



SPRINGFIELD WATER AND SEWER COMMISSION

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Minutes of Meeting

January 14, 2021

The Springfield Water and Sewer Commission held a virtual meeting on January 14, 2021. The virtual meeting was held in accordance with Governor Baker's *Executive Order Suspending Certain Provisions of the Open Meeting Law*, G. L. c. 30A, § 20, dated March 12, 2020.

Chairman Dan Rodriguez called the meeting to order at 9:04 a.m. and announced the Commissioners that are participating remotely. Commission Secretary Jaimye Bartak called the attendance roll:

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

Also Participating Remotely
Joshua Schimmel, Executive Director
Norman J. Guz, Commission Counsel
Anthony Basile, Comptroller
Domenic Pellegrino, Director of Finance
Bill Fuqua, Director of Wastewater Services
Steve Frederick, Deputy Director of Wastewater Services
Nicole Sanford, Water Resources Manager
Scott Loomis, Procurement Officer
Christina Jones, Deputy Director of Water Operations
Jim Laurila, Director of Water Operations
Ryan Wingerter, Deputy Director of Field Operations
Bob Stoops, Chief Engineer
Katie Shea, Educational Outreach Specialist
Frank Zabaneh, Senior Engineer
Kristin Monfette, Safety Manager
Stephanie Douglass, Human Resources Manager
Jaimye Bartak, Communications Manager/Secretary of the Commission

Business Matters

1. Approve the minutes of the meeting held on December 10, 2020, 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 OTERO

VOTED YES –

COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD
COMMISSIONER OTERO:

to approve the minutes of the meeting held on December 10, 2020.

2. Approve the minutes of the executive session held on December 10, 2020, 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 OTERO

VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD
COMMISSIONER OTERO:

to approve the minutes of the executive session held on December 10, 2020.

New Business

3. Financial Update: Report by Comptroller.

Comptroller Anthony Basile reported that the fiscal year is 50% complete. Currently there are cash reserves of \$110,736,130; this cash balance reflects an increase of \$1.2 million at this point in the year from cash flow.

The operating budget has been 48% spent out, which is typical for this time of year. The operating budget is projected to be spent at 97% due to some position vacancies and other operating costs projected to be underspent. The operating budget includes a financing cost that was scheduled in FY21 for the CWT, but the closing has been delayed and the cost will be required in FY22.

Capital spending has totaled \$19.5 million through December, with the River Crossing & York Street project spending at the highest rate. There is an overall CIP balance of \$134.5 million in unspent approved projects on the books that are authorized to be spent.

There was \$89.6 million in revenue anticipated for this fiscal year, and \$49.3 million collected year to date. This is a small projected year-end variance of \$160,867, which is .17% of revenue. Interest earnings and late payment fees are expected to be deficient. Higher water sales during the summer helped compensate for deficiencies in other categories. Revenues are therefore expected to come in within the original estimates. Executive Director Josh Schimmel added that the situation underscored the impact of weather on the revenue stream each year.

There was \$110.7 million in cash at the end of December. Unrestricted revenue is used for working capital and day-to-day operations and represents 29% of the overall cash. Other categories are all restricted, in line with the Commission's financial policies.

There was \$8.8 million in receivables before credits. Of that, \$4.1 million is over 60 days old.

There was \$603.1 million in assets and \$421.4 million in liabilities. There is \$3.9 million in the OPEB trust fund.

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

Director of Finance Domenic Pellegrino reported that there were net billings of \$7 million in December, and collections of \$6.9 million. This leaves an accounts-receivable balance of \$8.1 million. The accounts-receivable balance is 82% higher than last year. Typically accounts receivables this time of year are approximately \$4 million.

There were 7,665 accounts with balances over 60 days old, representing \$4.1 million as of December. This is an increase of 146% from this time last year and the three-year average. The number of accounts with receivables over 60 days old is starting to increase each month. Customers typically pay the most between April and November.

The number of accounts with balances over 60 days old is starting to increase each month. In addition, outstanding balances are usually in the \$2-300 range, but now are averaging around \$500. Mr. Pellegrino said that without a shut off program, the number of accounts will certainly remain higher than typical years. Mr. Schimmel stated it was unclear what the late fee reinstatement will do.

