



Established
1996

SPRINGFIELD WATER AND SEWER COMMISSION

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Minutes of Meeting

March 20, 2025

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

Chairman Rodriguez called the meeting to order at 9:05 AM and announced the Commissioners that are participating. Acting Secretary for the Commission Katie Shea called the attendance roll:

Daniel Rodriguez, Remote
Vanessa Otero, Present
Matthew Donnellan, Present

Also Present
Joshua Schimmel, Executive Director
Domenic Pellegrino, Director of Finance
Theo Theocles, Director of Legal Services and Procurement
Norm Guz, Commission Counsel
Patrick Burns, Comptroller
Ryan Wingerter, Director of Field Service
Darleen Buttrick, Director of Engineering
Steve Frederick, Director of Wastewater Operations
Jennifer Boulais, Director of Human Resources
Rick Gomez, Director of IT
Katie Shea, Educational Outreach Manager/Acting Secretary for the Commission

Participating Remotely
Raemarie Walker, Deputy Director of Finance
James Laurila, Director of Water Operations
Christina Jones, Deputy Director of Water Operations
Frank Zabaneh, Engineering Manager
Ashley Demarey, Deputy Director of Field Services

Business Matters

(non-agenda item)

Commissioners agreed to appoint Katie Shea as Acting Secretary of the Commission for the meeting held on March 20, 2025.

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

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:**

to approve Katie Shea as acting secretary of the Commission for the meeting held on March 20, 2025.

1. Approve the minutes of the meeting held on February 20, 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 the minutes of the meeting held on February 20, 2025.

2. Approve the executive session minutes of the meeting held on February 20, 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 the executive session minutes of the meeting held on February 20, 2025.

New Business

3. Financial Update: Report by Comptroller.

Comptroller Patrick Burns reported on the February 2025 financial report. There was an ending cash balance of \$129 million, with an approximate \$7.4 million negative cash flow.

There is a projected negative revenue variance of \$721,279.00 reflecting a decrease in water and sewer usage from what was estimated but will be absorbed by a projected surplus in expenditures.

The budget is projected to be spent at 98% with a balance of approximately \$1.7 million in unexpended operational funds.

Mr. Burns reported that approximately \$51.5 million has been spent from the capital budget so far in FY25, with a projected total FY25 expenditure of \$119.5 million. Expenditures will increase as construction at West Parish accelerates as spring construction season ramps up.

Mr. Burns reported that there was \$129 million in total cash, \$26.3 million of which was unrestricted representing approximately 20% of overall cash, with \$80% in restricted cash.

There was \$8.1 million in receivables of which approximately \$2.4 million was over 60 days old.

There was over \$1 billion in assets and \$720 million in liabilities, including outstanding debt, pension, and OPEB liabilities.

4.Consideration of FY25 O&M Budget Transfer of Funds – Amendment #1: Report by Comptroller.

Mr. Burns reported on a transfer from the personnel services line item to the workers compensation line item. There is a shortfall in the workers compensation line item due to injured on duty medical bills for a few employees as well as settlements that were discussed in January. This budget transfer would allow the Commission to make the appropriate workers compensation payments.

Commissioner Otero asked about workplace safety practices.

Executive Director Josh Schimmel reported that the Commission’s Safety Department provides safety training as well as needed protective gear. With the safety programs in place, workplace injuries have been trending down in recent years

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

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER OTERO

COMMISSIONER DONNELLAN:

to approve the FY25 O&M Budget Transfer of Funds – Amendment #1 as presented.

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

Director of Finance Domenic Pellegrino reported net billings of \$8.3 million, collections of \$7.1 million, with a resulting accounts receivable balance of \$7.1 million.

There were 6,654 accounts with receivables over 60 days old totaling \$2.3 million.

There were 90 credits issued totaling \$17,7074.36

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 \$17,074.36 as presented.

6. Consideration of Award of Brown & Caldwell Task Order No. R-21-01_BC_06 Residuals Management: Report by Director of Engineering.

Director of Engineering Darleen Buttrick reported on a task order with Brown and Caldwell for construction phase services including project administration, observation, and project closeout as part of the Residuals Management Project at West Parish Water Treatment Plant. The task order value is \$309,458.00.

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 execute Task Order No. R-21-01_BC_06 with Bown and Caldwell as presented.

7. Consideration of HDR Task Order No. R-21-01 – HDR-02 Cobble Mountain Unit 3 Rehabilitation: Report by Director of Engineering.

Ms. Buttrick reported on a Task Order with HDR Engineering for design and bidding phase services for the Cobble Mountain Hydrostation Unit 3 Rehabilitation.

