



*Established*  
*1996*

## SPRINGFIELD WATER AND SEWER COMMISSION

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1

### SPRINGFIELD WATER AND SEWER COMMISSION

#### Minutes of Meeting

April 23, 2019

The Springfield Water and Sewer Commission held a meeting at the John J. Lyons Administration Building, Agawam, MA, on April 23, 2019.

Chairman Daniel Rodriguez called the meeting to order at 9:00 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  
Stephanie Douglass, Human Resources Manager  
James Laurila, Director of Water Operations  
Dan DiRienzo, Director of Field Services  
Bill Fuqua, Director of Wastewater Services  
Nicole Sandford, Watershed Manager  
James Richardson, Director of IT  
Scott Loomis, Procurement Officer  
Bruce Leiter, Attorney for the Commission  
Jaimye Bartak, Communications Manager/Secretary of the Commission

#### **Business Matters**

1. Approve the minutes of the meeting held on March 28, 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 March 28, 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 March 28, 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 executive session held on March 28, 2019, without reading, because copies have been furnished to each member of the Commission for their review.

**New Business**

3. Financial Update: Report by Comptroller.

Comptroller Anthony Basile reported a \$90.7 million cash balance, which is a \$4.7 million decrease since last year. After two positive cash flow months, there is now debt service.

For the operating budget, 97% will be spent out due to vacant positions. The remaining personnel service funding will be transferred out.

There has been \$14.6 million in capital spending out of \$20 million in appropriations.

There is \$81.6 million in projected revenue, which is \$3.1 million more than anticipated and \$2.1 million above what was budgeted.

There is 73% in restricted cash. There was \$5.3 million in receivables in March, with just under \$1.7 million over 60 days old. There were \$272 million in liabilities, and \$441 million in total assets.

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

Mr. Basile proposed the transfer of \$700,000 in unexpended funds due to vacancies to the OPEB fund. This would bring the total contributions to \$3 million out of a \$23.8 million liability.

Commission Rodriguez recommended holding off until the budget has been voted on. Commissioner Otero asked how much this would change the rate increase. Mr. Basile responded it would change it by less than 1%.

Commissioner Otero remarked that she would like to see the Commission stay the course particularly as the borrowing rate improves. Commissioner Leonard agreed that the improvement of the borrowing rate should not be jeopardized. Mr. Guz responded that he would provide a copy of the latest S&P report to help Commissioners decide.

Item tabled.

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

Mr. Pellegrino reported net billings of \$5.8 million, collections of \$6.5 million, and a \$4.7 accounts receivable balance. There were 6,017 accounts totaling \$1.7 million over 60 days old. The shutoff program began last week.

There were 74 credits issued in March, totaling \$11,971.13.

**UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND SECONDED BY COMMISSIONER OTERO VOTED UNANIMOUSLY:** to approve credits in the amount of \$11,971.13.

6. Consideration of CIP Amendment 2019-19: Report by Director of Finance.

Mr. Pellegrino explained a proposed transfer of funds from the CIP reserve account to fund various projects.

Due to the high costs of repairs, \$30,000 is proposed to go towards a vehicle purchase for a new vehicle for West Parish Filters. The project allocation will be moved from next fiscal year to this one to help control rates.

A sum of \$65,000 is proposed to fund equipment for Operations, because the dump truck and sander needs work. This will keep these repairs out of next year's budget.

A sum of \$308,000 is proposed for the Westfield transmission main private water service removal project. Chief Engineer Bob Stoops reported that 11 of 17 wells had good water quality, but 6 well sites will need treatment. Treatment could cost \$40,000 per home, independent of waste disposal systems. Commissioner Otero asked how the project came to be so over budget. Mr. Schimmel responded that the original scope of work included treatment systems, but several drilled wells were not reaching water, so additional wells needed to be drilled.

Mr. Stoops added that due diligence prior to the project looked into what other well drillers had done in the area. But private well drilling is not as well-regulated as public wells so there is an information gap. In one yard, three wells needed to be drilled, and others had to go much deeper than anticipated. Only \$50,000 was originally budgeted for treatment systems.

**UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND SECONDED BY COMMISSIONER OTERO VOTED UNANIMOUSLY:** to approve CIP Amendment 2019-19.

7. Consideration of Transmission Main Private Wells Treatment: Report by Director of Water Operations.

Item removed. Addressed in previous item.

8. Consideration of CIP Amendment 2019-20: Report by Director of Finance.

Mr. Pellegrino reported an appropriation is required to replace \$4,800 in encumbered funds removed erroneously with CIP Amendment 2019-18.

**UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND SECONDED BY COMMISSIONER OTERO VOTED UNANIMOUSLY:** to approve CIP Amendment 2019-20.

9. Consideration of Amendment No. 2 Owner-Construction Manager Agreement - Guaranteed Maximum Price: Report by Director of Wastewater Operations.

Tabled for future meeting.

10. Consideration of Town of Southwick Water Supply Agreement: Report by Director of Water Operations.

Director of Water Operations Jim Laurila reported on discussions with Southwick DPW. The water supply agreement would be the same as the prior agreement with some important changes, the most important being that the Commission would no longer provide chlorination. This is because water withdrawals off transmission mains are affecting chlorination for the entire city. Southwick DPW is designing a new water pump station. June 30, 2019 will be the last day the Commission provides chlorination.

Commissioner Rodriguez asked how many homes are affected. Mr. Laurila replied that water is only withdrawn for their system during peak periods, so the Town does not exceed their WMA registration.

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

**VOTED UNANIMOUSLY:** to approve the Town of Southwick Water Supply Agreement.

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

Mr. Schimmel reported that the grant funding for the STCC online water operator training was sent last month.