Commission Counsel Norm Guz noted that the increase in receivables over 120 days old is concerning, as it is usually one of the lower numbers, and those might be harder receivables to collect.

Commissioner Rodriguez suggested reviewing payment plans and seeing how many are making progress. Mr. Schimmel responded that the asset management system is now being utilized to better track the progress of payment plans.

Commissioner Rodriguez asked how many people were already on payment plans. Mr. Pellegrino responded that letters to all accounts with receivables over 60 days old informed customers that late fees would be returning February 1. The letters encouraged them to set up payment plans. Six thousand letters were sent out in November, with 300 requests for payment plans in response. Unfortunately a good number have already defaulted. The main focus was to make people aware of the upcoming late fees and the fact that payment plans allow them to avoid late fees. Once the outreach is complete, customer services wants to assess how to handle defaults.

Commissioner Rodriguez asked if people have been reaching out to the LIHEAP program. Mr. Pellegrino responded that through December there have been approximately 70 CAP credits issued. Requests continue to come in. Many at first came in without proper documentation but as time goes on compliance has improved.

Mr. Pellegrino reported that in December 170 credits were issued in the amount of \$13,816.02.

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

**VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD**

COMMISSIONER OTERO: to approve credits in the amount of \$13,816.02.

5. Consideration of CIP Amendment 2021-06: Report by Director of Finance.

Mr. Pellegrino reported that available appropriations will be transferred to close out project 130-0014. This project was requested in 2020 but needs to be delayed until FY23 as other decision-making points are worked through.

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

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER LEONARD

COMMISSIONER OTERO: to approve CIP Amendment 2021-06.

6. Consideration of CIP Amendment 2021-07: Report by Director of Finance.

Mr. Pellegrino reported on a request to add additional funding to a hydrant project. Hydrant repairs are difficult to predict year to year, and this account is usually reduced during the budget process. An amount of \$17,000 will be transferred from the CIP reserve account to the hydrant project.

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

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER LEONARD

COMMISSIONER OTERO: to approve CIP Amendment 2021-07.

7. Consideration of Recommendation to Award Contract CA-21-05 to Water Line Industries for Cobble Mountain Diversion Gates Outlet Modifications: Report by Chief Engineer.

Chief Engineer Bob Stoops reported that this project is related to improving the redundancy of the raw water system. It would extend two 40" diameter pipes downstream, introduce two PVC vent lines, construct new CMU concrete walls at the tunnel inlet, restrict air flow, and eliminate freezing/icing. There was only one bidder for this project. Two other contractors were interested but interpreted the job as risky due to confined space and need for rescue teams. The bidder was Water Line Industries, which earlier successfully worked on Provin Tank 2. It will be critical to keep the project on the timeline because of planned outages at the power plant this year.

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

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER LEONARD
COMMISSIONER OTERO:

to Award Contract CA-21-05 to Water Line Industries
for Cobble Mountain Diversion Gates Outlet
Modifications.

8. Consideration of Recommendation to Approve AECOM Work Order 20A-10 for Construction Phase Services during Contract CA-21-05: Report by Chief Engineer.

Mr. Stoops reported that this project is related to a previous construction project and includes construction management and resident engineering for the diversion gate project. Documentation review and regular meetings would be included in the contract. Full-time, on-site resident engineering has been budgeted, as well as welding specialists and electrical inspections. Twenty-five percent of the construction costs are for health and safety.

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

VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD
COMMISSIONER OTERO:

to approve AECOM Work Order 20A-10 for
Construction Phase Services during Contract CA-21-05.

9. Consideration of Authorization to Borrow \$15 Million for the Clearwell and Backwash Pump Station Replacement Project: Report by Commission Counsel.

Commission Counsel Norm Guz reported that on January 6, the Commission received a loan commitment for the Clearwell and Backwash Pump Station project from the Clean Water Trust.

