

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

January 21, 2013

Present: Chairman and Prudential Committee Member Paul Hansen, Prudential Committee Member Judy Higgins, Prudential Committee Member John Fitzgerald, Treasurer Dick Ernst, Clerk Dick Higgins, Jeremy Rathbun and John Kiernan of Phelps Engineering.

The meeting was called to order at 7:05

VT Municipal Bond Bank Application - Jeremy presented the application for signature. The group discussed the amount being requested to ensure it was adequate but not excessive. \$2.35 million was agreed upon based on guidance from Phelps and the State. The group reviewed answers to financial questions which had been completed by Dick E. Jeremy estimated it would take 7 to 10 days to be approved once submitted. Once the application is approved, there is another round of administrative paperwork necessary to draw funds. Paul signed the application.

Interim Line of Credit - Our line-of-credit request with North Country Federal Credit Union was discussed. We still haven't received a decision. Jeremy had responded to questions from the bank and will follow-up again to provide the update that we have submitted the Vermont Bond Bank application.

Water Service Agreement – We need to update the Water Service agreement that was written in 2005 to reflect the current requirements. Jeremy discussed language updates needed and the group provided comments. Jeremy will incorporate the comments and send the new version to the Committee for review. Since the prior agreement had undergone legal review, and changes are limited, it may not be necessary to incur the cost of additional legal review. It is hoped that the agreement will go to users during February with responses in March. It was decided that all agreements previously signed are unenforceable, and therefore void. Hook-up fees have not increased, so this should not be an issue.

Out-of-district users - Jeremy will contact the 11 households on the private line at the beginning of West Shore road to see if they might want to sign on with SAFD#2. He hopes to have this completed before the next meeting. Jeremy raised the issue of how to encourage this group to transition from their private water line to SAFD#2 given the higher annual cost. Having more customers should benefit SAFD#2. The Committee agreed with the need for an incentive, but also that it is critical to have some financial benefit to other SAFD#2 users. Possibilities for charging this group less than others for a period of time were discussed, but figures are needed before a decision can be made. Jeremy will run numbers.

Act 250 – Jeremy hopes to submit the required paperwork to the State by February 22nd. The State has agreed to reduce the permitting scope to Phase 1. The State will schedule a hearing which Jeremy and John estimated should take place around the end of March.

General project discussion – Phelps indicated that they believe there will be contractor interest in the spring as many are still looking for work. Jeremy described “meter pits” and explained that this provides a new option for people to hook up. The pit can be installed near the road, and allow people to reuse an existing pipe to their house if they so choose. There are pros and cons for residents which need to be made clear before they make a decision. Residents will need information about their responsibilities and costs. Judy will forward to Phelps a couple of resident emails and responses.

Alternate Signer – Currently Paul Hansen is the only one authorized to sign official documents and contracts for SAFD#2. The group discussed the need for an alternate. John Fitzgerald moved that Judy Higgins also be authorized to sign if Paul was not available. Dick Ernst seconded and the motion passed.

Letter to Congressional Delegation – Jeremy will send to the group the Word version of this letter.

Minutes of 12/4/2012 Meeting - Dick Ernst moved to accept the Minutes of the 12/04/2012 meeting as written. John Fitzgerald seconded and the motion was passed.

SAFD#2 Files - John Fitzgerald will talk to the Select Board about our files. We have been requested to remove them, but the Prudential Committee feels that because they are public records they should remain in the Town Building where they are secure.

Bills - Dick Ernst presented our bills. The \$711.00 bill from The Vermont League of Cities and Towns for annual insurance was paid as verbally approved at the last meeting with signature needed tonight. Judy Higgins needs reimbursement for \$80.05 for postage and supplies for a mailing done to residents on West Shore Road (receipts provided) and a bill was received for \$35.00 for our PO Box rental for 6 months. John Fitzgerald moved to pay the bills. Dick Ernst seconded and the motion passed.

Delinquent Tax Collections – Dick Ernst reported that SAFD#2 has a total of over \$1865.00 worth of delinquent taxes still outstanding. Dick Ernst has a list of these people. He will contact Terry Tatro to get updated information, a sample delinquent tax letter and to learn which of these residents have since paid the town portion of their tax bill. Judy will create mailing labels.

Treasurer’s report – Dick E reported there is \$3570.04 in the Operating account and \$129.17 in the project account.

The next meeting is 02/18/2013 at 7:00.

Judy Higgins moved to adjourn, seconded by Dick Ernst. Passed.

Meeting adjourned at 9:22 PM.

2/18/2013 – Reviewed and accepted as amended.

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

February 18, 2013

The meeting was called to order at 7:04 PM.

Present: Chairman and Prudential Committee member Paul Hansen, Prudential Committee Member Judy Higgins, Prudential Committee Member John Fitzgerald, Treasurer Dick Ernst, Clerk Dick Higgins and Jeremy Rathbun of Phelps Engineering.

January Minutes - Minutes of the 1/21/2013 meeting were reviewed. One change was incorporated regarding the authorization of Judy to sign "official documents and contracts" as a backup to Paul, vs. "checks". John F moved to approve the minutes as amended. Judy seconded. Motion passed.

VT Municipal Bond Bank Application – Jeremy reported that our Vermont Municipal Bond Bank application has been submitted and accepted. No questions have been raised to date, leading Jeremy to believe that the application has provided sufficient information to be approved. He anticipates receiving approval within the next couple of weeks.

Line-of-Credit – SAFD#2's line-of-credit with North Country Federal Credit Union has been approved, though Paul is still taking care of an outstanding request for SAFD#2 documentation. The Prudential Committee next needs to set up accounts so outstanding bills can be paid. Jeremy reinforced the need to pay their subcontractors soon.

User Agreement – The updated water service agreement was reviewed. Paul requested the addition of a definition for ERU, which Jeremy will add under "C". John F. raised the issue of legal review. Jeremy will send to Paul Giuliani once the requested change is incorporated. Expected turnaround is about a week. Once the agreement is finalized they will be mailed to Phase One property owners, but not the potential out-of-district customers, as soon as possible. Judy will draft a letter for Committee review and print mailing labels.

Customer outreach by Phelps – Jeremy now has design information about where the line will go, so he plans to perform outreach to the out-of-district residents near the Village using the letter reviewed by the Committee. He also plans to amend the letter and drop off a copy to everyone in Phase 1 as he walks the project route.

Phelps Project Update – Jeremy reported that Phelps hired a cable locator to better understand where existing utility lines (e.g., Fairpoint) are located. As a result, the design changed with some of the line on the East side of the road and some on the West, with a couple of road crossings. He is working on value engineering to make the job appealing to contractors while keeping costs down. The project is currently about a week behind the stated schedule, but Jeremy thinks the time can be recovered. He reported the design is looking good and the \$1,000 estimated cost per ERU still seems achievable. Paperwork should

be submitted to the State by the end of next week. Jeremy foresees the bid going out the 2nd week of May, and we are on target for construction during the 2013 season.

Congressional Letter – The draft letter was reviewed. Judy will format the letter so that it fits on one page and get it ready for signature. Once done, Judy will notify Committee members, acquire signatures and mail to Senators Leahy and Sanders and Congressman Welch.

Delinquent Taxes – About \$2,000 in delinquent taxes is still owed to SAFD#2. The list was reviewed. John F. moved that we waive collection on 3 owners whose combined total is under \$2.00 as it is not cost effective to pursue the money. Judy seconded. Motion passed. All other property owners will be mailed a notice. Dick E. will provide a copy of the letter used by the Town and payment updates so proper notices are mailed.

2013 Taxation – The need to tax during the upcoming year was discussed. It was decided that SAFD#2 has enough money to operate for the time being. If further project phases are not completed, SAFD#2 may need to tax in 2 years.

Informational Meeting – The Committee agreed it would be a good idea to hold an informational session. Jeremy will attend to present information about the design and to answer questions. March 27th was discussed as a potential date. Jeremy offered to contact the Town, and Volunteer Fire Department as a backup, to set the time and place.

Select Board Update – The Committee agreed it was time to update the Select Board. Jeremy will call the Town Clerk to get on their agenda.

Blue Resolution – Paul requested that SAFD#2 consider signing Lake Champlain International's Blue Resolution in support of clean water and protection for Vermont's waterways, a mission congruent with our project and future operations. Judy moved that SAFD#2 sign The Blue Resolution. John F. seconded. Motion passed.

Treasurer's Report - Dick E. reported there is a balance of \$3,454.99 in the operating account and \$129.17 in the project account. All checks have cleared except one for \$225 to the Village.

Public Comment – Paul asked if there was any public comment. No comments were received.

Next Meeting - The next meeting is Monday, 3/18/2013 at 7:00 PM. This will be a work session to update SAFD#2's Long Range Plan.

Dick Ernst moved to adjourn. Judy seconded. Motion passed.

Meeting adjourned at 9:04 PM.

3/18/2013 – Minutes reviewed and accepted as written.

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

March 18, 2013

Present: Chairman and Prudential Committee Member Paul Hansen, Prudential Committee Member Judy Higgins, Prudential Committee Member John Fitzgerald, Clerk Dick Higgins and Treasurer Dick Ernst. Phelps Engineering - Jeremy Rathbun and John Kiernan

The meeting was called to order at 7:12 PM.

Permit Applications - Paul has signed all permit applications, including the Act 250 permit.

Water Use Agreements – 134 blank agreements were sent to potential Phase One customers on West Shore and adjoining roads. 11 have been returned as of this date. Jeremy is planning to touch base with the out-of-district group near the Village next week.

