



*Established*

*1996*

## SPRINGFIELD WATER AND SEWER COMMISSION

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### Minutes of Meeting

September 26, 2024

The Springfield Water and Sewer Commission held a public meeting on September 26, 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, Participating Remotely  
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  
Jennifer Boulais, Director of Human Resources  
Jaimye Bartak, Communications Manager/Secretary to the Commission  
Atty. Beth Card, Smith, Costello, and Crawford  
Patrick Karalekas, Facilities Manager

Participating Remotely  
Norm Guz, Commission Counsel  
Darleen Buttrick, Director of Engineering  
Jim Laurila, Director of Water Operations  
Christina Jones, Deputy Director of Water Operations  
Steve Frederick, Director of Wastewater Operations  
Ashley Demarey, Deputy Director of Field Services  
Mike Olkin, Deputy Director of IT  
Raemarie Walker, Deputy Director of Finance  
Frank Zabaneh, Engineering Manager  
Kristin Monfette, Safety Manager  
Ryan Wingerter, Director of Field Services  
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 July 17, 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 OTERO**

**VOTED YES –**

**COMMISSIONER RODRIGUEZ  
COMMISSIONER OTERO  
COMMISSIONER DONNELLAN:**

to approve minutes of the meeting held on July 17, 2024.

2. Approve the minutes of the executive session on July 17, 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 OTERO**

**VOTED YES –**

**COMMISSIONER RODRIGUEZ  
COMMISSIONER OTERO  
COMMISSIONER DONNELLAN:**

to approve minutes of the executive session held on July 17, 2024.

**New Business**

3. Financial Update: Report by Comptroller.

Comptroller Anthony Basile reported an ending cash balance of \$129.2 million, a \$7.2 million decrease of cash in the first 2 months of the fiscal year due to lump sum debt payments at the end of July. This is expected to even out as the year progresses.

A negative variance of \$1.7 million is expected in the revenue budget, as higher usage was anticipated than materialized in July and August. Consumption is down 2%.

There has been \$25.7 million in total operating budget expenditures, which represents 26% of the budget. There were lump sum pension and debt service payments in July.

There is \$83.9 million in anticipated capital expenditures this fiscal year, with \$4.5 million spent so far.

Unrestricted revenue represents 19% of total cash, and the stabilization fund represents 19% of overall restricted cash, which is aligned with the Commission's fiscal policies.

There was \$6.2 million in total receivables, with \$2.4 million over 60 days old.

There was just under \$996.7 million in assets, and \$730.1 million in liabilities.

4. Consideration of Utility Billing Credit Summary and Summary of Accounts Receivable July and August 2024: Report by Director of Finance.

Director of Finance Domenic Pellegrino reported net billings of \$9.6 million, collections of \$9.4 million, for an accounts receivable balance of \$5.2 million.

There were 6,032 accounts with receivables over 60 days, representing \$1.6 million.

There were 243 credits in July and August, totaling \$714,088.69. This amount includes annual true-ups to contracted regional water and sewer customers.

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

**VOTED YES –**

**COMMISSIONER RODRIGUEZ**

**COMMISSIONER OTERO**

**COMMISSIONER DONNELLAN:**

to approve credits in amount of \$714,088.69 as presented.

5. Consideration of CIP Amendment 2025-3: Report by Director of Finance.

Mr. Pellegrino reported on the closeouts of three projects, with the residual funds going into the CIP Reserve account.

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

**VOTED YES –**

**COMMISSIONER RODRIGUEZ**

**COMMISSIONER OTERO**

**COMMISSIONER DONNELLAN:**

to approve CIP Amendment 2025-3.

6. Consideration of CIP Amendment 2025-4: Report by Director of Finance.

Mr. Pellegrino reported on a transfer of \$20,412 from the CIP reserve into project 005-0106, to complete the SCADA programming for the West Parish chlorine gas system.

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

**VOTED YES –**

**COMMISSIONER RODRIGUEZ**

**COMMISSIONER OTERO**

**COMMISSIONER DONNELLAN:**

to approve CIP Amendment 2025-4.