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

VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD
COMMISSIONER OTERO:

That \$15,000,000 is appropriated for the purpose of financing the replacement of the Clearwell and Backwash Pump Station at West Parish Filters (the “Backwash and Pump Station Project”) including without limitation all costs thereof as defined in Section 1 of Chapter 29C of the General Laws of the Commonwealth, as amended; that to meet this appropriation the Executive Director is authorized to borrow \$15,000,000 and issue bonds or notes therefore under Chapter 40N of the General Laws; that the Executive

Director is authorized to borrow all or a portion of such amount from the Massachusetts Clean Water Trust established pursuant to Chapter 29C, as amended and pursuant to the provision of the Massachusetts Clean Waters Act Chapter 21 of the General Laws of the Commonwealth, as amended; and in connection therewith to enter into a loan agreement and/or a security agreement with the Trust and otherwise to contract with the Trust and the Department of Environmental Protection with respect to such loan and for any federal or state aid available for the project or for the financing thereof; that the Executive Director is authorized to enter into a project regulatory agreement with the Department of Environmental Protection, to expend all funds available for the project and to take any other action necessary to carry out the project.

10. Update on Cobble Mountain Road Ownership in Blandford: Report by Executive Director.

Mr. Schimmel reported that conversations with the Town of Blandford are ongoing regarding several issues, including Cobble Mountain Road. The road has been closed since April 2002. DCAMM owns the road in Russell and Granville; it is unclear if they own the road in Blandford. DCAMM provided the Commission with permission to close the road twenty years ago. Barriers are on the road at the intersection with Wildcat Road, and also two miles to the north in Blandford.

Mr. Schimmel continued that DCAMM has the ability to deed the road in Russell and Granville to the Commission under the Acts of 2004. The Commission has not opened the road since 2002 due to ongoing threats to water facilities, including domestic terrorism. The Town of Blandford is requesting that DCAMM remove the permission it gave to the Commission to close the road. The Commission is petitioning DCAMM to transfer ownership of Cobble Mountain Road to the Commission. The Commission is willing to speak with Blandford, but their position to open the road remains in conflict with the Commission's need to limit access and provide security to the critical infrastructure along Cobble Mountain Road. The state police patrol the dam daily due to the history of trespassing and vandalism and the continued threat to infrastructure. Closing the road eliminated that problem. First responders have been provided keys to the gates to aid in emergency response. The Commission's plan should it receive ownership from DCAMM is to deed the Granville portion of the road back to Granville.

Mr. Guz explained that when the statute was passed to transfer the property, it was to be at no cost to the Commission, since the City of Springfield paid for the original construction of the road. It is unclear who owns the Blandford portion of the road due to the transition to and from county ownership over the years. The easiest way to permanently resolve the issue is to obtain control of the road. Blandford has made it clear they have no interest in having the gate remain.

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

**VOTED YES –
COMMISSIONER RODRIGUEZ**

COMMISSIONER LEONARD
COMMISSIONER OTERO:

to authorize the executive director to proceed in acquiring and assisting DCAMM in transferring Cobble Mountain Road as set forth in Section 63 of Chapter 291 of the Acts of 2004.

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

Mr. Schimmel shared a list of contracts recently signed by him.

Mr. Schimmel reported that the capacity of Cobble Reservoir is a little below the three-year average, but it is close to 83% full. Rains over Christmas increased the reservoir level by 15 feet.

Mr. Schimmel acknowledged a thank-you note from the Pioneer Valley Rowing Club for a recent donation.

Mr. Schimmel provided an update on the Covid situation. The increased community caseloads have had an impact on staff in terms of absenteeism and quarantine, which creates scheduling challenges. Expectations for safety are communicated clearly to all staff and vendors.

Mr. Schimmel reported that he sent a letter to the state Department of Public Health regarding obtaining vaccinations for staff. Utility staff are currently in Phase IIB, and vaccinations are anticipated in February. A clinic at the Commission will probably not be necessary due to other vaccination events coming up in Western Massachusetts.

Mr. Schimmel reported that the Commission was selected to receive a WIFIA loan, which will be very impactful. The loan package is \$251 million, one of the largest allocations in the nation. This will present a \$60 million savings for ratepayers due to reduced borrowing costs. The program offers flexibility to shape debt service and will be a part of a \$550 million capital program. Mr. Schimmel thanked staff that worked on the application and Mr. Guz's assistance. Mr. Guz offered his congratulations.

Mr. Schimmel added that the Commission's financial position and policies enabled the WIFIA loan. Mr. Guz thanked the Commissioners for supporting staff and the executive director by adopting the financial policies.

