



SPRINGFIELD WATER AND SEWER COMMISSION

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Minutes of Meeting

March 18, 2021

The Springfield Water and Sewer Commission held a virtual meeting on March 18, 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 9:01 a.m. and announced the Commissioners that are participating remotely. Secretary for the Commission 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
James Richardson, Director of IT
Nicole Sanford, Water Resources Manager
Scott Loomis, Procurement Officer
Jim Laurila, Director of Water Operations
Ryan Wingerter, Deputy Director of Field Operations
Bob Stoops, Chief Engineer
Frank Zabaneh, Senior Engineer
Kristin Monfette, Safety Manager
Mike Olkin, GIS Manager
Stephanie Douglass, Human Resources Manager
Anne Kulig, Customer Service Manager
Jim O'Connor, Credit and Collections Manager
Katie Shea, Educational Outreach Specialist
Jaimye Bartak, Secretary for the Commission
Eduardo Quinteros, Owner of 98 Gatewood Street

Business Matters

1. To approve the minutes of the meeting held on February 25, 2021, 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 LEONARD
COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO:**

to approve the minutes of the meeting held on February 25, 2021.

2. To approve the minutes of the executive session held on February 25, 2021, 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 LEONARD
COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO:**

to approve the minutes of the executive session held on February 25, 2021.

Old Business

3. Appeal by the Owner of 165 Hampden Street: Report by Executive Director.

Executive Director Josh Schimmel reported that the appeal by the owner of 165 Hampden Street had been settled for \$10,000, upon approval of the Commissioners.

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

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

to approve settlement of \$10,000 for appeal by owner of 165 Hampden Street.

New Business

4. Appeal by the Owner of 98 Gatewood Street: Report by Executive Director.

Commissioner Rodriguez explained the appeal proceedings.

Executive Director Joshua Schimmel reported that the owner of 98 Gatewood Street, Eduardo Quinteros, is disputing the costs associated with a meter replacement and water service line replacement. Mr. Schimmel explained that Mr. Quinteros bought the property in 2012 through a City tax sale, and prior to that time the water had been shut off due to non-payment by the previous owner.

Mr. Quinteros stated that he felt the information provided to him by staff before and during the meter and water service line replacements was misleading. Mr. Quinteros described his confusion in December 2019 when a meter that was still located at the property he had purchased in 2012 was to be retrieved by Commission crews by appointment. Mr. Quinteros also expressed frustration that when he purchased the property in 2012 the water was not automatically turned on once he assumed ownership and started paying the monthly meter fee.

Mr. Quinteros continued that he felt the requirement to replace the water service line based on the Commission's Rules and Regulations was unjustified because his plumber certified that the line was in good working order. Mr. Quinteros complained that he was also upset that his first bill after the service line replacement was completed reflected the full cost and not the payment plan he thought he had pre-arranged.

Commissioner Otero asked Mr. Schimmel why the service line replacement was necessary given the plumber's certification. Mr. Schimmel responded that all service lines that are over 30 years old and have been off for more than a year (in this case it was over seven years) are required to be replaced because the age makes the service line at the end of its useful life and lack of use makes it highly susceptible to leaks.

Commissioner Otero asked why the payment plan was not reflected on his bill. Mr. Schimmel responded that payment plans are issued separately and not reflected on bills, which show current and past-due amounts. Mr. Schimmel noted that Mr. Quinteros was refunded \$290 once the meter was obtained by Commission crews, but his account was still charged \$75 as crews had to return twice in one day when first denied access by Mr. Quinteros. Mr. Schimmel noted that Mr. Quinteros signed a payment plan in February but had not yet made a payment.

Commissioner Rodriguez asked what Mr. Quinteros wished to receive from the Board. Mr. Quinteros responded that he should only have to pay half of the service line replacement.

Commissioner Otero made a motion to refund the \$75 for the meter replacement, but noted that the work for the water service line was justified.

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

VOTED YES –

**COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO:**

to refund \$75 for meter replacement at 98 Gatewood Street.

