

South Alburgh Fire District No. 2

May 18, 2015 Meeting Minutes

Present: Prudential Committee members Paul Hansen, Judy Higgins, and John Fitzgerald, Treasurer Dick Ernst, Clerk Laura Buel, Phelps engineers Lance Phelps and John Kiernan, and Roger Bergeron from the Vermont Dept. of Environmental Conservation

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

Phelps Engineering

Concerns Regarding Pipe Breaks and Extended Warranty -

SAFD2 expressed concern about the fact that there have been two pipe breaks caused by loose bolts during the first year after construction, which is abnormal. Both were fixed by Munson under warranty, but SAFD2 is worried about the possibility of additional breaks caused by construction defects after the warranty period ends in August. Paul had asked Phelps and Munson about an extended warranty period through another winter cycle, and John Kiernan spoke with Munson about that request. John reported that Court Perry of Munson said they would not offer a formal warranty extension, but they would take responsibility for fixing future breaks caused by construction defects. John also stated that Munson has reliably taken such responsibility on other projects because it is important to them to maintain their good reputation. SAFD2 asked whether there was any contractual recourse to enforce an extended warranty and there is none. Legal action would be required. SAFD2 will contact Munson if breaks occur beyond the end of warranty to determine if they will make the repair.

Loan Amendment Requests -

Phelps submitted two contract amendments to SAFD2 for services not covered under current contract language. Some services were performed during the project and SAFD2 had previously agreed to consider payment if money remained in the project budget. Other services need to be reviewed by SAFD2 to determine whether payment is due and some are for post construction assistance not yet performed. Approval of both of these amendments will require SAFD2 to ask the State to increase its approved loan cap from \$2,516,669 to \$2,544,292, a difference of \$27,623.

Amendment #6 -

Amendment #6 had already been discussed by SAFD2 and sent to the State for review. The State (Eric Law) approved \$14,186 as reimbursable under the project, and disallowed \$10,808 as ineligible. Judy Higgins moved to authorize Paul Hansen to sign Phelps Engineering Amendment #6 up to the maximum of \$14,186 approved by the State for reimbursement. John Fitzgerald seconded. The motion passed.

Amendment #7 -

SAFD2 had agreed to discuss this amendment with Roger Bergeron of the State. Subsequent to that agreement Amendment #7 itself was amended upwards to \$23,112 through the addition of other construction related items. This change resulted in SAFD2 questions and concerns, such as the total cost to the District of the two amendments (\$39,027). SAFD2 needed further discussion of this amendment to render a decision, but asked Roger Bergeron to formally review and determine whether the costs were reimbursable. Roger stated at the meeting that he has reviewed the document and would issue a letter finding all Amendment #7 costs reimbursable.

Request to Increase SAFD2 Loan Cap -

Judy Higgins moved to authorize Paul Hansen to sign the application to increase the loan cap. Dick Ernst seconded. The motion passed with a vote of 2 for and 1 against.

Approval of Minutes - Judy Higgins moved to approve the April 20, 2015 minutes as written with typographical corrections. John Fitzgerald seconded. The motion passed.

Treasurer's Report

Dick Ernst reported that Sullivan and Powers provided five copies of the completed single audit.

As of May 16, 2015 in North Country Federal Credit Union we have \$428.20 in the operating account, \$364.85 in the project account, and \$81,899.97 in the savings account. In People's United Bank we have \$19,604.56 in the operating account and \$44,200.90 in the project account. The current balance of the loan account is \$47,176.26.

Bill Payment -

There were two bills to be paid, the residual balance of \$1076 due to Sullivan and Powers for the single audit and \$4,750 to the Village of Alburgh.

John Fitzgerald moved to pay the bills from Sullivan and Powers and the Village of Alburgh, a total of \$5,826. Dick Ernst seconded. The motion passed.

Loan Repayment -

Judy Higgins moved to pay off the Bond Anticipation Loan of \$47,648.05 by using the \$44,200.90 in the project account plus \$3447.15 from the North Country Federal Credit Union savings account.

John Fitzgerald seconded. The motion passed.

SAFD#2 Annual Meeting Planning

Dick Ernst worked with the SAFD2 Committee to come up with a budget for the period of 7/1/15 to 6/30/16 to be presented at the annual meeting on June 8, 2015.

Adjournment - John Fitzgerald move to adjourn at 10:15. Dick Ernst seconded. The meeting was adjourned.

Respectfully submitted,
Laura Buel, Board Clerk

With corrections by Judy Higgins.

7/20/2015 - Accepted as corrected.