



Established

1996

SPRINGFIELD WATER AND SEWER COMMISSION

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SPRINGFIELD WATER AND SEWER COMMISSION

Minutes of Meeting

February 19, 2020

The Springfield Water and Sewer Commission held a meeting at the John J. Lyons Administration Building, Springfield, MA, on February 19, 2020.

Chairwoman Vanessa Otero called the meeting to order at 9:01 a.m. and Commission Secretary Jaimye Bartak called the attendance roll:

William E. Leonard, Present
Daniel Rodriguez, Present
Vanessa Otero, Present

Also Present

Joshua Schimmel, Executive Director
Norman J. Guz, Commission Counsel
Anthony Basile, Comptroller
Domenic Pellegrino, Director of Finance
Bill Fuqua, Director of Wastewater Services
Dan DiRienzo, Director of Field Services
Scott Loomis, Procurement Officer
Nicole Sanford, Water Resources Manager
Christina Jones, Deputy Director of Water Operations
Stephanie Douglass, Human Resources Manager
Jim Laurila, Director of Water Operations
Jaimye Bartak, Communications Manager/Secretary of the Commission
Katie Shea, Educational Outreach Specialist

Business Matters

1. Approve the minutes of the meeting held on January 23, 2020, without reading, because copies were furnished to each member of the Commission for their review.

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

VOTED UNANIMOUSLY:

to approve the minutes of the meeting held on January 23, 2020, without reading, because copies have been furnished to each member of the Commission for their review.

2. Approve the minutes of the executive session held on January 23, 2020, without reading, because copies were furnished to each member of the Commission for their review.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER OTERO VOTED UNANIMOUSLY:

to approve the minutes of the executive session held on January 23, 2020, without reading, because copies have been furnished to each member of the Commission for their review.

Old Business

3. Consideration of Appeal by Former Owners of 214 Russell Street: Report by Executive Director.

Executive Director Josh Schimmel reviewed the status of the appeal by the former owner of 214 Russell Street, which was subject to tamper penalties. Based on evidence subsequently presented by the appellants, a proposed settlement agreement was described.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY:

to approve the settlement for the tamper penalty for the former owners of 214 Russell Street in the amount of \$5,000.

New Business

4. Financial Update: Report by Comptroller.

Comptroller Anthony Basile reported that there was \$109.3 million in cash, which was an increase of \$50.2 million.

The operating budget's projected expenditure is 99%.

In the capital budget, a total of \$28.2 million has been spent through January. Of that, \$18.6 million is on the river crossing project. There is still \$122.5 million in appropriations for capital projects.

The revenue budget is projected to be within a less than 1% variance than what was projected overall, mainly due to the ups and downs in power generation.

The cash trend shows \$109.3 million in cash. There is \$28 million in unrestricted cash (which is working capital), while 75% of the cash is restricted.

There are \$4.8 million in total receivables, of which \$2.3 million is over 60 days old. There is \$560.8 million in total assets, and \$3.8 million in total liabilities.

5. Consideration of FY20 O&M Budget Amendment #1: Report by Comptroller.

Mr. Basile reported that the amendment is to transfer \$435,000 to the electricity account. Commissioner Otero asked how there is still funding in the personnel services account. Mr. Basile responded the leftover funding is due to vacancies. Mr. Schimmel added that the budget only accounted for filling half of the positions since there has been much turnover due to the good economy. Mr. Basile noted that there are currently 29 vacancies, and that is a fairly consistent number across the organization.

Commissioner Leonard asked if pay was competitive enough to attract applicants. Mr. Schimmel responded yes in some areas, no in others. The main issue is the number of applicants available.

Commissioner Otero asked if it was known how much salary difference employees were leaving for. Mr. Schimmel responded that the construction industry pays \$10/hour more than the Commission due to the state wage rate, especially in good economies. Turnover is a reason the Commission has developed educational and outreach programs to build the workforce.