Informational Meeting Prep - An informational meeting is scheduled for 03/27/13 at 7:00 PM in the Village conference room. It was placed in the Alburgh section of the Islander for two weeks. Jeremy will check with the Fire Department to see if we can use their room in the event that we have more people than the conference room can handle. Jeremy and John K. will spearhead the meeting since we anticipate many technical questions concerning the project and what people need to know to connect.

Schedule – Jeremy reviewed the schedule. It would be nice to have enough agreements signed before the Act 250 hearing to demonstrate serious interest. The timeline has slipped a bit, but is still manageable for this construction season.

Long Range Plan - We need to review and update our draft ordinances, policies and procedures. It was decided that commenting will be done in sections. Judy will send to Jeremy comments on the Water Use Ordinance and Policies/Procedures.

Vermont Bond Band Application – John K. explained that the Bond Bank acts as the underwriter for the funds, so they are carefully reviewing the application. We anticipate a formal approval on our application around 03/27/13. Once we receive approval we can start using our \$50,000 line-of-credit to start paying the costs we have incurred for the design phase of the project.

Dick Ernst arrived at 8:00 PM.

Construction Line-of-Credit - John Kiernan will do a cash flow projection so we can determine the line-of-credit needed to support the construction phase. He will also contact a couple of banks to determine their willingness to do a construction line-of-credit and the probable interest rate. Judy also asked John K. to find out if interest is a reimbursable expense.

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

March 18, 2013

Annual Meeting – The date of the Annual Meeting is set as the 2nd Monday in June; this year June 10th. We need to develop a budget which will be more complex this year if we proceed with construction and operations.

Charge for Out-of-District Customers – Jeremy was asked to develop options for the charge to the potential out-of-district customers on a private line at the head of West Shore Road near the Village. We want to provide an incentive for them to become SAFD2 customers but it must be beneficial to everyone else within SAFD2.

2/18/2013 Minutes - Dick Ernst moved to approve the minutes of the 02/18/13 meeting as written. The motion was seconded by John Fitzgerald and passed.

Treasurer's Report - There is \$3454.99 in the Operating account; \$129.17 in the project account. All of the money received with the returned user agreements (currently \$8,250) is placed in a separate savings account at North Country Federal Credit Union. If the project does not go forward, this money will be returned.

Delinquent SAFD2 Taxes – Dick E and Judy have drafted a letter to be sent to delinquent SAFD2 tax payers. The committee reviewed and approved the letter with one minor change. It will be sent as soon as possible to delinquent tax payers. Dick E. will follow up on a few instances where a property has changed hands to determine whether to send the letter and to whom.

SAFD2 Account Passwords – SAFD2 is attentive to security and the need for regular updates to the passwords for the SAFD2 email and banks accounts. Judy and Dick E. will make the changes as needed and notify others on the Committee who may also access the accounts.

Congressional Letter - Paul reported that he got a response from Representative Welch's office concerning our letter requesting assistance with any potential grant money for projects such as ours. They gave him a list of potentials for us to review.

SAFD2 Files – We are awaiting a decision about whether SAFD2 files can remain in the Town Offices.

Judy Higgins moved to adjourn. John Fitzgerald seconded.

The meeting closed at 9:41 PM

The next meeting is 04/15/13.

March 15, 2013 – Accepted as written.

SOUTH ALBURGH FIRE DISTRICT NO. 2
INFORMATIONAL MEETING

DRAFT March 27, 2013 Minutes

Note: This meeting was held to present information regarding the South Alburgh Fire District #2's (SAFD2) planned Phase One Project, and to answer questions for potential customers and other members of the public. Notification of the meeting was individually sent to all property owners in Phase One and was also in the Alburgh section of The Islander on March 19 and 26.

John Kiernan of Phelps Engineering opened the meeting at 7:01 PM with introductions.

- SAFD2: Prudential Committee Members John Fitzgerald and Judy Higgins; Dick Higgins, Clerk; and Dick Ernst, Treasurer.
- Phelps Engineering: John Kiernan P.E., Vice President and Jeremy Rathbun P.E., Project Manager

19 members of the public attended.

John K presented an overview of the project's history from 2001 to the present, including the study done by the Alburgh Select Board; field studies, such as wetlands and archaeology; original project scope and dollars spent at that time; the bond vote in 2004; failed negotiations with North Hero; restructuring of the project to its current form; State support; canvassing of potential users to assess interest; the agreement with the Village to purchase water; plan for 2013 construction and the need to now acquire signed commitments.

Jeremy Rathbun presented technical information regarding the installation of the main and its impact on the roadside and yards; open trench and directional bore technology; options for connecting the main to individual homes; things for the homeowner to consider, such as the use of meter pits vs. meter in the home (Meter pit technology allows homeowners to reuse existing water lines, which should help some homeowners keep down the cost of connecting); and expectations of the contractor to limit disruption as much as possible.

Construction will be completed almost entirely in the right-of-way, which is 24.75 feet from the middle of the road. The contractor is required to return all property and roads to "as good as or better than found."

John Kiernan reviewed project funding and financials. Approximately \$570,000 was borrowed from the State to complete the original study, field work, engineering and permitting. Approximately \$108,000 has been borrowed to redesign this section of the project and design a connector to the Alburgh Village Water Source.

Public Question (PQ) #1: Who will have to pay back the State loan?

Answer (A): Everyone within SAFD2 boundaries will be required to pay towards this planning loan. As long as the project proceeds, the planning loan will be rolled into the construction loan and be paid off at -3% interest over 30 years (cost is approximately \$9 p/yr. per \$100,000 of

property value). If the project does not proceed, the planning loan needs to be paid back over 5 years at 0% interest (cost is approximately \$100 p/yr. per \$100,000 of property value). If the system is built, water system customers will pay the construction portion of the loan through their user fees.

PQ #2: Will there possibly be taxes charged?

A: Yes, as everyone within SAFD2 will pay towards the planning loan whether the project proceeds or not. The difference will be the amount and length of the assessment as described above. Further discussion and decision making is required about how and when assessment will occur.

PQ #3: On which side of the road will pipe be laid?

A: Each side of the road will be used depending on the needs of the location. Most will be on the east side (away from the lake). At times it will move to the west (lake) side, but only where there is sufficient land area.

Note: The connection fee covers the cost of a water service from the water main to the edge of your property on the side that the house is on. I.E. if your house is on the opposite side of the road, the connection fee covers the road crossing.

John Kiernan provided an overview of current and next steps:

- Permit applications have been submitted to the State
- Agreements are being received
- Receive bids from contractors
- Assess price vs. funding vs. number of committed customers
- If go, proceed with construction

Contractors are looking for work in the current environment. In recent procurements, bids have been received from multiple contractors, including 10 or 11 bids on a project. This is expected to benefit SAFD2 pricing.

PQ #4: How will meters be read?

A: Vermont Electric Coop will read the meters remotely, using their smart meter technology, at the same time for electric and water. Water will be billed on the electric bill.

PQ #5: Does this mean there must be electricity to the meter, even if it is in a pit near the road?

A: Typically a small gauge wire is run from the house to the electric meter, although there are other options, such as a radio link.

PQ #6: Will deposits be returned to the customer if the project doesn't proceed?

A: Yes, deposits received are being set aside and will be returned if the project doesn't proceed, so there is no risk that the potential customer will pay a deposit but not get water. If the project proceeds, then these funds are used to pay for the meters and other components.

PQ #7: Will people be notified of the deadline for submitting an agreement and payment to SAFD2?

A: Yes. A date was not included in the first mailing because it was unknown. As the time to go to bid nears, another mailing will be sent to notify potential customers of the deadline, and to request final payment of the \$1,500 sign-up fee. The \$1,500 is due before the advertisement for construction bids, expected in late May. The cost post-advertisement is \$2,500.

PQ #8: The estimated annual cost is based on water usage for a typical household. How was the number of gallons selected?

A: The monthly payment is comprised of two components – the portion needed to repay debt (the cost of constructing the system) and metered water usage. The number of gallons is based on what the typical homeowner would be expected to use based on usage in other systems and standards. Usage varies widely from community to community. This estimate used approximately 200 gallons per day.

PQ #9: What is the cost to the seasonal homeowner? How much of the payment is debt service?

A: The seasonal homeowner will need to pay the debt portion year-round, as this is necessary to pay for the construction loan, like a mortgage. **Correction:** At the meeting it was indicated that the debt portion was expected to be between \$800 and \$900 per year. This is incorrect. It is expected that the debt portion will be roughly \$700 per year, or about \$58 per month. This figure cannot be finalized until bids are received and final costs tabulated.

PQ #10: If Phase Two is built, how will the new debt be paid?

A: This decision has not been made, but it is thought that the total construction debt will be divided evenly among all Phase One and Two users, which seems the fairest approach.

PQ #11: What is the water pressure expected to be at the home?

A: This will vary depending on the elevation of the property, but the expectation is that it will be about 50 psi. It should be better than homeowners are receiving from their current well or jet pump. There are ways to boost it at the house if necessary.

PQ #12: Where will the curb stops be located?

A: At the edge of the right-of-way, or approximately 10 feet off the edge of the road.

PQ #13: How will the homeowner decide which company to use to connect to the main?

A: The homeowner is responsible for connecting their home to the main, and the work must be done to standards which will be provided to contractors. The homeowner can use any company they like, but a list of contractors will be made available. Jeremy hopes to have it available within the next week so homeowners can ask questions and estimate costs in time to make a decision. Work will need to be coordinated with SAFD2 and inspected.

PQ #14: Is running into ledge a concern? How will it be handled?

A: Ledge probes have been completed and ledge has been found in limited locations. There will be a \$ figure in the contract for rock removal, which could be completed by blasting or hammering. Alternately, running the pipe shallower than usual with more insulation can also work.

