



Chair/James Gmeiner
Vice Chair/Thomas Orcutt
Clerk/Michael Bouchard

Town of Groton Sewer Department
173 Main Street
Groton MA 01450

Date: March 31st, 2021

Time: 2:00 P.M.

Location: Virtual Meeting Using Zoom

Members Virtually Present: Chair/James Gmeiner
Clerk/Michael Bouchard

Not Virtually Present: Vice Chair/Thomas Orcutt

Others Virtually Present: Ann Livezey/Water & Sewer Assistant and Lauren Croy/Business Manager

The Meeting was called to order by James Gmeiner at 2:00 P.M.

Rate Hearing to Consider amending the wastewater rates and fees for the Center Sewer District and the Four Corners Sewer District Continued

Notice of Public Hearing

In accordance with Chapter 83 of the Massachusetts General Laws, the Town of Groton Sewer Regulations, and the Policy and Guidelines for a Submission to Extend Sewer District, the Groton Sewer Commission will hold a public hearing on Wednesday, April 7th, 2021 at 2:15 P.M. via Virtual Meeting using Zoom Pursuant to the Governor's Executive Order to consider a proposed sewer extension to the property shown on Assessors' Map 109, Lot 43-0 being a portion of 108 Pleasant Street. Please see Meeting posted at <https://www.grotonma.gov/events/> for details regarding Zoom meeting information.

Mr. Gmeiner asked Mr. Bouchard if he had chance to review the spreadsheets of the flows and the percentages for GDRHS. Mr. Bouchard feels it's a little north of 2% flow because of the debt we have and thinks it would be fair to charge a flow percentage of debt. Mr. Gmeiner said we had talked about an administrative fee of a flat percentage to the monthly invoice. Mr. Bouchard said he agrees that's fair since they are using 2% of the system. Mr. Gmeiner added that we do also have overhead, intergovernmental and the office staff, we would keep all treatment costs. Mr. Bouchard asked if the GDRHS ever had the option to have a contract with Pepperell directly and Mr. Gmeiner replied "No". Mr. Bouchard suggested we bill this by the calendar year verse the fiscal year, that way the schools can budget for their year.

Mr. Gmeiner recap to remove final read fee for the Center Sewer Regulations and Mr. Bouchard replied “yes because that is a water fee. Mr. Gmeiner said in regards to engineering/inspections we need to make the application clear of the charge and we should adjust the off -hour inspections. Mr. Bouchard suggested based on Mr. Rafferty’s comments we should have this as a separate agenda item to nail down guidelines.

Mr. Gmeiner told the BOSC that Ayer has increased their fee’s, therefore we need to increase our fee for new connection (new users only). Mr. Bouchard agreed and stated our connection fee’s due to Ayer went up \$600.00, so we would increase ours by that amount. Mr. Gmeiner replied “yes” and that would apply to any additional Moulton properties that were not included in the original agreement. Mr. Bouchard asked how we would notify people of this and suggested we reach out to Mr. Moulton.

Mr. Gmeiner asked Ms. Crory if she looked at what Ayer is billing verse what we bill. Ms. Crory replied that if Ixtapa was to connect Groton rates would be estimated at \$27K and Ayer would bill us at a set rate and it would be about \$19K, so we should profit \$7K. She said that Ayer bills us at a highest tier and asked if that would change and Mr. Gmeiner said that is how the IMA is written we pay at the highest tier. Mr. Bouchard said so the question is that kind of money enough to run the system on. Ms. Crory said it would be the \$6,400.00 estimate plus what we make on the increase of connection fees. Ms. Crory said the new connection fee increase that would go up to \$8,600.00 for new customers only. Ms. Crory said based on the \$8K we are making \$2,600.00 per ERU. Mr. Bouchard said that is all one-time revenue. Mr. Gmeiner said eventually we would like rates to cover all costs and build up reserves for any major repairs, this would allow us to pay for it rather than borrow the money.

Mr. Gmeiner said at the start of Four Corners, Environmental Partners did a rate study and their idea was to charge an \$8K connection fee and that would leave us with significant monies and we would be at \$100K - \$200K after we paid off the ten-year fee that we have to pay off.

