



Established

1996

SPRINGFIELD WATER AND SEWER COMMISSION

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Minutes of Meeting

February 17, 2022

The Springfield Water and Sewer Commission held a hybrid meeting on February 17, 2022. The meeting was held in accordance with Chapter 20 of the Acts of 2021.

Commissioner Otero called the meeting to order at 2:36 p.m. and announced the Commissioners that are participating remotely. Secretary for the Commission 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
Jaimye Bartak, Communications Manager/Secretary for the Commission

Participating Remotely
Bill Fuqua, Director of Wastewater Services
Darleen Buttrick, Director of Engineering
Bob Stoops, Chief Engineer
Frank Zabaneh, Senior Engineer
Jim Laurila, Director of Water Operations
Christina Jones, Deputy Director of Water Operations
Steven Frederick, Deputy Director of Wastewater Operations
Kristin Monfette, Safety Manager
James Richardson, Director of IT
Ryan Wingerter, Deputy Director of Field Services
Stephanie Douglass, Human Resources Manager
Theo Theocles, Director of Legal Affairs/Chief Procurement Officer
Raemarie Walker, Assistant Procurement Officer
Katie Shea, Educational Outreach and Communications Specialist
Juan Latorre III, member of the public
Rhonda Pogodzienski, AECOM
John Liebel, Attorney for the Commission

Public Comment

1. Public comment.

Prior to the meeting, Mr. Juan Latorre requested the opportunity to provide public comment.

Mr. Latorre resides at 122 Forest Hills Road and is a lifelong resident. Mr. Latorre stated that he has reviewed the HAA5 public notices and FAQs, and watched the meeting with the City Council subcommittee meeting a few weeks ago. Mr. Latorre appreciated the efforts to keep customers informed thus far and advocated for more direct outreach efforts to put residents' concerns at ease. Mr. Latorre stated that he has heard residents voice a variety of concerns that are overstated based on what he has read, so he believes more outreach is needed to educate the community.

Business Matters

2. Approve the minutes of the meeting held on January 19, 2022, 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 RODRIGUEZ

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve the minutes of the meeting held on January 19, 2022.

Old Business

3. Appeal by Owner of 90 Birchland Avenue.

Executive Director Josh Schimmel explained that the account for 90 Birchland was flagged for increased consumption. Multiple orange postcards requesting access to check the meters were sent, and access to the meter was granted in June of 2021. Meter testing showed the primary meter was working correctly. A non-beneficial leak abatement was offered, but the owner insisted that there was no leak. The owner is requesting using historical usage for the bill encompassing July 7, 2021 – September 2, 2021. Mr. Schimmel recommended denying the appeal. The Commissioners instructed staff to offer the owner another opportunity to apply for a non-beneficial leak abatement.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to deny the appeal of 90 Birchland Avenue and offer another opportunity to apply for a non-beneficial leak abatement.

4. Consideration of CIP Amendment 2022-13: Report by Director of Finance.

Director of Finance Domenic Pellegrino requested that seven CIP projects that have been completed have their unencumbered balances decreased, and any CIP projects funded by Revenue and Reserves (\$980,409.46) be transferred into the CIP reserve account.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve CIP Amendment 2022-13.

New Business

5. Financial Update: Report by Comptroller.

Comptroller Anthony Basile reported that there was \$107.5 million in cash, which is a \$4.2 million decrease. This decrease is mostly attributable to cash advances that will be reimbursed by SRF.

The operating budget was 62% spent. There are a number of line items that will be overspent, and a shortfall of revenue is anticipated. Bid openings are higher due to inflation. Chlorine and other chemical costs are expected to increase at least 50% from their already inflated prices. It is projected that operating costs will be 96%, with \$3.2 million unexpended.

Commissioner Rodriguez asked if it was expected that loan service would be 100% spent. Mr. Basile responded that all budgeted debt service and loan charges will be spent out.

Mr. Guz added that \$4 million in debt relief is anticipated for the bond, and is taken into account before the bond is issued. Mr. Pellegrino reported that \$15 million in principal and interest is due March 15.

Mr. Basile reported \$42.4 million in capital spending, with a remaining budget of \$392.2 million. This includes all WIFIA-financed projects that have been approved.

Mr. Basile reported that due to lower summer usage, there was a \$3.1 million shortfall in revenue. Commissioner Rodriguez asked what was the cause of the negative variance. Mr. Basile responded that last summer had heavy rainfall.

There was \$107.5 million in total cash, of which \$23.9 million is unrestricted, representing 22% of overall cash. These percentages are in line with Commission's financial policies.