PQ #15: Will draining the meter at end-of-season shut-off be included in the seasonal on/off fee, so homeowners don't have to worry about their meter freezing?

A: The specification for this service hasn't been finalized, but it makes sense to include meter draining in the service. This is information that will be of value to seasonal residents.

PQ #16: Who will perform the seasonal on/off service?

A: SAFD2 will hire a licensed contract water system operator. This person will also do inspections and water testing. This cost is included in the operating budget estimates for the district. The cost of seasonal on/off is the same whether the meter is in the house or in a pit.

PQ #17: If a meter pit is used will it be insulated?

A: Yes. Phelps has seen this technology used in other projects, and no issues with freezing have occurred.

PQ #18: Can the PowerPoint presented tonight be made available to the public?

A: SAFD2 will see if the presentation can be placed on its website. It is expected that it can be made available in pdf format as other pdf documents have been posted there.

PQ#19: Concern was raised by the Alburgh Road Commissioner about disturbing the new paving which took place on West Shore Road.

A: Jeremy responded that the concern was understood and that the plan is to limit the impact as much as possible. The contractor is required to put things back as good as or better than found, but the best way to avoid disturbing the paving is to do as many road crossings as possible by direct bore. Jeremy will review the plans and contractor requirements with the Road Commissioner. Jeremy will also ask to be added to the Select Board agenda to discuss before finalizing specifications.

PQ #20: Are there restrictions related to leach fields and septic systems?

A: Yes. Areas where these are located are identified in the design. Pipes must either be a certain number of feet away or the pipe must not have a joint. No situations have been discovered which cannot be handled.

PQ #21: Will the homes at the end of West Shore Road near the Isle la Motte bridge receive service?

A: Yes. The planned design will serve all the homes up to the bridge, and then will go across properties (which avoids the small cemetery and the need to work on a State road with related requirements) to the golf course. This will make the water system available to the lots for sale in that area. The owner of the lots has agreed to sign on for one service, and individual owners will sign on as lots are sold.

PQ #22: What chemicals are used in the Village water system?

A: The Village's new system is the first in VT to be approved with UV light technology for disinfection treatment. Some typical chemicals, such as chlorine, sodium hydroxide and fluoride are also used. Chloramines are not used. SAFD2 does not anticipate the need to add additional treatment chemicals, although a chlorine boost may be needed to meet standards near the end of

the run. Wendy Tatro, Chair of the Village Trustees, pointed out that anyone wishing to tour the facility could do so by setting up a time with the Operator, Jason Beulac.

SAFD2 and Phelps thanked people for attending and for their questions. Jeremy asked people to feel free to contact him with questions. He can be reached at (802) 388-7829 X30 or JRathbun@phelpseng.com.

Formally reviewed and accepted on April 15, 2013.

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

April 15, 2013

Present: Prudential Committee Member Judy Higgins, Prudential Committee Member John Fitzgerald, Treasurer Dick Ernst, Clerk Dick Higgins, John Kiernan of Phelps Engineering and Jeremy Rathbun of Phelps Engineering.

Also: Laura Buel and Eric Buel.

Meeting called to order at 7:04 PM. John Fitzgerald presided in Paul Hansen's absence.

Status of Agreements: We have 22 signed agreements as of 04/15/2013.

Potential out of district customers: Jeremy did a walk-through and dropped off a letter to each residence. No responses have been received so far.

Next outreach steps: Need to make some phone calls and do another mailing. Need to include a date by which the \$1500 hookup is due, after which it will be \$2500. Should also refer to the upcoming Bond Bank meeting on May 6, and mention to contact us if making the deposit is a financial hardship. Discussed requesting the agreement by May 3, even if the deposit could not be submitted by then, with the final deposit due by around the end of May or first week of June. Judy will draft a letter for review. John will call and go door-to-door. Judy will send Jeremy an updated list of agreements received.

Mud Point Easements - Per Jeremy, we need to acquire easements from Mud Point residents because it is a private road. Permitting has been requested for a line into Mud Point and also along West Shore Rd. He is preparing easement forms, maps showing where the line would go and a letter of explanation to send to residents. Judy will prepare the mailing once all documents are ready. Laura and Eric Buel offered to assist us with outreach to Mud Point residents if needed.

Mud Point Potential Grant Funding: A letter regarding a potential CDBG grant will be included with the easement mailing. Jeremy will send a scanned signed version of the letter.

Mud Point Archaeology - We need additional archeology work completed in Mud Point. This will cost an additional \$1468.94. Phelps Engineering would like to be able to add this cost to the existing contract and bill SAFD#2 for the expense. Judy moved to extend the authorized budget for the design portion of the contract (\$108,204) by \$1468.94 to cover the Mud Point Archeology work pending State approval of the contract amendment. Dick Ernst seconded the motion and it passed.

Vermont Municipal Bond Bank (VMBB) meeting: The VMBB and SAFD2 meeting is tentatively scheduled for 05/06/2013. John or Jeremy will let us know when it is confirmed.

Permits: Wetland permit is technically complete. Phelps is taking care of the necessary distribution. The State decided that no Act 250 hearing is needed. They will use the minor approach of a 30 day public notice period. It was posted in the Islander with a deadline of April 26 for comment. The bill for the posting will come to SAFD2. Water Supply review is nearly complete. A letter will be received in the mail. Status of storm water permit is unknown. Phelps will check. Updates and revisions were made to the Army Corps General Permit and notice was sent to abutters. Archaeology issue discussed above. Resolution is needed to acquire final permit.

Project Schedule: Phelps reviewed the project schedule. Looking at early June for bid issuance and early July to begin work.

Project Financials: Discussed preparation for the VMBB meeting and the process for getting funding approved which would allow SAFD2 to pay Phelps for services performed to date. John K. proposed a two-tiered approach requesting quick approval of the balance of design/planning money, which has already been approved by the Agency of Natural Resources. Approval for construction funds will likely be contingent upon acquiring a specified number of agreements. Paul Giuliani will be asked to prepare for SAFD2 signature the paperwork necessary to release the \$108,000 planning/design loan as soon as VMBB approval is received. Documents should be received by SAFD2 prior to May 6 for action pending that approval.

SAFD2/Town Communications: Judy will draft an email from SAFD2 to the Select Board thanking the Town and Town staff for the support they provide and expressing our desire to work cooperatively with them as we move the project forward.

Annual Meeting: The annual meeting is 06/10/2013. Per our bylaws it needs to be warned no less than 30 days ahead of time. Dick Higgins will post it in the Islander and in 3 public places around SAFD#2.

Treasurer's Report: Dick Ernst gave the Treasurer's report. At People's United there is \$3229.99 in the Operating account and \$129.17 in the Project Account. At NCFCU there is \$15,751.80 in the special savings account. This is the deposit money that came in with the signed agreements plus \$1.80 in interest. There is also \$534.90 in the Operating account (received as Delinquent taxes) and \$0.00 in the Project account.

Minutes of March meeting: Dick Ernst moved to accept the Minutes of the 03/18/2013 meeting as written. John Fitzgerald seconded and the motion passed. Dick Ernst moved to accept the Minutes of the 03/27/2013 meeting (the special informational meeting) as written. John Fitzgerald seconded and the motion passed.

Dick Ernst moved to adjourn. Judy Higgins seconded and the motion passed.

Meeting adjourned at 9:37 PM.

Reviewed and accepted as written on May 20, 2013

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

April 29, 2013

Emergency Meeting

Present: Prudential Committee member and Chair Paul Hansen (by phone), Prudential Committee member Judy Higgins, Prudential Committee member John Fitzgerald, Treasurer Dick Ernst and Clerk Dick Higgins.

An Emergency Meeting was convened on 04/29/2013 and called to order at 7:05 PM.

The purpose of this meeting is to sign documents that will be required by the Vermont Municipal Bond Bank (VMBB) to release the \$108,000 remaining planning/design loan funds, as referenced in the 3/15/2013 monthly meeting minutes. SAFD#2's Attorney, Paul Giuliani, has requested that these documents be signed and forwarded to him prior to the VMBB meeting scheduled for May 6.

Paul Hansen is not physically present to sign documents that require the Chair's signature, but Judy Higgins has previously been authorized through a vote of SAFD2 to sign official documents in his absence. The top line will be left open where applicable for Paul's signature to be added at a later date prior to final execution.

Resolution and Certificate document: John Fitzgerald moved to sign the document; seconded by Dick Ernst. The motion passed unanimously (including Paul H. by phone). The document was signed and dated.

General Obligation Bond document: Judy Higgins moved to sign the document; seconded by Dick Ernst. The motion passed unanimously (including Paul H. by phone). The document was signed.

Certificate of Registration for Bond document: John Fitzgerald moved to sign the document; seconded by Judy Higgins. The motion passed unanimously (including Paul H. by phone). The document was signed, but not dated, as per instructions from Paul Giuliani.

Loan Agreement document: Dick Ernst moved to sign the document; seconded by John Fitzgerald. The motion passed unanimously (including Paul H. by phone). The document was signed, with Judy Higgins signing as Vice-Chair Pro-Tem as instructed by Paul Giuliani.

Tax Certificate document: Judy Higgins moved to sign the document; seconded by Dick Ernst. The motion passed unanimously (including Paul H. by phone). The document was signed, but not dated, as per instructions from Paul Giuliani.

IRS Form 8038G document: John Fitzgerald moved to sign the document seconded by Judy Higgins. The motion passed unanimously (including Paul H. by phone). The document was signed, but not dated, as per instructions from Paul Giuliani.

Document signing was complete.

VMBB Meeting – Judy notified the group that Jeremy confirmed the VMBB meeting will be held on 05/06/2013 at 1:30 PM in the Hampton Inn Library Meeting room in Colchester.