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 execute Task Order No. R-21-01 – HDR-02 with HDR Engineering as presented.

8. Consideration of HG&E Memorandum of Understanding - Cobble Mountain Unit 3 Rehabilitation Support: Report by Director of Engineering.

Ms. Buttrick reported on an intergovernmental service agreement with Holyoke Gas and Electric (HG&E) for project management services related to the Cobble Mountain Hydrostation Unit 3 Rehabilitation project.

Ms. Buttrick stated that HG&E has experience and operational understanding of the hydrostation and this agreement would allow HG&E to provide project management services including support for the design, bidding, and construction phases of the project. HG& E has a lot of expertise in this area and has been involved in conceptual design and other planning for the unit 3 project.

Commission Counsel Norm Guz stated that currently HG&E has two contracts with the Commission for maintenance and operation of the hydrostation and for selling hydropower to the ISO market. This would be a separate agreement related to the unit 3 project.

Atty. Guz stated that the Commission is still finalizing the agreement with HG&E and are seeking approval substantially as presented.

Mr. Schimmel stated that the Commission has been working with HG&E as part of the DOE grant process for the project. The Commission is waiting to hear if the grant is still in place with recent federal spending cuts.

Commissioner Otero reported that she is aware of an appeal process for some of the federal grants that are facing cuts.

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 enter into the MOU with Holyoke Gas and Electric for Project Support Services for the Cobble Mountain Unit 3 Rehabilitation project substantially in the form as presented.

9. Discussion of Draft FY26 Rate Structure.

Mr. Schimmel reported that he and the finance team including Mr. Burns, Mr. Pellegrino, Atty. Theocles, and Atty. Guz have been working on the budget and rate structure for FY26. The team has also been meeting with the Commission's third-party water utility rate consultant. As part of the process, they are looking at the possibility of new rate setting structures related to fixed and variable fees.

Mr. Schimmel stated that much of the costs to provide water and sewer services are fixed. The Commission's fixed and operational costs have continued to increase while it's consumption trends downward. Currently over 90% of customer bills are variable based on consumption. Adding a fixed fee would provide more stability. The rate of the fixed fee would be tied to the debt service.

The Commission reviewed billing practices of other area water utilities, as well as others around the country that are of similar size and scope. It is common among water utilities, as well as other utilities like gas and electric, to have a fixed fee as part of the overall customer bill. A fixed fee is also recommended by the Massachusetts Water Resources Commission. Some other water utilities that have a fixed charge include Hartford MDC, Regional Water Authority (New Haven), Chicopee, Northampton, and Longmeadow, among others. Typically, the fixed fee is associated with meter/pipe size with smaller meters typically being residential and larger meters for commercial or industrial businesses.

Mr. Schimmel stated that the fixed fee will provide revenue stability, support long-term investments, reduce dependency on billed usage, and is consistent with industry guidance and standards.

The Commission is also reviewing affordability and the impact of a fixed fee on customers including different groups of customers like those with high consumption and very low consumption. The

Commission is also planning to propose an increase to the Senior, Disabled, and Disabled Veteran homeowner discount program and the Customer Assistance Program

Commissioner Otero asked about the increases to CAP as the Commission does not currently receive CAP applications from the number of homeowners as expected.

Mr. Schimmel stated that we know that in Springfield and around the country the Customer Assistance Programs are underutilized, and the Commission will continue to promote the program and work with various community organizations to get the word out to eligible customers.

Mr. Schimmel stated the finance team is continuing to examine scenarios and develop financial panels as is done every year. Key factors for the FY26 budget include cost increases on capital projects and the associated change in sequencing of the debt service, the next biosolids contract, pension liability, and health insurance coverage.

Commissioner Otero stated as part of the FY26 budget process it will be important to communicate with the public where we started and how we arrived at the current budget and the many factors that contribute to the budget.

Commissioner Rodriguez stated that it would be helpful to learn more about what is going on across the water sector as well as the rates for the local area.

Atty. Guz stated that seeing two budgets, one with a fixed fee and one with standard rate increases, would be helpful. The Infrastructure Renewal Fee will be tied to the debt service and it is anticipated that in FY31 or FY32 the debt would start to go down.

Mr. Schimmel stated that the Commission will prepare several budgets and financial panels that will include future years.

Mr. Pellegrino added that the Commission has strategically structured its debts utilizing the various financing sources including bonds, SRF, and WIFIA.

