



Established

1996

SPRINGFIELD WATER AND SEWER COMMISSION

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SPRINGFIELD WATER AND SEWER COMMISSION

Minutes of Meeting

March 25, 2020

The Springfield Water and Sewer Commission held a virtual meeting on March 25, 2020. 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.

Chairwoman Vanessa Otero called the meeting to order at 9:01 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
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
Katie Shea, Educational Outreach Specialist
Jaimye Bartak, Communications Manager/Secretary of the Commission

Business Matters

1. Approve the minutes of the meeting held on February 19, 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 YES –
COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ**

COMMISSIONER OTERO: to approve the minutes of the meeting held on February 19, 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 February 19, 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 YES –

**COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO:**

to approve the minutes of the executive session held on February 19, 2020, without reading, because copies have been furnished to each member of the Commission for their review.

New Business

13. Update on Water and Sewer Activities: Report by Executive Director. (Taken out of order.)

Executive Director Josh Schimmel updated the board on the coronavirus response. Staff leadership met on March 13 to develop a program for remote work arrangements and altered staffing in order to maintain continuity of operations. The program was implemented on Monday March 16. The main purpose was to limit the potential for the workforce to become sick. There was an 85% reduction in the on-site workforce. Many crew members are being deployed from their homes in Commission vehicles to job sites. Most on-site employees remaining are in the lab, control room at West Parish Filters, and in maintenance. Leadership and staff are following CDC guidelines as they are updated.

Commission crews will no longer go into peoples' homes for emergencies, but will help customers as much as possible from the street and by pointing them to other resources. Limiting interaction with the public is not only in the interest of employees' and customers' health but also to ensure that there are enough staff resources in the event of a large-scale emergency. A state of emergency has also been declared in respect to collective bargaining agreements, so that alterations can be made to shifts and positions as needed.

Backups have also been identified for all key staff, and social distancing and hygiene practices are in place at all facilities with staff on site. Major construction projects are still ongoing because there is no interaction with Commission staff. Mr. Schimmel commented that IT has done an incredible job ensuring that all of the staff that are able to conduct their jobs remotely can do so.

Mr. Schimmel reported that to keep remote staff engaged, there are daily leadership meetings and a larger weekly call with a broader audience. A password-protected employee webpage includes resources and all the information being sent to all staff with Commission email addresses. Through these mediums, staff have been asked to limit personal travel, maintain the confidentiality per HIPPA regulations, and avoid spreading rumors.

Customer service is 100% virtual, and shutoffs are currently suspended. There will need to be discussions about adjusting rules related to payment plans and late fees. Customers have been notified of all the changes through press releases and social media as well as changes to the website.

A continuity of operations plan has been documented for each division.

Mr. Schimmel reported that the crisis has the potential for significant financial impacts. Extra costs are being tracked for potential cost recovery from FEMA or other sources. Revenue loss will come from decreased usage and the longer time it may take for customers to pay their bills. The loss will impact this current fiscal year and next year's budget as well, especially revenue-based capital projects. There is currently \$6-12 million in revenue projects, but a 20% or more reduction in revenue would have a significant impact.

Mr. Schimmel continued that the revenue losses are further complicated by the 42" bypass project and the power plant pro forma. Establishing the rate structure will be challenging. A 5% revenue reduction would cause a 20% rate increase without using reserves. If there is a 20% reduction in consumption, a 40% rate increase is needed to meet all capital, operations, and bond obligations.

Commissioner Rodriguez inquired what the rate increase would be if all capital spending was suspended, and commented that all options should be explored to reduce the burden on ratepayers. Mr. Schimmel responded that the capital budget has no optional projects – most are due to failing infrastructure.

Commissioner Otero commented that the comprehensive and swift approach to the pandemic was appreciated, and commended staff for their leadership and for keeping in touch with staff. In terms of rates, all options should be considered, including reserves and a possibility of a workforce reduction depending on union agreements.

Director of Finance Domenic Pellegrino explained that even if all revenue projects were stopped, there is still \$121 million of debt on the books, and rates would need to go up just to meet the debt service ratio. Ongoing projects are pushing these rates.

Mr. Schimmel reported that shelter-in-place preparations are being made for a worst-case scenario where staff at the water treatment plant became ill. The slow sand filters are also an emergency backup plan, since they require less labor.

Mr. Schimmel continued that he is collaborating with many utilities across the country, and that the Commission was one of the first to fully implement a pandemic plan. Mr. Schimmel is also sharing the Commission's experience with other utilities to help them move forward, and is staying in regular contact with MassDEP, EPA, MEMA and various industry associations.

