



Established

1996

SPRINGFIELD WATER AND SEWER COMMISSION

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SPRINGFIELD WATER AND SEWER COMMISSION

Minutes of Meeting

December 20, 2019

The Springfield Water and Sewer Commission held a meeting at the Joseph Superneau Operations Center, Springfield, MA, on December 20, 2019.

Chairwoman Vanessa Otero called the meeting to order at 9:05 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
Jaimye Bartak, Communications Manager/Secretary of the Commission
Katie Shea, Educational Outreach Specialist

Business Matters

1. Approve the minutes of the meeting held on November 14, 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 November 14, 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 November 14, 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 November 14, 2019, without reading, because copies have been furnished to each member of the Commission for their review.

Old Business

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

Tabled until next meeting.

New Business

4. Financial Update: Report by Comptroller.

Comptroller Anthony Basile reported that ending cash was \$103.5 million, which is a significant increase over the previous month because of a bond sale that netted \$23 million in additional cash.

The operating budget is projected to spend out at 98% of the total, with some balances left over in personal services.

Capital spending is at \$18.7 million. Overall \$40 million will be spent this year on the river crossing project, which is an increase over previous years.

The revenue budget has a slight negative variance, with \$85.9 million in total revenues billed. The variance is \$816,710 due to true-ups and negative usage. The variance is less than 1% of what was projected and the budget is balanced.

The cash trend shows the redistribution of \$23 million in bond proceeds. The \$7.3 million in reserve is for future budgets, and will be used to reduce some of the rates. Executive Director Josh Schimmel commented that the funding is being segregated in the reserve account so it can be used for that purpose over the next two years.

Mr. Basile continued that of the \$23 million from the bond proceeds, \$10 million is still in project accounts to spend as the project continues, and \$13 million will be used to reimburse the Commission for what it has already spent on the project.

The stabilization fund has increased by \$4 million due to previous approval by the Board. Unrestricted revenue stands at \$20 million, which is an appropriate level.

There is \$5.9 million in outstanding receivables, with just over \$2 million over 60 days old.

There is \$558.5 million in total assets, and \$402.5 million in liabilities, which has increased due to the issuance of the bond.

5. Consideration of Professional Services Contract Amendment for Blue Jay Software: Report by Comptroller.

Mr. Basile reported that a database management contract is at the end of a three-year term that is renewable every year. The proposed amendment would amend the contract by \$9,000. Mr. Schimmel

commented that this contract fills a gap in IT that does not require a full-time employee. The work will go out to bid again after this renewal.

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

VOTED UNANIMOUSLY: to approve Professional Services Contract Amendment for Blue Jay Software.

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

Director of Finance Domenic Pellegrino reported \$6.6 million in receivable activity, and collections of \$4.8 million, giving an accounts receivable amount of \$5.3 million.

There were 5,883 accounts with receivables over 60 days, which accounts for \$1.2 million. This is ahead of where outstanding receivables stood last year.

There were 71 credits issued for a total of \$11,927.83.

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

VOTED UNANIMOUSLY: to approve credits issued in the amount of \$11,927.83.

7. Consideration of CIP Amendment 2020-15: Report by Director of Finance.

Mr. Pellegrino reported that CIP Amendment 2020-15 encompasses projects included in the last revenue bond sale. When the projects are bonded for, the full cost of the projects is not always known. The decreases reflect the decreases to the projects that are included in the revenue bond.

Commissioner Otero asked for what will the remaining \$242,757.83 be applied. Mr. Pellegrino reported that the funds are appropriated so they do not go into the reserve account. The appropriations need to be reduced to meet what was bonded for in cash.

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

VOTED UNANIMOUSLY: to approve CIP Amendment 2020-15.

8. Consideration of CIP Amendment 2020-16: Report by Director of Finance.

Mr. Pellegrino reported that the design for project 80-18 is complete, so there are \$14,300 in leftover funds. The remaining funds will be transferred to the CIP reserve account and the project closed out.

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

VOTED UNANIMOUSLY: to approve CIP Amendment 2020-16.

9. Consideration of CIP Amendment 2020-17: Report by Director of Finance.

Mr. Pellegrino reported that this CIP amendment would take available funds from the CIP reserve account and transfer it to the 42" raw water conduit repair project account.

Commissioner Otero asked about insurance coverage for the repair. Commission Counsel Norm Guz replied that that insurance carrier has assigned a claim adjuster, who requested to see the facility and get a better sense of operations. Mr. Schimmel added that the funds are for engineering and legal services. Insurance would only cover damage to the pipeline.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to approve CIP Amendment 2020-17.

10. Consideration of Acceptance of Mass Clean Energy Technology Center Grant for \$45,000: Report by Director of Finance.

