



Established

1996

SPRINGFIELD WATER AND SEWER COMMISSION

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SPRINGFIELD WATER AND SEWER COMMISSION

Minutes of Meeting

September 3, 2020

The Springfield Water and Sewer Commission held a virtual meeting on September 3, 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 9:11 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
Stephanie Douglass, Human Resources Manager
Nicole Sanford, Water Resources Manager
Scott Loomis, Procurement Officer
Christina Jones, Deputy Director of Water Operations
Jim Laurila, Director of Water Operations
James Richardson, Director of IT
Bob Stoops, Chief Engineer
Dave Szymczakiewicz, Senior Project Manager
Katie Shea, Educational Outreach Specialist
Ryan Wingerter, Deputy Director of Field Services
Dan DiRienzo, Director of Field Services
Jaimye Bartak, Communications Manager/Secretary of the Commission
Mr. Sergey Adamyan, Owner of 41 Dubois Street (present for items 3, 4, and 5 only)

Business Matters

1. Approve the minutes of the meeting held on July 30, 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 July 30, 2020.

Old Business

2. Consideration to Enter into a Five-Year Contract for Booster Station Operation and Maintenance:
Report by Chief Engineer.

Executive Director Josh Schimmel explained that staff are looking into options for effective management of drinking water pump stations and auxiliary facilities. In exploring the market, it was determined that five-year contracts would attract more interest than a typical three-year contract. Some booster pump systems are being modernized but many do not have communications capabilities. Staff are requesting Commission approval to advertise for a five-year O&M RFP.

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

**VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD
COMMISSIONER OTERO:**

to approve issuance of RFP for the management of water booster pump stations and related facilities for a term not to exceed to five years.

New Business

3. Consideration of Appeal by Owner of 41 Dubois Street.

[Taken out of order after item 5.]

Mr. Schimmel welcomed Mr. Sergey Adamyan, owner of 41 Dubois Street, to the meeting and explained that the Board will hear his appeal, and the executive director will make a recommendation. Commissioner Rodriguez added that the decision is sometimes made right away, and other times needs more deliberation.

Mr. Schimmel explained that Mr. Adamyan was billed for high usage in August and September of 2019. In his appeal Mr. Adamyan contended that no changes were made to the building or to its occupancy and there were no leaks. The appeal was first submitted in February. No meter problems were found. The Appeals Committee denied the claim and offered a payment arrangement.

Mr. Adamyan explained that there was no alteration to the property that would explain an increase of 1000% compared to previous years. Mr. Adamyan added that he did not receive bills after September, except for a notice of an outstanding balance, and inquired why he was not informed of the high bills sooner. Mr. Adamyan requested that his bill be adjusted for average use.

Mr. Schimmel responded that cards notifying customers of high usage are tracked if they are returned. There is no indication the notice and the bills were not received by the customer. Mr. Schimmel recommended the appeal be denied as the Rules and Regulations do not allow for an abatement of the type requested.

Commissioner Rodriguez asked about the volume of water used. Director of Finance Domenic Pellegrino replied that it was approximately 6000 cubic feet/month. An open flapper in a toilet is a typical cause of such an increase.

Mr. Schimmel stated that all indications are that the high usage notice was received. Decreased usage corresponds with something being fixed at the property once the notice was received.

Commission Rodriguez asked Mr. Adamyan if he knew a repair was done, as he may be eligible for a \$500 non-beneficial use abatement if he can demonstrate a leak was repaired. Mr. Adamyan replied that there were no repairs done, and that he did not receive any notices until he refinanced his house. Mr. Adamyan said he would gladly accept a \$500 abatement without having to show a repair. Mr. Adamyan asked why the Commission did not call or mail another notice to the residential address. Mr. Adamyan stated that he has a 4,000 square foot house in West Springfield with irrigation and he does not have bills this high. Mr. Adamyan asked to be informed of the Board's decision and hung up.

Mr. Schimmel commented that staff did their due diligence. Mr. Pellegrino added that Mr. Adamyan was informed of the non-beneficial use abatement if he had a leak.

Commissioner Rodriguez noted that one problem was his usage, but another problem was that the online billing platform does not inform a customer about a balance remaining when they pay a bill. Mr. Pellegrino responded that it is the customer's responsibility to stay informed of their balance, and most utility payment platforms only indicate when a bill is ready or paid. Mr. Pellegrino added that such a feature can be explored during procurement of new online payment system.

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

**VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD
COMMISSIONER OTERO:**

to deny appeal by owner of 41 Dubois Street.

4. Financial Update: Report by Comptroller.

[Taken out of order after item 2.]

Comptroller Anthony Basile reported there was \$104 million in cash, which reflects a \$5.5 million decrease. July is typically a negative cash flow month due to debt service and retirement. The retirement

board provided some relief to pay contributions over 6 months instead of all in July as usual, but it does not provide relief to the overall budget.