Dick Ernst moved to adjourn; seconded by John Fitzgerald. The motion passed unanimously (including Paul H. by phone). The meeting adjourned at 7:52 PM.

Reviewed and accepted with header date correction on May 20, 2013

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

May 20, 2013

Present: Committee Member and Chair Paul Hansen, Committee Member Judy Higgins, Committee Member John Fitzgerald, Treasurer Dick Ernst, Clerk Dick Higgins, John Kiernan of Phelps Engineering, Laura and Eric Buel.

The meeting was called to order at 7:09 PM.

Bond Bank Approval - The Vermont Municipal Bond Bank approved the additional \$108,000 (loan amendment #5) needed to pay Phelps Engineering for the services provided since last fall related to Phase One design, including field work and permitting. Approval of the requested construction loan is contingent upon acquiring 49 signed agreements.

Paul read the Resolution accepting the additional debt. Judy moved to accept the Resolution. John F seconded. The motion passed. The resolution was signed.

State Reimbursement - John Kiernan reviewed the pay request documents that need to go to the State for reimbursement, and explained how the process works. The State will only reimburse once per month.

Paul is working with North Country Federal Credit Union to increase our line of credit from \$50,000 to \$100,000. This would allow SAFD2 to pay most outstanding Phelps invoices. It was decided that if the line of credit increase could happen quickly, we would wait to request State reimbursement until we could submit paperwork for all paid Phelps invoices, rather than submit for partial reimbursement now and a second large request a month later. The approximately \$8,000 that would still be owed Phelps would have to wait until reimbursement was received.

Water Service Agreements - Judy reported that we have 41 signed agreements in hand as of 05/20/2013.

The group agreed that if we could get to the 49 required by VMBB we would likely decide to proceed, as long as bids are acceptable. Discussion about how to get to 49 followed. Eric and Laura Buel said they would be willing to contact a couple of home owners on West Shore Road, and the Prudential Committee will continue to contact individuals.

Easements – It is expected that easement documents sent will be signed and returned by the homeowners in Mud Point. John Kiernan will develop a list and tracking tool. John K., Paul, and John F. will walk the route to determine where temporary easements would be helpful in support of construction (i.e., temporarily storing large equipment and pipe).

Permits - John Kiernan updated the permit status. Most comments have been addressed and permits are being issued.

It has been determined, however, that we need to update a rare and threatened species survey, and the additional archaeology done on Mud Point resulted in findings that must be addressed. Phelps received an estimate of \$12, 905.10 from Hartgen Archeological Associates for the Mud Point work, but felt that some items could be resolved with partial redesign. Hartgen has been asked for a revised estimate.

Both items are required before an Act 250 permit is issued. Phelps is going to proceed with the work to resolve both issues, with the hope that the additional cost can be covered in the construction loan.

Disadvantaged Business Notification – Receipt of the information needed from the State was delayed, but this required notification has now occurred.

Schedule – John K. reviewed the schedule, which has slipped a bit. Bid issuance could be June 24.

Phelps Contract for Construction Period – John K. presented a first draft of the contract SAFD2 would sign with them for services to be provided during construction. They manage the project and monitor work being completed. He reviewed the proposed costs, but anticipates the final amount being lower. John K. also asked for a SAFD2 representative to be available during construction to deal with questions/issues as they arise. This will be Paul.

SAFD2 Long Range Plan (Ordinances and Policies) – The remainder of these documents need to be reviewed. Judy asked John K. to determine which sections should be next and to provide a schedule.

Annual Meeting – This year's annual meeting is scheduled for June 10. Required notice was in the Islander on May 7 and posting around town occurred on May 9. It was decided that the budget to be presented should not yet reflect construction costs because the decision to proceed will not have taken place prior to the meeting. If we decide to proceed, we will need to complete a revised budget based on expected costs and hold a special meeting.

Bills - Dick Ernst moved to approve payment to Phelps Engineering in the amount of \$47,595.85. John Fitzgerald seconded the motion and it was passed.

Dick Ernst moved to pay a bill from The Islander for \$66.00. This was for a required warning on our Act 250 permit. John Fitzgerald seconded the motion and it was passed.

Treasurer's Report - Dick Ernst gave the Treasurer's report. In the Peoples United there is \$3229.99 in the operating account and \$129.17 in the project account. In North Country Federal Credit Union there is \$696.71 in the Operating account and \$4.15 in the Project account. There is also \$36,651.80 in the savings account from the water service deposits and a small amount of interest. A loan of \$47,600 is outstanding based on the payment to Phelps.

Signature for State Reimbursement - Judy moved that Paul Hansen be authorized to sign state reimbursement forms when they are ready to submit. John Fitzgerald seconded the motion and it was passed.

Minutes - Dick Ernst moved to approve the minutes of the 04/15/2013 meeting as read. John Fitzgerald seconded the motion and it was passed.

Dick Ernst moved to approve the minutes of the 04/29/2013 Emergency meeting as read with the date in the header corrected. John Fitzgerald seconded the motion and it was passed.

Islander - Judy will send a request to Lisa Arnold to post a project update in the Islander prior to our annual Meeting (06/10/2013).

Judy moved to adjourn the meeting. John Fitzgerald seconded the motion and it was passed.

The meeting adjourned at 10:02 PM.

6/17/2013 - Reviewed and accepted as written.

SOUTH ALBURGH FIRE DISTRICT NO. 2
ANNUAL MEETING

June 10, 2013

Present: Chairman and Prudential Committee Member Paul Hansen, Prudential Committee Member Judy Higgins, Prudential Committee Member John Fitzgerald, Treasurer Dick Ernst, Clerk Dick Higgins, John Kiernan of Phelps Engineering. Ed Fisette, Nancy Fisette, Alton Brusco and Laura Buel.

The meeting was called to order at 7:03 PM.

Paul read the articles of the Annual meeting.

Article 1: Chairman's Report.

Paul gave an overview of the project from the beginning to the present. We are currently 6 agreements short of what is needed in order to go out to bid on Phase 1. The Municipal Bond Bank stipulated that we have a minimum of 49 signed agreements before they will authorize the construction funds for the project. The Committee is still doing outreach to acquire more agreements.

Ed and Nancy Fisette offered to host an informational meeting at their home. After discussion, it was decided to hold the meeting on 06/22/2013 from 6:30 - 8:00 PM. All Committee members and a Phelps Engineering representative will be there to answer questions. Ed suggested that we have water from the town plant on hand so that people could taste what they could have. Paul will bring the water.

We will do a mailing to West Shore home owners to provide an update and inform people of the meeting. Judy will also write a blurb about the meeting for printing in the 06/18/2013 edition of the Islander.

Article 2: Treasurer's Report.

Dick Ernst reviewed the SAFD2 financial statements for the fiscal year ending June 30, 2012 and for the current fiscal year through May 31, 2013.

Article 3: Budget for Fiscal year Beginning 1 July 2013.

Dick Ernst reviewed the budget and explained that it was the same as had been used for the past several years. If the project moves forward we will need to develop a budget based on projected revenue and expenses, and hold a special meeting to review and vote on a new budget

Laura Buel moved to pass the budget. Alton Brusco seconded the motion and it was passed.

Article 4: Election of Officers.

Clerk: Dick Higgins nominated Laura Buel for Clerk. Dick Ernst seconded the motion. Laura was unanimously elected to a 1 year term.

Treasurer: Judy Higgins nominated Dick Ernst for Treasurer. John Fitzgerald seconded the motion. Dick was unanimously elected to a 1 year term.

Delinquent Tax Collector: There were no nominees.

Prudential Committee Member: Dick Ernst nominated Judy Higgins. John Fitzgerald seconded the motion. Judy was unanimously elected to a 3 year term.

There was no further business.

Dick Ernst moved to adjourn the meeting. Nancy Fisetie seconded the motion. Motion passed.

The meeting was adjourned at 8:20 PM.

The next meeting is 06/17/2013 at 7:00.

6/17/2013 – Reviewed and accepted as written.

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

June 17, 2013 Meeting Minutes

Present: Prudential Committee members Paul Hansen, Judy Higgins, and John Fitzgerald, Treasurer Dick Ernst, Clerk Laura Buel, Phelps Engineering representatives John Kiernan and Jeremy Rathbun, Eric Buel, Dick Higgins

The meeting was called to order at 7:01 pm.

May 20, 2013 minutes -

Dick Ernst moved to approve the minutes as written. John Fitzgerald seconded. Motion passed.

June 10, 2013 Annual Meeting minutes –

Dick Ernst moved to approve the minutes as written. Judy Higgins seconded. Motion passed.

Phelps Engineering Report – John Kiernan

John reported he'd received a call from Bob Giroux of the Vermont Municipal Bond Bank inquiring on the recent progress of SAFD2. John told him that so far we have contracts for 43 ERU's.

John informed the Committee that Jeremy Rathbun, who at this point of the meeting had not yet arrived, will be available on Saturday, June 22, to attend the informational meeting at the home of Ed and Nancy Fiset.

Easements at the North end of West Shore Rd. -

John discussed the possibility of an alternative construction plan in which the line would go behind several of the homes instead of along the road. This would eliminate the need to tear up front lawns and driveways and would be more convenient overall. This plan would, however, require right-of-way easements from 11 residents as well as additional permitting. The Committee decided against pursuing this option.

Mud Point Easements -

The project is waiting for 15 easements from Mud Point residents before the project can be built. However, the easements are not needed before bids go out because it is technically possible to construct the project through that area by going along the edge of West Shore Rd. This route would mean Mud Point residents would have much further to connect to the line and some would be likely to back out due to the cost. So it is not really feasible, but it is possible. The easements are definitely needed prior to construction, but not prior to the construction bid process.