Commissioner Otero asked if utilities were added to the stimulus package. Mr. Schimmel responded that through industry associations he was party to a lot of the drafts, which included language for reimbursements to the water sector.

Commissioner Leonard noted that the Commissioners acknowledge all the contributions by the staff.

3. Financial Update: Report by Comptroller.

Comptroller Anthony Basile reported there was \$110.8 million in cash, and 75% of that was restricted. The operating budget will be spent close to what was budgeted, though there will be no more hiring and

reduced expenditures whenever possible. Debt service, principal, and interest will be due on the bond that was sold this past fall.

The capital budget had \$30.6 million in expenditures, mostly for SUEZ and the York Street Pump Station project. The revenue budget will need to be reviewed in the context of 20%, 40%, and 50% reduction scenarios. A 20% scenario is a \$1 million/month reduction in revenue. These are significant numbers particularly in light of previous plans to use \$4 million in cash to keep rates steady.

There is currently \$21 million in unrestricted cash. There was \$5.1 million in receivables, and \$1.6 million in receivables over 60 days old. Changes are expected to these amounts in the coming months.

Mr. Schimmel added that typically the budget has been finalized by this time of the year, but that has not occurred yet. Mr. Schimmel has spoken with Boston Water and Sewer Commission about their drop in consumption, which is approximately 3 million gallons/day.

4. Consideration of FY20 O&M Budget Amendment #3: Report by Comptroller.

Mr. Basile reported that this O&M budget amendment would transfer funds from the unrestricted fund balance in order to make the first annual payment on the \$23 million revenue bond.

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

VOTED YES –

**COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ**

COMMISSIONER OTERO: to approve FY20 O&M Budget Amendment #3.

5. 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 billings of \$6 million, payments of \$5.7 million, and a \$4.5 million accounts receivable balance.

There were 5,532 accounts worth \$1.6 million over sixty days old.

There were 47 credits issued in the amount of \$6,356.52.

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

VOTED YES –

**COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ**

COMMISSIONER OTERO: to approve credits in the amount of \$6,356.52 as presented.

6. CIP Amendment Number 2020-25: Report by Director of Finance.

Mr. Pellegrino reported on a requested transfer from the CIP reserve account to the update of the integrated wastewater plan. The funding will cover additional tasks for public outreach and affordability analysis.

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

VOTED YES –

**COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ**

COMMISSIONER OTERO: to approve CIP Amendment 2020-25.

7. Consideration of Amendment No. 1 to PA-1904-19 to extend the contract for Automated Utility Billing, Payment, and Customer Notification Services: Report by Director of Finance.

Mr. Pellegrino reported on emergency procurement for Paymentus. The contract was set to expire in April, and an RFP was issued, but during the pandemic it is important to maintain continuity with online payments at this time. The contract will be extended six months. After that time, the RFP will be re-opened, or the contract can be extended again.

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

VOTED YES –

**COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ**

COMMISSIONER OTERO: to approve Amendment No. 1 to PA-1904-19 and to authorize the finance director to sign the amendment.

8. Consideration of Amendment No. 3 to Ludlow Construction Contract CA-1912-19 for the Sewer Infrastructure Improvements - FY19 project: Report by Chief Engineer.

Chief Engineer Bob Stoops reported that items 8 and 9 on the agenda are related to each other. The sewer project on Burhardt Street is encountering complications related to contaminated soils in the wetlands. The sewer line is complete and customers are off of bypass, but PCPs have been discovered and the soil needs to be remediated and disposed. There are only two places in the country that accept the soil, in Ohio and Texas, at significant cost. Soils are currently being stored on a private property on Tilton Street, and that property will also need to be sampled to show that the PCPs are gone.

Mr. Stoops reported that item 8 is to amend Ludlow Construction's contract by \$690,045 to move the soils for transport. Item 9 would amend Stantec's work order by \$152,396 to cover the cost of Stantec's oversight of the disposal and regulatory process.

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

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

to approve Amendment No. 3 to Ludlow Construction Contract CA-1912-19 and to authorize the Director of Finance and Comptroller to sign said amendment.

9. Consideration of Amendment No. 1 to Stantec Work Order R-1806-18-08 to support Amendment No. 3 to Ludlow Construction Contract CA-1912-19: Report by Chief Engineer.

(See discussion above.)

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

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

to approve Amendment No. 1 to Stantec Work Order R-1806-18-08 as presented and to authorize the Director of Finance and Comptroller to sign said amendment.