7. Consideration of Longmeadow Water Contract Extension 6th Amendment: Report by Director of Finance.

Mr. Pellegrino reported on the 6<sup>th</sup> amendment of the Longmeadow water contract, which extends the contract to June 30, 2025 in order to continue talks with Longmeadow on border accounts and assets. Executive Director Josh Schimmel reported that a three-year extension was sought, but Longmeadow sent a one-year contract.

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

**VOTED YES –**

**COMMISSIONER RODRIGUEZ**

**COMMISSIONER OTERO**

**COMMISSIONER DONNELLAN:**

to approve the 6<sup>th</sup> amendment to the Longmeadow Water Contract.

8. Consideration of 2019 Series E Project Closure Certificate and Transfer Request: Report by Director of Finance/Commission Counsel.

Mr. Pellegrino reported that all but one project in a revenue bond issued in 2019 has been completed. One project is remaining open due to an expected payment to be made from litigation. While that project remains open, interest cannot be earned above the bond yield due to the yield restriction period (arbitrage). The interest was 2.71% when the bond was issued, and since then interest rates have increased. Anything above 2.71% that is earned must be paid back to the U.S. Treasury.

In order to end this yield restriction period, the project fund needs to be closed out, and transferred to a temporary project fund that is maintained until litigation is complete. There is \$1 million left in the project fund.

Commission Counsel Norm Guz added that the account will be spent down, and cash reserves will become more restricted, as the funds in the temporary account will have to be held for the next fiscal year.

Commissioner Rodriguez asked if the arbitrage issue creates any liability for interest earned in the past. Atty. Guz replied no, because the interest on the debt service account has not earned enough to make it an issue. Commissioner Rodriguez asked why this never came up in financial audits. Mr. Pellegrino responded that annually AMTEC performs its arbitrage rebate calculations and Marcum reviews those calculations as part of its annual audit. Due to the strong investment market on short-term interest earnings, it is the first time earnings have outperformed bond yields in recent years. This is happening to other organizations as well due to the rise in interest rates.

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

**VOTED YES –**

**COMMISSIONER RODRIGUEZ**

**COMMISSIONER OTERO**  
**COMMISSIONER DONNELLAN:**

to approve the project certification for the 2019 Series E bond.

9. Updates by Beth Card of Smith, Costello, and Crawford: Report by Executive Director.

Beth Card of Smith, Costello, and Crawford reported on the recent legislative session. Ms. Card reported that six major bills were in play, including the economic development bill, climate bill, and housing bond bill. The housing bond bill did pass, but the other two did not.

Legislation impacting Cobble Mountain Road was attached to the housing bond, and would have required DCAMM to open the road and make it accessible to the public for recreation. The bill did not advance past Ways and Means, but it is expected to appear again.

Another bill would have established an advisory committee and expand the number of commissioners, similar to the MWRA. The counter-argument to this bill was that the Commission structure did not need fixing, and expansion would bring votes beyond the rate base. Due to outreach, the bill did not advance as part of the housing bond bill.

A bill that would have given the EEA Secretary the ability to implement conservation restrictions on geographic areas and private wells, as well as provide more authority to the drought management task force, was also defeated. This bill would have had an unnecessary negative impact on revenues when there may be ample water available, and while the governor already has power to declare a drought emergency. The bill was a Senate amendment on the economic bill, then another amendment was proposed on the climate bill. There is support for this bill statewide so it may reappear in the next session, particularly if the climate bill is revisited during a special session.

Mr. Schimmel added that the Commission's appeal of the Water Management Act regulations is still ongoing, and a motion by the Commission's legal team was made to have the appeal heard directly by the will go to the state Supreme Judicial Court.

Ms. Card reported on a standalone bill on PFAS regulations. This bill was the result of a PFAS task force. The proposed legislation included increased public messaging and changes to firefighting equipment, but also increased monitoring requirements for wastewater facilities that carry some unintended consequences. The only portions to pass were the increased messaging and firefighting provisions, but more provisions are expected. Mr. Schimmel noted that the proposed PFAS legislation would have raised the costs of biosolids removal, and that PFAS will be in the Commission's next NPDES permit.

Ms. Card continued that she will continue to track these bills, as well as initiate outreach for targeted funding in the environmental bond bill.