Atty. Guz stated that when reviewing the fixed fee it is also important to note the number of accounts. From 2015-2024 the Commission has only added approximately 500 residential accounts. Similarly for commercial and industrial accounts there has not been growth.

Commissioner Otero stated that there are some challenges with growth particularly as there is also a housing crisis in the area.

Commissioner Rodriguez stated that in older cities like Springfield there is not a lot of space for growth and there may be more possibilities for growth within the wholesale communities. The contracts for the wholesale communities were set up many years ago. Commissioner Rodriguez suggested that the wholesale contracts could also be reviewed as part of this process.

Atty. Guz stated that the wholesale communities that under the wholesale contracts, each Town pays their share of debt service based on the Town's water usage for that year.

Mr. Schimmel thanked everyone for their discussion regarding the budget and billing options. A meeting to discuss the FY26 draft budget will be scheduled soon during which the Board will be presented with the budget information, scenarios, and panels.

10. Consideration of Engaging Legal Services for Potential Sale/Leasing/Easements for Selected Commission Properties: Report by Executive Director.

Mr. Schimmel reported that the Commission is exploring various revenue streams. To support this process legal, engineering, and appraisal services are needed, with no contracts to exceed \$250,000. Mr. Schimmel stated that the initial engineering contract would be for \$100,000. Commissioner Rodriguez stated that the Board should have a copy of the agreement to review before authorizing the Executive Director to proceed. An update will be provided at an upcoming meeting including copies of any applicable draft contracts.

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

Mr. Schimmel reported that Cobble Mountain Reservoir levels are normal for this time of year.

Mr. Schimmel reported that the members of the Board were recently notified of their reappointments and scheduled hearing dates.

Atty. Guz stated that they would be following up to clarify and ensure correct dates on the reappointments because the Commissioner's terms should be staggered.

Mr. Schimmel reported on a recent Supreme Court case, San Francisco vs. EPA, which was decided a few weeks ago in favor of San Francisco Public Utilities Commission. It is expected that this decision will impact wastewater permitting in Massachusetts. The Commission has been in discussions with other Massachusetts CSO communities regarding permitting.

Mr. Schimmel reported that last week the Commission had concerns of a cyber-attack due to suspicious cyber activity. The Commission and the IT Department engaged with cyber insurance as well as the FBI. It does not appear that there were any breaches or other issues. The Commission is continuing to implement and enhance cyber security protocols.

Mr. Schimmel reported on a request from the City of Springfield Parks Department regarding sewer charges. In recent years the Commission has added Parks Department accounts that were not previously billed. The Parks Department has done some conservation work and has requested that the Board consider waiving sewer billing again for FY26 for park accounts as they continue to enhance water conservation efforts in the parks.

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

VOTED YES –

**COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO
COMMISSIONER DONNELLAN:**

To approve City of Springfield Parks Department water billing for FY26 as presented.

Atty. Guz reported on an abandoned sewer easement at the site of the old Eastfield Mall, which is now being developed as the Springfield Crossing Project by Onyx Development Company. Construction at the site is moving quickly and the Commission was just recently made aware of the abandoned sewer easement.

The sewer pipe that was contained in this easement has already been removed. The new sewer pipe is being relocated to a different area and the Commission will be granted the easement to the new sewer pipe. The Commission's Engineering Department is working closely with the developer to ensure the new

pipes meet all specifications and requirements. Atty. Theocles is also working closely with their attorney and an agreement was reached yesterday.

Atty. Guz stated that as part of the agreement the request is for the Board to vote to approve the abandonment of the easement as presented. The new easement will be recorded at the same time so there is no uncertainty regarding the easements.

Commissioner Rodriguez stated that he is unable to view the maps as presented in person.

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

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

To approve the partial abandonment of the sewer easement located at Springfield Crossing as presented.

**ABSTAIN-
COMMISSIONER RODRIGUEZ**

Director of Field Services Ryan Wingerter reported that water main break season is slowing down and Commission crews will be returning to approximately 40 break locations for paving and restoration as paving opens for the construction season. The Field Services department is also finalizing plans and permitting for a water main replacement project in Ludlow.

Director of Wastewater Steve Fredrick reported that the ICI upgrades at the wastewater treatment plan are ongoing. The grit project is progressing including concrete pouring.

Human Resources Director Jennifer Boulais reported that the HR department is working on staffing for summer workers and interns, extending relationships with previous Pipeline interns, and strengthening relationships with colleges particularly for Engineering positions. HR is also collaborating with the Safety Department for some upcoming training.