Mr. Schimmel reported on a request for a waiver in fees for water service installation for the Ludlow Fish and Game Club. The request was based on an easement they granted the Springfield Water Department in the 1980s. Mr. Guz commented that the concern was the precedent this would set, especially because it is a private entity. Commissioners agreed to leave the matter to the discretion of the executive director.

Communications Manager Jaimye Bartak reported that calls about HAA5 have decreased significantly.

Human Resources Manager Stephanie Douglass reported that meetings with all staff on benefits would take place soon, and that she was working on onboarding interns for the summer.

Director of Field Services Dan DiRienzo reported that flushing has begun, and that water main replacements and sewer customer repairs were taking place.

Mr. Stoops reported the central Hickory water main project started, and the 42" raw water main project has re-started.

Mr. Laurila reported that the reservoir was 96% full. Several capital projects are underway. The surface water sampling program in the reservoir is starting. West Parish Filters staff are coordinating with Mr. DiRienzo on flushing and mixers are being installed in the storage tanks.

Mr. Pellegrino reported that there was a bond sale anticipated for fall. S&P was evaluating the sale for rating. Mr. Pellegrino reported that he would request another rating increase based on the budget and financial plan.

Mr. Basile reported his main focus at the time was the next year's budget.

Director of Wastewater Operations Bill Fuqua reported that pricing was commencing on the river crossing project for the final guaranteed maximum price (GMP). The RFP for the wastewater service contract is still in development. Mr. Schimmel reported that there may need to be another Commission meeting to vote on the GMP.

Director of IT James Richardson reported he continued to work on business continuity and resilience systems.

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

None considered.

13. Consideration of Land Acquisition in Borden Brook Watershed and Water Supply Land Protection Grant: Report by Water Resources Manager.

Mr. Guz advised that a decision needs to be made whether to make another offer to the landowner.

Mr. Schimmel explained that even though the landowner rejected the initial offer made by the Commission, an application for the Water Supply Protection grant was submitted anyway in the event there could be re-negotiation. There is now \$300,000 available due to the grant award. Mr. Schimmel reminded Commissioners that the appraised value of the property was \$1 million - \$655,000 for the parcel and \$345,000 for the house.

Mr. Guz expressed that the concerns with subdividing the whole property would leave the Commission in possession of the house and barn for a time. The house and barn would need to be protected and secured. To sell the house and barn, the sale would have to follow the 30B process. Mr. Schimmel added that it was still a valuable property for watershed protection.

Watershed Manager Nicole Sanford noted the property is 60% Zone A, and that public access such as hiking and hunting can be dictated by the Commission.

Commissioner Otero asked how much it would cost to maintain the house. Mr. Schimmel recommended that the property be subdivided and the house sold as soon as possible.

Commissioner Rodriguez summarized that Commissioners were willing to buy 527 acres of property, but now there is a grant of \$300,000 to buy the whole property. One option is to subdivide and sell the house, and another is to post the house at auction if an offer is not received within 30 days. An auction would not garner market value for the house.

Ms. Sanford noted the grant is only for 527 acres. But a closing could not occur until July 1 when the state grant funds will be available. Mr. Schimmel said there is no harm if an agreement cannot be reached with the current landowner.

Mr. Laurila added that the 30B process is essentially the sale of surplus property. It is published in the register, offers can be received for 30 days, and all can be rejected.

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

to authorize the executive director to make an offer to purchase 54 Gibbs Road, Blandford, for the cost of \$1 million, subject to approval of the subdivision plan by the Town of Blandford for 2 parcels of 527 acres and 33 acres, subject to the approval of MassDEP and pursuant to Massachusetts drinking water protection regulations.

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

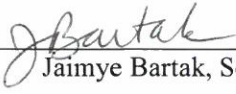
- WHEREAS: The Massachusetts Department of Energy and Environmental Affairs has made funds available through its 2019 Drinking Water Supply Protection (DWSP) grant; and
- WHEREAS: The Springfield Water and Sewer Commission (Commission) is eligible to receive up to \$300,000 in such funds; and
- WHEREAS: The Commission has identified 527 acres of a 560 acre parcel in the Cobble Mountain Reservoir Watershed known as the Fontaine parcel which should be preserved as open space to protect the Commission's water supply; and
- WHEREAS: The DWSP grant would financially assist the Commission in acquiring this land; and
- WHEREAS: The Commission match of funds will be met through previously budgeted land acquisition funding for the protection of water supply.

**NOW THEREFORE, BE IT RESOLVED:**

1. That the Executive Director be and is hereby authorized to file a contract with the Massachusetts Department of Energy and Environmental Affairs.
2. That the Executive Director be and is hereby authorized to file information required by the Massachusetts Department of Energy and Environmental Affairs.
3. That the Executive Director be and is hereby authorized to accept funds and execute contracts, and any amendments thereto, in order to carry out the terms, purposes, and conditions of the Massachusetts Department of Energy and Environmental Affairs.
4. That the Executive Director be and is hereby authorized to take other such actions as deemed necessary to carry out the terms, purposes, and conditions of the contract administered by the Massachusetts Department of Energy and Environmental Affairs.

The next Commission meeting will be held at 9 AM on Thursday, May 23, 2019.

**AT 9:58 AM UPON MOTION DULY MADE BY COMMISSIONER OTERO AND SECONDED BY COMMISSIONER RODRIGUEZ, THE COMMISSIONERS UNANIMOUSLY VOTED BY ROLL CALL VOTE, Commissioner Rodriguez aye, Commissioner Otero aye, to enter into executive session to discuss potential litigation associated with the Westfield wells project. It was announced that public session will not resume at the end of executive session.**

  
Jaimye Bartak, Secretary

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