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

Rare and Endangered Species Review -

A review of rare, threatened, or endangered plant species along West Shore Rd. must be completed before an Act 250 permit is issued. This will be conducted by Arrowwood Environmental at a cost of \$2185. John Kiernan asked the Committee to allow this fee to be added to the costs assumed by SAFD2. Phelps Engineering has been absorbing several additional project costs but feels it should not have to bear this additional third party cost. John Fitzgerald and Paul Hansen both emphasized that they did not want to back away from honoring their commitment to the public to hold costs to the \$108,000 already spent.

John Kiernan noted he has submitted a proposal for water to Alburgh Dunes State Park. This could lead to additional customers in the future when the other project phases are constructed.

Signed Agreement Status and Follow-up -

Judy Higgins reported that we have contracts for 43 ERUs as of June 17, 2013. Jeremy Rathbun reported that Timeline has promised they will be sending in a contract. Seven other property owners were identified who may be interested. Each of these prospective customers were assigned to a Committee member for follow-up.

Reimbursement Status -

SAFD2 has forwarded payment to Phelps Engineering and now is waiting for reimbursement from the State of Vermont. John Kiernan said reimbursement should be expected in a week or two.

Bill Payment Approval -

Three bills were due to be paid from the project account. Judy moved to approve payment of the following three bills:

\$400.00 to Paul Giuliani's firm, McKee, Giuliani, and Cleveland (for legal advice)

\$219.90 to North Country Federal Credit Union (for interest on the loan)

\$52,465.95 to Phelps Engineering, Inc.

Dick Ernst seconded. The motion passed.

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

Two bills were due to be paid from the operating account. Dick Ernst moved to approve payment of the following two bills:

\$490.00 to Vermont League of Cities and Towns (for dues)

\$108.00 to the Islander (for the advertisement for the annual meeting)

Judy seconded. The motion passed.

Treasurer's Report – Dick Ernst

Dick reported that in People's United Bank we have \$229.99 in the operating account and \$129.17 in the project account. In North Country Federal Credit Union we have \$3630.71 in the operating account, \$4.15 in the project account, and \$47,201.80 in a savings account for the water service deposits we have received.

Plans for the Informational Meeting on June 22, 2013 -

The meeting will be held at the home of Ed and Nancy Fisetite at 403 West Shore Rd. Jeremy confirmed that he will attend the meeting. Judy received confirmation that the Alburgh article in The Islander issue coming out tomorrow (June 18) will announce the meeting. Laura Buel volunteered to post news of the meeting in the on-line Alburgh Front Porch Forum.

Adjournment – Dick Ernst moved to adjourn the meeting at approximately 9:10 pm. John Fitzgerald seconded. Motion passed.

Respectfully submitted,

Laura Buel, Clerk

July 15 – Reviewed and accepted as written

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

July 15, 2013 Meeting Minutes

Present: Prudential Committee members Paul Hansen, Judy Higgins, and John Fitzgerald (arrived at 7:50), Treasurer Dick Ernst, Clerk Laura Buel, Phelps Engineering representatives John Kiernan and Jeremy Rathbun, Dick Higgins, Dan Mathison, Toni Soule

The meeting was called to order at 7:02 pm.

Phelps Engineering Report – Jeremy Rathbun and John Kiernan

Jeremy has sent a report to Bob Giroux that we now have the required 49 contracts to begin the bid process. He was out of town on business last week and so the approval from his office should come soon, perhaps later in the week.

Jeremy went door-to-door with John Fitzgerald on June 22 and July 6, and that made a big difference getting customers. He would like to keep it up weekly if John is available.

There are 13 users of the Alburgh municipal water system who live at the beginning of West Shore Road and are outside of the Alburgh water district. Now that the SAFD#2 will go forward, it is time to begin talks with Alburgh to come up with rates and terms beneficial to all parties to transfer these users over to the SAFD#2 district.

All permanent easements have been sent out. Judy asked if anybody needed second contacts. Jeremy said he and John Fitzgerald would contact folks in person while doing their weekend canvassing.

All temporary easements have been sent out also. A few need to be followed up on. If they are not able to get all of them, it's OK because they only need enough to be able to conveniently stage equipment.

Jeremy will talk to Roger Bergeron from the State to discuss the requirement for getting an attorney's opinion regarding lands and rights-of-way.

Permit Status – Permits have been received for/from Wetlands Conditional Use, Army Corps, Water Supply construction, and Stormwater construction. The Archeology write-off is in progress. The Act 250 permit is waiting for the Rare, Threatened, and Endangered Species review to be completed.

Project Schedule - Phelps Engineering will advertise for bids in the St. Albans Messenger by August 5, maybe earlier. Bid opening will be scheduled for a date at the end of August. Jeremy and John were asked if we automatically accepted the lowest bidder. The answer to this question is that the contract is awarded to the

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

“lowest responsible, responsive” bidder.

Design Phase Accounting – John Kiernan informed us that they were making a small change in the accounting of the Design Phase costs. The approximate \$108,000 that SAFD2 has paid Phelps Engineering for the design phase includes both preliminary design accounts and final design accounts. Because Phelps underspent by \$8752 in the preliminary phase and significantly overspent in the final design phase, they want to change the accounting to more accurately reflect their expenditures. They will refine the accounting to reflect \$8752 less in the preliminary design phase and \$8752 more in the final design phase.

The proposed Phelps Engineering design phase cost accounting changes were presented as Contract Amendment #1. Judy moved to sign Contract Amendment #1. Dick Ernst seconded. Motion passed.

June 17, 2013 meeting minutes -

Dick Ernst moved to approve the minutes as written. Judy seconded. Motion passed.

Bill Payment Approval -

A \$35.00 bill was due to be paid from the operating account to the Post Office for 6 months of holding a post office box. Judy moved to approve the payment of this bill. John Fitzgerald seconded. The motion passed.

Two bills were due to be paid from the project account. John moved to approve payment of the following bills:

\$572.16 to North Country Federal Credit Union (for interest on the loan)

\$8741.21 to Phelps Engineering, Inc.

Judy seconded. The motion passed.

Treasurer's Report – Dick Ernst

Dick reported that in People's United Bank we have \$229.99 in the operating account and \$129.17 in the project account. We have three accounts in North Country Federal Credit Union. We currently have \$2748.43 in the operating account, zero in the project account, and \$52,567.66 in the savings account that holds the deposits we have received for the service contracts.

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

SAFD2 will be establishing a line of credit with People's United Bank to pay expenses during the construction phase. It is not possible to use North Country Federal Credit Union because they are a credit union and their board of directors has only approved lines of credit up to \$100,000.

Approval of State Reimbursement Request

Judy moved to approve Reimbursement Request #25 for Phelps Engineering Invoice #10118 for \$8741.21 to the Facilities Engineering Division of the Vermont Department of Environmental Conservation. John seconded. Motion passed.

Project Update to be submitted to The Islander

Judy Higgins will craft a paragraph to be sent to The Islander announcing that we have hit the target of necessary contracts to move forward, the project will soon be going out to bid, and that we are still accepting contracts.

The meeting was adjourned at 9:17 pm.

Respectfully submitted,

Laura Buel, Clerk

8/19/2013 – Reviewed and accepted as written.

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

August 19, 2013 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 7:10 pm.

Phelps Engineering Report – John Kiernan (Jeremy Rathbun on vacation for the week)

Permit Status

All permits have been received to obtain an Act 250 permit and it will be signed by Geoff Green, the District 9 Environmental Commission Coordinator. However, Eric Law, project specialist for the Drinking Water State Revolving Fund under the VT Dept. of Environmental Conservation, has decided he will issue a finding of “No Significant Impact” instead of “Categorical Exclusion” because he is concerned about the possibility of urban sprawl since there is no zoning in Alburgh. This finding requires a period of public comment of 30 days for SAFD#2 residents and abutters. A Notice of Intent will be filed by August 23 and a finding of No Significant Impact should be issued by Sept. 22. This will mean SAFD#2 cannot officially sign a contract with a construction company until after that date. John said we will still open bids on schedule on the 29th of August, but will let the contractors know we will not be signing contracts until after Sept. 22.

Judy Higgins best expressed the opinion of the Committee, which she asked John to communicate to the Dept. of Environmental Conservation. She wanted them to know that if this decision extends the time before construction starts, then it is very possible users will drop out, thereby jeopardizing the entire project.

Easements - John Kiernan passed out a spreadsheet of the remaining easements to be signed.

Project Financing

It is now time to submit a construction loan application to the Drinking Water State Revolving Fund. Judy moved to submit a construction loan application to the DWSRF. John Fitzgerald seconded. Motion passed.

Tentative additional meeting following the bid opening

John Kiernan requested a meeting of the Committee as soon as possible after the bid opening on Aug. 29 to discuss the bids and any decisions that may need to be made and the immediate next steps to be taken. The Committee agreed but decided the time and date will be determined later.

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

Proposal for Fee Policy for Alburgh municipal water customers to connect to SAFD#2

Judy stated that two of the West Shore Road residents who are Alburgh municipal water customers have asked about the cost to connect with SAFD#2. It is now time for the Committee to decide on a specific proposal for the cost to these potential customers. After discussion, Judy moved that the proposal from SAFD#2 will be that the connection fee of \$1500 or \$2500 will be waived, but the regular district monthly fee will apply. John Fitzgerald seconded. Motion passed.

Treasurer's Report – Dick Ernst

Dick reported that in North Country Federal Credit Union we have \$2137.27 in the operating account, zero in the project account, and \$54,167.66 in the regular shares savings account that holds the service contract connection fees. In People's United Bank our accounts are unchanged, with \$229.99 in the operating account and \$129.17 in the project account.

