

Groton Water Commission
Regular Meeting of the
Board of Water Commissioners
Tuesday, June 28th, 2022
Virtual Meeting using Zoom

Minutes

Present are Chairman Jack McCaffrey, Member James Gmeiner, Superintendent Tom Orcutt, and Business Manager Lauren Crory.

Mr. McCaffrey called the meeting to order at 7:45pm. He stated that we are being recorded and everyone introduced themselves.

Whitney Pond Well #3

Mr. Orcutt met with the Selectboard to update them on the drought and water conservation efforts. He reported that water consumption is still up.

In terms of Whitney Well #3, Mr. Maloney will be at the on-site construction meeting next week with RH White. The pump test is wrapping up and they will be collecting water samples tomorrow. They are pumping 467 gallons per minute and it is stabilized. Dankris was on site today and cut in the T and the valves and restored water service after a few hours. They did chemical balancing and got the well back online again. Mr. Mahoney was monitoring the work and everything went smoothly. Lastly, there is a zoom meeting scheduled next week with the Water Resources Commission and DEP to get a handle on what we can get for a permit. The best case will be 90 days, but the Water Resource Commission has been saying we can transfer our Shattuck registration but DEP said we cannot. Mr. McCaffrey asked if the water samples will include PFAS and Mr. Orcutt said it will and assumes it will be below 10 ppm.

Fiscal Year 2022 & 2023

Mrs. Crory reviewed the year end FY22 budget. Rate income is at 102% budget, construction income 93% of budget, miscellaneous (backflow) budget is ok but we are off schedule, and the overall income looks good. Salary and wages are all set and the General Expenses forecast is \$65,000 (may be high) for the rest of the year including a \$42,000 intergovernmental bill. We did uncover a Baddacook Lagoon bill from CEI for \$20,500 which was not in the budget but we do have money available from Fall Transfer funds. The free cash estimate is \$684,000 and if we took out the manganese fee the net free cash would be \$324,000. This will hopefully be higher if expenses come in lower. Mr. Orcutt said we would like to have reserves closer to \$450,000 but knows we had to use some transferred money for the new employee this year. Mr. Gmeiner asked about the expenses and if any are related to the Manganese Treatment Plant. Mrs. Crory said that all of the manganese invoices are tracked under the manganese capital projects and spreadsheets which are separate from the general budget and were paid from either borrowed money or the startup transfers. Mr. Orcutt said it is a good question because we have been

making sure to use the borrowed funds as much as possible. The Baddacook Lagoons will not qualify for the borrowed funds unfortunately.

Mr. McCaffrey asked about the GELD bills and Mrs. Crory said only about \$1200 has been billed and we can use borrowed funds towards these bills.

Mrs. Crory reviewed the Whitney Well III project. We spent about \$270,000 on design and engineering out of the \$300,000 borrowed. CEI had billed engineering and design and drilling on the same invoices so the total actually ended up being \$314,000. These two items were separate contracts and should not have been billed together or paid out of the same funds. Because of this, the total \$300,000 was spent as well as \$25,000 of transferred funds (Shed, legal bills, and extra drilling costs). The drilling costs may be able to be put towards construction borrowed funds which will help free cash. Mrs. Crory and Mr. Orcutt will speak with accounting. We borrowed \$700,000 for Construction Costs and will track these bills moving forward.

Mr. McCaffrey asked about all of the time being spent on extra meetings and if engineering charges will go up due to the extra time. Mr. Orcutt assumes there will be an increase in engineering due to the permitting issue.

Mr. McCaffrey would like to see the forecasted construction costs on these spreadsheets also. Mr. Orcutt confirmed our construction costs should be under budget which is good to cover some of the other expenses.

Mr. Fishbone asked what our beginning free cash was and Mrs. Crory said it was \$580,000 with the manganese fee (\$160,000) so the net would have been about \$420,000. Mrs. Crory projected the end of the FY22 to be a net free cash of \$324,000. Mr. McCaffrey said that shows we are down about \$95,000 and Mrs. Crory that makes sense because of the new employee.

Mrs. Crory reviewed updated Manganese Treatment spreadsheets. The water department basically used about \$200,000 of our own funds on startup costs rather than using the manganese fee income which we are trying to build up. We borrowed \$722,000 in FY22 and spent nearly all on engineering and design work. Our manganese fee income looks good and we will keep an eye on it to make sure we are bringing in the correct/budgeted amount. Mr. Fishbone asked what the bill will be for the construction. Mrs. Crory said we borrowed based on the estimate but the bid came in less. Mr. Gmeiner said we borrowed \$5.6 million so far and asked where that money is because he is wondering if there is any interest on that money. Mr. Orcutt said there should be. Mrs. Crory will ask the Treasurer's office about that. We have brought in a total of \$366,000 in manganese fee income which looks good with our upcoming debt payments. Mr. Gmeiner confirmed that the fee income will offset our high debt years.

Mr. McCaffrey would like to see the cash flow from the contractor.

Mr. Orcutt does not know the exact timing of the next borrowing because we are tailing off of the Florence Roche project so we will make sure everything flows.

Mrs. Crory will let the Board know if we need to encumber and funds.

ARPA Funds – Taylor & Main St Replacement Project

Mr. Orcutt said that Mr. Haddad had designated some ARPA funds for the water department (about \$250,000) preferably to assist with the NEBS property project. He would like to use some of these funds for Taylor St improvements and change the connection from a 6” to 8” to increase flow. Mr. Orcutt put out an RFQ and RFP for this project. He would also like to repair some issues on Main Street (under the rail trail crossing). Mr. Gmeiner asked if the Main Street issues will be repaired with these funds and Mr. Orcutt said yes and it should be about \$50,000. Mr. Fishbone asked if it is an asbestos pipe being replaced and Mr. Orcutt said it is. Mr. McCaffrey asked about the engineering and Mr. Orcutt said Environmental Partners were selected for this project. Mr. Gmeiner asked if he went out to request for proposal and qualifications and Mr. Orcutt said he did and used the ARPA requirements. There were 9 requests and 2 submissions and Environmental Partners was selected.

Mr. Orcutt said that the Deluxe property looks like it will be a total of about 200 units resulting about 50,000 gallons of water consumption. There is a commercial component that has not been identified. Mr. McCaffrey asked if this will be worse for the interbasin transfer and Mr. Orcutt said it should fit into the current permit. Mr. McCaffrey also asked if the water department will be spending any money on this project and Mr. Orcutt said that we will not and it will be funded through the contractor and these state funds. Mr. Orcutt said we will get connection fees but it may not be FY23.

Other Business

Mr. McCaffrey would like to see more well level graphs and Mr. Orcutt will send them out on the 1st and the 15th. Mr. Orcutt said the pump test was about 470 gallons per minute and was not impacting Whitney Well I and II.

Mr. Gmeiner wanted to make sure we covered Mr. Orcutt’s vacation for signing bills and we did vote Mr. Gmeiner to sign them.

Mr. Gmeiner made a motion to approve minutes of April 26th, 2022 as amended, Mr. McCaffrey seconded, Mr. Fishbone abstains, and the motion carried unanimously.

Mr. Gmeiner made a motion to approve the minutes of May 10th as amended, Mr. Fishbone seconded and the motion carried unanimously.

Next Meeting is July 12th, 2022.

Mr. McCaffrey made a motion to adjourn at 8:17pm, Mr. Gmeiner seconded and the motion carried unanimously.

Respectfully Submitted,

Lauren Crory