

Groton Water Commission
Regular Meeting of the
Board of Water Commissioners
Tuesday, December 17th, 2024
Virtual Meeting 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 7:31pm. He stated that the meeting is being recorded and everyone introduced themselves.

Open the Public Hearing – Water Rates, Fees and Charges

Mr. Gmeiner made a motion to open the public rate hearing that was continued from December 10th, 2024, Mr. Fishbone seconded, and the motion carried unanimously.

Mrs. Crory reviewed the current FY24 Forecasted Budget. She used all current data up until December 10th and then used the previous year's data to forecast through the end of the year. Mrs. Crory said expenses look ok based on the previous year's data. Mr. Orcutt asked if the January to June period is a stable period to forecast and Mrs. Crory said in general rate revenue is typically in the same area but construction can vary drastically. Mrs. Crory believes we will meet our rate budget this year. Whitney Well III Capital Fee is running \$30,000 short because of changes to the debt schedule and we are hoping to cover that difference with increased water usage from the new well.

Mrs. Crory is estimating another \$20,000 of construction income. The large issue is the lack of the Groton Farms connection fee (\$144,000) this fiscal year. Mr. Fishbone asked if this is a delay in the project and Mr. Orcutt said they will not be pulling building permits this year so we cannot bill them yet. Mr. Orcutt said they were planning to pull it this year but it is behind schedule. Mr. Fishbone confirmed its still happening but just delayed.

Expenses look ok and everything is running under 50% of budget. There are some extra funds in the intergovernmental budget and the capital fund line. Debt is slightly overbudgeted but Mrs. Crory will pull the remaining amount of about \$63,000 to the FY26 Manganese Fund. Mr. Orcutt asked if there is any extra in the June borrowing and Mrs. Crory said that is the smaller portion and there is not much extra there. The areas with extra funds appear to be \$50,000 capital fund, \$63,000 to manganese fund, and \$20,000 extra in other expenses.

Mrs. Crory reviewed the enterprise fund balance which was \$407,000 at the start of the fiscal year. After separating out the manganese fee \$63,576 that leaves \$343,000. We transferred \$50,000 for a new truck at the fall town meeting AND A \$22,500 transfer built into the FY27 budget which brings it down to \$271,000. We will need to have a spring transfer to cover at least a portion of the \$144,000 shortfall which is going to be another large drop in the enterprise fund.

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Mr. Gmeiner said that Mr. Haddad was very concerned about the Enterprise Fund dropping down to this level. Mrs. Crory said he agreed that we need to do something to avoid getting to the low estimate of possibly \$127,000.

Mrs. Crory showed a spreadsheet regarding the current deficit fee. She said it is would be tough to raise rates to cover this one-year problem. Since we don't have the Enterprise Fund Balance to cover the whole shortfall, we could extend the deficit fee another 6 months to bring in some extra income to offset the Construction Income shortfall this fiscal year. Mr. Fishbone asked when the deficit charge is supposed to end and Mr. Orcutt explained we hoped to sunset it by the end of 2024 but can extend and review in June. Mr. Orcutt also pointed out that this a guaranteed income stream.

Mrs. Crory did present a regular rate increase spreadsheet also. Mr. Orcutt said it is also a problem to start a rate increase to help this year's budget since the full rate increase is not billed out until April due to the quarterly billing. Mrs. Crory does think a rate increase will be in order in upcoming years as costs are still rising, but does not think it is needed this year as the Groton Farms issue is the only problem at this time. Mrs. Crory also presented an irrigation spreadsheet which does not fluctuate much with rate changes since the usage is much lower.

Mr. Gmeiner asked about other projects and Mr. Orcutt does not foresee anything this fiscal year.

Mrs. Crory reviewed a spreadsheet regarding the Whitney Well III Capital Fee. She explained that maybe 15-20 customers throughout the year questioned that they were charged this fee on both the domestic and irrigation accounts. She explained to them the fee was assessed this way because the new well is primarily to support irrigation months when the extra water is needed. Mrs. Crory presented what a change in the fee to domestic only looks like. Mr. Fishbone thinks it is justified to bill both since we are trying to meet the demand of irrigation. Mr. Gmeiner agrees.

Mr. Gmeiner made a motion to close the hearing, Mr. Fishbone seconded, and the motion carried unanimously.

Mr. Gmeiner made a motion to extend the deficit charge to June 30th, 2025, maintained at \$13.00 per quarter, Mr. Fishbone seconded, and the motion carried unanimously.

Mr. Gmeiner does not think a rate increase will address our immediate problem and we will review rates at a later hearing. Mr. Orcutt said with construction projects coming in we may not need to raise rates but we also need to make sure we are keeping up with inflation and costs.

Other Business

Mr. Fishbone made a motion to adjourn at 8:16pm, Mr. Gmeiner seconded, and the motion carried unanimously.

Respectfully Submitted,

Lauren Crory

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