

South Alburgh Fire District No. 2

October 20, 2014 Meeting Minutes

Present: Prudential Committee members Paul Hansen, Judy Higgins, and John Fitzgerald, Treasurer Dick Ernst, Clerk Laura Buel, and Phelps Engineer John Kiernan.

The meeting was called to order at 7:08 pm.

Approval of Minutes -

Judy Higgins moved to accept the September 15, 2014 minutes as written. John Fitzgerald seconded. The motion passed.

Treasurer's Report -

As of October 18, 2014 in North Country Federal Credit Union we have \$2585.49 in the operating account, \$364.85 in the project account, and \$69,786.36 in the savings account. In People's United Bank we have \$229.99 in the operating account and \$136,924.96 in the project account.

Bills and Warrant -

There were six bills to be paid from the operating account. There was the repayment of bonds to three individuals, Ody LaRoche, Rosemary Maxwell, and Richard Ernst, in the amount of \$500 each for a total of \$1500.00. In addition, there was a bill from the Village of Alburgh for \$269.23 for water sold to customers, \$67.17 to Judy Higgins for reimbursement for SAFD2 website hosting (Weebly) and URL (Go Daddy) for the next year, and \$33.89 for John Fitzgerald for postage stamps.

John Fitzgerald moved to pay the warrant of \$1870.29 for the six bills from the operating account. Judy Higgins seconded. The motion passed.

Phelps Engineering Progress Report -

John Kiernan reported that the Construction Certification Drawings have been completed.

Jason Beaulac has installed all the meter-pit meters for the customers who have connected. He will connect the rest of them soon so SAFD#2 can get reimbursed for all meter-pit meters.

Justin Holmes is in the process of collecting the individual homeowner water permit exemption forms. He will complete the construction drawing on the form, make a copy for District, and return the forms to the homeowners. The homeowners are then responsible for recording the exemption forms with the Town of Alburgh.

John Kiernan reviewed a spreadsheet of project cost summaries with the SAFD#2 board. In August, 2013 the total loan amount from the Drinking Water State Revolving Fund was predicted to be \$2,301,000, which would result in annual customer water costs of \$1095 if costs were divided among 57 customers. After the bid opening in October, 2013, the predicted total loan amount rose to \$2,544,000. Based on this loan amount, the project was thought to require about 66 users to keep annual costs below \$1100. A year later, with the project completed, the total loan amount will be close to \$2,550,000, but because of lower than expected costs operating costs, the average annual customer cost will be \$1067 with the current number of 59 users.

Accounting Firm Bids for the Single Audit -

SAFD#2 received bids from three accounting firms for the single audit required by the Federal Single Audit Act. Proposals were received by Sullivan, Powers & Co. of Montpelier, McSoley McCoy & Co. of South Burlington, and Kittell, Branagan & Sargent from St. Albans. Sullivan Powers and McSoley

McCoy each submitted two bids: a lower bid to cover only the money spent on the project and a higher amount covering all of our books. These amounts were \$4000 and \$6000 from Sullivan Powers and \$5000 and \$10,500 from McSoley McCoy. Kittell, Branagan & Sargent submitted only one bid amount of \$8950 for an unspecified scope of work. Sullivan Powers submitted an extensive portfolio with project details with their proposal.

Judy moved to accept the proposal from Sullivan Powers and Co. John Fitzgerald seconded. The motion passed. Dick Ernst will follow up with a phone call to Sullivan Powers for some additional information and process questions. He will inquire if we should expect any additional expenses such as travel costs, and which of the two audit types is recommended.

Phelps Engineering Amendment No. 5 -

John Kiernan presented Phelps Engineering Amendment No. 5 for payment for additional Resident Project Representative costs of \$11,734. This covers the additional service of Justin Holmes resulting from extra construction time at the golf course section of the project and the extra construction time required for installing the meter pits.

John Fitzgerald moved to approve Phelps Engineering Amendment No. 5. Judy Higgins seconded. The motion passed.

Status of Phelps Engineering Amendment No. 4 -

Eric Law from the Drinking Water State Revolving Fund is still refusing to approve several parts of Phelps Amendment No. 4. John Kiernan gave SAFD#2 a copy of the letter he wrote to Eric Law, responding to the Eric Law's objections to Additional Technical Services (Tasks 2 and 3) and Additional Coordination/Management Services (Tasks 4, 7, and 8).

SAFD#2 Forms and Website Review -

The Board reviewed following customer forms: Water Service Connection Application, Customer Connection Checklist, On/Off Request, Customer Communication Form, and the Rate and Fee Schedule. Minor changes were made to the Water Service Connection Application.

Judy Higgins went over the changes she plans to make to the SAFD#2 website format and asked the Board members to check it out and offer comments once complete.

Debit Card Application -

The Committee decided to apply for a debit card for the People's United Bank operating account.

Increase of Existing Loan Amount With Peoples United -

The Prudential Committee recognized that the remaining balance of \$137,075 in the People's United project account would not be sufficient to cover the residual project costs. They decided it would be advisable to have Dick Ernst apply to People's United Bank for an additional \$100,000.

Judy Higgins moved that we add \$100,000 to our existing loan with Peoples United Bank to cover remaining project costs, which are expected to exceed the loan funds currently available, and to authorize the Treasurer to take that action. John Fitzgerald seconded. Motion passed.

Approval of Additional Phelps Invoices -

John Kiernan submitted two invoices for payment related to Phelps Engineering Amendment No. 4. Invoice #10635, dated July 31, and Invoice #10667, dated August 31, cover services in the Additional Technical Services section of Amendment 4 (Tasks 1, 2, and 3).

Judy Higgins moved to approve Phelps invoices #10635 for \$10,291.58 and #10667 for \$519.67, for a total of \$10,811.25, pending approval by Eric Law, and to authorize the Treasurer to add them to

the 10/20/2014 project warrant if that approval is received timely. John Fitzgerald seconded. Motion passed.

Adjournment -

John Fitzgerald moved to adjourn. Judy Higgins seconded. Motion passed. Meeting adjourned at 10:53 PM.

Respectfully submitted,
Laura Buel, Board Clerk