



Legislation Details (With Text)

File #: 23-1954 **Version:** 1 **Name:**

Type: Financial Business Request **Status:** Referred
(FBR)

File created: 8/7/2023 **In control:** Town Council

On agenda: 9/13/2023 **Final action:**

Title: MOTION to grant a Bid Waiver to Utility Financial Solutions, LLC (UFS) 185 Sunset Meadow Court, Michigan, in the amount of 13,000 to conduct a Water Services Study regarding Financial Projection, Cost of Services and Rate Design.

Attachments: 1. Ledyard WPCA - Utility Financial Services Solutions -Cost Proposal Dated-2023-05-02.pdf, 2. WPCA-Bid Waiver Request-Utility Financial Solutions-email-2023-08-04.pdf

Date	Ver.	Action By	Action	Result
8/23/2023	1	Town Council	No Action	
8/16/2023	1	Finance Committee	Recommended for Approval	

FINANCIAL BUSINESS REQUEST (FBR)

Motion/Request:

MOTION to grant a Bid Waiver to Utility Financial Solutions, LLC (UFS) 185 Sunset Meadow Court, Michigan, in the amount of 13,000 to conduct a Water Services Study regarding Financial Projection, Cost of Services and Rate Design.

Background:

In considering whether a merger between Groton Utilities and Ledyard would provide any benefit to the customers Groton Utilities suggested that both the Ledyard Water Pollution Control Authority (WPCA) and Groton Utilities (GU) conduct a Cost-of-Service Study. This work would begin with a Financial Study and a Projection specific to the Revenue Requirements for the WPCA’s Water and Sewer Systems. The WPCA would be required to pay for the cost of an external consultant to (Utility Financial Solutions, LLC) for the Study.

This work would require a signification time commitment from the Town’s Finance Department to support the Cost-of-Service Study.

Once the Study has been completed Groton Utilities would work with the WPCA to develop a Rate Structure and Rate Track to meet the revenue requirements for both the long and short-term.

The rate structure was not intended to make the WPCA profitable, however, the rate structure could make the water operations more cost effective, which would stave off future rate increases.

The WPCA has requested a Bid Waiver to Utility Financial Solutions, LLC., because this company was currently doing the same type of review for Groton Utilities and was intimately familiar with both the Groton Utilities and the Ledyard WPCA business models for providing water to customers.

The reason for doing this Cost of Services Study was: (1) To determine if the WPCA was adequately charging

for the cost of water service; and (2) To help in determining whether a merger between Groton Utilities and Ledyard would provide any benefit to the customers and provide data to help the town of Ledyard determine if a merger makes any sense.

Attached is a cost of services proposal from Utility Financial Solutions, LLC for both water and sewer utilities.

At this time the WPCA was only looking to conduct the study for water service at a cost of \$13,000 (page 3 of the attachment).

Department Comment/Recommendation:

(type text here)

Finance Director Comment/Recommendation:

(type text here)

Mayor Comment/Recommendation:

(type text here)