5. Financial Update: Report by Comptroller.

Comptroller Anthony Basile reported \$108 million in ending cash. Mr. Basile reported that the budget is expected to be 97% expended this fiscal year.

There is \$127 million in the capital budget, with \$26 million expended so far this fiscal year. Of that the majority of spending is going towards the river crossing project.

Mr. Basile reported there was a \$1 million variance over the original estimate in revenues billed. However, not all estimated revenues will be realized since power generation and late payment fee revenue is down. Retail water and sewer revenues were up due to the hot summer, leading to a positive variance overall.

Commission Counsel Norm Guz noted that there is \$3.6 in billed revenue that has not been collected, which by the end of the year could lead to the collection of less revenue than what the budget cost. Mr. Basile responded that uncollected revenues will carry over, however reserves may need to be used in the interim. Mr. Guz noted cash reserves were available to meet the budget. Mr. Basile added that the Commission's financial policies are designed to absorb this type of setback.

Mr. Basile continued that unrestricted cash represents 31% of cash reserves as expected. Receivables at the end of February were just under \$8.7 million, with \$3.6 million over 60 days old. Total assets were \$606.6 million and total liabilities were \$419.1 million attributable to outstanding debt.

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

Director of Finance Domenic Pellegrino reported net billing of \$6.9 million and \$7.2 million in payments, for an accounts receivable balance of \$7.9 million.

Outstanding receivables are 75% higher than one year ago, and twice as high as the three-year average. Outstanding receivables have been steady at approximately \$8 million. There were 5,868 accounts with outstanding receivables, totaling \$3.6 million in February. Accounts with over \$200 outstanding normally number 1,500, but there were 2,881 accounts in February. The average outstanding balance is \$620. Trends show the outstanding receivables balance has steadily increased since shutoffs were suspended in March 2020.

Mr. Pellegrino continued that there were 195 credits issued in February for a total of \$19,482.81. Sixty-four of those credits were for the Customer Assistance Program.

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

VOTED YES –

**COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO:**

to approve credits in amount of \$19,482.81 as presented.

7. Consideration of CIP Amendment 2021-13: Report by Director of Finance.

Mr. Pellegrino reported that funding from the wastewater treatment improvements fund needs to be moved to the National Fish and Wildlife Foundation grant fund to account for the \$180,000 match.

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

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

to approve CIP Amendment 2021-13.

8. Consideration of 40th Supplemental Resolution Authorizing the Issuance of General Revenue Bonds: Report by General Counsel.

Mr. Guz reported that the 40th Supplemental Resolution bond would allow for the issuance of the \$49,107,582 General Revenue Bond – 2021 Series A and the \$5,252,623 General Revenue Bond 2021 Series B to partially fund the York Street and Connecticut River Crossing Project. The Commission would reserve about \$5.4 million of debt forgiveness from the Trust upon completion of the project.

The bonds are a 20-year term, 2% interest bonds with a first interest-only payment due in June. Closing is anticipated sometime in April. If payments fail to be made each June 15 and July 15 each year, the interest rate jumps to 12%.

Mr. Schimmel explained that the bonds are essentially construction loans, and that he was appreciative of the Clean Water Trust for \$5 million in debt forgiveness.

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

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

to approve the 40th supplemental resolution, authorizing the issuance of a \$49,107,582 General Revenue Bond – 2021 Series A and a \$5,252,623 General Revenue Bond – 2021 Series B by the Commission.

9. Consideration Temporary Provisions for Payment Plans: Report by Executive Director.

Mr. Schimmel reported that the Commission previously suspended the provision that disallowed payment plans for customers that had defaulted on another payment plan in the previous 24 months. Mr. Schimmel recommended extending that provision until June 30, 2021.

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

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

to approve suspension of Section 4.2.1 (9) until June 30, 2021.

10. Update on WIFIA Application: Report by Executive Director.

Mr. Schimmel reported that the WIFIA letter of interest was accepted and the application was confirmed complete. The next phase is due diligence in negotiating the terms of the loan. Rates have risen since the initial application was submitted, from 1.5% to approximately 2%.

