

South Alburgh Fire District No. 2

January 19, 2015 Meeting Minutes

Present: Prudential Committee members Paul Hansen, Judy Higgins, and John Fitzgerald, Treasurer Dick Ernst, Clerk Laura Buel, Phelps Engineers John Kiernan and Robert Clark, and Jason Beaulac (who arrived at 9:30 and attended briefly)

The meeting was called to order at 7:05 pm.

Agenda Review - The agenda was determined to be acceptable to all. It was decided to do a time check at 9:30 and see if anything needs to be postponed.

John Kiernan presented an updated Summary of Project Expenses to Date and Estimate to Complete spreadsheet as a preview of what would be discussed later in the Phelps Project Report.

Approval of Minutes - Judy Higgins had several corrections to the December 15, 2014 minutes. Corrections were made under the following sections: Recording Easements, Ongoing Meeting Date and Time, and Property Tax Billing. Dick Ernst moved to accept the minutes as corrected. John Fitzgerald seconded. The motion passed.

Treasurer's Report -

As of January 19, 2015 in North Country Federal Credit Union we have \$428.20 in the operating account, \$364.85 in the project account, and \$81,860.97 in the savings account. The savings account is where connection fees are deposited. This account went up substantially this month because of a reimbursement from purchase of meters. In People's United Bank we have \$6266.17 in the operating account and \$48,797.55 in the project account. The operating account has previously been at 229.99 for several months, but is now receiving our earned revenue from billing. From now on we will pay our operating expenses from this account. The balance in the project account is what is left to use for the remaining expenses in the project, although the thought was that only about \$32,000 of that amount was available based on what the Vermont Bond Bank has approved so far. A quick estimate from the Summary of Project Expenses of the amount of additional expenses left to complete the project added up to approximately \$20,000.00.

Bills and Warrants -

There was one bill to be paid from the project account from Phelps Engineering for \$902.05 for professional services from November 26, 2014 to December 25, 2014. There were three bills submitted to be paid from the operating account: \$42.00 for the Post Office box, and two bills from Endyne, Inc. Laboratory Services, one for \$250.00 and one for \$270.00.

Judy Higgins moved to pay the warrants as presented, \$902.05 from the project account, and \$562.00 from the People's United operating account. John Fitzgerald seconded. The motion passed.

SAFD#2 Billing Issues -

The Committee agreed that envelopes with postage were the easiest to use for our billing. Paul will see if Ameer Gotshall will take care of getting the envelopes for us. If not, Paul will get them himself at the Post Office.

The discussion regarding billing inserts was tabled.

The Committee discussed customer complaints related to usage and debt service billing. The letter

Judy Higgins drafted to Mr. Gauthier was approved by the Committee. Regarding Ms Lavigne and the 85,000 gallon water leak, Paul Hansen wants to put together a time line to see if the leak was over a week's time or a month's time. We will wait for more information on this case before making a decision.

For future meter connections, the Prudential Committee discussed the need to enforce the requirement that the connection be installed by a licensed plumber. Also, that Jason Beaulac shouldn't turn on the water without the homeowner or the owner's representative being present. The Committee thought it would be a good idea if Jason came to our next meeting to ask him to provide connection dates for some properties so we can do manual billing.

Bacteriological Sampling Issues -

There is a possibility that we may need to put in a flushing hydrant in the future. Jason takes samples 5 times a month. He flushes the system when the chlorine levels come down. He is fine-tuning how high the chlorine levels need to stay to prevent evidence of contamination.

Single Audit Update - On Thursday, January 22, at 9:30am, a representative from Sullivan and Powers is coming to Dick Ernst's home to do the audit.

Homeowner Meter Pit Placement Issue - This discussion was tabled.

Debit Card Protocol -

John Fitzgerald moved to get a debit card on the People's United Operating checking account with a maximum \$500 single payment to be used for miscellaneous operating expenses. Any expense over \$200 will be approved by all three Prudential Committee members. Judy Higgins seconded. The motion passed. Dick Ernst will ask for just one card.

Property Tax Billing -

The Prudential Committee would like to be able to combine the SAFD#2 billing with the Town of Alburgh tax billing. They will ask the Town Clerk about this, and if she agrees, we will need to talk to the Village Select Board.

Phelps Engineering Project Report -

John Kiernan referred to the Estimate to Complete column of the Summary of Project Expenses to Date and Estimate to Complete Spreadsheet. The project is nearing completion with just five expense items remaining. These expenses are approximately \$5000 to NEMRC, \$7500 to pay Jason for installing meter pit meters, approximately \$700 for small tools, \$500 for the remaining fees to record easements, and \$6227 for the Single Audit. These expenses total just under \$20,000.

John Kiernan reminded the Committee of a discussion held with Jeremy Rathbun, former Project Manager, and himself, back in September, 2013. At that time in the project, the Design Phase was already complete, and SAFD#2 had paid Phelps Engineering \$108,000 for those services. However, Phelps' costs for that phase had exceeded that amount by "about \$25,000" yet were never approved in a contract. The Committee felt the project could not assume any additional design phase costs and still keep user costs below the then-current budget prediction of \$1095/year. Jeremy asked, and the Committee agreed, to consider a proposal at the end of the project to cover the additional costs if the number of users increased significantly above the 57 target ERUs such that user costs were lower than expected.

John Kiernan is asking that we consider approval of \$28,661 for the additional design costs. At this point at the end of the project our user costs are slightly less than predicted, at \$1067/year. Although the debt service is more than predicted by \$6000, it is offset by an almost equal decrease in our predicted administrative costs. So our total annual cost figure is very close to what was

predicted in August, 2013, and since our ERU's count has increased by 2 to 59, our per ERU cost is down slightly. In addition, the annual cost projection uses a total DWSRF Loan figure of \$2,550,000, which is about \$35,000 more than our predicted total project costs at this time. So the additional design costs could be covered without increasing the project budget or user costs.

The Prudential Committee gave approval to Phelps Engineering to continue the process of getting the necessary state approval in place for the additional design services.

Customer Complaint Additional Discussion -

Jason Beulac stopped by the meeting and offered additional details about Mr. Gauthier's complaint. He said Green Mountain Plumbing arrived to connect the Gauthier home during the time when the meter connection parts were not yet available. Later Justin Holmes notified the Green Mountain Plumbing when the parts arrived. Judy will modify the letter to Mr. Gauthier based on this information.

Easements -

When the easements were taken to the Town Clerk's Office for recording, Judy was informed that maps are not recorded. She asked that Nietupski and Timeline be recorded right away due to concerns about sale, but asked the Town to hold the others pending discussion. Phelps provided copies of the applicable maps. Paul will follow up with the Town Clerk.

Judy moved that the meeting adjourn. John Fitzgerald seconded. The motion passed. Meeting adjourned at 10:22pm.

Respectfully submitted,
Laura Buel, Board Clerk