Bill Payment Approval

The \$35.00 bill for the Post Office box for 6 months that was authorized to be paid at the July meeting was actually billed at \$39.00. Paul Hansen initialed the change.

John Fitzgerald moved to approve payment from the project account of \$104.32 to North Country Federal Credit Union for interest on the loan. Judy Higgins seconded. Motion passed.

Judy Higgins moved to approve payment from the project account of \$131.00 to the Messenger to advertise for the Notice for Bid. John Fitzgerald seconded. Motion passed.

July 15, 2013 meeting minutes

Judy moved to accept the minutes as written. John Fitzgerald seconded. Motion passed.

The meeting was adjourned at 9:07 pm.

Respectfully submitted,

Laura Buel, Clerk

9/16/2013 – Reviewed and accepted as corrected

**SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING**

August 29, 2013 Meeting Minutes

Present: Prudential Committee members Paul Hansen, Judy Higgins, and John Fitzgerald, Clerk Laura Buel, and Phelps Engineers John Kiernan and Jeremy Rathbun.

The meeting began at 6:08 pm.

Review of Bid Opening at 11:00 am and Bids Submitted

The SAFD#2 project held the bid opening at 11:00 am. Those present at the bid opening included John Kiernan, Jeremy Rathbun, Paul Hansen, and Laura Buel, as well as several construction company representatives.

Six bids were read as follows (in order of opening):

Island Excavating Corporation	\$1,301,897.68
Engineers Construction	\$1,719,930.00
Munson Earth-Moving Corp.	\$1,487,120.00
Desroches Construction Services	\$1,985,330.00
S.D. Ireland Brothers Corporation	\$1,585,272.00
Kingsbury Companies	\$1,983,568.00

Roger Bergeron, from the State of Vermont Department of Environmental Conservation, Facilities Engineering Division, arrived at approximately 11.25 am after all company representatives had left. He reviewed the results and informed Paul Hansen of the next steps for the project. He said Phelps Engineering will make a formal recommendation to SAFD2. SAFD2 then concurs and forwards their decision to Roger's office. His Facilities Engineering Division then officially awards the project.

Discussion of Bids

John K. and Jeremy discussed the bids and told the Committee the amounts of the bids were favorable for continuation of the project and going ahead with construction. Over the next two weeks they will be thoroughly reviewing the bids and discussing them with Vermont Facilities Engineering Division. They will have a recommendation ready for us at the Sept. 16, 2013 meeting.

**SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING**

Other Phelps Engineering Business

There is some archeology work that needs to be completed before construction can begin. This work was postponed until we were sure that the project would continue. The Phelps engineers asked that the Committee now approve this work, known as Amendment #3. Judy moved that the Committee approve Amendment #3. John Fitzgerald seconded. The motion passed.

John Kiernan reported the good news they received from Eric Law of the Drinking Water State Revolving Fund. After further consideration of the Environmental Review document, he has decided to issue a finding of "Categorical Exclusion" rather than the next level up of "No Significant Impact", which would have required a period of public comment of 30 days.

Signed Agreement Status – Judy Higgins

Judy reported we now have contracts for 51 users.

The meeting was adjourned at 7:30.

Respectfully submitted,

Laura Buel, Clerk

9/16/2013 - Reviewed and accepted as amended

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

September 16, 2013 Meeting Minutes

Present: Prudential Committee members Paul Hansen, Judy Higgins, and John Fitzgerald, Treasurer Dick Ernst, Clerk Laura Buel, Phelps Engineers John Kiernan and Jeremy Rathbun, Dan Mathison, John McGrath, Cheryl Dunn, and Luke and Diane Bazin.

The meeting was called to order at 7:04 pm.

Phelps Engineering Report

Bid Recommendation

John Kiernan reported that six construction companies submitted bids for the project, which were opened on Aug. 29. Two of the six bidders, Island Excavating and Kingsbury Companies, did not properly complete the package of forms and were therefore considered unresponsive, requiring them to be disqualified. Neither company properly completed Schedule A. In addition, Island Excavating completed the column for writing the unit prices in words incorrectly, by instead writing in words the total amounts. The Island Excavating bid also contained a price discrepancy on Item No. 25.

Of the remaining four valid bids, Munson Earth-Moving Corp. was the lowest bidder with a Total Base Bid of \$1,487,120. S.D. Ireland was second at \$1,585,272. Since all of Munson's supporting documentation was in order and their work comes highly recommended, Phelps Engineering recommends that the contract be awarded to Munson Earth-Moving. Roger Bergeron, the State facilities engineer concurs with the decision.

The bid from Munson Earth-Moving was approximately \$200,000 over the amount budgeted by Phelps Engineering for the project. In order to keep projected user costs under \$1000/year, it is projected that district will now require between 63 and 67 users instead of the 57 needed for the original budget. However, we will not need to begin paying back the loan until two years after the project is completed, and it should not be difficult to expand the user base to that amount by then.

Jeremy Rathbun reported that the Vermont Municipal Bond Bank has given their approval for a \$2.5 million loan for all project costs. Final approval from Eric Law, of the Drinking Water State Revolving Fund, is expected next week. Next steps also include getting official word from Roger Bergeron that the State has awarded the project to Munson and an official opinion from the Town's attorney that all the necessary easements are in place. Jeremy and John Fitzgerald are still working on getting some of these. The additional archaeological work that was approved at the Aug. 29 meeting will be completed by the end of this week.

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

Motion to send a Notice of Intent to Award

Judy Higgins move to accept the Phelps Engineers' recommendation in favor of Munson Earth-Moving and to send a "Notice of Intent to Award" to Roger Bergeron of the Facilities Engineering Division. John Fitzgerald seconded. The motion passed.

Phelps Engineering Contract for Bid and Construction Phase

The Phelps engineers submitted for signature the contract for the combined bid phase and construction phase of the project. The Committee members discussed what approvals they would need to have in place before they would be comfortable signing it without risk of liability. It was decided they will need the official loan approval from the Vermont Municipal Bond Bank and the DWSRF, the line of credit from People's United Bank established, and the official Notice of Award from Roger Bergeron.

Phelps Engineering Request for Additional Design Phase Funding

SAFD#2 has paid Phelps Engineering approximately \$108,000 for the design phase of the project, but Phelps Engineering actually incurred costs that exceeded that amount by about \$25,000. As of this point in time those costs were never written into a contract because the Prudential Committee felt the project could not assume any costs in excess of the \$108,000. The District had already incurred significant costs that would be burdensome to pay off if the project did not continue, and if it did go to construction, those costs would add to the already high yearly user costs.

Jeremy Rathbun began a frank discussion of whether the Committee would entertain a proposal to pay these additional costs if, at some point in the future, the project were very successful. This would assume that SAFD#2 had a substantial number of additional user contracts above that required to keep yearly costs reasonable. In this case, with the -3% interest rate offered by the state, the \$25,000 could be handled without significantly increasing user costs. If the Committee were amenable to this idea Phelps Engineering would need to file forms for these costs with the State by sometime in October to meet a filing deadline. After discussion the Committee agreed with the idea in principle, and advised Phelps to go ahead with filing the forms and to submit some written agreement to the Committee about the District's options at a later meeting.

Additional Meeting Scheduled – The Phelps Engineers requested that SAFD#2 hold an additional meeting in two weeks on September 30, 2013 since events are happening quickly.

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

August 19, 2013 and August 29, 2013 Meeting Minutes

Judy Higgins moved to accept the August 19, 2013 minutes as corrected. John Fitzgerald seconded.
Motion passed.

John Fitzgerald moved to accept the August 29, 2013 minutes as amended. Judy Higgins seconded.
Motion passed.

Treasurer's Report – Dick Ernst

In North Country Federal Credit Union we have \$1901.95 in the operating account, \$9.85 in the project account, and \$57,917.66 in the regular shares savings account that holds the service contract connection fees. In People's United Bank our accounts are unchanged, with \$299.99 in the operating account and \$129.17 in the project account.

Bill Payment Approval

Paul Hansen moved to approve payment from the project account of \$51.97 to North Country Federal Credit Union for interest on the loan. Judy Higgins seconded. Motion passed.

The meeting was adjourned at 10:10 pm.

Respectfully submitted,

Laura Buel, Board Clerk

10/14/2013 – Reviewed and accepted as written

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

September 30, 2013

Present: Chair and Committee Member Paul Hansen, Committee Member Judy Higgins, Committee Member John Fitzgerald, Treasurer Dick Ernst, Jeremy Rathbun of Phelps Engineering and Dick Higgins.

Meeting called to order at 7:04 PM.

Due to the absence of Clerk Laura Buel, Dick Higgins did the Minutes.

Jeremy gave an update on the project status. Easements are coming along. WS455 is hesitant to grant an easement to cross his land due to property tax issues with the Town. Jeremy is looking into alternatives in case that doesn't work out.

The Committee hopes to have the notice of award done on 10/14/2013. If that goal is met the contract could be signed on 10/21/2013.

The Board praised Jeremy for all his efforts to bring the project to fruition.

We need to counter sign all of the user agreements that we received and make copies to send to those people. As of today (09/30/2013) we have 51 signed agreements.

Dick Ernst moved to pay our outstanding loan balance of \$8,741.21 at the North Country Federal Credit Union. John Fitzgerald seconded the motion and it passed.

We received a renewal application for membership in The Vermont League of Cities and Towns. Paul will fill out the application and mail it out.

Dick Ernst moved to adjourn, seconded by John Fitzgerald. The motion was approved and the meeting adjourned at 8:46 PM.

The next meeting is 10/14/2013 at 7:00 PM in the Town Office conference room.

