



Established
1996

SPRINGFIELD WATER AND SEWER COMMISSION

POST OFFICE BOX 995
SPRINGFIELD, MASSACHUSETTS 01101-0995
413-452-1300

SPRINGFIELD WATER AND SEWER COMMISSION

Minutes of Meeting

February 21, 2019

The Springfield Water and Sewer Commission held a meeting at the John J. Lyons Administration Building, Agawam, MA, on February 21, 2019.

Chairman Daniel Rodriguez called the meeting to order at 9:01 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
Frank Zabaneh, Senior Engineer
Stephanie Douglass, Human Resources Manager
James Laurila, Director of Water Operations
Bill Fuqua, Director of Wastewater Operations
Steve Frederick, Deputy Director of Wastewater Operations
Dan DiRienzo, Director of Field Services
Larry Griffin, Water Distribution Manager
Scott Loomis, Procurement Officer
Jaimye Bartak, Communications Manager/Secretary of the Commission

Business Matters

1. Approve the minutes of the meeting held on January 17, 2019, 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 UNANIMOUSLY: to approve the minutes of the meeting held on January 17, 2019, without reading, because copies have been furnished to each member of the Commission for their review.

New Business

[Item 22 taken out of order]

22. Consideration of Contract Authorization for Executive Director: Report by Commission Counsel.

Commission Counsel Norm Guz reported that Chapter 40N provides for the executive director to operate the Commission. A vote held in 2009 set limitations on the ability of the executive director to sign contracts. Due to the high number of contracts and work orders coming before the Commission, Counsel and staff are proposing that the executive director be granted authority to sign contracts with a value less than \$250,000, as well as other smaller contract types.

Executive Director Josh Schimmel added that the procurement system provides more checks and balances, and that lessening the number of votes for smaller contracts will allow more time to discuss larger issues.

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

VOTED UNANIMOUSLY: to authorize the Executive Director or his designee to execute contracts on behalf of the Springfield Water and Sewer Commission except as set forth below:

- 1) Collective Bargaining Agreements.
- 2) Personal service contracts for the engagement of legal counsel, financial advisors, and such other experts, engineers, accountants, and other consultants, as the Commission shall deem necessary.
- 3) Contracts which obligate the Commission for a period exceeding one (1) fiscal year, for which funding is not available in the current fiscal year budget.
- 4) Renovations or additions to existing Commission facilities and/or infrastructure in excess of \$250,000.

The designation by Executive Director shall be limited to contracts awarded in accordance with the provisions of Massachusetts General Laws, Chapter 30B and must be signed by both the Comptroller of the Commission and the Procurement Officer of the Commission.

Mr. Guz recommended considering authorizing the executive director to sign project orders for any on-call contract worth less than \$250,000. Mr. Schimmel clarified that he would not sign any project orders unless the procurement system has already confirmed there is budget and available funding.

Commissioner Otero asked how the Commissioners would see progress on those projects. Mr. Schimmel responded that the CIP quarterly reports would outline progress, or he could provide monthly reports on all project orders he signed if the Commissioners request it.

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

VOTED UNANIMOUSLY: to authorize the executive director to execute project orders not to exceed \$250,000 in regards to existing on-call contracts with the Commission.

2. Financial Update: Report by Comptroller.

Comptroller Anthony Basile reported that there was \$87.1 million in cash at end of month. Cash decreased by \$8.3 million in the course of the fiscal year, which is attributable to advances to bonded projects. That funding will come back when projects are permanently financed.

Ninety-seven percent of the operations budget is expected to be spent out by the end of the fiscal year. At this point, 67% of the operations budget has been spent, as payments on outstanding loans have forwarded the spending projection beyond where it usually would be at this time in the year. The largest unexpended budget is in the personal service budget, due to 20 vacancies.

There has been \$11.7 million in capital spending through the end of January. There is currently \$123.2 million unexpended, of which \$100 million is the York Street Pump Station and Connecticut River Crossing project.

Revenue was projected to be \$78.5 million for FY19, but current revenues indicate there will be \$80.2 by the end of the fiscal year, \$1.7 million more than anticipated.

Of the \$87.1 million in cash, \$21.4 million (or 51%) is unrestricted revenue. There was \$1.7 million in revenue over 60 days old. There was \$434.2 million in assets, and \$272.8 million in liabilities. Most of the liabilities are outstanding debt.

