

Groton Water Commission
Regular Meeting of the
Board of Water Commissioners
Tuesday, December 7th, 2021
Virtual Meeting using Zoom

Minutes

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

Mr. McCaffrey called the meeting to order at 7:30pm.

Fiscal Year 2023 Budget

Mr. Orcutt said we increased our debt based on the new debt schedules with this year's borrowing. Mrs. Crory said we will owe about \$100,000 more in new debt but we were able to increase the manganese fee budget to \$280,000 so the new debt is covered. Mr. McCaffrey asked if Whitney Well III numbers are in the budget and Mrs. Crory said yes there is just a small amount of interest only due in FY23.

Mr. Orcutt updated water levels and there is a general upward trend due to precipitation. Mr. McCaffrey asked if the Whitney levels have recovered themselves and Mr. Orcutt said they have. Mr. Orcutt said Whitney I and II pumping had been reduced and pumping more from Baddacook.

Mr. McCaffrey asked about the revised milestones and Mr. Orcutt added the date when the debt will be borrowed, February 18th, 2022.

Mr. McCaffrey made a motion to approve the minutes of October 12th as written, Mr. Fishbone seconded and the motion carried unanimously.

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

Mr. McCaffrey congratulated all members of the department on the recent MWWA Award and mentioned the article in the Groton Herald.

Mr. Orcutt will continue to work on the bid schedules. The screen will be ordered and replaced outside of the bid documents. Mr. McCaffrey asked if we need more project management and Mr. Orcutt said that he and Mr. Ohl will manage. Mr. McCaffrey wanted to make sure Mr. Orcutt is up for it and he said he ask Mr. Knox to assist in monitoring as well.

Mr. Gmeiner asked about the well drilling and Mr. Orcutt said the driller will put the casing, pump and and screen in the ground but other contractors will need to handle electrical and things like that. Mr. Gmeiner asked about SCADA and Mr. Orcutt said there is a closed SCADA bid out to three vendors right now. ITS will give a temporary control system at the new well and RTU to match up with the current SCADA system. The new contractor will build a new SCADA system. Mr. McCaffrey asked who owns it if something goes wrong and Mr. Orcutt said the contractor will be responsible. Mr. McCaffrey reviewed the number of bids which will be the Treatment Plant, Well Driller, and the General Contractor work for Whitney Well III. Mr. McCaffrey asked about the transformer and Mr. Orcutt said the tree has been removed and the poles and lines will begin in December and will be ready for Whitney Well III set up by April. Mrs. Crory asked if the \$30,000 we transferred out for the GELD work needs to be used or if we can use the 2/18/21 borrowed funds. Mr. Fishbone asked if there will be money from the state level available and Mr. Orcutt said he just had a seminar on this and much of the federal money is going to be in the form of SRF. There is money out there that may be available for grants and he will be looking at that.

Public Hearing – Water Rates, Fees and Misc 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 1st Floor Meeting Room of the Town Hall on Tuesday, December 7th, 2021 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.

Mrs. Crory posted a notice at Town Hall stating the rate hearing was virtual and how to find the zoom link. Mr. McCaffrey opened the rate hearing at 8:03pm. The key item in the rate hearing is going to be how to move the capital fee to keep up the capital expenses.

Mrs. Crory presented the manganese fee income and expense spreadsheet and reviewed the balance to ensure we were starting at with the correct number on our debt schedules. The Board agreed to use a starting number of \$134,000 since \$30,000 was recently transferred out for electrical work. This may be changed depending on if our bids come in lower than expected – we may be able to cover the \$30,000 electrical costs out of the borrowed money. She then displayed the debt schedule which shows that about \$280,000 needs to be raised per year to keep up with future debt payments (a few years are still a bit short at this level, unless we are able to change the starting balance back to \$164,000, we can review later on).

Mrs. Crory told Board that she spoke with the Town Accountant and got clarification that we can spend the fee income in the same fiscal year and adjusted the debt spreadsheet accordingly.

Mr. Orcutt asked if this debt spreadsheet includes the well project and Mrs. Crory said it does not since these spreadsheets are only being used to see how a capital fee can pay for the manganese treatment plant only. We will look at the Whitney Well III debt and rates separately. Mr. Orcutt also noted that the amounts may change once we get an actual bid.

Mrs. Crory presented a previous spreadsheet showing what the rates could be for Residential, Commercial, and School classes to get to the goal of \$290,000. The second spreadsheet took into account the residences that are multi-family homes because Mr. Orcutt suggested they pay a higher rate than regular residences. Fran Stanley asked about all commercial accounts being charged the same fee and the Board agreed we can look at splitting this class up into small and large commercial users. Mr. Gmeiner did point out that higher users and many commercial users do pay more due to higher rates on higher tiers. The third spreadsheet also split out schools into regular buildings, dorms, and faculty with the idea that residential faculty housing would be charged at the residential rate. Mrs. Crory will prepare a new spreadsheet which breaks out commercial accounts into small and large.

The Board then reviewed rates in terms of paying for new Whitney Well III debt. They reviewed the debt payments that will be due (large payments beginning FY2025). The Board decided to hold off on raising rates to see the effects of increased water sales due to the new well, as well as recent rate increase.

Mr. Orcutt said the borrowing for the Treatment Plant and Whitney Well III should be on the same debt schedule timeline as the Florence Roche school. He later confirmed that the Town Manager is looking at 25 years for the school which is in line with what the Board has been reviewing.

Mrs. Crory added that she did look into senior exemptions from the tax office and if we were to exempt those 20 customers from the fee it decreases the fee income by \$2500/year.

Mr. Orcutt would like the Board to discuss the connection fees and is looking at a 12% adjustment. A residential connection would go up about \$500. He did put this increase in the budget. Mr. Gmeiner asked how much is being transferred from reserves to balance the budget in FY23 and Mrs. Crory said \$92,000 (\$42,000 for current debt, \$50,000 for meters). Mr. Gmeiner thinks it's important to note that we are balancing the budget by pulling \$100,000 out of reserves. Mr. Gmeiner also noted we haven't had a normal water usage summer since our rate increases so we haven't quite seen the full effects. Our rate income may very well be higher than we budgeted if we have a good summer.

Mr. McCaffrey said that we are 90% done with figuring out the capital charge, we will review the connection fees, and review the FY23 budget numbers. Whitney Well III is done for now.

Mr. McCaffrey moved to continue the rate hearing via zoom on December 21st, 2021 at 7:30pm, Mr. Gmeiner seconded, and the motion carried unanimously.

The next meeting will be on December 14th, 2021.

Mr. Fishbone made a motion to adjourn at 8:56pm.

Respectfully Submitted,

Lauren Crory