

South Alburgh Fire District #2
Annual Meeting
June 13, 2016

Present: Chair Paul Hansen
Member John Fitzgerald
Clerk Judy Higgins
Treasurer Richard Ernst
Admin. Assistant Danielle James Choiniere

Guests: Brian Bessette & Ed Fiset

Meeting called to order at 7:03 PM by Chair Paul Hansen.

CHAIRMAN'S REPORT

After a quick introduction of the board, the Chairman's Report was passed out and read. Ed Fiset asked what the final saturation was on West Shore Road for members. Currently there are 48 users of water. He was interested in seeing more action taken to increase hookups as it would lower everyone's overall debt service. He would be willing to host another water sampling party.

TREASURER'S REPORT

Copies were distributed. Ed Fiset asked about Jason Beaulac's pay as it only listed Admin. Assistant totals. Richard Ernst explained that cost, as well as the billing clerk's salary, was included in village payments and not a separate line item. Ed understood and just thought the labeling was confusing. Judy Higgins suggested using a footnote for next time to better explain the line titles.

2016-2017 BUDGET

After looking at the proposed budget, Ed Fiset mentioned a lot of homes are currently for sale along West Shore Road and that while many current owners did not want municipal water, their home buyers may be more receptive. The district could even lower the sign-on cost to entice new hookups.

Ed Fiset motioned to accept the 2016-17 budget as presented. Brian Bessette seconded, all in favor. Motion approved.

FY '17 TAXATION

The first loan payment on the engineering performed on Route 2 is due in November. This tax is designed to counterbalance that debt. It was decided to do a district-wide tax rather than a tax just for its water users as the district as a whole approved to do the engineering work.

Some discussion occurred on the campers located at Goose Point Campground and Bruley's Trailer Park. It was accepted that some tax bills would be less than the cost of postage to mail the bills. The district's attorney Paul Giuliani said it would be OK to not send bills out that would incur more debt, provided it was motioned properly at a meeting.

The district asked to raise \$12,806.94 via a tax rate of .00957 per \$100 of assessed property value. Brian Bessette motioned to approve those figures for the new year beginning July 1st. Ed Fiset seconded, all in favor. Motion carried.

ELECTION OF OFFICERS

Clerk 1-Year Term: Judy Higgins resigned from her position of clerk. No new nominations occurred.

Treasurer 1-Year Term: Judy Higgins nominated Richard Ernst. The ayes had it.

Tax Collector 1-Year Term: No nominations.

Prudential Committee Member for 3-year term: No nominations.

PHASE TWO SURVEY RESULTS

Judy Higgins compiled the current survey results and passed them out. 510 surveys were mailed, none to West Shore Road or its side roads. Paul said more canvassing through phone calls and home visits would be in order.

Brian Bessette asked how long it would take to decide whether or not to bring Phase Two to Route 129 or Route 2. And, if Route 129 was selected, how long would it take to get water. He is having problems with the state of Vermont and his water line and feels he has few options for potable water for his home. He asked the board, after showing them a state letter he'd received and his reply, if they would write a short letter notifying the state any municipal water project on Route 129 would take at least a few years.

Paul agreed the board would draft something to the state. He also said Brian could tell the state drilled wells sometimes hit saltwater in our area from when it was under an ancient sea, and also didn't think dug wells were allowed by the state. Judy Higgins mentioned there should have been a public hearing for this decision but none was made by the state. Ed Fiset said the letter's writer did not provide any information on an appeal process.

MISC.

Citing the reactivation of the district's P.O. Box in February, Danielle asked on behalf of the village clerk if the district's mailing address was still to be in care of the village. The board said yes.

ADJOURN

John Fitzgerald motioned to adjourn the meeting at 8:56 PM. Judy Higgins seconded, all in favor. Motion carried.

Respectfully submitted,
Danielle James Choiniere

Chairman's Report

June 2015 - May 2016

The preceding twelve months went by with the usual ups and downs of what a volunteer board would expect. We had made the decision to reduce our workload, after a very busy construction season and system start-up and see how a year of operations would proceed. I am pleased to say that we received high quality water from the Village without an issue. Our system had a coliform hit in September and we had to issue a brief boil water notice. This was the only occurrence of the past year.

The position of Clerk remained open after last years' annual meeting increasing the workload on committee members. It was decided that we should hire an administrative assistant to handle phone calls, meeting agendas, minutes and any other administrative duties. After a recommendation from the Town and Village, Danielle Choiniere was hired to fill the new position.

George Tulissi was appointed to fill a vacancy in the Prudential Committee and Judy Higgins was appointed to fill the clerk vacancy. George served faithfully for four months until his untimely passing in December. George's involvement and participation was greatly missed.

George's position was filled by Dan Williams, who served for two months before his resignation.