Mr. Basile also provided an update on the Commission's electricity supplier. The Commission recently received a letter from Eversource stating that it is now the supplier since Great Easter Energy filed for Chapter 11 bankruptcy. The cost has increased from 9 cents kWh to 14 kWh, which is substantial. The Commission will hire an outside broker soon to go out to bid for a new electricity supplier. Mr. Guz added that since Eversource is discontinuing the supplier rate, the Commission could in a claim for the difference during the period of time until a new supplier is secured. The plan is to have bids on March 4th.

3. Consideration of O & M Amendment #2 Transfer of Funds – Amendment #2: Report by Comptroller.

Mr. Basile explained that this amendment is from the West Parish Filters cost center. The amendment is needed because polymer usage is above what was anticipated due to the raw water quality. This transfer moves \$100,000 into the polymer account from other West Parish Filters accounts.

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

VOTED UNANIMOUSLY: to approve FY 2019 O&M Transfer of Funds – Amendment #2.

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

Director of Finance Domenic Pellegrino reported a net billing of \$5.5 million, collections of \$6.3 million, and an accounts receivable balance of \$4.3 million in January. There were 7,203 accounts with balances over 60 days, for a total of \$1.7 million. There were 70 credits issued in January for a total of \$22,554.88.

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

VOTED UNANIMOUSLY: to approve credits in the amount of \$22,554.88.

5. Consideration of CIP Amendment 2019-10: Report by Director of Finance.

Mr. Pellegrino explained that this amendment creates a new project account for governors and controls design at the power plant. The sale of the general revenue bond in the fall will include this project, but design and engineering costs will not be eligible for the bond due to IRS tax law. A portion of this must therefore be funded out of revenue, so the costs need to be moved to a new account.

UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND SECONDED BY COMMISSIONER OTERO VOTED UNANIMOUSLY: to approve CIP Amendment 2019-10.

6. Consideration of CIP Amendment 2019-11: Report by Director of Finance.

Mr. Pellegrino reported that this amendment is to fund the above account. Excess funding from sand for the slow sand filters and hydrant maintenance are available, so those funds can be moved to this new account.

UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND SECONDED BY COMMISSIONER OTERO VOTED UNANIMOUSLY: to approve CIP Amendment 2019-11.

7. Consideration of CWP#19-01 - Project A1 - Cobble Station Governors Replacement: Report by Senior Engineer.

Mr. Frank Zabeneh, Senior Engineer, described the role of governors in the power station. Governors control the speed of the generation units, and when they shut down they protect the pentstocks from over-surge. The existing governors are original and date from the 1930s. Maintenance for the governors is becoming close to impossible as replacement parts are difficult to find. There are three governors units – two large ones, and one small – but this project will only replace the large units since the small one is used only twice a year. The design engineer is HDR, which will conduct oversight and project reviews, and American Governors and Controls will provide the governors. HG&E will update the wiring.

UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND SECONDED BY COMMISSIONER OTERO VOTED UNANIMOUSLY: to approve CWP#19-01 - Project A1 - Cobble Station Governors Replacement.

8. Consideration of CIP Amendment 2019-12: Report by Director of Finance.

Mr. Pellegrino reported that this amendment is to increase and decrease two projects. The Alden Street and Colton Street water main projects were performed under bid, so funding left over is to be transferred to the 42" raw water conduit project, which needs an additional \$200,000 in bonded funding.

UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND SECONDED BY COMMISSIONER OTERO VOTED UNANIMOUSLY: to approve CIP Amendment 2019-12.

9. Consideration of CDM Smith Work Order No. 17A-01 Amendment No. 1 for the 42" Raw Water Conveyance Project: Report by Chief Engineer.

Chief Engineer Bob Stoops reported that there is a high level of risk and difficulty in this project. Various issues have turned the project schedule from 9 months to 14 months. The delay and increased cost arise from the inability to run water through the diversion gates in winter, since they can freeze. In addition, a bridge needed to be repaired to enable construction and inspection of the pre-stressed pipe joints went from 125 to 250, which provided better security and safety. Valves also have a longer lead time than expected. CDM Smith needs an additional \$198,000 for project oversight through the end of the project.

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

VOTED UNANIMOUSLY: to approve CDM Smith Work Order No. 17A-01 Amendment No. 1 for the 42" Raw Water Conveyance Project.

10. Consideration of CIP Amendment 2019-13: Report by Director of Finance.

Mr. Pellegrino reported that this amendment is a project close-out. A total of \$7,700 will be transferred to the newly created CIP reserve account.

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

VOTED UNANIMOUSLY: to approve CIP Amendment 2019-13.

