

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

May 19, 2014 Meeting Minutes

Present: Prudential Committee members Paul Hansen, Judy Higgins, and John Fitzgerald (arrived at 7:20 pm), Treasurer Dick Ernst, Clerk Laura Buel, Phelps Engineers John Kiernan and Robert Clark, Jim Siriano from the Vermont Department of Environmental Conservation, and Alburgh Village water operator Jason Beaulac. Guests: Luke and Diane Bazin, Dan Mathison, and John and Darlene McGrath.

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

Phelps Engineering Report

FairPoint Utility Status -

John Kiernan said FairPoint is expected to come out the week of May 26 to relocate their utility lines that are in the right-of-way. Munson has pulled out one of their two crews until the work is complete. If FairPoint completes their work in the stated time frame, Munson has said the interruption should not delay their latest completion schedule. Paul Hansen will follow up with FairPoint on May 28 if they have not started working.

Construction Progress Report -

For the work completed through April 30, 2014, Munson has installed 73% of the total pipe and the value of the work completed is 59% of the contract price. Phelps has spent 47% of their construction observation services budget.

Alburgh Golf Links Discussion -

Currently, construction to the Alburgh Golf Links clubhouse and Bazin home has been halted. The additional construction to provide service to these properties will cost \$100,000 due to the need to blast ledge, and the Bazins had not decided if they were prepared to pay the associated archeology costs and apply for the necessary Act 250 permit amendment. If we do not service these two properties, the totals ERUs for the project decrease from 55 to 51. The Phelps Engineers prepared monthly user cost estimates to show the difference between 55 ERUs and 51 ERUs. The monthly cost decreases only slightly with the 4 extra ERUs, from \$95.55 to \$93.57, because the additional construction costs offset the greater usage base.. A third scenario showed that when we have 10 additional ERUs, the monthly cost will go down to \$82.55/month.

The original determination of archeology costs of \$7,500 for construction to the Golf Links and the Bazin home have changed. The \$4,000 on the Timeline parcel is still required because we need to blast ledge, but Scott Dillon's letter to Geoff Green says that the Golf Links parcel does not need additional archeology. It also does not need an Act 250 amendment. Luke Bazin said tonight at the meeting that he intends to remain with the SAFD#2 water system. SAFD#2 will secure a signed contract with him before proceeding with construction to his properties. If all the permits required for construction do not come in on time, the additional construction will probably be completed separate from Munson's contract.

The engineers were asked by John McGrath what would happen if some of the 55 users who have deep wells decide the monthly cost is too much and so continue to use their existing well water for a few years until the cost of district water comes down. John Kiernan responded that this is always a risk to the viability of the entire project, but that they have completed 5 town water projects and

this has never happened. These projects are always dependent upon the contract owners honoring their commitment to purchase the water.

Meter Reading Equipment Decision -

The engineers reviewed the initial and ongoing costs for three meter-reading equipment options. The mid-priced option with an Electronic Data Reader was easily ruled out, because the price is not much below the Walkby Radio Read System, but still requires touching the meter (and walking through/removing snow). Comparing then Option 1(Manual-Read) and Option 3 (Radio-Read), the Option 1 start-up cost is just \$715, but requires an estimated annual \$4376 for operator costs and billing. The radio-read meter start-up cost is \$17,292, but operator and billing costs is estimated to be \$2096. An important reason to purchase the radio-read meters is that it makes it much easier for the Alburgh Village to take over the administration of the water project. SAFD#2's does not want to assume administrative responsibilities and Jason does not have any extra time for reading additional meters. So unless SAFD#2 wants to hire someone to read the meters or can find a volunteer, the Radio-read equipment is the only option that makes sense.

Judy Higgins moved to select Option 3, the Walk-by Radio-read System to purchase for the SAFD#2 meter reading equipment. John Fitzgerald seconded. The motion passed.

Advice from Jim Siriano -

Jim Siriano, from the Drinking Water and Groundwater Protection Division of the Vermont Department of Environmental Conservation advised the Board about what needs to be completed before the permit can be issued to begin supplying water. He talked about the by-laws, ordinances, and policies and procedures. He said to keep ordinances separate from the by-laws, which function as a founding charter and are more difficult to change than ordinances. The policies and procedures are the easiest of the three to change.

We have to complete our SAFD#2 Water Ordinance. According to an email from Paul Giuliani, when the Ordinance is completed, we will sign the Notice of Ordinance Adoption and post it on the website, in 5 conspicuous places, and in the Islander. The Ordinance becomes effective 60 days from the date of adoption unless a petition to disapprove is presented within 44 days of the date of adoption.

We also have to complete a Long-range Plan, an Operations and Maintenance Manual (provided by Phelps Engineering), and the Policies and Procedures.

The Committee set a date to meet to finish the ordinances for Tuesday, May 27 at 7 pm.

Munson Earth-Moving Change-orders and Pay Request #4-

John Kiernan presented Change-orders #3 and #4. Change-order #3 authorizes the spring start-up after the extended winter break, and increases the contract by \$25,905 for providing the meter pits. Change-order #4 adds \$1420.65 for 3 additional directional bores over the standard 3 bores, which resulted in 4 hours of additional work. Paul Hansen signed Change-orders #3 and #4 after discussion and approval by the Committee.

The Committee and the Phelps engineers discussed Munson Earth-Moving Pay Request #4 for \$193,517.88, which includes their work for the month of April and the reduction of the retainage to 5% per the contract.

"New Customer Last Chance for Bargain Price" letter -

The Board reviewed the latest draft of the letter to go out to the West Shore Rd. residents who have not signed contracts to connect. John and Robert offered a draft with several suggested changes, including dates and contact information. Judy Higgins recorded the feedback and will

produce a final draft for approval in the near future.

Additional archeology work for the Timeline section -

John Fitzgerald moved to authorize Phelps Engineering to secure a contract to do the archeology on the Timeline property so that the project can continue to the golf course, not to exceed \$4,000.

Judy Higgins seconded. The motion carried.

Other Business

Judy Higgins moved to pay Munson Earth-Moving Pay Request #4 for \$193,517.88, to pay Phelps Engineering Invoices 1519 and 1520 in the amount of \$19,257.92 for their work in April, and to pay \$250.00 to Paul Giuliani for the legal work of reviewing the District ordinances, for a total of \$213,025.80. John Fitzgerald seconded. The motion passed.

Treasurer's Report -

As of May 17, 2014 in North Country Federal Credit Union we have \$2419.52 in the Operating Account, \$9.85 in the Project Account, and \$73,752.43 in the Savings Account. In People's United Bank we have \$229.99 in the Operating Account and \$954,829.26 in the Project Account.

John Fitzgerald moved to accept the April 21, 2014 minutes as written. Judy Higgins seconded and the motion passed.

John Fitzgerald moved to adjourn at 10:25. Dick Ernst seconded. The motion passed.

Respectfully submitted,
Laura Buel, Board Clerk