Commissioner Otero asked if those positions were needed. Mr. Schimmel responded that they are needed. Commissioner Rodriguez commented that the positions are rotating all over, and it is not the same 29 positions each year. Therefore it is good that not as much has been budgeted to account for those vacancies.

Mr. Guz noted that there are now quarterly audits with the energy consultant.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to approve FY20 O&M Budget Amendment #1.

6. Consideration of FY20 O&M Budget Amendment #2: Report by Comptroller.

Mr. Basile reported that this amendment moves \$100,000 from personnel services to the claims account to cover claims related to the Ludlow pressurization incident. The amendment also provides an account for \$30,000 worth of obsolete inventory (meters, etc.) that must be scrapped.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to approve FY20 O&M Budget Amendment #2.

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

Director of Finance Domenic Pellegrino reported that there was collections of \$6.7 million through January, and accounts receivable of \$4.2 million. There were 6,753 accounts and \$1.7 million worth of receivables. There were 117 credits made in January totaling \$11,382.19.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to approve credits in the amount of \$11,382.19 as presented.

8. Consideration of CIP Amendment 2020-21: Report by Director of Finance.

Mr. Pellegrino reported the Commission recently approved a contract with Columbia Gas for costs related to the removal of hazardous waste found during the river crossing project. This is a reimbursement for those costs. To spend those removal costs, an account and an appropriation of the funds is needed.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to approve CIP Amendment 2020-21.

9. Consideration of CIP Amendment 2020-22: Report by Director of Finance.

Mr. Pellegrino reported that there were last-minute costs that arose in order to finish the Burghardt Street sewer project. An additional \$30,000 is needed due to address unexpected wetland costs. Funding from other projects that have come in under-budget and will be moved to this project.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to approve CIP Amendment 2020-22.

10. Consideration of Contract CA-1912-19 Amendment No. 2 for FY19 Ludlow Construction Sewer Infrastructure: Report by Chief Engineer.

Chief Engineer Bob Stoops reported on the Burghardt Street sewer project. The intent was to complete work in the winter when the ground was frozen, but the winter was warm. For that reason, more layers of crane mats were needed and sheeting and piles were 30% more than estimated by the design engineer. Substantial completion will move out 21 days, and final completion will remain in May.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to approve Contract CA-1912-19 Amendment No. 2 for FY19 Ludlow Construction Sewer Infrastructure.

11. Consideration of CIP Amendment 2020-23: Report by Director of Finance.

Mr. Pellegrino reported that this amendment is related to GMP #2 for the river crossing project. The appropriation for the project needs to be increased to \$122.5 million.

Commissioner Otero asked if this need was anticipated.

Director of Wastewater Operations Bill Fuqua responded that the scope of the GMP #1 contract was the upland work at York Street. At the time GMP #2 was projected to be \$115 million. Since then, the river crossing portion of the work has been designed and advertised. That bid is the basis of GMP #2. The bid is \$26.7 million. Two bids were received for the river crossing portion of the bid, which involves marine excavation. J.F. White bid \$23 million, while Cashman bid \$43 million, almost double. The bids were

over what was estimated. Mr. Fuqua noted that the team wanted to move forward with securing the river crossing work despite still working with the regulatory agencies on permitting. This is because the work needs to start in June, and it is important to secure pricing. Re-bidding at this point is too much of a risk.

Commissioner Otero asked why there was such a big difference between the two bids. Mr. Schimmel responded that Cashman is a very large company, and the good economy and bid market meant there was not much risk in bidding a high number. Mr. Fuqua further clarified that the contractor needs to be in and out in one season, which is preferable for environmental and cost reasons, but that tight schedule is also driving up the pricing. Mr. Schimmel added that this is a small project in the context of marine work, and J.F. White is already working on hauling materials for the project.