Mr. Gmeiner suggested that he would like to see more data on rates/costs for Four Corners and the Center before we did any rate adjustment. Mr. Bouchard would like to know, the \$6,400.00 is excess and rate revenue we receive and after operation paid out. Ms. Crory replied “no” and explained after we pay our Ayer bill, we bill our customers and we send Ayer bill and they bill us, so after that we have \$6,400.00 left. So that is used to cover any expenses, to balance the budget. Mr. Bouchard sked if that was per year, per qtr. Ms. Crory replied per year and Mr. Bouchard replied that it would cost more than \$6,400.00 to run the system. Ms. Crory said roughly \$15K it costs per year.

Mr. Bouchard said we would have \$15k in expenses on \$6,400.00 in revenue. Mr. Gmeiner, we had to transfer \$26K and \$21K was to offset what we have to pay Ayer, so still pulling \$5k out to balance the budget. Mr. Gmeiner asked if he feels we need to do an adjustment on these numbers. Mr. Bouchard asked if that \$6,400.00 was a full year of usage and Ms. Crory replied “yes” that is from FY20 data.

Ms. Crory said based on her report and the number of customers a 5% increase would only generate about \$1,500.00. Ms. Crory said we have (22) customers, so if you were to add a capital charge of \$10/qtr. it would only generate \$880.00. Mr. Gmeiner said looking at this we need to increase rates, but do we start with a slow increase. Mr. Bouchard, I would rather that with my budget.

Mr. Bouchard noticed on the usage that most people are in Tier 1 and if we did a 5%, we would see a .50 cent per unit, so it is \$9.66/per unit. So about 50 cent per unit and most are small users, so would not be that much. Mr. Bouchard said only one user at 10 units would be \$5.00 increase per qtr.

Mr. Bouchard feels that with \$15K in expenses and \$6,400.00 in revenue we need to move forward. Mr. Bouchard said with the connection fee the rational is Ayer went up \$600.00 therefore we have too.

Mr. Bouchard made a motion to close the rate hearing and Mr. Gmeiner seconded and the motion passed unanimously: Gmeiner-Aye & Bouchard- Aye

Four Corners Sewer District:

Mr. Gmeiner asked if Mr. Bouchard if he was in agreement to increase the connection fee by \$600.00 due to the increase in Ayer's connection fee and Mr. Bouchard replied "yes"

Mr. Gmeiner made a motion to increase the connection fee in the Four Corners Sewer District for the properties that were not used in the original calculation that was paid to Ayer according to the IMA and would be effective March 31, 2021 Mr. Bouchard seconded the motion and the motion passed unanimously. Bouchard – Aye Gmeiner & Aye

Mr. Bouchard made a motion to add a minimum usage fee of (1) unit to the Four Corners Sewer District effective May 1st, 2021 Mr. Gmeiner seconded the motion and the motion passed unanimously. Gmeiner – Aye & Bouchard – Aye

Mr. Bouchard made a motion to increase the Rates in the Four Corners Sewer District by 5% effective May 1st, 2021 Mr. Gmeiner seconded the motion and the motion passed unanimously. Gmeiner – Aye & Bouchard – Aye

Mr. Bouchard made a motion to add a 14% interest charge for Unpaid bills to the Four Corners Sewer District effective May 1st, 2021 Mr. Gmeiner seconded the motion and the motion passed unanimously. Gmeiner – Aye & Bouchard – Aye

Mr. Bouchard stated that these increases are due to expenses exceeding revenue and for the replenishment of the capital account.

Center Sewer District:

Mr. Gmeiner asked if we should wait six months to review and asked Ms. Crory what was in reserves. Ms. Crory replied that we have \$542K including \$210K transfer without the transfer it would be \$332K. Mr. Gmeiner told the BOSC that we are pulling a good chunk out of reserves and are getting low and we do not want to end up in a situation. He suggested we wait six months and review and asked Ms. Crory to keep an eye on the budget.

Mr. Bouchard asked if the \$210K was to cover operation expenses. Mr. Gmeiner replied \$60K was for I&I and 436 Main Street, so \$150K would be for operational. Mr. Gmeiner said due to the pandemic sewer took a big hit in revenue. Mr. Gmeiner added that if things progress and things open back up, we should see some significant revenue coming in, before the pandemic hit, we were doing well.