Ms. Buttrick reported that construction of the new West Parish Water Treatment Plant continues with tie-ins and excavation in sensitive areas. There has been some issues and the Water Operations staff has been working diligently to address any issues including a break in a chlorine line that has since been repaired. The bidding process for the Lagoon Cleaning Project is nearly complete. The Locust Street project is also nearing completion with bypass pipe testing scheduled soon. At Riverside Road, loose joints in the pipe were discovered that were not anticipated. The contractor, Baltazar is working on repairs to the joints and moving forward with that project. The Commission recently received the agreement from the Diocese of Springfield and can move forward with procurement for the St. Michael's Sewer Project.

Commissioner Otero asked if there was an updated timeline for the Riverside Road project and if this project will address the issues causing our infrastructure to be compromised.

Ms. Buttrick responded that contractors are working on repairing the section of pipe and installing a micropile to help stabilize the pipe.

Mr. Schimmel stated that the Commission is completing this water main project to repair critical infrastructure that is failing. This water pipe project is not to address the overall issues on Riverside Road that have been ongoing for decades. The City is working on an assessment of the area.

Director of IT Rick Gomez reported that the Commission continues to monitor cyber threats and enhance cyber resiliency. The IT department is completing SCADA upgrades to help make things more resilient at the existing water plant until the new plant comes online. The IT department is also working on replacing aging networking hardware and replacing battery backup units.

Commissioner Rodriguez asked about cybersecurity at the wastewater plant through the Commission's contracted operator, Veolia.

Mr. Gomez reported that Veolia manages their own IT and SCADA system. The Commission is in communication regarding issues or cyber threats.

Mr. Schimmel stated that Veolia operates internationally and utilizes various cyber security technologies.

Commissioner Otero added that it is recognized that Veolia is a global company with innovative practices and safeguards and it is good to know that the Commission has open lines of communication regarding cyber security issues as we are all ultimately responsible for our customers and communities we serve.

Mr. Pellegrino reported that the Commission added a new safety measure called deposit to pay. This provides increased fraud protection for checks issued by the Commission. Shutoff season is also underway, and the Commission has started posting properties with shutoffs to begin in April.

Mr. Pellegrino reported that he met with Wilmington Trust who manages the reserve accounts and interest income to discuss the upcoming large draws on the account for the treatment plant so they are aware and can appropriately manage the draws.

Mr. Burns reported that he is working on the FY26 budget and preparing for internal and external audits for FY25.

Director of Legal Affairs Attorney Theo Theocles reported he is working on a license agreement for the St. Michael's Cemetery sewer project, the Paymentus contract, housing court cases, and supporting capital projects and legal issues.

Educational Outreach Manager Katie Shea reported that the Commission recently participated in several neighborhood council meetings including a presentation to the New North Citizens Council with Mr. Schimmel and Communications Manager Jaimye Bartak.

The Commission will be participating in the Springfield Public Schools district-wide career fair on Monday, March 24th. Pipeline Applications for summer 2025 are being accepted until March 26th. More than 60 applications have been received to date. This week the Commission also hosted tours at West Parish Filters for students enrolled in the Basic Treatment Training Course offered at STCC in collaboration with Massachusetts Water Works Association. The Commission awarded 9 scholarships to students for the spring 2025 semester. Several scholarship recipients were among the tour attendees.

Mr. Schimmel reported that April 11, 2025 will be the last day for retiring comptroller Tony Basile. Mr. Schimmel thanked Mr. Basile for his many years of dedicated service, having been instrumental to operations and helping to advance the Commission.

Atty. Guz added that he worked with Mr. Basile for more than 30 years and stated Mr. Basile was always very professional, worked as a team, was willing to look at new ideas, implemented new financial practices, like the stabilization fund, and helped to advance the Commission. He will be missed.

12. Consideration of Modified Staff Retention Strategy: Report by the Executive Director.

Tabled.

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

The next Board meeting will be on March 27 at 1:30 to discuss the Draft FY26 Budget and Proposed FY26 Rules and Regulations.

**AT 10:34 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:

A handwritten signature in black ink, appearing to read "Katie Shea", written in a cursive style.

Katie Shea, Acting Secretary

Exhibits:

February 2024 Financial Report

2024 February Finance Director Report

Cobble Mountain Reservoir Capacity Levels

Contracts Signed by Josh Schimmel

FY 25 O&M Transfer of Funds Amend #1

Brown and Caldwell Task Order No. R-21-01_BC_06

HDR Engineering Task Order No. R-21-01 – HDR-02

Draft HG&E MOU

Eastfield Crossing Sewer Easement Map