Mr. Guz asked how an increase can be requested from Clean Water Trust. Mr. Fuqua responded that the process had already started in the form of a package for MassDEP. The package will also amend loan documents based upon this appropriation and new information. MassDEP verbally confirmed that Clean Water Trust would cover the difference. Mr. Guz commented that if the difference was not covered, funding would need to be sought from a private bond, with the board's approval. Mr. Fuqua noted that \$91 million is encumbered for the project.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to approve CIP Amendment 2020-23.

12. Consideration of Amendment No. 3 to the Owner-Construction Manager Agreement – Guaranteed Maximum Price (GMP): Report by Director of Wastewater Operations.

Director of Wastewater Operations Bill Fuqua reported that this amendment details a few additional charges and bid results. One element in the document is a price submission form that details the charges and fees that carry through the entire contract as well as various allowances and other costs that would be charged to the Commission. Allowances that are identified here are estimates or contingencies that are charged the Commission as required, but if they are not charged the Commission receives the balance back.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to approve Amendment No. 3 to the Owner-Construction Manager Agreement – Guaranteed Maximum Price (GMP).

13. Consideration of CIP Amendment 2020-24: Report by Director of Finance.

Mr. Pellegrino reported on a request to transfer funds from two projects that were performing under budget to the West Parish Filters bulk chemical storage and chlorine improvement project.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to approve CIP Amendment 2020-24.

14. Consideration of Award of Contract CA-2008-20 to R. H. White for the Construction of Coagulation Bulk Storage and Chlorination Storage Project: Report by Chief Engineer.

Mr. Stoops reported that this project is required by MassDEP. The project involves designing the ACH bulk storage system and upgrading the gas chlorination system. The projects were merged to receive better bids.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY:

to approve Award of Contract CA-2008-20 to R. H. White for the Construction of Coagulation Bulk Storage and Chlorination Storage Project.

15. Consideration of Town of East Longmeadow Water Supply Agreement: Report by Commission Counsel.

Mr. Guz reported on the agreement between East Longmeadow and the Commission. The agreement includes an updated arrangement on what services are whose. There will be no increase in the amount of water withdrawn by the town. The contract extends to June 30, 2024.

Mr. Schimmel elaborated that billing and metering will change for about 30 accounts. These customers will receive letters outlining the new arrangements. Billing and metering will be appropriated based on ownership of the water or sewer main in the street. This ensures the Commission is not repairing mains it does not own.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY:

to approve the Town of East Longmeadow Water Supply Agreement in the form substantially submitted to the Commission.

16. Consideration of Second Amendment to Town of Longmeadow Water Supply Agreement: Report by Commission Counsel.

Mr. Guz reported that this amendment extends the current contract with Longmeadow to June 30, 2020.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY:

to approve the Second Amendment to Town of Longmeadow Water Supply Agreement.

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

Human Resources Manager Stephanie Douglass reported that both union contracts expire on June 30. The team is reviewing internal topics in advance as it is an opportunity to review labor rates. Opening

meetings with the union start next week. Ms. Douglass reported that she is also working on developing new recruiting materials for career fairs, etc. Training opportunities are also being developed.

Communications Manager Jaimye Bartak reported that the Urban Agriculture Subcommittee of the Springfield Food Policy Council has requested assistance in promoting the use of municipally owned or controlled vacant lots for community gardens. The City adopted an ordinance in 2012 to help promote the use of vacant lots owned by the City for community gardening, and requires groups to sign license agreements to do so. The subcommittee believes one of the barriers to utilizing City-owned vacant lots is the lack of water for irrigation, and the sometimes high cost and complication of installing water service to these lots. The subcommittee requested the following resources to help promote community gardening on City-owned vacant lots: (1) an easy-to-read guide outlining how to set up a new water service (2) a new application form specific to community gardens (3) commitment by the Commission to install water service lines for new community gardens whenever possible (4) waiver of annual turn-on/turn-off and backflow inspection fees at the discretion of the executive director. The subcommittee believes these steps would help make the water installation process more accessible, affordable, and predictable for community groups that have license agreements with the City to garden on City-owned vacant lots.

