



SPRINGFIELD WATER AND SEWER COMMISSION

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Minutes of Meeting

December 10, 2020

The Springfield Water and Sewer Commission held a virtual meeting on December 10, 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.

Chairman Daniel Rodriguez called the meeting to order at 9:05 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
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 November 12, 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 November 12, 2020.

2. Approve the minutes of the executive session held on November 12, 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 November 12, 2020.

New Business

3. Financial Update: Report by Comptroller.

(Taken out of order after item 4.)

Comptroller Anthony Basile reported there was \$109,207,726 in current cash. Cash flow has been assisted by spreading \$6 million in retirement contributions over six months rather than paying them on July 1. Debt service for the CWT was also postponed until FY22, so interest and loan charges budgeted for this fiscal year will not occur until next fiscal year.

Mr. Basile reported that the budget is on track with 33% expended to date. Open positions are mostly in the labor force. The budget is expected to be 97% expended. The largest expenditure continues to be the York Street Pump Station project.

Mr. Basile reported that revenue is on target for the \$89.8 million projected. Wholesale billings were over the estimate due to the dry summer and will cover some of the other negative balances on revenue estimates. Interest earnings have also fallen due to the pandemic, and revenue from late fees is also down. Director of Finance Domenic Pellegrino noted that late fee revenue is usually \$700,000.

Mr. Basile reported that there was \$26.8 million in unrestricted revenue, which represents 24% of cash. The stabilization fund represents 15% of cash and capital reserves represent 20%.

There was \$612,420,306 in assets and \$423,599,535 in liabilities.

4. Presentation of FY20 Audit: Report by Comptroller.

(Taken out of order after item 2.)

Tanya Campbell of Melanson Heath presented results of the FY20 audit. Ms. Campbell discussed the nature and purpose of the audit. Auditors are responsible for expressing opinion on Commission's financial statements, and provide assurance that the financial statements are free of material misstatement. Audits do not provide 100% assurance of financial order. Amounts above \$700,000 were examined.

Ms. Campbell continued that audits also do not relieve management of responsibility for its financial statements. Controls are in place to give timely and accurate information. Managers are responsible in ensuring the Commission complies with its Rules and Regulations and that its financial records are available in a timely fashion. Auditors are confirming statements are true and accurate to best of their knowledge.

Ms. Campbell continued that the federal grants the Commission receives are different than any other governmental agency. There has been a delay in the release of compliance supplements from the federal government until March. Ms. Campbell stated she does not perceive any issues with federal grant compliance.

The CAFR will be submitted to the GFOA by December 31, 2020. After submittal, the CAFR is sent to three members of a special review committee and reviewed in accordance with the rules of the government accounting standards board.

Ms. Campbell presented the conclusions of the audit. Commission Counsel Norm Guz noted that disclosure language was added in the final draft so that investors looking at the Commission's statements on EMMA will be aware that numbers may be different due to the pandemic.

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

Mr. Pellegrino reported on receivables through November. There is \$8 million in outstanding receivables, which is 50% higher than normal from last year. Executive Director Josh Schimmel noted that the slight decrease in the rise of outstanding receivables is attributable to a notification letter sent to accounts with outstanding balances in October.

Mr. Pellegrino continued that receivables over 60 days old in October (\$3.1 million) are higher than November (\$3.5 million). There were 5,883 accounts with balances over 60 days old in November of last year, but there were 7,265 in November of this year (23% increase). The number of accounts is estimated to increase by 10% in December. There has been a 179% increase in the balance of receivables over 60 years old from this time last year.

Mr. Pellegrino noted that last December there were also approximately 7,000 accounts with receivables over 60 days old, suggesting these accounts might represent the customers that normally stop paying at the end of October.

Commissioner Otero asked about whether there was a notice about late fees or payment plans in the last bills. Mr. Pellegrino responded that notification letters about overdue balances were sent to individual customers in October but did not mention late fees as no decision has yet been reached as to when to reinstate them. There were 265 payment plans requested due to the letters, and 137 accounts responded back to payment plan offers.

Mr. Pellegrino reported that there were 26 credits issued in November for a total of \$4,416.27.

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 \$4,416.27.

6. Consideration of CIP Amendment 2021-05: Report by Director of Finance.

Mr. Pellegrino reported that the amendment is a request to transfer available appropriations from two completed projects to the CIP reserve account.

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

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER LEONARD

COMMISSIONER OTERO:

to approve CIP Amendment 2021-05.

7. Consideration of AECOM Work Order 20A-04 Owner's Program Manager for Design-Build of West Parish Filters Pump Station & Clearwell: Report by Director of Water Operations.

Director of Water Operations Jim Laurila reported that the work order of \$362,480 is for design services, assistance in developing an RFP, and evaluating responses. The work order also includes assistance in contract negotiations and providing an opinion of probable construction costs. An RFQ was already issued and generated six qualification packages.

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

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER LEONARD

COMMISSIONER OTERO:

to AECOM Work Order 20A-04 Owner's Program Manager for Design-Build of West Parish Filters Pump Station & Clearwell.

8. Consideration of Continued Amendment to Chapter 5.15(4) and 4.2.1(a) of Rules and Regulations: Report by Executive Director.

Mr. Schimmel reported that receivables are 50% higher than normal. Mr. Schimmel noted that the Commission is already very generous with payment plans compared to other utilities. Many utilities did

not suspend late fees during the pandemic. In recent months, customers are sometimes requesting payment plans but then defaulting. Commission Rules and Regulations typically prevent the issuance of another payment plan for two years after a customer defaults. That provision has been waived throughout the pandemic.