Commissioner Rodriguez expressed his appreciation at being more proactive legislatively. Commissioner Otero asked about the advocacy involvement of our professional associations. Mr. Schimmel responded that MWWA is the lead association in Massachusetts, but environmental groups are more organized and have more resources. Ms. Card added that legislative advocacy is a chronic challenge for utilities nationwide, as elected officials do not understand the work that goes into operating treatment facilities. The environmental bond bill presents a great opportunity for more education. Commissioner Rodriguez responded that environmental groups also need to be educated, and that utilities should not be viewed as the enemy of environmental groups.

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

Director of Engineering Darleen Buttrick reported on the status of the WIFIA portfolio, and that \$30 million of the WIFIA loan had been expended, which is slightly behind schedule due to contracting delays, and weather and material procurement. Next quarter, the Locust Street project will be completed. Work on the Provin maintenance contract began in the previous quarter. The Bernie Avenue improvements project is continuing.

11. Consideration of Amendment to SWSC Contract #20220048: Report by Director of Engineering.

Ms. Buttrick reported on a change order to contract #20220048 with Baltazar to do additional work due to discoveries made during the course of the project. The change order will add 98 additional calendar days and \$546,000 to the cost of the project.

**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 the change order to contract #20220048.

**AT 10:51 AM, UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND SECONDED BY COMMISSIONER OTERO**

**VOTED YES –**

**COMMISSIONER RODRIGUEZ  
COMMISSIONER OTERO  
COMMISSIONER DONNELLAN:**

to take a 5-minute break and return to public session at 10:56 AM.

**AT 10:56 AM, UPON MOTION DULY MADE BY COMMISSIONER DONNELLAN AND SECONDED BY COMMISSIONER OTERO**

**VOTED YES –**

**COMMISSIONER RODRIGUEZ  
COMMISSIONER OTERO  
COMMISSIONER DONNELLAN:**

to return to public session.

12. Consideration of GDO Agreement No. DE-GR0000018 for the Cobble Mountain Hydropower Station Unit 3 Modernization: Report by Director of Engineering.

Mr. Schimmel reported on a grant from the Department of Energy (DOE) for the hydropower station. The \$5 million grant will be paid upon the completion of the project, which is anticipated to cost \$25 million. This grant agreement is substantially in place, though a few of the dates may need to be finalized.

**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 the agreement on behalf of the Commission substantially in the form as presented, subject to finalization of date for performance.

13. Consideration of Legal, Regulatory, and Consultation Services by Smith, Costello, and Crawford Related to Updates to the Commission's Integrated Wastewater Plan: Report by Executive Director.

Mr. Schimmel reported that EPA recently informed the Commission of an upcoming new NPDES permit, and has also inquired about its CSO program. Staff provided EPA an update on the status of implementing its Integrated Wastewater Plan from 2014. The grit removal project and new York Street Pump station will help mitigate CSOs.

A new Administrative Order (AO) for CSOs is being discussed with EPA. Beth Card of Smith, Costello, and Crawford would be contracted to provide legal consultation to help negotiate an AO, which EPA may be trying to integrate with the NPDES permit.

**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 sign and enter into the agreement with Smith, Costello, and Crawford as presented.

14. Consideration of North Lane IGA: Report by Water Resources Manager.

Director of Legal Affairs Theo Theocles reported on an agreement to perform drainage improvements on a public way in Blandford, at no additional cost to either party.

**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 sign the

North Lane IGA.

15. Consideration of Blandford Brush Truck IGA: Report by Water Resources Manager.

Mr. Theocles reported on an agreement to provide financial assistance to the Town of Blandford for brush fire firefighting apparatus. The Town will have to provide a receipt for the equipment.

**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 sign the Blandford Brush Truck IGA.

16. Consideration of Mill Valley Golf Links License Agreement: Report by Water Resources Manager.

Ms. Sanford reported on a 10-year license agreement for Mill Valley Golf Links to use property that abuts Commission land in exchange for a small license fee.

