

Groton Water Commission  
Regular Meeting of the  
Board of Water Commissioners  
Tuesday, December 12<sup>th</sup>, 2023  
Public Hearing – via 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 7:30pm.

**Public Hearing – Water Rates, Fees & Charges**

Mr. Gmeiner read the notice of public hearing - In accordance with Chapter 40, section 42-A to 42-I, of the Massachusetts General Laws and the Town of Groton Usage Fee Regulations, the Board of Groton Water Commissioners will hold a Public Hearing, in the 1<sup>st</sup> Floor Meeting Room of the Town Hall on Tuesday, December 12<sup>th</sup>, 2023 at 8:00pm in order to review and adjust accordingly the water rates, fees and miscellaneous charges per the Town of Groton Water regulations. – Board of Water Commissioners, John J. McCaffrey.

Mr. Orcutt started by explaining there is a shortfall in Fiscal Year 2024 due to lack of water sales and rain levels. He is asking the Board to look at a temporary fee to help this shortfall that will be re-evaluated next December. Some reserve funds will help with the shortfall. Fiscal Year 2025 will be discussed also. Adjusting rates is risky as it is not guaranteed which is why Mr. Orcutt is in favor of a fee. We also recently raised rates and have not had a normal year to see what that increase will generate.

Mrs. Crory reviewed the fiscal year 2025 line item expense for PFAS Treatment (temporary) for \$100,000. The engineers gave us updated estimates. Mr. Orcutt said the lowest amount to do temporary treatment would be a start up cost of about \$1 million dollars (which includes DEP permitting, putting out to bid, pilot testing, engineering, construction administration) followed by \$300,000 in subsequent years. Mr. Gmeiner asked how much would have to be pumped to cover the cost. Mr. Orcutt said you would probably need to borrow the money, it would not be SRF funds. Mr. Fishbone asked when the new PFAS regulations are coming and Mr. Orcutt thinks maybe January of 2024. Mr. Gmeiner thinks its probably further out than that. Mr. Gmeiner thinks even if this was borrowed, a lot of extra water would need to be pumped to make the payment. Mr. Orcutt said this Whitney Well III PFAS issue is going to take a lot more thought and planning than a quick temporary planning. Mr. Fishbone asked if there is still a chance that Whitney Well III will remediate itself and Mr. Orcutt said yes because the other wells are testing below the 4ppm and it is the same water source so it must be something in the well itself contaminating.

Mrs. Crory said we will take out the \$100,000 temporary PFAS treatment as well as the temporary fee in the fiscal 2025 budget draft.

Mr. Orcutt reminded the board that we took out some items out of the fiscal year 2025 budget draft so could add those back in. Mr. Fishbone asked if we need to adjust rates if Whitney Well III will not be online and Mrs. Crory did not account for additional Whitney Well III pumping and sales in her fiscal year 2025 rate forecast. It was based only on past averages plus the new rate increase.

Mrs. Crory thought originally, we would have the temporary fee for the 6 months of fiscal year 2024, but thinks that a 12-month fee with a review next December is a good idea as an insurance for another wet summer, or to replenish some of the reserve fund being used to offset this years rate deficit and increased expenses.

Mrs. Crory said in FY2023 we saw 6 months of the increased rates and the rate income was \$100,000 over budget. This should be a good indication of a good rate revenue increase when we have another average year. Mrs. Crory believes the rate budget this year will be about \$100,000 short; the construction income could also be about \$100,000 short. There are also additional expenses such as salary and wage adjustments, extra expenses due to the new treatment plant, and a higher debt payment for Whitney Well III. Mr. Gmeiner asked about Whitney Well III. Mrs. Crory explained that we budgeted the whole Whitney Well III project at about 25 years but found out the engineering piece could only be borrowed for 10 years which will increase the first 10 years. The updates to the Scada program (due to the new treatment plant) will be paid for with extra borrowed funds.

Mrs. Crory reminded the Board we work in a capital fund line item for \$40,000, but in a deficit year it will be absorbed by extra expenses on other line items.

Mrs. Crory's estimate for a total shortfall is about \$64,000 for fiscal year 2024, after using our \$150,000 transferred funds.

Mrs. Crory said the available reserve fund is about \$380,000 (the rest is reserved for manganese debt). We took out \$150,000 that we plan to use so that leaves us at about \$233,000 free. Mr. Orcutt does not like the reserves being this low. Mr. Fishbone agreed.

Mrs. Crory showed some examples of fees that could make up that \$64,000 shortfall. Mrs. Crory said that a \$13 quarterly deficit fee should bring in about \$58,000 in the next 6 months. Mr. Gmeiner said they could take \$10,000-\$20,000 out of reserves if needed. Mr. Orcutt said this year was a perfect storm with a wet year and slow construction due to the economy.

Mr. Gmeiner would like to see the revised fiscal year 2025 budget and continue the hearing to decide if the fee should be 6 months or 12 months. Mr. Fishbone asked if they could take the fee off if they have a good summer for water sales. Mr. Orcutt said you can sunset it and review it in December of next year. Mr. Fishbone said if they could sunset it then there does not seem to be a downside to voting on it for 12 months. Mr. Orcutt said you would need to be mindful of the fee cancellation date so that each person is billed the same amount. Mr. Gmeiner would not have a problem cancelling it after 9 months if it was a great summer.

Mr. Gmeiner made a motion to continue the public hearing to December 19<sup>th</sup>, 2023, Mr. Fishbone seconded and the motion carried unanimously.

**Other Business**

Next Meeting is December 19<sup>th</sup>, 2023.

Mr. Gmeiner made a motion to adjourn at 8:08pm, Mr. Fishbone seconded and the motion carried unanimously.

Respectfully Submitted,

Lauren Crory