Mr. Pellegrino reported that the Commission received a grant for \$45,000 to study in-line hydroelectric power generation. The total project cost is \$80,400, so the Commission will match the remaining cost, which is already accounted for in the CIP account. Mr. Schimmel added this project supports goals to pursue net energy neutrality. Commissioner Rodriguez asked when the study would be completed. Mr. Guz responded the feasibility report will be completed in February 2020.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to accept Mass Clean Energy Technology Center Grant for \$45,000.

11. Consideration of Acceptance of MCWT Asset Management Plan Grant for \$150,000: Report by Director of Finance.

Mr. Pellegrino reported on a grant from the Massachusetts Clean Water Trust for \$150,000. The total project cost is \$260,000. The Commission will contribute \$110,000. The project will assemble an asset management plan for water distribution.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to approve MCWT Asset Management Plan Grant for \$150,000.

12. Consideration of Settlement Agreement with Columbia Gas of Massachusetts: Report by Director of Wastewater Operations.

Director of Wastewater Operations Bill Fuqua reported that a settlement agreement was reached with Bay State Gas Company, d/b/a Columbia Gas (owned by NiSource) to handle a large quantity of hazardous

materials that were found during construction of the new influent structure. Columbia Gas used to manage waste material from a production plant in the city. When the current wastewater treatment plant was built in the 1970s, the materials were also discovered but left in place, which would not happen today. Columbia Gas has taken ownership of the situation. Columbia Gas will reimburse the Commission for finding and managing the material.

Mr. Guz noted that there are two sections of the agreement, the other of which addresses coal tar in the river. Mr. Fuqua explained that the contractor will bring coal tar to the island, then it will be removed by a truck owned by NiSource. There is an access agreement to allow this process. Mr. Guz said that Columbia Gas agreed to indemnify the Commission for the additional cost and provide insurance coverage for the work they do to clean it up.

Mr. Schimmel added that it was known that coal tar would be an issue through assessments from four years ago, but the material found on the island side was not expected. Mr. Guz added that Columbia Gas has an obligation to dispose of the materials as they were identified as the “responsible party” through Massachusetts environmental law. The total cleanup cost will be approximately \$500,000.

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

VOTED UNANIMOUSLY: to authorize the executive director to sign the settlement agreement with Baystate Gas Company d/b/a Columbia Gas of Massachusetts.

13. Consideration of Amendment No. 1 to Legal Services Agreement with Hawkins Delafield & Wood: Report by Director of Wastewater Operations.

Mr. Fuqua explained that this amendment extends the Commission’s service agreement with its legal specialist, Hawkins Delafield & Wood. The amendment will bring the Commission through proposal evaluations and contract negotiations into the spring.

Commissioner Otero asked if their scope of work was not understood when the contract was originally signed. Mr. Fuqua replied that he was not comfortable estimating beyond the budget, and there is enough budget to last through contract negotiations. Mr. Fuqua explained that two proposals for the wastewater operating contract were received from SUEZ and Jacobs. Interviews with the companies are scheduled for January 9, and the ranking of proposals will occur in the middle of January.

Commissioner Otero asked if the number of proposals met expectations. Mr. Fuqua replied that he hoped for a competitive proposal from SUEZ, and that three or four companies toured the site, so having a second proposal from another company helps with leverage. Mr. Guz added that the biggest concern was if only one proposal was submitted. There are significant capital improvements to be addressed in addition to the regular RFP itself, and other companies may not have thought they could compete with the existing operator. A non-cost committee was appointed, and the procurement officer does not sit on any committee. Price proposals have not been opened yet.

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

VOTED UNANIMOUSLY: to approve Amendment No. 1 to Legal Services Agreement with Hawkins Delafield & Wood.

14. Consideration of the Purchase and Sale Agreement for Parcels on Eastern Avenue: Report by Commission Counsel.

Mr. Guz reported that Neighborhood LLC agreed to sell parcels on Eastern Avenue to the Commission for \$17,000. Both parcels are vacant. Commissioner Rodriguez asked if there have always been contamination issues. Mr. Guz replied that lead contamination was found, which prevented their development as residential properties. The Commission received approval from City Council to purchase the properties on Monday night. Councilor Whitfield complimented the Commission for working in the community.

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

to authorize the executive director to sign the P&S agreement with the City of Springfield.

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

Mr. Schimmel reported that a vacancy is being filled at Borden Brook, since the former resident manager has moved on to Ludlow Reservoir and will be managed by Field Operations now. The watershed work for both areas will remain under the Water Resources Manager. The house at Borden Brook will not be occupied any longer. An operations manager position will be created for all reservoirs, and will be in charge of dams and maintenance, but separate from engineering functions. This consolidates the previous resident manager positions. The new position will have a starting salary of \$55,000-75,000 and will report to the Water Resources Manager.