**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 sign the Mill Valley Golf Links License Agreement.

17. Report from the Hiring Committee for the Position of Comptroller: Report by Director of Human Resources.

Mr. Schimmel reported that there is a candidate that was screened by the hiring committee and is eligible to move forward. Commissioner Donnellan, Human Resources Director Jen Boulais, Mr. Basile, and Tanya Campbell of Marcum were involved in the screening process.

Ms. Boulais explained that there were 9 applicants, with three that moved forward once the screening criteria were applied. Those three candidates were asked questions pertaining to their application materials, and following that only one candidate was selected to move forward. Ms. Boulais remarked the candidate is excellent and he is recommended without hesitation.

Commissioner Rodriguez asked if it was appropriate to broaden the search. Ms. Boulais responded that she did not believe it was, as the candidate was an exceptional one. The search can be expanded if the Board is not satisfied following their interview and review. Mr. Schimmel added there was limited time to on-board a new Comptroller while Mr. Basile is still available to train them.



Commissioner Otero commented it is not good practice to only present one candidate, as there is no opportunity for comparison, and if the candidate does not accept, there is no alternative. Ms. Boulais responded that there was not another candidate that was qualified for the position among the nine that applied, and that the goal of the committee was to ensure that only those that could be successful were considered by the Board.

Commissioner Rodriguez remarked that he was disappointed that the process only elevated one person. Commissioner Otero added that she may consider asking for the search to continue, and that she wished that an alternative path was considered when only one candidate turned out to be qualified to move forward.

Mr. Schimmel noted that the interview process is public, so the candidate's name will already be publicized if the Board decides to re-open the search following the interview.

Commissioner Donnellan reported that the search was national, and several applicants had holes in their employment history. Commissioner Donnellan recommended interviewing the candidate first before re-opening the search.

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

**VOTED YES –**

**COMMISSIONER RODRIGUEZ**

**COMMISSIONER OTERO**

**COMMISSIONER DONNELLAN:**

to interview the candidate for the Comptroller position.

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

Mr. Schimmel reported that there are issues with the power plant, so water is coming from the reservoir via the Diversion Gates for another month.

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

Facilities Manager Patrick Karalekas reported on a community solar agreement for a facility that is going online in Southwick. If the Commission were to participate, it would receive renewable energy credits from Eversource in the form of approximately \$60,000/year, a 10% offset to its energy bill. The contract is for one year. The contract can be terminated at any time after one year.

Commissioner Rodriguez asked if there is any obligation or liability on the part of the Commission. Mr. Karalekas responded no, the Commission would not be a part-owner and could join another community solar agreement in the future.

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

**VOTED YES –**

**COMMISSIONER RODRIGUEZ  
COMMISSIONER OTERO  
COMMISSIONER DONNELLAN:**

to authorize the Commission to join the community solar agreement as presented.

Mr. Schimmel reported that the Commission is limited on space for staff right now, and that it is seeking office solutions based on leased or purchased property. The most feasible option appears to be renovating existing office space. Mr. Guz added that if a building were to be purchased, it would have to be put out to bid in an RFP unless it is considered a “unique property.”

Mr. Schimmel reported that the Commission recently received an award from the MA Coalition for Responsible Water Stewardship for its York Street Pump Station project, and from NEWWA for its service to the organization.

**Executive Session**

**AT 12:00 PM UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND  
SECONDED BY COMMISSIONER DONNELLAN**

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

to enter executive session to conduct a strategy session and discuss negotiations related to an employment contract with the Executive Director. It was announced that public session would not resume following executive session.

20. Consideration of Employment Contract for Executive Director: Report by Commission Counsel.

Addressed in Executive Session.

Submitted By:



Jaimye Bartak, Secretary

Exhibits considered:  
July 17, 2024 Meeting Minutes  
July 17, 2024 Executive Session Minutes  
Monthly Financial Report  
CIP Amendments 2025-3 and 2025-4  
2024 July and August Finance Director Report  
Longmeadow Water Contract Amendment  
2019 Series E Project Close Certification and Transfer Request  
Contracts Signed by Josh Schimmel

Cobble Mountain Reservoir Capacity  
SWSC WIFIA Quarterly Report July 2024  
SWSCContract#20220048-ChangeOrderNo.3-PendingApproval  
Mill Valley Golf Links Agreement  
Blandford Brush Truck IGA