Ms. Bartak shared examples of the license agreements and the City's community garden ordinance with the board. Mr. Schimmel emphasized that gardening groups would still be required to pay for water consumption and the water service installation costs. Commissioner Otero asked if any of this would make water service installation affordable. Ms. Bartak replied that water service installations generally cost \$2-5,000 if completed by Commission crews, but much more if done by private contractors. The subcommittee believes having a more predictable cost range would aid them in helping gardening groups find grants for installation costs.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY:

to authorize the executive director to waive turn-on/turn-off and backflow inspection fees at his/her discretion for community gardens that are located on City-owned vacant lots and have community garden license agreements with the City of Springfield.

Director of Field Services Dan DiRienzo reported that his crews were focusing on flushing and working on enhancing the unidirectional flushing program by coordinating with West Parish Filters.

Mr. Pellegrino reported that delinquent accounts will be eligible for shutoff starting on March 15. Revenues are down about 1% due to reduced Solutia consumption. Next year's revenues will probably trend down due to changes in the power generation market and reduced consumption.

Mr. Stoops explained that there are two sources of power generation revenue. One is a 4-year auction for system capacity, which represents the demand market. There has been a steady decline in demand due to solar, wind, less industry, and conversion to LED lighting. The prices will go from \$9 kWh/month to \$2 over a six year period. This puts pressure on the power plant to remain profitable, especially if the price falls below \$1. The other source is the retail market. The Commission is currently working with AECOM to evaluate in-line hydro to capture the retail market.

Mr. Schimmel added that a meeting will be scheduled with HG&E to discuss these market fluctuations. The loss of this revenue will have a large impact on the rate schedule. Mr. Guz asked if the capacity market is a 3-year commitment. Mr. Stoops replied that it was, but that the capacity could be sold to another entity too. Mr. Guz commented that there needs to be an analysis of the power plant and what it

would cost to keep running, and what would be the implications of losing the FERC license if the plant were mothballed.

Director of Water Operations Jim Laurila introduced new Deputy Director of Water Operations Christina Jones, who started in February. The Commissioners welcomed Ms. Jones. Mr. Laurila reported that he is reviewing a report on the results of the pilot plant's first season with AECOM and UMass. He is also evaluating different conveyance paths for water from Cobble Mountain. The Commission has received \$15 million in low-interest loans from SRF for the clearwell project. DBP sampling will take place the first week in March, and his team is coordinating with Field Services on strategic flushing.

Water Resources Manager Nicole Sanford reported that watershed parcel monitoring continues, with an emphasis on public access parcels. Work also continues on a monitoring and maintenance manual and source water protection plan. Old sheds and buildings are being demolished at Borden Brook. The consulting forester is completing the inventory of the Little River watershed property.

Mr. Basile reported that the budgeting process is underway. The PILOT issue with Blandford is currently being resolved by reconciling all the parcels that the Commission owns in the town.

Mr. Fuqua reported that the construction of the York Street pump station project is ongoing. There has been one on-the-job accident when a piece of crane broke and fell through the roof cab, breaking the crane operator's arm. On the Bondi's Island side, the four walls of the new influent structure have been completed, and the roof will be constructed next. The evaluation of two proposals for the services contract is complete; notices went out to vendors that the Commission will be contracting with SUEZ.

Director of IT James Richardson reported that he is deploying additional security cameras at each location. The IT department is also participating in an IT incident response table top exercise.

Mr. Schimmel reported that capacity at Cobble Mountain is below 90%, but there has been below-average precipitation.

The next Commission meeting will be held on Wednesday, March 25, at 9 AM.

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

AT 10:32 AM UPON MOTION DULY MADE BY COMMISSIONER OTERO AND SECONDED BY COMMISSIONER RODRIGUEZ, THE COMMISSIONERS VOTED UNANIMOUSLY to enter into executive session to discuss 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 potential litigation. It was announced that public session will not resume at the end of executive session.

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



Jaimye Bartak, Secretary