The Operating Budget is 12% spent; if not for debt service it would be spent at approximately 5%. The Operating Budget is projected to be spent out in the fiscal year.

The Capital Budget has \$4.3 million in total capital expenditures. There is just under \$150 million remaining in the budget, most of it in the wastewater collection account for the river crossing project.

Revenue is appearing to break even. There has been a decrease in late payment fees, but an increase in water usage.

Cash trends show the Stabilization Fund is at \$16.6 million, and \$1.8 million will be utilized. Interest income is generated throughout the fiscal year based on budget obligations. The balance of the cash is in restricted areas like bond proceed reserves. Restricted cash represents 83% of the budget.

At the end of July receivables were \$3.1 million. Total assets were \$572.9 million, and total liabilities were \$396.1 million.

Mr. Pellegrino shared information on August receivables. There were net billings of \$9.3 million, and net payments of \$6.2 million. In August 2019, receivables were \$4.6 million, and in August 2020 they are \$9.1 million, which is a 99% increase. Mr. Schimmel noted the increase of outstanding receivables is concerning.

Mr. Pellegrino continued there are 5,919 accounts with receivables over 60 days old, representing \$2.5 million. The number of accounts compared to last year is similar. The change is in the amount of active outstanding receivables over \$200, which includes accounts that would qualify for shutoff. Some customers pay the water bill when they receive a shutoff notice, and others may be having a difficult time paying due to the pandemic. The over-60 day receivable balance has doubled since last year, though the number of accounts has only increased by 4%.

Commissioner Rodriguez asked if a notice to pay can be issued. Mr. Pellegrino responded that some utilities have done that, and that an advisory letter is currently being drafted.

Commissioner Otero asked if a payment plan could be required to encourage some payments. Mr. Pellegrino responded that the letter will request customers to set up a payment arrangement if they need one.

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

[Taken out of order after item 4.]

Mr. Pellegrino reported that credits through July of 2020 totaled 23 accounts for \$3,033.53.

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

VOTED YES –

COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD
COMMISSIONER OTERO:

to approve July 2020 credits in the amount of \$3,033.53.

Mr. Pellegrino reported on credits for August, some of which were due to true-ups that are routinely processed in August. There were two large credits, the largest of which went to Solutia. There were 47 credits issued in the amount of \$656,919.81.

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

VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD
COMMISSIONER OTERO:

to approve August 2020 credits in the amount of \$656,919.81.

6. Consideration of Request to Transfer Bonded Cash Between Project Accounts: Report by Director of Finance.

[Taken out of order after item 3.]

Mr. Pellegrino reported that there are four different bonded projects funded by the revenue bond sale last fall. All projects in the 2019 Series-E Water Distribution Projects account have been completed and expenditures dispersed. The request is to move \$327,796.71 from this account to the Wastewater Collections Projects account.

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

VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD
COMMISSIONER OTERO:

to approve request to transfer bonded cash between project accounts.

7. Consideration of Recommendation to Award Basic Ordering Agreements to AECOM and Tighe and Bond: Report by Chief Engineer.

Chief Engineer Bob Stoops reported on a basic ordering agreement that is typically offered every three years for water supply and treatment. A price and non-price committee was formed to review the six proposals received. The non-price committee ranked the proposals based on the criteria in the BOA RFP.

Commissioner Rodriguez asked whether CDM Smith was invited to interview. Mr. Stoops responded that CDM Smith was not interviewed.

Mr. Stoops responded that three firms were interviewed. The focus was on water treatment plant modifications. AECOM ranked the highest, Tighe & Bond second, and Wright Pierce third. The price committee then reviewed the price proposal. There was no significance in price between the three firms. The prices were about 10% higher than 2017. After reviewing each committee's report, the procurement officer recommended awarding the contract to AECOM and Tighe & Bond.

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

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER LEONARD

COMMISSIONER OTERO:

to award Basic Ordering Agreements to AECOM and Tighe and Bond.

8. Consideration of Recommendation to Award Contract CA-21-01 for FY21 Sewer Improvements (Baltazar Contractors Inc.): Report by Senior Engineer.

Senior Project Manager Dave Szymczakiewicz reported on the next Infrastructure Improvements projects for FY21. The projects have been designed with Stantec over the past year. The upcoming projects will be on Pleasant Avenue near Belmont Avenue, and near the Mill River. There will be 147 feet of new sewer lining and maintenance work. Work will start this fall and continue into next summer. The lowest qualified bidder is Baltazar Contractors. Mr. Szymczakiewicz recommended authorizing the executive director to execute the contract with Baltazar.

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 award Contract CA-21-01 for FY21 Sewer Improvements to Baltazar Contractors Inc.

9. Consideration of FY21 MassDEP Grant Agreement with Pioneer Valley Planning Commission: Report by Director of Wastewater Operations.