In September, Munson Earthmoving, fulfilled the warranty items to the satisfaction of SAFD#2 and the Town's Selectboard and highway foreman. Also another year has gone by without a leak.

Sullivan Powers, was again hired to provide the final audit of our construction project, as required by the State. No issues were found in the audit, and thanks to our treasurer for doing a great job.

Jason Beaulac, our system operator has done a great job of keeping our water quality high. He has also worked with the state to create and submit a Revised Total Coliform Plan for our system. A part of that plan will be to install remote sampling ports so that house visitations and sampling will not be as necessary. In order to continue providing the quality of water presently received we may have to also install an automated flushing valve. These items should qualify for the same negative interest funding we are currently receiving.

There will be a modest increase in the water rate, as the cost to purchase water from the Village has increased by \$1.36 per thousand gallons of water used. Debt service is still the major portion of all bills.

The Fire District will have to tax the property owners within the District boundary this year and for years in the foreseeable future for services performed prior to 2012 engineering and construction of our new water line. The rate of taxation for this year will be \$.00957 (approximately \$9.57 per \$100,000 valuation).

We recently sent out a survey to all district members not presently served by us to determine if, where and when the next area of expansion is expected. Some of the surveys are still coming in and we are presently compiling that information to make our decision. The decision will be based upon the greatest number of projected users in a geographical area, closest to a distribution source, for easy expansion. We will have preliminary numbers but nothing final, at our annual meeting.

Thank you to all of my colleagues for your dedicated service to making this project a success, and to those that helped along the way.

Respectfully Submitted,

Paul Hansen, Chair SAFD#2

SOUTH ALBURGH FIRE DISTRICT NO. 2

ANNUAL REPORT

For the fiscal year ending June 30, 2016

Report presented on June 13, 2016

SOUTH ALBURGH FIRE DISTRICT #2
PROFIT AND LOSS STATEMENT
JULY 1,2014 through JUNE 30, 2015

GENERAL OPERATING ACCOUNT

ORDINARY INCOME / EXPENSES

EXPENSES

Membership Dues	500.00
Insurance Premiums	951.00
Interest Expenses	0.00
Advertising	384.00
Postage	158.79
Repay promissory notes	1,500.00
Legal	0.00
Office Expense	468.49
Repay loan	0.00
Water Testing	1,024.00
Water purchase from Alburgh	1,866.61
Dept Service payments to Alburgh	<u>2,947.72</u>
TOTAL EXPENSES	9,800.61

INCOME

Donation	0.00
Tax collection	0.00
Water Connection Fees	7,500.00
Interest	149.25
Water bill income	<u>32,337.71</u>
TOTAL INCOME	39,986.96

NET INCOME 30,186.35

SOUTH ALBURGH FIRE DISTRICT #2
PROFIT AND LOSS STATEMENT
JULY 1 2014 through JUNE 30, 2015

PROJECT ACCOUNT (Reimbursed by the Agency of Natural Resources)

ORDINARY INCOME / EXPENSES	Actual To May 31, 2016
EXPENSES	
Engineering Services (Phelps)	81,246.84
Construction Services (Munson)	480,391.55
Other Construction Services	8,960.00
Purchase of water meters	34,982.38
NEMRC billing software and setup	1,012.50
Legal Notices	126.00
Legal Fees	250.00
Easement purchase	0.00
Recording fee	70.00
Interest paid	14,072.50
Water for flushing lines	536.80
Single Audit	4,000.00
TOTAL EXPENSES	625,648.57
INCOME	
ANR Reimbursement	772,900.90
Interest received	2,562.47
TOTAL INCOME	775,463.37
NET INCOME	149,814.80

SOUTH ALBURGH FIRE DISTRICT #2
 PROFIT AND LOSS STATEMENT
 JULY 2015 through JUNE 2016

GENERAL OPERATING ACCOUNT

ORDINARY INCOME / EXPENSES	Actual To May 31, 2016	Estimate To June 30, 2016	Estimate FY June 30, 2016
EXPENSES			
Accounting	0.00	0.00	0.00
Advertising	0.00	35.00	35.00
Membership Dues	0.00	500.00	500.00
Education/Training	0.00	0.00	0.00
Insurance Premiums	971.00	0.00	971.00
Legal	0.00	0.00	0.00
Office Expense/Misc Admin/Postage	1,225.25	0.00	1,225.25
Permits	0.00		0.00
Water Purchase from Alburgh	2,258.61	0.00	2,258.61
Administrative Assistant	3,659.04		3,659.04
Special Water Charges to Village	360.00		360.00
Repairs and Parts	1,803.91		1,803.91
Water Testing	1,088.00	0.00	1,088.00
Technical Services	67.17		67.17
Permits	0.00		0.00
Debt Service Payments to Alburgh	7,903.72	0.00	7,903.72
TOTAL EXPENSES	<u>19,336.70</u>	<u>535.00</u>	<u>19,871.70</u>
INCOME			
Donation	0.00	0.00	0.00
Tax Collection	46.90	0.00	46.90
Water Connection Fees	0.00	0.00	0.00
Interest	60.24	7.00	67.24
Water Bill Income	52,332.30	0.00	52,332.30
TOTAL INCOME	<u>52,439.44</u>	<u>7.00</u>	<u>52,446.44</u>
NET INCOME	33,102.74	(528.00)	32,574.74