10/14/2013 – Reviewed and accepted as written

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

October 14, 2013 - DRAFT

Present: Committee Member and Chair Paul Hansen, Committee Member Judy Higgins, Committee Member John Fitzgerald, Treasurer Dick Ernst, John Kiernan and Jeremy Rathbun of Phelps Engineering, Eric Law of ANR

Members of the Public: Dick Higgins, Dan Mathison, Eric Johnson.

Laura Buel, Clerk was absent, so Judy Higgins took minutes.

The meeting was called to order at 7:01 PM.

Project Status (Jeremy) – Munson is ready to go next week. We hope to sign the award tonight and a contract next week. Munson will then provide a progression schedule. They plan to do the directional bores up front, so will be working in different places early on.

Communication to the Community – Need to do a notice in the Islander about road closings to through traffic from 7:00am-5:30pm. Munson will likely use electric marker boards as signage. They will do a submittal of what will close when. Judy will write a paragraph for the Islander and submit to both Alburgh and Isle la Motte. Dick will follow up with Sue Davis who writes articles for the Islander to see if they want to do an actual article. John and Jeremy will provide information.

WS018 – Concerns have been raised about disrupting their waste water system, so the line may need to move into the road to avoid disturbing it. This will not increase the project cost and we may see a few similar issues as we move through construction. Jeremy will coordinate with the Town.

Eric Law, ANR – The loan has been approved by him, although the letter formalizing that decision will be made available in two weeks. Per Eric - “It is all a formality after my approval.” The loan is comprised of the \$628, 930 planning monies plus \$1,887,739 for construction – totaling \$2,516,669. Terms will be -3% over 30 years, which results in about a 40% reduction in the total paid, for a subsidy of about \$1,005,000 over the life of the loan. There is \$25,000 forgiven in the planning loan once project conditions are met – so that is still on the books until after construction. The first payment of \$50,398.38 will be due 6/2/2016 based on construction completion of 6/1/2014. When the approval letter arrives in 2 weeks, will then have the documentation to acquire interim financing. Four weeks later, will have the loan closing documents for signature no later than 12/1. At that point we can begin submitting requests for reimbursement. At this point, the money is not in question, but the timing of getting papers signed and beginning of construction are.

Provisional Approval Notice of Award - Judy moved and John seconded to authorize Paul to sign and date the Notice of Award when the letter is received from the State. – Motion passed.

Provisional Approval Phelps Contract – John moved and Judy seconded to authorize Paul to sign the Phelps Construction Contract once the loan approval letter is received from the State. – Motion passed.

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

October 14, 2013 - DRAFT

Customer Communication – Jeremy will advise property owners during construction. People may put a stake in the ground where they want a curb stop to be located. Use Jeremy's email address to coordinate curb stop location.

Minutes – The September 16 and September 30 minutes were reviewed. Dick E moved and John seconded to accept the minutes as written. Motion passed.

Treasurer's Report – Dick E presented. NCFCU Operating Account balance is \$1,849.98; Project Account balance is \$9.85; and Savings Account balance is \$65,888.90 for a total of \$67,748.73. The loan of \$50.30 will be paid off with approval of bills. People's United Operating Account balance is \$229.99; the Project Account balance is \$119.32, for a total of \$349.31. Total in all accounts is \$68,098.04.

Bills – Bills were received from the St. Albans Messenger for project postings and from North Country Federal Credit Union for loan interest. Judy moved and John seconded to pay the bills. Motion passed and the warrant was signed.

Easements – In negotiations with WS455 because their property tax issues have not been resolved. They may be open to a reasonable offer, so Jeremy is working with them to determine a figure. Still awaiting Bourdeau and Jacquard too.

Dick E moved to adjourn. John seconded. Motion passed.

South Alburgh Fire District No. 2

October 21, 2013 Meeting Minutes

Present: Prudential Committee members Paul Hansen, Judy Higgins, and John Fitzgerald, Treasurer Dick Ernst, Clerk Laura Buel, Phelps Engineers John Kiernan and Jeremy Rathbun, Munson Earth-Moving representatives Court Perry and Dennis Dunlavey, State Facilities Engineer Roger Bergeron, Dan and Carol Mathison, Luke and Diane Bazin, and Dick Higgins.

The meeting was called to order at 7:01 pm.

At this regularly scheduled monthly meeting, the SAFD#2 Prudential Committee met with Munson Earth-Moving Corp. representatives to sign contract documents.

Official approval of the loan from the Vermont Municipal Bond Bank has not yet been received, but is expected by the end of the week. Roger Bergeron from the Facilities Engineering Division assured the Committee that VMBB Executive Director Robert Giroux has pre-approved it and the process is being expedited.

Phelps Engineer John Kiernan presented the three documents to be signed: the Notice of Award, the Agreement (the contract with Munson Earth-Moving), and the Notice to Proceed. John informed the Committee that Munson Earth-Moving is anxious to begin the project as soon as possible and therefore the Agreement includes a provision that Munson has agreed to defer the first payment for work until December 15th (or upon closing of the financing, whichever comes first).

Speaking for Munson Earth-Moving Corp., Court Perry said his company will begin work this week, and will begin laying pipe next week. They will have a firm from Maine come in during early November to do the directional boring for the entire project. Munson expects to work at least through most of December before shutting down for the coldest part of the winter. Then they will continue the work as soon as possible in March. They have broken the project down into four segments: Segment 1 – From the Route 2/West Shore Rd. beginning to Truck Route; Segment 2- to Middle Road; Segment 3 – to the end of West Shore Rd. and the Golf Course; and Segment 4 – Mud Point.

Judy Higgins moved and John Fitzgerald seconded to authorize Paul Hansen to sign the Notice of Award to Munson Earth-Moving Corp. The motion passed.

John Fitzgerald moved and Judy Higgins seconded to authorize Paul Hansen to sign the Agreement with Munson Earth-Moving to complete the project as designed by Phelps Engineering. The motion passed.

Judy Higgins moved and John Fitzgerald seconded to authorize Paul Hansen to sign the Notice to Proceed for 240 days dated October 21, 2013 and ending June 18, 2014. The motion passed. It is understood that any days during the winter months that Munson will be unable to work will be added to the end date of June 18.

Jeremy Rathbun informed the Committee that we have received the the Attorney's Opinion regarding Lands and Rights-of-Way from Paul Giuliani.

John Kiernan passed out a spreadsheet of Simulated Cash Flow Summary showing expenses as expected through August, 2014. SAFD2 will need this documentation to submit to People's United Bank for the project financing.

Judy Higgins moved and John Fitzgerald seconded to authorize Paul to sign the Phelps Engineering contract for \$178,396.00 for the Bid and Construction Phase of the project. The motion passed.

The meeting was adjourned at 8:40 pm.

Respectfully submitted,

Laura Buel, Board Clerk

South Alburgh Fire District No. 2

November 8, 2013 Special Meeting Minutes

Present: Prudential Committee members Paul Hansen, Judy Higgins, and John Fitzgerald, Treasurer Dick Ernst, Clerk Laura Buel, People's United Bank representative Wendy Tatro, and Dick Higgins

The meeting was called to order at 7:06.

This was a special meeting called to sign loan closing documents from the State of Vermont and from People's United Bank.

Attorney Paul Giuliani of McGee, Giuliani, and Cleveland, prepared the six loan closing documents from the State of Vermont as follows:

<u>Document</u>	<u>Required Signatures</u>
Resolution and Certificate	Prudential Committee members, Treasurer, Clerk
General Obligation Bond	Prudential Committee members, Treasurer
Certificate of Registration	Treasurer
Tax Certificate	Prudential Committee members, Treasurer
Loan Agreement	Prudential Committee Chair, Treasurer, Clerk
IRS Form 8038-G	Treasurer

Paul Hansen read the Resolution and Certificate. Judy moved to approve the Resolution and Certificate as amended correcting the bank information, account number, and the date of signatures. John Fitzgerald seconded. The motion passed.

Paul Hansen read the General Obligation Bond. The bond is for \$2,516,669.00 and dated December 1, 2013. The yearly payment will be \$50,398.38 for 30 years starting in 2016 and ending in 2045. John Fitzgerald moved to approve the signature of the General Obligation Bond.

Judy Higgins seconded. The motion passed.

Paul read the Certificate of Registration. Judy Higgins moved to authorize the District Treasurer to sign the Certificate of Registration. John Fitzgerald seconded. The motion passed.

Paul read the Tax Certificate. John Fitzgerald moved to authorize signature of the Tax Certificate. Judy Higgins seconded. The motion passed.

Paul read the Loan Agreement. This agreement references the 2006 Bond Agreement and the current bond amount. Judy Higgins moved to approve the signature of the Loan Agreement. John Fitzgerald seconded. The motion passed.

Dick Ernst signed IRS Form 8038-G.

The committee then began discussion of loan documents from People's United Bank. There was discussion about whether the loan amount of \$1,800,000 is sufficient to cover our needs for the whole project. It appeared that perhaps another \$100,000 will be needed. The Committee will need to verify this with Phelps Engineer John Kiernan.

Before signing the loan closing documents, Wendy Tatro presented the signature card for the People's United Bank account to permit Committee members to sign checks. The signature card was signed by John, Dick, Paul, and Judy.

Wendy Tatro read the following 3 People's United Bank loan closing documents: the Bond Anticipation Note, the Resolution: Bond Anticipation Borrowing, and the Non-Arbitrage Certificate Bond Anticipation Borrowing. John Fitzgerald moved to authorize signature of the Bond Anticipation Note, the Resolution: Bond Anticipation Borrowing, and the Non-Arbitrage Certificate Bond Anticipation Borrowing. Judy Higgins seconded. The motion passed.

