



*Established*

*1996*

## SPRINGFIELD WATER AND SEWER COMMISSION

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## SPRINGFIELD WATER AND SEWER COMMISSION

### Minutes of Meeting

**October 17, 2019**

The Springfield Water and Sewer Commission held a meeting at the John J. Lyons Administration Building, Agawam, MA, on October 17, 2019.

Chairwoman Vanessa Otero called the meeting to order at 9:02 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  
Bob Stoops, Chief Engineer  
James Laurila, Director of Water Operations  
Bill Fuqua, Director of Wastewater Services  
James Richardson, Director of IT  
Daniel DiRienzo, Director of Field Services  
Larry Griffin, Distribution System Manager  
Stephanie Douglass, Human Resources Manager  
Jaimye Bartak, Communications Manager/Secretary of the Commission  
Michael Ryan, Attorney for Jose Velazquez  
Jose Velazquez, former owner of JV Properties/214 Russell Street

### **Business Matters**

1. Approve the minutes of the meeting held on September 19, 2019, 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 LEONARD**

**VOTED UNANIMOUSLY:**

to approve the minutes of the meeting held on September 19, 2019, 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 September 19, 2019, 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 LEONARD VOTED UNANIMOUSLY:**

to approve the minutes of the executive session held on September 19, 2019, without reading, because copies have been furnished to each member of the Commission for their review.

### **New Business**

3. Consideration of Appeal by Owners of 214 Russell Street: Report by Appeals Officer.

Michael Ryan, Attorney for Jose Velazquez/JV Properties, submitted a letter disputing a tampering charge of \$10,147.90 posted to the account in May 2018. Mr. Ryan explained his client is not disputing that the meter was tampered with, but his client contends the meter may have been tampered with prior to JV Properties taking ownership. Mr. Ryan argued that while payment for the water consumed while the meter was disabled has been paid in full, the liability/penalty for the tampering should not be imposed on JV Properties since it may have taken place prior to taking ownership. Mr. Ryan continued that there is no proof that JV Properties unlawfully and intentionally tampered with the meter per M.G.L. c. 165, Section 11, and therefore the penalty should not have been imposed.

Commission Secretary Jaimye Bartak outlined the timeline of events prior to and after JV Properties took ownership. Meter readings prior to July 24, 2012 when JV Properties took ownership were 42644 starting in March 2012 until July 18, 2012 when the lawyer for the closing reported a physical meter reading of 42644, showing no movement of the analog meter (that is, no water use since March). In February 2012 the radio meter reading was 42462 (2 cubic feet consumed), indicating the radio transmitter was working at that time.

The property was confirmed vacant in May 2012 by a Commission crew. After JV Properties took ownership, radio meter readings were continuously 42644, generating a charge of \$2.50 for the subsequent five years that was covered by a credit balance on the account. The cut radio transmitter was documented in October 2017.

Discussion centered on when the water was turned back on after it was turned off on May 22, 2012 due to non-payment. Mr. Ryan noted that the request for the final water bill of \$321.66 included a \$75 turn-on fee. Ms. Bartak explained that that is routine but does not trigger a physical turn-on of the water. Water turn-ons only occur upon making an appointment with Field Services. Mr. Ryan countered that someone from the Commission must have turned on the water without recording it. Distribution System Manager Larry Griffin noted that the Commission kept good records of all work orders during this time period.

Commissioner Otero requested clarification of the statute regarding meter tampering. Commission Counsel Norm Guz read the statute, but noted that the Commission can consider this situation in accordance with its own Rules and Regulations. Commissioner Otero asked if the statute implied that this was a question of whether JV Properties should have notified the Commission about the zero consumption on the bills. Mr. Guz responded that a tamper is never going to be documented as it happens. The question that arises is whether an owner who has knowledge of low or zero-use bills has an obligation to check on the circumstances, and does that responsibility rise to the level of asserting

penalties as set forth in the Commission's *Rules and Regulations*. He noted the Commissioners do have the ability to assess a lower penalty.

Mr. Ryan argued that knowledge of zero-use bills does not constitute intentional tampering, and there is no requirement stated that owners must check properties for tampering or the cause of zero-use bills. Mr. Ryan asserted that his client has owned multiple properties, is a financially distressed owner, and has never been before the board for a tampered meter.

Commissioner Rodriguez asked if JV Properties paid the bills until May 2018. Mr. Velazquez replied that his tenant was responsible for paying the water and sewer bill, and he presumed another bill may have been sent to his tenant. Ms. Bartak noted that the property owner is ultimately responsible for all water and sewer bills for the property and the Appeals Committee does not consider arrangements with tenants as exemption from that responsibility. Ms. Bartak also explained that the Appeals Committee considered that while it is impossible to determine exactly when the radio transponder was cut, the property owner is ultimately responsible for the condition of the meter, and the tamper was discovered when JV Properties had owned the property for five years.