11. Consideration of CIP Amendment 2019-14: Report by Director of Finance.

Mr. Pellegrino reported this is another project close-out. There is \$291,000 in remaining appropriations.

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

VOTED UNANIMOUSLY: to approve CIP Amendment 2019-14.

12. Consideration of Delegation of Procurement Authority to Executive Director for Service Contract for Wastewater Treatment System: Report by Director of Finance.

Mr. Guz reported that an RFP is being prepared for the wastewater management services contract. In discussion with the team working on this RFP, Joe Superneau was named the procurement officer for the existing contract. Mr. Guz recommended changing the procurement officer to the executive director to allow the approval of any engineers, lawyers, and members of the business proposal review committee and cost proposal review committee by the executive director. The current contract expires in October 2020.

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

VOTED UNANIMOUSLY: to authorize the executive director to act as the procurement officer solely as it pertains to the service contract for the wastewater treatment plant.

13. Consideration of CWP #19-02 - Cobble Thrust Bearing Oil Coolers for Unit 1: Report by Senior Engineer.

Item removed due to prior votes on Item 22.

14. Consideration of AECOM Work Order 17B-09: Report by Director of Water Operations.

Item removed due to prior votes on Item 22.

15. Consideration of Job Description for Process Control Analyst for WPF: Report by Director of Water Operations.

Mr. Schimmel reported that the process control analyst is an entry level job (starting salary range \$65-75,000). The process control analyst would work directly under the existing process control manager. This is a new position that would allow for succession planning, as retirement for the existing process control manager is on the horizon.

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

to approve Job Description for Process Control Analyst for West Parish Filters.

16. Consideration of Job Description for Deputy Director of Water Operations for WPF: Report by Director of Water Operations.

Mr. Schimmel reported that this is an existing position that has been vacant for close to two years. This position would serve in a leadership role, and assist with the challenges facing water treatment and upcoming capital investment. The starting salary range will be \$85-120,000.

Commissioner Rodriguez asked if this would be posted internally. Mr. Schimmel responded that this position would be posted internally and externally, due to the difficulty in finding candidates with the appropriate skillset in the region. The establishment of this position will assist in succession planning.

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

to approve Deputy Director of Water Operations for West Parish Filters.

17. Consideration of Acceptance of National Fish & Wildlife Foundation (NFWF) Grant: Report by Director of Wastewater Operations.

Director of Wastewater Operations Bill Fuqua reported on a grant received from the NFWF to install instrumentation to the wastewater treatment operations to monitor the arrival and removal of nitrogen. This would be monitored in real time through the SCADA system process. Funds are from the same Long Island Sound group that is advocating for stricter limits on nitrogen discharge in the Commission's new NPDES permit.

Commissioner Leonard asked if there are any obligations associated with the grant. Mr. Schimmel responded that this type of technology will need to be installed anyway.

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

VOTED UNANIMOUSLY: to approve and authorize the executive director to accept the NFWF grant.

18. Consideration of Kleinfelder Work Order #61 for Cost of Service: Report by Executive Director.

Item removed due to prior votes on Item 22.

19. Consideration of Kleinfelder Work Order #62 for Wastewater Service Contract RFP Support: Report by Director of Wastewater Operations.

Item removed due to prior votes on Item 22.

20. Consideration of Kleinfelder Work Order #63 for FY2019 Financial Planning Update: Report by Director of Wastewater Operations.

Item removed due to prior votes on Item 22.

21. Consideration of Amendment #1 to Daniel O'Connell's (DOC) Sons Contract for Construction Management: Report by Director of Wastewater Operations.

Mr. Fuqua reported that quotes from DOC were not available by the time of today's meeting. The amendment concerns specialty items (pipes, gates) that need to be purchased now. Waiting until April or May when the guaranteed price agreement is executed would severely compromise the schedule. The quotes did not arrive until this morning and need to be reviewed by the project's consulting engineer. The quote is in the range of \$1.885 million. But to wait another month would risk greatly upsetting the project schedule.

Mr. Schimmel requested authorization for the executive director to sign this contract, not to exceed a certain amount, in order to preserve the schedule. Mr. Guz reminded the Commissioners that if the final quote exceeds the amount they authorize, a special meeting could be held.

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

VOTED UNANIMOUSLY: to authorize the executive director to execute the pre-guaranteed maximum price Amendment No. 1 – Purchase and Storage of Influent Structure Pipe, Pipe Components, Gates, Stop Logs and Baffle Walls for an amount not to exceed \$2.5 million.