Mr. Schimmel continued that late fees have also been suspended during the pandemic. Mr. Schimmel recommended the consideration that late fees be reinstated in late January for February billing. Mr. Schimmel explained that customers will be notified by bill stuffer that late fees will be reinstated and letters will go to everyone with outstanding balances.

Commissioner Rodriguez expressed concern that late fees would create an unmanageable balance for some customers. Commissioner Rodriguez asked whether late fees are assessed on accounts with active payment plans. Mr. Pellegrino responded no.

Commissioner Otero asked what the composition of the 7,000 accounts with outstanding balances looked like. Mr. Pellegrino responded that the accounts are mostly residential but there are also commercial accounts. Commissioner Otero continued that the utmost effort should be made to gain the attention of these customers to ensure they have adequate notice of the reinstatement of late fees. Commissioners and staff discussed various potential outreach options.

Commissioner Rodriguez noted that if late fees were found to be too problematic, they could always be rescinded again.

Commissioner Norm Guz recommended proceeding in a positive manner by highlighting the Commission's many customer assistance programs, and consider contacting the media and social service agencies when appropriate. Mr. Schimmel suggested that the late fees be reinstated later than January in order to avoid sending letters during the holidays, which might be ignored. Commissioner Rodriguez noted that waiting too much longer will just allow balances to grow larger and more unmanageable.

Commissioner Otero also suggested reaching out to elected officials to outline efforts being made by the Commission to reach and assist customers with outstanding balances. Mr. Pellegrino recommended continuing the suspension of the provision preventing payment plans for customers with defaults in the past two years.

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

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER LEONARD

COMMISSIONER OTERO:

to continue to suspend assessment of late fees per Chapter 5.15(4) of the Rules and Regulations until February 1, 2021.

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

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER LEONARD

COMMISSIONER OTERO:

to continue to suspend the provision regarding payment plans per Section 4.2.1(a) of the Rules and Regulations until April 1, 2021.

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

Mr. Schimmel reported that rainfall in December has significantly replenished Cobble Mountain Reservoir.

Mr. Schimmel reported that Covid precautions continue to be promoted among staff. Protocols are being tightened and all employees are required to sign a health attestation form.

Mr. Schimmel reported that due to staff shortages, there are many shifts to fill among the drinking water treatment plant operators. To assist filling shifts, a contract is proposed to utilize former but still licensed Commission operators to work overtime shifts that have been refused by existing personnel on an as-needed basis.

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 enter into a contract agreement to utilize licensed treatment operators to fill shifts as needed.

Mr. Schimmel reported that the quarterly CIP report is available to the Commissioners to provide an update on projects.

Mr. Schimmel reported that in order to promote more enrollment in the drinking water treatment online training course at STCC, and thus more potential future applicants for open treatment operator positions, a scholarship to cover tuition and books for three students is requested. Commission Counsel Norm Guz recommended utilizing the existing scholarship fund. Commissioner Otero asked if workforce development organizations are being contacted about the STCC course. Human Resources Manager Stephanie Douglass responded they are.

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

ABSTAINS –

COMMISSIONER OTERO

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER LEONARD:

to authorize the Executive Director to enter into a contract agreement to utilize licensed treatment operators to fill shifts as needed.

Mr. Schimmel reported that staff presented an update on DBPs to City Council members in November. Based on preliminary results, the Commission will be in compliance with DBPs for the fourth quarter.

Mr. Schimmel reported that the budget process is beginning earlier than normal this year.

Mr. Schimmel reported that the Pioneer Valley Riverfront Club (PVRC) has been engaging in emergency fundraising to save its operations. PVRC's mission is aligned with the Commission's in that it supports and promotes a clean Connecticut River. The Commission and SUEZ have participated in the Dragon Boat Races, PVRC's main annual fundraiser, in the past, though the event was canceled this year due to the pandemic. Mr. Schimmel recommended a \$1,000 donation to help PVRC maintain its operations.

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

VOTED YES –

COMMISSIONER LEONARD

COMMISSIONER OTERO

COMMISSION RODRIGUEZ: to approve a \$1,000 donation to support the Pioneer Valley Riverfront Club.

Mr. Schimmel reported that a letter was received from the Town of Blandford concerning Cobble Mountain Road. The road has been closed to protect the dam and critical functions of the Diversion and Broom Gate Houses since September 11, 2001. DCAMM was the entity that provided permission for the closure as they were granted ownership of the road after the abolishment of Hampden County government in the 1990s.

Mr. Guz explained that a special act was passed in 2008 that allowed DCAMM to transfer a portion of Cobble Mountain Road to the Commission. Blandford does not want any portion of the road to be transferred to the Commission. Staff are currently working on a map outlining the portion of the road controlled by DCAMM. Upon completion of the map and review by staff and Commission Counsel, a recommendation to the Commissioners will be proposed for consideration.

10. Update on Issuance of Final NPDES Permit by USEPA: Report by Executive Director.

Addressed in executive session.

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

Addressed in executive session.

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

(Taken out of order after item 9.)

None Considered.

The next Commission meeting will be Thursday, January 14, 2021 at 9 AM.

**AT 11:00 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 issuance 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 potential litigation. It was announced that public session will not resume at the end of executive session.

Submitted By:

A handwritten signature in black ink, appearing to read "JBartak", written in a cursive style.

Jaimye Bartak, Secretary