Mr. Gmeiner made a motion to forgo a rate increase in the Center Sewer District subject to a six-month review Mr. Bouchard seconded and the motion passed unanimously. Gmeiner – Aye & Bouchard – Aye

Florence Roche School – Capacity

No updates at this time

Prescott – Capacity Charges

No updates at this time

108 Pleasant Street – Sewer Connection

No updates at this time

227 Boston Road – Lindemer Sewer Connection Update

No updates at this time

1-3 Forge Village – Sewer Connection

No updates at this time

Shaw’s – Sewer Connection

Mr. Bouchard told the BOSC that he would like at this information in more detail about the contractors not showing up on site. He also suggested that we reach out to Mr. Irvine and let him know we are looking into this. Mr. Gmeiner said he was inclined not to bill them, but forgot about the no shows and the BOSC had to pay for these expenses anyway. Mr. Gmeiner told the BOSC that Mr. Rafferty spent hours reviewing the plans and we should at least get paid for that. Mr. Gmeiner said that in regards to the application not being spelled our correctly regarding inspection fees, he may have an issue with that. He suggested we gather more information and continue discussing at the next meeting. Mr. Bouchard also added that the application needs to be clarified regarding the inspection fees.

436 Main Street

Mr. Gmeiner said that Mr. Rafferty sent out some information regarding the posting and he will be able to put together some of the documents and Ms. Dunbar will post. He told the BOSC that we will need three bids because its’ over \$25K. Mr. Bouchard asked if we will be transferring from reserves to cover the funds. Mr. Gmeiner said we could encumber the funds and is hoping to have work done in June/July when school is out. He is not anticipating a huge disruption to 119, but may require a detour.

Discuss Developing a Policy Regarding Abatements

No updates at this time

GDRHS Administrative Fee

Mr. Gmeiner said with the ratio applied to debt service, we would generate a bill at the beginning of the year and then the other, question is to use that ratio and apply it to the overhead cost rather than the actual bill. He asked for the overhead portion, do we want to submit once in July or month to month. Mr. Bouchard thought the overhead could be a lump sum number rather than do the flow calculation on a fiscal year basis we could do by calendar year.

Mr. Gmeiner made a motion to charge a fee to the GDRHS for the HS based on the ratio of the HS flow to the total flow of the Groton Sewer System that goes to the Pepperell times the debt service that the Center Sewer Enterprise Fund will be paying for the Pepperell Sewer Plant Upgrades to be billed in July Mr. Bouchard seconded and the motion passed unanimously. Gmeiner – Aye & Bouchard – Aye

Mr. Bouchard stated this is due to the capital debt costs for the system and feels that should be shared by the GDRHS.

Mr. Gmeiner made a motion to charge and Administrative Fee to the GDRHS for the HS usage based on their ratio to the total Groton Center flow to Pepperell with that ratio applied for office overhead wages, salaries, intergovernmental, office supplies and postage to be billed one time in July, Mr. Bouchard seconded and the motion passed unanimously. Gmeiner – Aye & Bouchard – Aye

Mr. Bouchard stated this is due to the cost incurred by the Enterprise Fund and the HS should pay for their portion Mr. Gmeiner also added that the HS pays less in rates than the Center Sewer District, due to they pay for their own plant.

Discussion of Proposed Sewer Commission Web Site

Mr. Bouchard is working with Mr. Chiasson and will have an update soon

FY21 & FY22 Budget

No updates at this time

Other Business:

Mr. Gmeiner made a motion to have Mr. Bouchard sign the warrants moving forward due to covid protocols and Mr. Gmeiner would be second in the event Mr. Bouchard not present. Mr. Bouchard seconded and the motion passed unanimously. Roll Call: Gmeiner – Aye and Bouchard - Aye

Mr. Gmeiner made a motion for the week of EW21, he would sign the warrant in lieu of Mr. Orcutt's absence. Mr. Bouchard seconded and the motion passed unanimously. Roll Call: Gmeiner – Aye and Bouchard - Aye

Next Meeting –April 7th, 2021

BILLS SIGNED - No bills were signed at this meeting

MINUTES: - No minutes were approved

ADJOURN – Mr. Bouchard made a motion to adjourn at 3:45 PM. Mr. Gmeiner seconded the motion. Roll Call Gmeiner – Aye

Respectfully submitted,
Ann Livezey
Water & Sewer Assistant