

Groton Water Commission

Regular Meeting

Tuesday, September 23, 2008

2nd Floor Lunch Room– Town Hall

Minutes (Approved 11/ 12/ 08)

Present at the meeting are Member Gary Hoglund, Chairman Larry Swezey, Vice Chairman Michael Brady, Superintendent Thomas Orcutt, Business Manager Patricia Dufresne and Town Accountant Valerie Jenkins. This meeting is being recorded.

Mr. Swezey officially called the BOWC meeting to order at 7:32 p.m.

2008 Fiscal Year End – Mrs. Jenkins reviewed with the BOWC the Water Department's free cash position as certified by MA DOR on 9/11/08. The planned transfer of \$250,000.00 for FY09 leaves the GWD with free cash of only \$98,258.00 at the end of FY08. In order to build up that free cash figure going forward, an increase to the revenue stream or further control of expenses would be necessary. A combination of water conservation efforts and depressed construction resulted in a revenue shortfall for FY08 and a net operating deficit of \$31,000.00. On a positive note, she explained that the Department would be less likely to owe interest to the General Fund due to the large transfer of funds that took place early in Fiscal Year 2009. Mrs. Jenkins recommended that the BOWC consider ways in which to boost revenue in the near future. Mr. Hoglund replied that the Department has been comparing its rates and budget information with those of other towns. Mrs. Jenkins cautioned that finding valid comparisons might be difficult; only those towns whose water departments operate as Enterprise Funds should be included in the comparison. Communities to be compared should also have a similar sized customer-base, and debt burden.

The BOWC discussed the feasibility of combining the Groton Water Department with either the West Groton Water Supply District or the Groton Sewer Commission. Mrs. Jenkins reminded the board members that the WGWSO has a different organizational structure from the GWD. It would probably make more sense to combine with the Sewer Commission to achieve some economies of scale. Should such a merger take place, there would be two divisions of the same Enterprise, allowing salaries (for instance) to be allocated up front instead of billing for hours. However, she told the board members that the financials would have to be kept strictly separate. Also, while there might be some expense-side benefit to combining with another entity, there would be no corresponding boost to revenue. Any such merger would most likely need a Town Meeting vote, and should be approached as a cooperative effort. The new Town Manager (when hired) may be of help here, although control should be retained at the Department level as much as possible. The BOWC discussed the organizational structure and debt burden of GELD and various DPW's. Mrs. Jenkins mentioned that GELD is anticipating a rate hike relatively soon.

Mr. Brady and Mrs. Jenkins discussed the accounting for fringe benefits. She explained that the procedure currently followed is what is required by the DOR. A brief discussion took place regarding Article 6 on the Fall Town Meeting warrant.

Mrs. Jenkins explained that an actuarial study is necessary to re-evaluate post-retirement employee benefits.

Mrs. Jenkins left the meeting at 8:36 p.m.

Propane Price for Fiscal Year 2009 - The Water Department has been negotiating with Amerigas Co. to obtain the best possible propane price for the heating fuel tanks at the Baddacook and Whitney Wells. They have offered a price of \$.50 above their cost (the Selkirk terminal 9 base price). The Water Department plans to continue negotiating to try to obtain a price that is closer to that of the State contract #ENE21 (.4199 over the Mt Belvieu TX base price). Mr. Swezey suggested that another 15% could be saved on heating costs if a new furnace were installed.

Centralized Vehicle Maintenance – Mr. Orcutt informed the BOWC that a plan is being developed which would offer the Highway Department access to the Water Department's fleet maintenance software (Auto Maintenance Pro), in exchange for labor for the Water Department vehicles. The Water Department would purchase the upgrade (and any extra user licenses required) and would be responsible for keeping the maintenance history current for all the town vehicles. This plan is still in the early stages of development.

Domestic Service Line Cleaning - Mr. Orcutt informed the board members that although the service line is now running clean, it was necessary to excavate at #73 Chestnut Hill Rd. The material blocking the service line broke free during the cleaning and caused a jam that had to be removed after the service box was excavated. The homeowner is pleased with the final results, however, and has scheduled a time to have a more appropriately sized meter installed. There are still four households from the original list whose lines have not yet been cleaned. The cleaning process is typically able to double the flow through a domestic service line.

Water Works Pride Award – George Brackett and Stephen Collette have been selected as the winners of the MWWA Water Works Pride Award. Mr. Orcutt felt it would be appropriate for the Water Department to purchase tickets to allow them to attend the awards ceremony. The event will be held the beginning of November on board the Spirit of Boston.

On a motion made by Mr. Hoglund and seconded by Mr. Brady, the BOWC voted unanimously to approve the purchase of two (2) tickets for the MWWA Annual Meeting and Awards Banquet on November 14th. This purchase is to be funded from the Water Department's Operating Budget.

Superintendent's Report:

- Mr. Orcutt is working on finalizing the IMA with Pepperell.
- Pumpage reports for the summer were discussed briefly.
- Monarch Path services are installed; payment of fees will be addressed.
- The price of treatment chemicals for FY09 remains unresolved. Mr. Orcutt does not know of any systems that have chosen to make the switch to sodium hydroxide at this time. He is still waiting for a response from Larry Guilmartin.
- Mr. Orcutt and Mr. Coutu did a GPS analysis of Surrenden Farms land. It might be possible to swap the land owned by GWD for a parcel closer to the road.

- An Enterprise Fund meeting took place on 9/17/08. These meetings will recur regularly as a way of communicating relevant financial information to those who are responsible for managing these Funds.
- The Oak Ridge Estates project no longer has "over 55" status. A hydraulic analysis should be done as a larger septic system will be needed and there will most likely be more water usage. The ZBA will be meeting again to discuss this issue in the coming weeks.
- The marine battery that was lost in Baddacook Pond has not been found. Poor visibility due to silt and weeds present in the pond is a complicating factor. This issue will be discussed at the next Department Head meeting.
- The Water Department employees' labor union finalized its contract with an MOU. This agreement is expected to be ratified by the members, and will then go to Town Meeting for final approval. The negotiated changes will impact the GWD budget by about \$7,600.00 for FY09.

With no further business before the board, Mr. Swezey officially closed the meeting at 9:25 p.m.

Respectfully Submitted,

Patricia Dufresne
Business Manager

Mike Brady _____ Date _____

Gary Hoglund _____ Date _____

Larry Swezey _____ Date _____