

Groton Water Commission
Regular Meeting of the
Board of Water Commissioners
Tuesday, November 14th, 2023
Virtual Meeting via Zoom

Minutes

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

Mr. Fishbone called the meeting to order at 7:32pm. He stated that the meeting is being recorded and everyone introduced themselves.

FY2024 and FY 2025 Operational Budgets

Mr. Orcutt started the discussion by speaking about the current fiscal year's deficit (FY24). Rate income is under budget due to the wet summer and construction income is down due to a lull in construction projects possibly due to the interest rates and current economy.

Mrs. Crory reviewed a spreadsheet estimating the FY24 income shortfall which could be about \$200,000. There are also about \$50,000 in extra expenses this fiscal year due to salary adjustments, new work order software, higher debt payment on Whitney Well III, and extra overtime. This creates a potential \$250,000 deficit in the FY24 budget. This is important to note when creating the FY25 budget so that we are conservative and careful not to deplete our reserve fund. At the fall town meeting, \$150,000 was transferred from the reserve fund for SCADA work. We have since found out that we can use our Treatment Plant borrowed funds to pay for the SCADA work, and therefor can repurpose the \$150,000 transfer to our budget deficit in the spring. The Board will need to discuss instituting a temporary deficit fee effective 1/1/24 to help make up the rest of the shortfall. This will be discussed in more detail at the rate hearing in December.

Mrs. Crory reviewed the FY25 debt schedule which is estimated using 4% interest. The majority of the new debt will be permanently borrowed in February and we will adjust this spreadsheet to actual numbers. Mrs. Crory said Bond Counsel expects it to be less, but we are carrying 4% to be safe.

Mr. Orcutt is not carrying any connection fees in FY25 as he does not know of any projects planned. Groton Farms at 500 Main St will be making a connection fee payment but will be carried separately for five annual payments. Mrs. Crory is using a small construction income number which is what may be billed out for parts and labor.

Mrs. Crory reviewed the expenses which show small increases for the new treatment plant (electricity, chemicals). The largest addition to expenses is the temporary PFAS treatment for \$100,000. This is in the budget because it may be needed to run Whitney Well III in the summer months, if the PFAS sample results do not go down. This will, however, require additional fees

in FY25, as the increased irrigation may not make up the full \$100,000. There is also a new truck in the budget for \$35,000. The Board members decided to remove this line item. Mr. Orcutt said it can be transferred out of reserves if they are able to afford it in FY25.

Mr. Orcutt reviewed the Salaries and Wages which were increased based on contractual COLA amounts and merits. There has also been an increase in overtime due to the new treatment plant.

Mrs. Crory reviewed the income spreadsheet. She set the rates at the actual FY23 rate income – and increased it by about \$50,000 since we had a recent rate increase and have not had a full 12 months of the increase yet. There was an extra \$100,000 placed into the service charge line which could be a temporary fee for the PFAS treatment. The capital fee income and a manganese fee transfer will cover the new debt payments.

Mrs. Crory recommended removing the Capital Fund expense line item to help reduce the budget and the board members agreed.

Operational Updates

No updates.

Other Business

Mr. Fishbone made a motion to adjourn at 8:34pm, Mr. Gmeiner seconded and the motion carried unanimously.

Respectfully Submitted,

Lauren Crory