10. Consideration of Vote to Authorize the Borrowing of \$121,386,494 from the Massachusetts Clean Water Trust for the Connecticut River Crossing and York Street Pump Station Project: Report by Commission Counsel.

Commission Counsel Norm Guz reported that this confirms that the Commission has received a commitment from Clean Water Trust to increase the loan amount for the York Street Pumping Station / Connecticut River Interceptor Project. The loan is at 0% interest during construction, and then fixed 2% over 20 years.

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

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

That \$121,386,494 is appropriated for the purpose of financing the construction of additional pumping and conveyance capacity serving the York Street area and the Connecticut River Interceptor collection area to reduce CSO activation frequency and volume and provide redundancy of critical infrastructure (the “York Street Pumping Station / Connecticut River Interceptor 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 \$121,386,494 and

issue bonds or notes therefor 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.

11. Consideration of Amendment to Murphy McCoubrey Contract: Report by Commission Counsel.

Mr. Guz reported that this amendment would increase the contract amount to \$125,000 based on discussions with the Comptroller to cover negotiations associated with the wastewater service contract.

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

VOTED YES –

**COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO:**

to approve and authorize the executive director to sign the amendment to Murphy McCoubrey Contract.

12. Consideration of Contract with AquaLaw: Report by Executive Director.

Mr. Schimmel reported that AquaLaw specifically focuses on water and wastewater issues, including permitting and compliance. AquaLaw can provide support related to the new NPDES permit, either in part or in conjunction with current counsel. Mr. Guz added that interviews conducted with AquaLaw were impressive in terms of their experience and knowledge, and they could be helpful with other issues as well.

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

VOTED YES –

**COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO:**

to approve and authorize the executive director to sign a contract with AquaLaw not to exceed \$50,000.

The Commissioners unanimously voted by roll call to take a recess of 10 minutes and reconvene at 10:12 AM.

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

Mr. Schimmel reported that changes to the *Rules and Regulations* were needed in response to the coronavirus. Mr. Pellegrino explained that Chapter 4, sub-section 4.3.1-5 Conditions to be Met Prior to Termination needed to be changed to temporarily suspend shutoffs and final demand/notice procedures until June 1, 2020.

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

VOTED YES –

**COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO:**

to amend the *Rules and Regulations* Chapter 4.3.1-5 until June 1, 2020 as presented.

Mr. Pellegrino described further changes to the *Rules and Regulations* to respond to the pandemic, including suspending Chapter 5.15.4 (late payment fees), and amending Chapter 4.2.1 part 9 to allow payment arrangements for all customers regardless of past payment arrangement defaults.

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

VOTED YES –

**COMMISSIONER LEONARD
COMMISSIONER RODRIGUEZ
COMMISSIONER OTERO:**

to suspend Chapter 5.15.4 and amend Chapter 4.2.1 part 9 of the *Rules and Regulations* as presented until June 1, 2020.

Mr. Schimmel reported that HAA5 levels had improved in that all sample sites were below the regulatory limit for the first time in more than a year. Because the MCL is an average of the past year's results, there were still five sites that exceeded and a public notice will be issued April 6.

Mr. Basile reported on a contract with Bluejay Consulting for on-call computer programming and database management. Bluejay's software is utilized in accounting, by customer service, and by IT. The contract would be a one-year contract with two option years. Director of IT James Richardson added that any source code Bluejay develops is owned by the Commission. Mr. Pellegrino noted that Bluejay's programs are replacing old Access databases that are obsolete.

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

VOTED YES –

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ

COMMISSIONER OTERO:

to approve and allow the Comptroller and Director of Finance to sign the contract with Bluejay Consulting as presented.

Mr. Schimmel reported that Cobble Mountain Reservoir is at 97% capacity.

Mr. Schimmel reported that the York Street project is ongoing on both sides of the river and that will continue as long as possible.

Mr. Schimmel reported there is a meeting with the Town of Blandford about PILOT payments at the end of the month.

Mr. Schimmel reported that negotiations with SUEZ are ongoing through virtual meetings and are making progress.

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

Addressed in executive session.

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

None considered.

The next Commission meeting will be held on April 15, 2020, at 9 AM.

AT 10:28 AM UPON MOTION DULY MADE BY COMMISSIONER OTERO AND SECONDED BY COMMISSIONER RODRIGUEZ

VOTED YES –

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ

COMMISSIONER OTERO:

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.



Jainye Bartak, Secretary