Mr. Schimmel continued that the WIFIA loan will accelerate the need to pass a special act to enable alternative design-build processes. A legislative sponsor will be needed for that.

Mr. Schimmel reported that the 2021 CARES Act included \$638 million (nationwide) for low-income water ratepayer assistance. It is unclear how the funding will make it to utilities. If the funding flows through state LIHEAP programs, the Commission is well-positioned due to its existing partnerships with local LIHEAP administrators for the CAP program. The funding could also be directed to utilities themselves to forgive past-due amounts.

Mr. Schimmel continued that a bill staffer went out in January bills that outlined all customer assistance programs. Accounts with amounts over \$200 over 60 days old will also receive at least three letters that encourage payment plans.

Commissioner Otero asked if the funding flows through LIHEAP programs, whether landlords would benefit on behalf of renters. Mr. Schimmel responded that funding might flow to them since they have not

been receiving rent. Mr. Schimmel stated that the Commission will try to help shape how the funding flows once it arrives in the state.

Mr. Guz asked if the funding is income-based or based on whether one has outstanding water bills. Mr. Schimmel responded that it is currently unknown, and may be based on how existing LIHEAP programs work within the states. Commissioner Otero noted that if the funding flowed through LIHEAP it would exclude landlords. Commissioner Rodriguez stated that landlords should not be excluded completely but the focus should be on people that cannot pay their water bills. Mr. Schimmel added there is also \$25 billion in the Covid relief bill for renter and renter utility assistance, which will not benefit the Commission since renters are not billed directly.

Mr. Schimmel reported that a reminder about proper social media use was sent to staff. This includes ensuring that social media posts do not implicate the Commission in any opinion or position. There were no recent violations of the Commission's social media policy.

Mr. Schimmel reported that nine applications were received for the scholarship for the online STCC course. Three scholarships were awarded to two Springfield residents and one Westfield resident.

Mr. Schimmel reported that the drinking water system is currently in compliance with HAA5 regulations. Over the past year and a half it has become clear that weather patterns influence HAA5 levels. The pilot plant study is completed, and half-plant trials of a new coagulant are currently underway. Deputy Director of Water Operations Christina Jones reported that a low dose of the new coagulant was applied last week, and the amounts have been increased. So far there is a consistent drop in UV 254 levels, which are an indicator of organics. Filter run times remain acceptable. The hope is that the new coagulant can be used as a short-term measure to keep organics low until the dissolve air floatation system is built. The half-plant trial will continue until the end of the month.

Mr. Schimmel reported on a proposed reorganization within the Commission. This would include a new Director of Legal Affairs position. This position would assist with legal matters, be chief procurement officer, and manage outside counsel relative to labor, workers compensation, insurance claims, shutoffs, and housing court. All current outside counsel is close to retirement. Mr. Guz will still remain general counsel, and another person will take over his role when he retires. With the upcoming amount of infrastructure work due to WIFIA, this position will coordinate and oversee all of the legal services the Commission will need. The starting salary will be \$110,000 to \$160,000/year.

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

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

to authorize the executive director to establish the position of Director of Legal Affairs in the form substantially presented.

Mr. Schimmel reported on a proposed new position of Director of Engineering and Capital Programs. This would be a senior position to take over direction of the Engineering Department, particularly as the Commission prepares to take on \$550 million in capital improvements. The current Chief Engineer will play a mentoring role as he approaches retirement. The proposed starting salary is \$120,000-185,000.

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

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

to authorize the executive director to establish the position of Director of Engineer and Capital Programs in the form substantially presented.

12. Update on Appeal of Final NPDES Permit by USEPA: Report by Executive Director.

Addressed in executive session.

13. Update on 42-inch Bypass and Plunger Valve: Report by Executive Director.

Addressed in executive session.

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

Taken out of order before item 12.

None considered.

The next Commission meeting will be February 25, 2021 at 9 AM.

AT 11:03 AM UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND SECONDED BY COMMISSIONER OTERO

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

to enter into executive session to discuss the appeal of the final NPDES permit by USEPA and the 42" bypass transmission main project. It was determined that holding the discussion in public session could be detrimental to the Commission's position in existing litigation. It was announced that public session will not resume at the end of executive session.

Submitted By:



Jaimye Bartak, Secretary