge and licenses to advance their careers. Mr. Schimmel stated that there are other initiatives that have been underway for a variety of types of employees, but this is focused on Director retention. Commissioner Otero responded that this was an extremely generous retention bonus, and that she would like to see more thought going into establishing motivation for others below the director level to progress in their careers at the Commission.

Commissioner Donnellan asked if there were performance reviews. Ms. Boulais responded that there are quarterly performance reviews for the first year for new employees and the first year beyond a promotion.

Commissioner Rodriguez stated that he sensed the Board's interest was about what incentives could be put in place to help people grow rather than retaining those at the top. Commissioner Otero added that she would like to see the systemization of informing people of the rewards of working towards the top.

Atty. Guz noted that there is a limited number of people that can rise to the director level. Mr. Schimmel responded that creating opportunities for all levels of employees is, and has been part of the culture at the Commission, and the retention incentive is just one piece of an ongoing effort. Commissioner Rodriguez stated that optics need to be managed, because an incentive like this can also create disincentives in an organization.

Commissioner Rodriguez asked to see a comparison of the current sick time payout allowance and that of the proposed retention program. Commissioner Otero added that she would also like to know the turnover rate. Commissioner Otero added that if directors can potentially be lured away by the private sector, marketing retention efforts at lower levels of staffing should also have value so there are people to move into director-level positions that may open up.

Atty. Guz stated that a vote on the retention program was not necessary, the Executive Director has the authority to implement the retention program. He summarized that one of the issues with the retention program was optics, and whether the reasons directors or other employees leave the Commission are varied.

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

None considered.

AT 3:54 PM, UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND SECONDED BY COMMISSIONER OTERO

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER OTERO

COMMISSIONER DONNELLAN: to adjourn.

Submitted By:

Jaimye Bartak, Secretary

Exhibits:

January 2025 Financial Report

2025 January Finance Director Report

SWSC WIFIA Program Quarterly Report December 2024

SWSC Bid No. 25-01 Contract Summary and Brown & Caldwell Recommendation

Cobble Mountain Reservoir Capacity Levels

Contracts Signed by Josh Schimmel

53rd Supplemental Resolution

Draft Director Retention Incentive Program