There was \$3.2 million over 60 days old in receivables. There was just under \$9 million in total assets, including outstanding debt of \$516 million.

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

Director of Finance Domenic Pellegrino reported net billings of \$6.9 million, collections of \$5.8 million. The accounts receivable balance was \$6.4 million; it was \$8.2 million at this time last year.

There were 7,083 accounts with balances over 60 days old for a total of \$2.4 million. The number of accounts has increased since this time last year.

There were 152 credits issued for a total of \$13,655.76.

Atty. Guz asked whether Way Finders would assist with utility payments this year. Mr. Pellegrino reported that there was a pause in assistance in December but checks from Way Finders are coming in again. Mr. Schimmel reported that he was thankful for Way Finders assistance and will reach out to them.

Atty. Guz noted that he discovered a possible write-off for senior homeowners (of even two-family homes). Joint filers can make up to approximately \$93,000/year and write off the water/sewer bill as a tax credit. Atty. Guz suggested publicizing this potential benefit.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ: to approve credits in the amount of \$13,655.76.

7. Consideration of CIP Amendment 2022-14: Report by Director of Finance.

Mr. Pellegrino reported on a transfer of \$514,263.90 from the CIP reserve into three separate projects.

Senior Engineer Frank Zabaneh reported that one transfer is for a culvert replacement at Borden Brook, which was budgeted to replace in-house but needs a contractor as it is in a regulated channel. Another transfer is to cover repair of the rapid sand filter beds at West Parish Filters. The final transfer is for the replacement of electric transmission poles associated with the power plant.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ: to approve CIP Amendment 2022-14.

8. Consideration of the Closure of Project Fund Accounts Associated with Series 2019E General Revenue Bond: Report by Director of Finance.

Mr. Pellegrino reported that project funds opened for the purpose of the revenue bond sold in 2019 need to be closed out. Any residual monies remaining in Project Funds will be transferred within project funds first for redistribution and use. Once all Capital Projects associated with the 2019E Revenue Bond are complete any outstanding funds remaining will be transferred to the Revenue Fund. Balances from

Project Funds Wastewater Collection 2019E, Power Generation 2019E and COI 2019E will be transferred to Project Fund Water Supply and Transmission 2019E.

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve Closure of Project Fund Accounts Associated with Series 2019E General Revenue Bond.

9. Consideration of Update to Assistant Collections Manager Job Description: Report by Human Resources Manager.

Mr. Schimmel reported that this is an update to the existing job description, as there have not been many applicants. The requirements to the position are being lowered in order to widen the applicant pool.

Commissioner Otero asked why a bachelor's degree was needed. Mr. Pellegrino responded that it was preferred, but not required, but that a finance or accounting background was necessary to assist with the systems in use. Commissioner Otero suggested revising the number of years of experience and removing "strongly preferred."

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

VOTED YES –

COMMISSIONER OTERO

COMMISSIONER LEONARD

COMMISSIONER RODRIGUEZ:

to approve Update to Assistant Collections Manager Job Description.

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

Mr. Schimmel reported that the vendor agreement with DCDH was just received for the new LIWAP program. The program is likely not to be in place until March or April.

Mr. Schimmel reported that he was interviewed by Western Mass News about HAA5 at West Parish Filters, in front of construction. Commissioner Rodriguez suggested having an upcoming Board meeting at West Parish Filters.

Mr. Schimmel reported that negotiations are ongoing with a property owner adjacent to West Parish Filters for the purchase of property associated with construction.

Mr. Schimmel reported that Hazen was selected for the design of the new water treatment plant.

The next Board meeting will be held March 24, 2022, at 9 AM.

A Board meeting about the capital plan will be held on March 31, 2022, at 9 AM.

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

None considered.

Executive Session

12. Consideration of Fido v. SWSC – MA #20-CV-0252 (personal injury): Report by Atty. John Liebel.

13. Update on SWSC v. Ace American Insurance Company – U.S. District 3 3:21-CV-30096-KAR (breach of contract and violation of M.G.L. Ch. 93A Sect. 11): Report by Atty. John Liebel.

**AT 3:29 PM UPON MOTION DULY MADE BY COMMISSIONER LEONARD AND
SECONDED BY COMMISSIONER RODRIGUEZ**

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

to enter into executive session to consider existing legislation pertaining to Fido vs. SWSC and SWSC vs. Ace American Insurance Co. 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.

Submitted By:



Jaimye Bartak, Secretary