Director of Wastewater Operations Bill Fuqua reported that DEP has again awarded grant funding for CSO abatement work through the Connecticut River Cleanup Committee, facilitated by the Pioneer Valley Planning Commission. An application was submitted to DEP for the York Street Pump Station project along with proposals from Holyoke and Chicopee. A \$1.5 million grant was received, with \$475,000 of that allocated to the York Street project.

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

**VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD
COMMISSIONER OTERO:**

to accept and authorize the executive director to sign the FY21 MassDEP Grant Agreement with Pioneer Valley Planning Commission.

10. Consideration of Kleinfelder Work Order 76 for Locust Transfer Preliminary Design: Report by Director of Wastewater Operations.

Mr. Fuqua reported on a work order that would advance preliminary design for the Locust Transfer Project, which is phase 3 work under the Long Term Control Plan. The Locust Transfer Project will connect the Main Intercepting Sewer with a new river crossing at York Street. It will involve laying 1,100 feet of new pipe down Locust and Main Streets, under I-91, then down to York Street. Preliminary design involves field investigation, hydraulic modeling, geotechnical investigation, investigation of the Locust syphon, and considering alternatives for routing and constructability. This is a typical scope for this type of project. The project is budgeted at \$24 million and is in the capital plan for 2024 after completion of the York Street Pump Station project.

Commissioner Rodriguez asked if previous work had just finished in the area. Mr. Fuqua responded that a diversion structure is needed to divert flow to the new river crossing. Mr. Schimmel added that the Main Intercepting Sewer project was essentially an emergency project to prevent its failure. At the time of that project, the location of the river crossing was not yet decided.

Commission Rodriguez noted the numerous projects in the Mill and Locust Streets areas over the past 15 years. Mr. Schimmel acknowledged numerous past smaller infrastructure projects, and now larger infrastructure projects are underway. The steepness and velocities in the area mean there is a faster decay of concrete in that area.

Commissioner Leonard noted the ongoing odor issues there. Commissioner Rodriguez asked whether it would be possible to pause work in the area for a time to limit disruption to the neighborhood. Mr. Schimmel responded that this project is part of the River Crossing project, and this pipe ties the redundancy of the Main Intercepting Sewer to York Street. To delay the project would delay the use of York Street and there would be no benefit of redundancy.

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

**VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD
COMMISSIONER OTERO:**

to approve Kleinfelder Work Order 76 for Locust Transfer Preliminary Design.

11. Update on SUEZ Service Contract: Report by Commission Counsel.

Mr. Guz reported that the approved form of the wastewater treatment service contract was reviewed during the last Commission meeting. A copy of the proposed service contract and appendices have been submitted to DEP for their review. DEP has 90 days to approve, though there is concern that the pandemic may delay that beyond October 1. For that reason, Mr. Guz requested the Board authorize the executive director to amend the existing contract to extend it until January 2021, and to amend portions related to taxable procedures to allow the contract to remain in compliance with revised tax code.

Mr. Guz explained that when the RFP was issued 20 years ago, the tax code allowed for tax-exempt status of the system, so non-taxable bonds could be issued. The tax law of 2017 removed the 20-year-old rule. Therefore any extension of the existing contract must be governed by the new tax law. The letter of credit would also need to be renewed. The letter of credit currently extends to almost \$22 million.

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

**VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD
COMMISSIONER OTERO:**

to allow the Executive Director to enter into an amendment of the service contract to extend the existing contract to no longer than January 2021, to amend those portions related to the tax status of the system, and to amend the letter of credit.

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

Mr. Schimmel reported on a new job description for a Superintendent of Water Facilities. The new position is part of a reorganization effort in the wake of recent staff departures. This position would oversee all facilities in and around West Parish Filters, and is responsible for all supervisors and labor force for roadways, reservoirs, and dams. The new position will be a benefit now that there is no longer a resident manager at Borden Brook. The starting salary will range from \$80-95,000/year and will oversee 16,000 acres of watershed. The position will be posted internally first, then externally if needed.

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

**VOTED YES –
COMMISSIONER RODRIGUEZ
COMMISSIONER LEONARD
COMMISSIONER OTERO:**

to approve Superintendent of Water Facilities job description.

Mr. Schimmel presented contracts that he executed over the past month.

Mr. Schimmel reported that Cobble Mountain Reservoir capacity is at 75%, a little below the three-year average. Considering the regional drought and below-average rainfall, the reservoir levels are sound.

Mr. Schimmel reported that all staff are back at work, though some remain remote 2-3 days/week in areas where space does not allow social distancing. Upcoming office rearrangements should allow for everyone to fully return to the office soon. There have not been any reported cases of COVID-19 at any sites, though leadership and staff remain vigilant. Mr. Schimmel commended Human Resources Manager Stephanie Douglass for her messaging and keeping up with all staff issues related to the pandemic. There are no in-person meetings. The next challenge is evaluating the HVAC system and completing short-term fixes to improve air quality. Another upcoming challenge is accommodating staff with school-age children. Accommodations will be made to the extent possible. Mr. Schimmel thanked the Board for its support during the pandemic.

