

Groton Water Commission  
Regular Meeting of the  
Board of Water Commissioners  
Tuesday, November 15<sup>th</sup>, 2022  
Virtual Meeting using Zoom

**Minutes**

Present are Vice Chairman Greg Fishbone, Member James Gmeiner, Superintendent Tom Orcutt, Business Manager Lauren Crory.

Mr. Fishbone called the meeting to order at 7:31pm. He stated that we are being recorded and everyone introduced themselves.

**Fiscal Year 2024 Budget Discussion Other Business**

Mrs. Crory spoke on the principal and interest issues for the new capital projects. For the FY2024 budget things will remain the same. The only piece that we need to look at is the manganese capital charge which may need to be increased. We are currently taking in \$280,000 in manganese fee income each year. When we get revised debt schedules and see what our FY2024 debt payment might be, we can determine if we need to raise the fee this year. However, the extra amount would be added to both the revenue side as “fee income” and the expense side as debt payment/and or “reserved for manganese fund” if we need to keep building up our manganese fund. Mr. Fishbone asked if we have a shortfall in FY2023 and Mrs. Crory said we do not have principal payments due this year and the amount was below our budget. Mr. Fishbone said we may need to raise the fee to build up for FY2025 and Mrs. Crory agreed.

Mr. Orcutt said the problem is because principal payments are coming due on our short-term borrowing with (1/8<sup>th</sup>) principal payments. We do have the option to permanently borrow but then would get locked into current rates which have skyrocketed. Mr. Fishbone asked if we are still permanently borrowing with the school and Mrs. Crory said that is the plan. Mr. Orcutt thinks it was all borrowed already.

Mr. Orcutt said we will get new data from Bond Counsel and we will revise the budget with the capital charge increase. Mr. Gmeiner asked about interest rates and Mr. Orcutt said that the treasurer is recommending 4.5%. Mr. Gmeiner said that is still very low, historically. Mr. Gmeiner does not think the rates will go down. Mr. Fishbone had the same instinct but realizes bond counsel probably has a better handle on this. Mr. Gmeiner asked about permanently borrowing and Mrs. Crory said it would be \$1,000,000 for Whitney Well III, \$5.6 Million for Manganese Treatment Plant, and \$700,000 for Manganese Treatment Construction (another \$4 Million to be borrowed in 2023).

Mr. Orcutt reminded the board in FY2026 we will lose our old debt so we will gain some momentum. Mr. Gmeiner is ok with the FY2024 budget. Mr. Orcutt agreed but we want to make sure we don't spend all of our manganese reserves in one year and then play catch up.

Mr. Orcutt said Mr. Haddad will need to borrow another \$32 million for the school.

Mr. Orcutt said we will put numbers together as soon as we hear from Bond Counsel. Mr. Orcutt said we will need to meet next week to make some final decisions on this based on updated debt schedules.

Mr. Orcutt said that the operating budget reflects a water rate increase. Mrs. Crory recapped that based on FY19 data to bring in \$200,000 more, it would be 15% increase across the board and a \$5.00 service charge increase. We will update the data to FY23 data for the rate hearing. Mrs. Crory said we could look at tiered service charges. Mr. Orcutt recapped some other towns' capital charges and how they handle it.

Mr. Orcutt is going to strongly slow down spending this fiscal year. We want to build up our reserve fund this year. Revenue is looking good based on water sales and construction income.

### **Baddacook Weeds Funding**

Mr. Gmeiner asked if we are contributing to the Baddacook Weed Harvesting project because it is not in the budget. Mr. Orcutt said we have agreed to pay this in the past and Mr. Fishbone said that our contribution is contingent on the town matching us. Mr. Orcutt agreed and said it is also based on us having funds available. Mr. Gmeiner asked why it is not in the budget and Mr. Orcutt said it is usually taken out of Building Maintenance or Contracted Services but we could make a separate line if the Board wishes to do so. Mr. Gmeiner said we expect to have a town match on these and we have been spending it each year. Mr. Fishbone believes we decided that having it in the budget may obligate us to pay rather than have it be contingent on the town contributing.

### **Other Business**

Next Meeting is November 22<sup>nd</sup> at 7:30pm.

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

Respectfully Submitted,

Lauren Crory