Other business:

Paul Giuliani is leaving his current firm of McGee, Giuliani, and Cleveland, and joining the firm of Primmer, Piper, Eggleston, and Cramer, P.C. Judy Higgins moved that the SAFD#2 remain with Paul Giuiani and follow him to his new firm. John Fitzgerald seconded. The motion passed.

John Fitzgerald moved to approve payment from the project account of \$20.00 to the Town of Alburgh for the Land Use Permit Recording Fee. Judy Higgins seconded. The motion passed.

The meeting was adjourned at 8:42 pm.

Respectfully submitted,

Laura Buel, Clerk

South Alburgh Fire District #2
November 18, 2013 Meeting Minutes

Present: Prudential Committee members Paul Hansen and John Fitzgerald, Treasurer Dick Ernst, Phelps Engineers Jeremy Rathbun and Pasha Kozhokin. Audience, Dick Higgins.

The meeting was called to order at 7:04 pm.

Jeremy Rathbun reported on the progress with the construction. He reported that the final easement had been successfully negotiated. Peter Nietuski, WS455, will sign the permanent easement for the water line to cross his property in exchange for SAFD#2 paying his first quarter Alburgh tax bill of 931.87 by Jan 10, 2014. John Fitzgerald moved to accept this offer and Dick Ernst seconded it. The motion passed. (Judy Higgins had already considered this offer, and voted in favor of it by proxy).

Jeremy Rathbun reported that the paperwork for both the People's United Bank loan and the Vermont Municipal Bond Bank had been completed and submitted. Dick Ernst then showed the recent internet bank statement showing that the \$1,800,000 from our People's loan had already been deposited in our Project Account at People's United.

Jeremy Rathbun passed out three construction reports that will be given to us every month to help the committee monitor the progress of the project. The Construction Progress report shows that as of 11/15/2013 after 25 days of work (10% of the allotted construction time) 7113 linear feet of pipe (29% of the total) has been installed. The value of the work completed by 11/15 was \$398,266.13 (26% of contract price). The Project Cost Summary (with Bid Pricing) report shows that total construction cost is predicted to be \$1,682,794, and the total project cost is predicted to be \$2,545,000. The third report, the Individual Unit Progress report shows how the money has been spent, broken down to individual material purchases (such as 8-inch PVC Water Main Pipe) and specific jobs (such as Exploratory Excavation). From this can be predicted the projected cost overrun for each category if no change in the spending rate for that item is made. In this report period the largest projected overrun (\$10,632) was for Exploratory Excavation. Jeremy reported that more care will be taken in allowing this type of work to be done.

Jeremy Rathbun passed out Munson's Partial Pay Estimate for the month of October. This shows the value of the work completed to be \$98,550.40 and the value of the stored materials to be \$175,797.05. After subtracting 10% for retainage work complete, the amount due is \$264,492.41. John Fitzgerald moved that we send a check to Munson Earth-Moving Corp for \$264,492.41 on Nov 30, 2013. This was second by Dick Ernst, and the motion passed.

Dick Ernst presented the accumulated bills from Phelps Engineering for work done between June 26 2013 and October 25, 2013 totaling \$26,025.57. Phelps had agreed not to request this payment until our loans were in place. John Fitzgerald moved that we send a check to Phelps for \$26,025.575 on Nov 30. This motion was seconded by Dick Ernst, and motion passed.

Jeremy Rathbun passed out Change Order #1. This shows price reductions for some supplies, and adds the costs associated with running the water pipe to Mud Point (which was not included in the original contract because archeology work had not been completed at that time). The net increase is \$42,271.59. John Fitzgerald moved that we accept Change Order #1, Dick Ernst seconded it, and the motion passed. Paul Hansen signed the Change Request #1.

Jeremy Rathbun distributed a letter from the engineering firm for Alburg Golf Links (Lamoureux and Dickinson) requesting confirmation that SAFD#2 could provide 4020 GPD of water capacity for the Alburg Golf Links and the new residence on the property. Jeremy assured us that we could provide that allocation without jeopardizing our ability to expand up to 100 residential users. John Fitzgerald moved that we sign a letter to Luke Bazin, owner of the Alburg Golf Links, stating that we could provide the 4020 GPD of water. Dick Ernst seconded the motion, and it passed. Paul Hansen signed the letter.

Jeremy Rathbun made a suggestion that this would be a good time to send a letter (with pictures of the construction) to the property owners in Phase 1 who have not signed contracts, suggesting that this would be a good time to sign up to what is now a real project. A similar letter could be sent to the rest of the property owners on Rt 129 to start raising interest in Phase 2.

Dick Ernst presented a bill from McKee, Giuliani and Cleveland for legal work on the Vermont Bond Bank loan for \$661. John Fitzgerald moved that we pay this bill on Nov 30 and Dick Ernst seconded the motion. The motion passed.

Paul Hansen read a very nice letter from Virginia McLatchy stating how pleased she was that the project was finally being built, and congratulating the members of the committee for bringing this about.

Dick Ernst moved to adjourn the meeting, and John Fitzgerald seconded. The meeting was closed at 9:07 pm.

Dick Ernst had passed around the bank statement earlier in the meeting, but did not give a complete breakdown of the accounts. The breakdowns are given here: North Country Federal Credit Union: Operating, \$1,537.54; Project, \$9.85; Savings (connection fees), \$73,038.90, Loan Balance, \$0. People's United: Operating, \$229.99; Project, \$1,800,119.32, Loan Balance, \$1,800,000.

After the meeting it was realized that we had not accepted the draft minutes for the Oct 21, 2013 meeting and Nov 8, 2013 special meeting. This was accomplished by e-mail on

Nov 19. Dick Ernst moved that we accept the minutes of both meetings as written, John Fitzgerald seconded the motion, and the motion passed.

Respectively submitted,
Dick Ernst, Treasurer (for Laura Buel, Clerk)

South Alburgh Fire District No. 2

December 16, 2013 Meeting Minutes

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

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

Phelps Engineering Report

Jeremy Rathbun reported that the water construction project is moving along smoothly and ahead of schedule. As of December 6, construction has been underway for 46 days, which is 19% of the contract time, but 36% of the total pipe has been installed. The value of the work completed is \$570,000, which is 37% of the contract price. The individual unit progress table shows only 3 items with projected overruns, and these are under control. The largest one, \$6,215 for Exploratory Excavation, has been reduced from a projected overrun of \$10,632 in the November report.

Jeremy Rathbun passed out Munson's Payment Request #2 for the month of November. Judy Higgins moved that SAFD#2 pay the Payment Request #2 for \$398,805.29 to Munson Earth-Moving. John Fitzgerald seconded and the motion passed.

Jeremy Rathbun asked the board to approve Munson Earth-Moving's Change Order #2, the formal request for the winter shutdown period, and the readjustment of contract completion dates. Munson asked to shut down from December 20, 2013 through April 20, 2014, at the latest. They expect to be back to work by the beginning of April. Jeremy reported that Roger Bergeron concurred with this request at the December 11, 2013 monthly meeting. John Fitzgerald moved to approve change Order #2 for winter shutdown. Judy Higgins seconded and the motion passed.

John Kiernan put forward Funding Pay Request No. 26 which includes the Munson's Payment Request #2 that was approved to be paid at this meeting. John explained that each month we send in to the state a request for current bills approved to be paid, and also send in canceled checks received

from bills approved and paid the previous month.

Judy moved to pay \$25,266.05 to Phelps Engineering for the November, 2013 bill. John Fitzgerald seconded and the motion passed.

Public Outreach Letter - Jeremy distributed a letter with pictures of the construction that he put together to be sent to the property owners in Phase 1 who have not signed contracts, as was discussed at the November 18 meeting. The purpose is to offer tangible evidence that the project is a reality, that residents should expect to be connecting to water in June, and that the introductory sign-up rate is still in place until April 1, 2014 when construction is likely to resume. The actual rate of \$1500 was not specified in the letter, but the group decided this does not need to be added because it offers an incentive for residents to pick up the phone. We officially have 52 signed contracts, and will probably need 63 by 2016 to keep costs below \$1000/year.

Jeremy recommended the purchase of 5 fiberglass hydrant markers for the flushing hydrants. He provided a screen shot of the item that would be purchased.

Minutes

John Fitzgerald moved to accept Dick Ernst's November 18, 2013 meeting minutes as amended. Dick Ernst seconded and the motion passed. (Neither Laura Buel nor Judy Higgins was present at that meeting.)

Treasurer's Report

Dick Ernst discussed the current bank account values.

In North Country Federal Credit Union we have \$1517.54 in the Operating Account, \$29.85 in the Project Account, and \$74,888.90 in the Savings Account (Connection Fees).

In People's United Bank we have \$229.99 in the Operating Account, and \$1,510,405.51 in the Project

Account.

It was noted that the credit limit with North Country Federal Credit Union has been decreased from \$100,000.00 to \$49,999.00 for them to remain in compliance with the National Credit Union Association.

Payment of Bills

Judy Higgins moved to pay \$1833.65 to the law firm of McGee, Giuliani, and Cleveland for the loan closing documents prepared by Paul Giuliani. John Fitzgerald seconded. The motion passed.

Judy Higgins, John Fitzgerald, and Paul Hansen signed a warrant for the bills to Munson Earth-Moving, Phelps Engineering, and McGee, Giuliani, and Cleveland. Judy, John, and Paul also signed a warrant to pay \$804.00 from the operating fund to the Vermont League of Cities and Towns for insurance.

Adjournment

Dick Ernst moved to adjourn at 9:05 pm. Judy seconded. The meeting was adjourned.

Respectfully submitted,

Laura Buel, Clerk