SOUTH ALBURGH FIRE DISTRICT #2
 PROFIT AND LOSS STATEMENT
 JULY, 2015 through JUNE, 2016

PROJECT ACCOUNT (Reimbursed by the Agency of Natural Resources)

ORDINARY INCOME / EXPENSES	Acutual to June 30, 2016 May 31	Estimate to June 30, 2016	Estimate FY June 30, 2016
EXPENSES			
Engineering Services (Phelps)	\$14,114.67		14,114.67
Construction Services (Munson)	\$0.00		0.00
Other Construction Services	\$0.00		0.00
Purchase of water meters	\$0.00		0.00
NEMRC billing software and setup	\$0.00		0.00
Legal Notices	\$0.00		0.00
Legal Fees	\$0.00		0.00
Easement purchase	\$0.00		0.00
Recording fee	\$180.00		180.00
Interest paid	\$0.00		0.00
Water for flushing lines	\$0.00		0.00
Installation of water meters	\$2,000.00		2,000.00
Single Audit	\$4,000.00		4,000.00
TOTAL EXPENSES	\$20,294.67		20,294.67
INCOME			
ANR Reimbursement	\$14,114.67	6,180.00	20,294.67
Interest received	\$6.23	0.04	6.27
TOTAL INCOME	\$14,120.90		20,300.94
NET INCOME	-\$6,173.77		6.27

SOUTH ALBURGH FIRE DISTRICT #2
BALANCE SHEET
AS OF MAY 31, 2016

ASSETS

Current Assets

Bank Accounts

Operating Account Peoples United	49,795.90	
Operating Account NCFCU	0.00	
Total Operating Account		49,795.90
Project Account Peoples United	1,001.20	
Project Account NCFCU	0.00	
Total Project Account		1,001.20
Savings Account People United - <i>Capital Fund</i>	84,665.50	
Savings Account NCFCU	52.10	84,717.60
Total Bank Accounts	135,514.70	
Total Current Assests		<u>135,514.70</u>

Other Assets

Computer Equipment	250.00	
Total Other Assets		<u>250.00</u>

TOTAL ASSETS

135,764.70

LIABILITIES & EQUITY

Current Liabilities

Line of Credit- Bond anticipation Loan	0.00	
Line of Credit- Administrative	0.00	
Promissory Notes	<u>0.00</u>	
Total Current Liabilities	0.00	<u>0.00</u>

Equity	135,764.70	
Total Equity	135,764.70	<u>135,764.70</u>

TOTAL LIABILITIES & EQUITY

135,764.70

TOTAL OUTSTANDING SAFD2 DEBT

Total Borrowed from Vermont Muncipal Bond Bank	2,509,099.18	
North Country FCU Project Planning loan	0.00	
Peoples United Bond Anticipation Loan	<u>0.00</u>	
Total Drinking Water State Revolving Fund Loan	2,509,099.18	2,509,099.18
Operating Loan		0.00
Promissory Notes		0.00