Mr. Guz noted that the Fed appears to not be taking action on interest rates until 2023, when the bond will be closed and the rate on the loan will be set. Mr. Guz commended the amount of work and effort put in by the financial team and Director of Wastewater Operations Bill Fuqua and Director of Water Operations Jim Laurila.

Commissioner Rodriguez echoed those comments and noted that the loan would make a great difference in the community. Commissioner Leonard agreed. Commissioner Otero asked about publicizing the loan. Mr. Schimmel responded that the loan will be publicized once negotiations are finalized.

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

Mr. Schimmel reported that 50% of staff have been vaccinated and that Covid protocols remain in place.

Mr. Schimmel reported that \$1.1 billion was allocated for low-income water/sewer bill assistance in the most recent pandemic relief bill. Commission staff along with other utilities met with staff at the state level to discuss distribution of these funds. It is expected that Massachusetts will receive \$20-40 million.

Mr. Schimmel reported that the budget process is advancing and includes modeling for WIFIA financing.

Mr. Schimmel reported that staff were tracking legislation related to the Water Management Act that potentially could impact the Commission's ability to sell water during the summer. There is potential for legal action.

Mr. Schimmel reported that another public notification for HAA5 will need to be issued. While all individual samples this quarter were below the regulatory limit amount of 60 ppb, a higher reading from June 2020 factored into the annual average, which serves as the regulatory limit.

Mr. Schimmel reported that DCAMM informed the Commission and the Town of Blandford that Cobble Mountain Road would remain closed. DCAMM did not make a determination as to ownership of the road.

Mr. Schimmel reported there were no updates on the NPDES appeal and the 42" bypass project.

Mr. Guz asked if the non-vaccinated employees were provided information on the benefits of vaccination. Mr. Schimmel responded they were provided such information through the internal webpage and well as direct emails. Mr. Guz suggested seeking information from the City public health commissioner to convey to staff.

Mr. Basile reported that the budget process was ongoing.

Mr. Fuqua reported that Suez was returning to regular schedules. The York Street pump station project is continuing, with concrete wall formation ongoing. River work will not start until June. Mr. Fuqua

reported that an increase in the project appropriation may be necessary due to delays caused by permitting.

Chief Engineer Bob Stoops reported that a sewer lining project is finishing, and a 2021 water main project is being advertised.

Mr. Pellegrino reported that the billing department is researching active accounts with no use. Investigation requires on-site visualization. Most properties so far are not vacant.

GIS Manager Mike Olkin shared a map of past-due accounts throughout the service area. Mr. Schimmel noted that delinquencies are fairly distributed across the community. The lack of delinquencies in areas with lower MHI may reflect a higher density of apartment buildings or lower occupancy rates. Shutoffs will be addressed by amount owed, not zip code.

Director of Water Operations Jim Laurila reported that levels at Cobble Mountain Reservoir were increasing due to the snow melt, and the reservoir was at 85% capacity. The filter media at the water plant is set to be cleaned in a couple of weeks. The clearwell project is currently in the design-build procurement process.

Director of IT James Richardson reported that his staff have been active in monitoring cybersecurity and exchanging information with peer utilities. Industrial control systems are being rebuilt.

Safety Manager Kristin Monfette reported that the first health and safety plan will be issued to all employees.

Human Resources Manager Stephanie Douglass reported that keeping employees safe remains a priority. Since the first round of vaccines was offered to staff, another 25 employees have expressed interest. Information on the benefits of vaccines and myths vs. facts is ongoing.

Mr. Schimmel reviewed upcoming meeting dates: April 14; May 27; and June 23, 2021. All meetings will be held at 9AM and held virtually. The public hearing will be held virtually on June 2 at 6 PM.

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

Mr. Schimmel reported the Environmental Appeals Board hearing is March 30.

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

No updates at this time.

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

None considered.

Commissioners voted unanimously to adjourn at 10:45 A.M

Submitted By:
Jaimye Bartak, Secretary