Mr. Schimmel reported that the moratorium on shutoffs, late fees, and payment plans is due to expire October 1. Mr. Schimmel noted that the concern is not lost revenue, but when it will be received. Mr. Schimmel recommended keeping the moratorium in place until November.

Mr. Guz commented there are serious concerns in not implementing late fees until January, noting that Accounts Receivable are up to \$9.1 million. This might cause alarm along credit rating agencies. The accounts with outstanding receivables over 60 days old seem to be the same number of accounts as pre-pandemic. Mr. Guz noted that the City and other governmental agencies are not waiving property taxes. Mr. Guz recommended extending the moratorium on late fees until the next Board meeting due to his concern with extending it longer.

Commissioner Otero proposed an idea of automatically placing these accounts on payment plans in order to force a conversation. If customers abided by the payment plan, they would not receive late fees. Mr. Guz offered that customers could receive a waiver of late fees if they enter into a payment plan.

Mr. Pellegrino responded that in normal times if a customer completes a payment plan, late fees are waived at the end of the plan. The advisory letter will be focused on accounts with over \$200 over 60 days old. Payment plans will be offered, which may encourage some payments. Commissioner Otero clarified that her idea is instead automatically entering customers into payment plans instead of requesting they do. Mr. Guz suggested that customers would not have to sign the plan, but that a simple payment plan could be included with the letter, and language that shutoffs will eventually begin with non-payment of bills.

Commissioner Rodriguez supported Commissioner Otero's point in that some people are not paying many bills, and they will have large bills when they come due. That could mean customers have no cash to pay them, and it would be a benefit to motivate people to begin paying before that happens. The water bills need to be paid, but the question at hand is whether to charge fees.

Commissioner Otero commented that waiting until March could lead to an inundation of requests to waive penalties.

Mr. Schimmel responded that the target audience is approximately 5,000 customers. That could overwhelm our customer service department. Mr. Schimmel again recommended waiving late fees until the next Board meeting. Mr. Guz responded that he had no concern with extending the moratorium related to shutoffs and the ability to be more flexible with payment plans until January 1, but reinstating late payment fees should be considered in a shorter timeframe.

Commissioners Otero and Rodriguez said they would look forward to seeing what the draft letter said.

Mr. Schimmel said that an outline of the CAP would be available at the next Board meeting.

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

VOTED YES –

COMMISSIONER RODRIGUEZ

COMMISSIONER LEONARD

COMMISSIONER OTERO:

to approve a continued amendment to Rules and Regulations Chapter 4.3.1, 4.3.5, 5.15 and 4.2.1(a) until the date of the next Board meeting (October 8, 2020).

Mr. Schimmel reported that the NPDES permit for the wastewater treatment plant and CSOs is based on the release of a water quality certification from DEP. There are 30 days to appeal the NPDES permit. It is possible a short-notice Board meeting will need to be called to approve the appeal. The Commission submitted substantial comments on the draft permit, and comments on several other regional permits. EPA has also contacted the Commission about including the Integrated Wastewater Plan in a report to Congress, which could be beneficial.

Mr. Schimmel continued that the Commission was pursuing a WIFIA loan, which is different than the SRF in that financing has more favorable conditions and flexibility. The current action ahead is to submit a letter of interest, which involves no commitment. Mr. Guz has been involved. Loan rates are approximately 1.14%, which is very good. At the time of the impending issuance of the NPDES permit, the inclusion in the report to Congress and a potential WIFIA loan is a good story to tell for the Commission.

Commissioner Otero inquired about what advocacy was taking place for the WIFIA loan. Mr. Schimmel responded that at the moment staff were advocating for the Commission, but Congressman Neal could be beneficial to turn to in the future. Mr. Guz recommended sharing the WIFIA loan application with Congressman Neal when it is submitted.

Mr. Schimmel reported on the recent large water main break on East Columbus Avenue. The break was as large as the Bernie Avenue break in the past, but was shut down much more quickly. The size and location of the break made it a potential catastrophe, as the pipe was located on top of the Main Intercepting Sewer. Crews leveraged technology to shut down valves more quickly, even as cell phone coverage went out during the event. Mr. Schimmel commended the staff for their work and stated he was proud of their response.

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

None considered.

The next three Commission Board meetings were scheduled as follows:

Thursday, October 8, 2020, 9 AM

Thursday, November 12, 2020, 9 AM
Thursday, December 10, 2020, 9 AM

Adjourned by unanimous vote at 11:24 PM.

Submitted By:

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

Jaimye Bartak, Secretary