Total Debt 2,509,099.18 → over 30 years @
- 3% interest

**South Alburgh Fire District No. 2
2016 General Fund Budget**

FOR FISCAL YEAR ENDING JUNE 30, 2017

BUDGET

7/1/16 - 6/30/17

<u>Income</u>		<u>Notes</u>
Water User Fees - Water Sales	\$ 8,049.60	Thousand gallons of projected water sales X water rate
Water User Fees - Base Charge	\$ 58,457.83	Debt to be collected through billing + fixed O&M costs + 3% reserve
Water Delinquent Fees and Interest	\$ 250.00	Charges collected for late payment.
Water Project Taxation	\$ 12,806.94	Amount to be collected through taxes (incl. tax amount plus costs of collection).
Connection Fees	\$ 2,500.00	One new connection.
Total Revenue Expected	\$ 82,064.37	
Allowance for uncollected water user fees and taxes	\$ 2,379.43	Calculated at 3%
Total Expected Cash from Revenue	\$ 79,684.93	
 <u>Expense</u>		
Accounting	\$ 250.00	
Advertising	\$ 350.00	Public notices
Dues and Taxes	\$ 500.00	VLCT dues
Education/Training	\$ 250.00	
Insurance	\$ 1,000.00	VLCT insurance
Legal Services	\$ 500.00	
Office Expense/Misc Admin/Postage	\$ 1,000.00	
Permit/Licenses	\$ 100.00	
Water Purchase	\$ 3,761.19	Projected gallons of water sales X purchase rate.
Administrative Assistant	\$ 5,000.00	Salary plus an allowance for workers comp & other costs.
Repairs & Parts	\$ 2,000.00	Equipment replacement or purchase (e.g. meters)
Water Miscellaneous	\$ 1,200.00	e.g. water testing
Technical Services	\$ 1,000.00	e.g. web page and url costs, software, NEMRC programming
Total O&M Expense	\$ 16,911.19	
Expense for collection of taxes	\$ 1,500.00	
Total Expenses	\$ 18,411.19	
 <u>Debt Service</u>		
DWSRF Loan (Debt Service from SAFD2 Customers)	\$ 39,091.44	
DWSRF Loan (Debt Service from SAFD2 Residents)	\$ 11,306.94	
Payment to Alburgh Village (WTP Debt Service)	\$ 7,884.28	
Total Debt Service	\$ 58,282.66	
 <u>Reserve</u>		
Water System Debt Service Reserve/O&M Contingency	\$ 1,533.88	2% of total expenses & total debt service
Capital Reserve	\$ 766.94	1% of total expenses & total debt service
Total Reserve	\$ 2,300.82	
 Total Expenses, Debt Service and Reserve	 \$ 78,994.66	
Estimated Cash Flow from Operations	\$ 690.27	

June 13, 2016
 May 12, 2016

SAFD2 Survey Counts by Road
 and Some Statistics

SAFD2 Road Code List		# Surveys Sent	# Surveys Returned	Y	I	N	Notes
Road Code	Road Name						
BT	BRULEY TRAILER PRK	0	0	0	0	0	Didn't send to trailer owners on rented sites.
CB	CENTER BAY RD	14	5	3	1	1	
CC	CENTER CEMETERY RD	5	1	1	0	0	
CE	CEDARVALE EST	30	14	8	1	5	
CG	CARRIGAN HEIGHTS	5	3	2	0	1	
CM	CAMERON DRIVE	4	3	1	0	2	
CO	CENTER BAY NORTH	6	2	0	0	2	
CP	COON POINT RD	21	1	0	0	1	
CU	CENTER BAY SOUTH	10	4	1	0	3	
DO	HAYLDE ROAD	4	2	2	0	0	
DP	DUMP ROAD	1	0	0	0	0	
DR	DEER RUN LANE	0	0	0	0	0	Phase One
FK	FISKE ROAD	21	9	0	2	7	
GL	GARCIA LANE	0	0	0	0	0	Phase One
GP	GOOSEPOINT CAMPGROUND	0	0	0	0	0	Didn't send to trailer owners on rented sites.
HD	HIDDEN DRIVE	7	3	1	0	2	
HI	HILLTOP ROAD	6	3	1	0	2	
KD	KILLDEER DRIVE	8	4	4	0	0	
LI	LITTLE BEACH ROAD	2	2	2	0	0	
MA	MACOMBER POINT	5	3	3	0	0	
ME	MOONEY DRIVE	12	5	1	0	4	
MI	MIDDLE ROAD	5	1	0	0	1	
MN	MUD POINT NORTH	0	0	0	0	0	Phase One
MP	MUD POINT SOUTH	0	0	0	0	0	Phase One
PF	POOR FARM ROAD	82	49	22	5	22	There is a lot of interest on Poor Farm Rd. These numbers are skewed by the Brown's who own 16 properties at the end of the road and are all Ns.
PT	POINT OF TONGUE	22	11	8	2	1	
PX	POOR FARM EXT	4	1	0	1	0	
RE	RAILROAD EXTENSION	4	2	1	0	1	
RK	ROCKY LANE	2	1	0	0	1	
RO	ROUTE 129	40	18	7	3	8	
RS	US ROUTE 2 SOUTH (149-803)	134	43	16	6	21	
RT	ROUTE 78 (011-038)	5	2	0	0	2	
ST	SUNSET BLVD	0	0	0	0	0	Phase One
SU	SUMMIT ROAD	13	2	2	0	0	
TR	TRUCK ROUTE	29	9	4	1	4	
WA	WAGNER POINT RD	9	8	7	1	0	
WD	WHEELER DRIVE	0	0	0	0	0	Phase One
WR	WRIGHT'S WAY	0	0	0	0	0	Phase One
WS	WEST SHORE RD (069-459)	0	0	0	0	0	Phase One
Totals		510	211	97	23	91	

Statistics	
% Surveys Returned	41%
% of Returned Surveys Y	46%
% of Returned Surveys I	11%
% of Returned Surveys N	43%
% of Returned Surveys Y&I	57%
% of Y&I for Total # of Properties	24%