23. Consideration of 34th Supplemental Resolution: Report by Commission Counsel.

Mr. Guz reported that the 34th supplemental resolution is to issue a bond anticipation note of \$23,812,911. The note would have no interest, and would be funded in 2022. The Clean Water Trust has committed financing of the project in the amount of \$20 million.

UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND SECONDED BY COMMISSIONER OTERO VOTED UNANIMOUSLY: to approve 34th Supplemental Resolution.

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

Mr. Pellegrino reported on the return of bond holder consent forms to allow the Commission to not provide a reserve requirement for the Clean Water Trust (CWT). So far 27% of the votes have been approved, but 66 2/3% approval is needed. A vote was not received from the CWT itself. At their March 6 meeting, CWT will vote their approval of bond holder consent forms on any bonding moving forward. This could have a large impact on the rate structure and will save the Commission \$12 million in reserves.

Communications Manager Jaimye Bartak provided an update on the response to the HAA5 public notification. The annual report is also in production.

Human Resources Manager Stephanie Douglass reported on efforts to reach out to organizations to start more internships, and the partnership with a college program, "Handshake," that provides more direct connection to students and alumni.

Director of Field Services Dan DiRienzo reported that water maintenance activities are underway, such as hydrants, valves, and planning for water main replacements. Staff are also being relocated from Bondi's to Colton Street as part of the Field Services consolidation.

Director of Water Operations Jim Laurila reported that a contract is being signed with AECOM to assist with the Operational Evaluation Level (OEL) response for disinfection byproducts (DBPs) due on March 27 and July 13. First quarter DBP sampling will take place on March 6. There is also an upcoming meeting with wholesale customers to discuss the status of the DBP situation. Mr. Laurila is also working with Mr. Stoops on reviewing the pilot plant scope of work with AECOM to pilot different treatment processes, and will be submitting this to MassDEP for approval. Cobble Mountain Reservoir is over 95% full and the power plant has been running to keep the reservoir from spilling. The rainy pattern continues, but because of winter conditions, there is slightly improved water quality (in terms of naturally dissolved organic matter) coming into the plant.

Mr. Stoops reported that he is assisting Water Operations with the facilities plan. Capital planning and preparations for construction season are also underway. All drilling of the Westfield wells are complete. Six of them will need treatment primarily for iron, turbidity, and pH. Tighe and Bond is assisting with this process. Eleven out of the seventeen wells will be connected this spring.

Mr. Basile reported that next year's budget process is underway. The vote on March 6 will influence the budget. Mr. Schimmel clarified that the budget process is proceeding under the presumption that the vote will be achieved. If there is an objection within 60 days of the vote passing, there will need to be an amendment to the budget since it will have already been given to the Mayor. Mr. Guz added that it is highly unlikely that a bondholder would protest.

Mr. Fuqua reported that item 19 on the agenda (Work Order 61) will form a project team for the development of an RFP for the wastewater operations contract, due in 2020. The work order provides engineering and financial support services. For the River Crossing project, bids are out for on-trade packages for the first half of March. The guaranteed maximum price package will be presented at the April meeting. The project is progressing well.

Mr. Schimmel reported that a memorandum has been send to the Springfield Redevelopment Authority (SRA) regarding the MCDI property. There is currently no commitment from the Commission, but the memo serves as an expression of interest. The current owners of the MCDI property are a defunct board and ownership is unclear. SRA is excited about the prospect of the Commission's presence in the neighborhood. Mr. Guz added that the site opens up job opportunities to people without transportation and is good for recruiting.

Mr. Schimmel continued that a cost-of-service analysis is starting with Kleinfelder that will look at how the cost centers move with wholesale and retail customers. This will help validate what has been done, and should be completed every five to ten years.

Mr. Schimmel reported that Stantec's financial group will conduct a one-day workshop to analyze the Commission's financials. This will help validate the financial process and is favored by rating agencies.

Mr. Schimmel reported that a discussion of funding and partnership with STCC, Boston Water and Sewer Commission, and MWRA is underway. Funding would be used to develop an online training program for water and wastewater licenses that will include weekend internships.

In light of the budgeting process and associated rate increases, a customer assistance program is being developed, Mr. Schimmel reported. The program could be similar to a fuel assistance program. This is being considered for the budget next year.

Mr. Schimmel reported that a special meeting to discuss the capital budget would be held in April. The meeting would be open to the public.

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

None considered.

The next Commission meeting was scheduled for Thursday, March 28, 2019 at 9 AM. Adjourned by unanimous vote at 10:28 AM.



Jaimye Bartak, Secretary