Commissioner Rodriguez asked what would happen to the Borden Brook house. Mr. Schimmel replied that the plumbing will be drained and the heat turned off, and video surveillance will be installed. Mr. Guz asked if the house could be used as an office. Mr. Schimmel replied that it has been considered and ideas are being generated for its reuse. The house at the power plant may be demolished.

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

to approve the Reservoir Operations Manager job description.

Mr. Schimmel presented the Commissioners with contracts he had executed under his authority over the past month.

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

Mr. Pellegrino reported that a grant acceptance and approvals policy is under development. Sometimes the Commissioners need to provide permission to apply for grants, and other times they need to provide permission to accept grants. The policy would apply for grants that require matches, because the matches need to be encumbered.

Mr. Pellegrino continued that matches need to be encumbered, so approval of CIP Amendment 2020-19 will accomplish that.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to approve the CIP Amendment 2020-19.

Mr. Pellegrino reported that CIP Amendment 2020-18 is needed to create CIP Account 90-28 to pay PVPC for the purchase of monitoring equipment.

UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER LEONARD VOTED UNANIMOUSLY: to approve the CIP Amendment 2020-18.

Mr. Schimmel reported that inactive accounts have been investigated for usage in the wake of recent appeals. This is in an effort to prevent long periods of time where unmetered water is used. Mr. Pellegrino explained that the account system was queried for all inactive accounts due to non-payment, vacancy, etc. In total, 14 of those inactive accounts were found to have the water turned back on in the street, and out of those, 10 were occupied. Cards are currently being sent to gain entry to the properties.

Commissioner Rodriguez asked how many of those were rental properties, or of the same owner, or on a previous shut-off program. Mr. Guz added it would be interesting to know which of these were paying the \$2.75 meter rental fee each month. Mr. Pellegrino responded that he would find out, and that they are also investigating whether auxiliary meters have usage in winter months.

Commissioner Otero commented that there are bound to be new appeals, so it is important to develop responses that treat everyone the same. Mr. Pellegrino responded that the Appeals Committee follows the Rules and Regulations, and each appeal will be somewhat different based on what is found in regards to the meter. Mr. Schimmel added that the Appeals Committee follows the Rules and Regulations closely for the purpose of consistency.

Mr. Schimmel reported that two separate law firms interviewed for providing legal services during the NPDES appeal process. There is the potential to appeal the permit for a variety of reasons, but there is only 30 days to do so. Both firms interviewed well. Mr. Guz suggested discussing the issues to potentially appeal with the Commissioners soon since there will only be 30 days to appeal once the permit is issued.

Mr. Schimmel reported that the partnership with MassDEP and USGS for the nitrogen monitoring program has been very successful. Mr. Fuqua continued that there are two grants supporting this project, one of which supports the field work, the other of which allows USGS to purchase full-time monitoring equipment instrumentation at Northfield to provide real-time monitoring. The field work will be replaced with this new instrumentation after this year.

Mr. Schimmel commented that after three years, the data that has been collected is good. The new technology will use a surrogate to represent nitrogen in the river. The data is important to everyone in the state, but is expensive because of the boat. Another year of field sampling will help ensure good correlation with the new technology, and then there will be a true accounting of nitrogen coming in and out at the borders of the state.

Commissioner Rodriguez asked about biological uptake. Mr. Schimmel replied that biological uptake is called attenuation. In the Commission's permit, EPA says there is no attenuation of the nitrogen coming

from the wastewater treatment plant. But in other permits on the Connecticut River, there is no nitrogen limit since the permit reasons that their nitrogen load is attenuated. Any attenuation means that whatever nitrogen is put in, the amount ending up in Long Island Sound is less, so this project will help support a limit number that reflects attenuation. Currently it is possible to know what each wastewater treatment plant is inputting into the river, and estimate the percentage that comes from non-point sources, but EPA is missing what is coming in to the state already. This new data could translate into millions of dollars less in grey infrastructure to build.

Commissioner Otero asked why EPA wouldn't do this with MassDEP. Mr. Schimmel said that he did not know, but they make assumptions based on only the data that they have. Mr. Fuqua added that the new nitrogen limits are an attempt to account for the failure in the Long Island Sound despite all the money that has been spent.

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

to authorize the executive director to sign an agreement with USGS to purchase equipment for real-time nitrogen monitoring in the amount of \$65,000.

Mr. Fuqua reported on the need for approval for the annual contract for USGS to collect samples from the river and build a database.

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

to authorize the executive director to sign an agreement with USGS to continue field monitoring on the Connecticut River.

AT 10:31 AM UPON MOTION DULY MADE BY COMMISSIONER RODRIGUEZ AND SECONDED BY COMMISSIONER OTERO, THE COMMISSIONERS VOTED UNANIMOUSLY to enter into executive session to discuss a property claim settlement 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.



Jaimye Bartak, Secretary