Mr. Ryan commented that there is nothing in the law or regulation that states a property owner is liable for a tamper if they purchase a property with a cut transponder. Mr. Guz responded that the statute also states that a tamper can be if a property owner "*prevents* such meter from duly registering the quantity of water." No action over five years to investigate zero consumption could be considered preventing a meter reading. Mr. Ryan countered that such an interpretation imposes an obligation to the property owner to determine that there was tampering. Mr. Guz responded that the property owner should have known there was no use.

Commissioner Otero asked how taking advantage of low bills equates with tampering. Mr. Guz replied that not taking action for those five years prevents a meter reading from being collected by the Commission. A lack of photograph of the tampering does not mean a penalty cannot be imposed. Mr. Ryan countered that JV Properties bought the property, not the fine.

Commissioner Otero asked to table the item for further discussion.

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

**VOTED UNANIMOUSLY:** to table Consideration of Appeal by Owners of 214 Russell Street.

4. Financial Update: Report by Comptroller.

Comptroller Anthony Basile reported on financials from September. There was \$85 million in cash, which represented \$9 million decrease due to debt service and pension obligations. Thirty-two percent of the operating budget has been spent. The capital budget has \$143.2 million in available appropriations, with \$8.2 million spent in the fiscal year.

The revenue budget was projected to be \$86 million, which is \$738,165 less than estimated.

The cash trend shows \$85 million at the end of September, with \$22 million added to the Stabilization Fund. There was \$6.6 million in outstanding receivables, with \$1.7 million over 60 days old. There was \$543 million in assets and \$381.5 million in liabilities.

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

Director of Finance Domenic Pellegrino reported \$7.6 million in billings, collections of \$7.1 million, with a balance of \$5.1 million.

There were 5,565 accounts that had a total of \$1.1 million in over-60-day receivables. During the last two weeks of the shutoff season, there will be a focus on vacant properties.

Commissioner Rodriguez commented that 278 accounts with over \$200 outstanding compares very favorably to last year (576).

There were 58 credits totaling \$5,073.07, with no credits over \$500 issued this month.

**UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY:** to approve credits in the amount of \$5,073.70.

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

Mr. Pellegrino reported that the close-out and cleanup of accounts has been ongoing throughout the fiscal year. Directors are asked to reduce residual appropriations. The projects in this amendment have all been completed, with a residual balance of \$60,903.06 transferred into the CIP Reserve Account.

**UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY:** to approve CIP Amendment 2020-11.

7. Consideration of Contract CA-1912-19 Amendment No. 1: Report by Chief Engineer.

Chief Engineer Bob Stoops reported on an amendment to a sewer improvements contract with Ludlow Construction. A few ongoing collapses of sewers in need of immediate repair were discovered during Ludlow Construction's operations. There are sufficient funds to complete the additional work. Commissioner Otero asked if more of these would be found. Mr. Stoops responded that there are no other collapses that crews are aware of but that crews were keeping an eye out for more.

**UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY:** to approve Contract CA-1912-19 Amendment No. 1.

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

Mr. Schimmel reported that another public notification has been issued for an exceedance of haloacetic acids.

Mr. Schimmel reported that the presentation to S&P went well, and thanked the finance team. Mr. Guz and Commissioner Leonard also commended the finance team for an excellent job. Mr. Guz noted that a

potential rating increase not only reflects good fiscal management but also the potential for the service area economy and wealth to increase, which is not imminent. The latter might factor into the rating remaining the same, in addition to the City's retirement liabilities and the amount of projects underway. Mr. Schimmel commented that a utility is not managed simply for a rating increase, but it is a benefit if achievable.

Commissioner Rodriguez asked if the three scenarios are a rating increase, no change, or a rating decrease. Mr. Guz responded that S&P has an obligation to inform the Commission if a downgrade is possible, and potential issues influencing that are climate change and cybersecurity. Mr. Schimmel added that policies relating to sustainability, cybersecurity, and climate change will be needed in the future because S&P will want to see plans related to these. Commissioner Leonard agreed that climate change is important and the Commission should move forward on sustainability efforts. Mr. Schimmel replied that the Commission should already claim some credit because it is already close to energy-neutral due to its power plant operations.

Mr. Schimmel reported on a CIP amendment and work order for additional work by CDM for the 42" bypass pipeline. Mr. Pellegrino described CIP amendment 2020-12, which moves \$600,000 out of a land protection fund for work related to the 42" bypass pipeline.

**UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND SECONDED BY COMMISSIONER RODRIGUEZ VOTED UNANIMOUSLY:** to approve CIP Amendment 2020-12.

Mr. Stoops explained more details about the CDM work order, which will include transient modeling, SCADA-system captured data, and pressure simulations. CDM will be observing the disassembly of the valve on-site. Mr. Schimmel noted that the procedures for how the valve will be disassembled have not been finalized.

Commissioner Otero asked when the disassembly would happen. Mr. Schimmel responded as soon as the protocols are in place. Commissioner Rodriguez asked how long it would take to get a replacement valve. Mr. Stoops replied six months, but it needs to be known if the valve is the problem. Mr. Guz added that the Commission's lawyer will ensure that the Commission's expert is present and will put all parties on notice that the Commission has engaged counsel.

Mr. Schimmel noted that it is unclear whether the valve work is covered under warranty or other issues under contract. Commissioner Rodriguez noted that the Commissioners understood the urgency. Mr. Stoops added that there are intermittent steps that cannot be taken until the inspection takes place, and it will probably take 10 months to have a new valve.

Commissioner Otero asked about alternative water supply paths. Mr. Stoops replied that it believed sufficient water can be conveyed through standard means through the power plant, and that they are working on identifying additional alternative sources. Commissioner Rodriguez inquired if it could be possible the valve was not the issue and one will need to be ordered anyway. Mr. Stoops replied that potential issues with the pipeline itself also need to be resolved.

**UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND SECONDED BY COMMISSIONER RODRIGUEZ VOTED UNANIMOUSLY:** to authorize the executive director to sign Work Order 17A-31 with CDM Smith.

Mr. Schimmel discussed a job description for a fleet maintenance superintendent. The position would be a master mechanic that would conduct vehicle maintenance work in-house and oversee outside work completed. The proposed salary range is \$65,000 to \$85,000.

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

**VOTED UNANIMOUSLY:** to approve the Fleet Maintenance Superintendent.

Mr. Schimmel reported that he is moving forward with salary adjustments as discussed with each of the Commissioners.

Human Resources Manager Stephanie Douglass reported that she is focusing on recruitment and attending a career fair at STCC next week.

Director of Field Services Dan DiRienzo reported that distribution system crews were working on replacing water mains and valves and flushing.

Director of Water Operations Jim Laurila reported that Cobble is at 69.7% capacity, which is less than the 10-year average. Staff were preparing for a micro-internship with STCC the following Saturday. The pilot plant is in operation as of October 4. There was a wholesale customer meeting on September 30. The Deputy Director of Water Operations position was recently re-posted. The drought management plan is being updated, and there was a recent meeting with MWRA to increase the capacity of the Connecticut Valley Aqueduct.

Mr. Basile reported that the audit field work went well, and that there would be a presentation by the auditors in November.

Director of IT James Richardson reported that his team is approaching the mid-phase of the desktop virtualization project, which will reduce the cost of replacing hardware and provide remote access. The ICS IT network is also being updated. Staff recently attended a DHS-sponsored cybersecurity training event on Deer Island.

Director of Wastewater Operations Bill Fuqua reported that procurement for wastewater services was ongoing, and that vendor site visits were completed. Proposals are due before Thanksgiving. The influent bypass was completed, and excavation for the new influent structure is underway. At the York Street Pump Station site, the slurry wall is under construction. Engineers are focusing on pushing through environmental permitting so that bids for the river crossing phase of construction can go out. The MOA with DOC set a goal for local resident employment of 8%, and the first quarter report was 48%. A subcontractor is also drawing on local workforce for the pump station. Commissioner Otero requested statistics on the hiring of women and minorities.

Ms. Bartak reported on the Source to Sea Cleanup on September 23, and the upcoming public tours of the wastewater and water treatment plants for Imagine a Day Without Water. The website overhaul is ongoing.

Mr. Pellegrino reported continued work on the bond sale, which will take place the first or second week in November.

Mr. Stoops reported that the buried chlorine line project is complete, but restoration will need to be checked in the spring. Work on the Provin Mountain storage tanks is ongoing and received Conservation

Commission approval. Water main construction in the City will end by December 1, and designs for water and sewer pipe rehabilitation will then begin for next year.

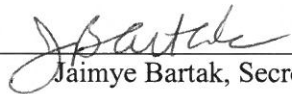
Mr. Guz reported that he received three bids from vendors in regards to the electricity contract.

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

None considered.

The next Commission board meeting will be held on Thursday, November 14, 2019 at 9 AM.

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Jaimye Bartak, Secretary

