

## South Alburgh Fire District No. 2

### June 23, 2014 Special Meeting Minutes

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

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

#### Meter and Plumbing Contract -

John Kiernan informed us that there was supposed to be a bid opening at 4:00 pm that day but no bids were received. However, one interested bidder, Green Mountain Plumbing, called John Kiernan early in the afternoon. John advised them to submit a bid as soon as possible.

#### Rate and Fee Schedule -

Phelps Engineering presented the Board with 3 rate structures. The Committee rejected Option 3, which had no base fee and billed for all costs, both fixed and operational, by water usage. Options 1 and 2 both used a base rate that covers the annual debt service costs of \$46,395. In addition to the debt service costs, there are costs of \$5,000 for SAFD#2 fixed operations and maintenance, and water usage costs (which would be covered by a billed usage rate of \$3.80/1000 gallons). The difference between Option 1 and Option 2 was how the \$5000 was billed. Option 1 raised the water usage rate to cover it and Option 2 added it to the debt service costs and therefore raised the base rate for all users.

The Board liked the lower base rate of Option 1, but some were uncomfortable that seasonal users were not bearing a reasonable share of the fixed costs, and others were not happy with the calculations behind the \$7.23/1000 gallon usage rate that went with that option. Judy Higgins proposed "Option 1.5", in which \$2500 of the fixed O&M costs is added to the debt service and the other \$2500 of the fixed O&M costs is added to the water usage rate. This option works out to a base fee for each household of about \$890/year with a water usage rate of \$5.05/1000 gallons. The Board decided that this rate structure made the most sense and is a good place to begin until firmer estimates of water usage become available.

Judy Higgins moved to set a base rate of \$890/year that covers the debt service in the approved budget and ½ of the fixed O&M costs, and \$5.05/1000 gallons for water usage, which covers the purchase of water from the Village of Alburgh, flushing water, unaccounted water, contingency and capital reserve, and ½ of the fixed O&M costs. Dick Ernst seconded the motion. The motion passed with 2 votes for and 1 abstention. Judy Higgins also moved that SAFD#2's other rates and special charges are per the Village of Alburgh rate schedule and will be a pass-through item. John Fitzgerald seconded. The motion passed.

#### Proposed Amendment #4 for Engineering Services -

Paul Hansen moved to table this agenda item until an answer is received from Roger Bergeron. Judy Higgins seconded. The motion passed.

#### Bill Payment -

Dick Ernst moved to pay the \$500 membership fee to the League of Cities and Towns. John Fitzgerald seconded. The motion passed.

#### Prudential Committee Chair election -

John Fitzgerald nominated Paul Hansen as Prudential Committee Chair. Dick Ernst seconded. Paul Hansen was reelected Prudential Committee Chair. The vote was 2 votes for and 1 abstention.

Judy Higgins moved to adjourn at 9:10. Dick Ernst seconded and the meeting was adjourned.

Respectfully submitted,  
Laura Buel, Board Clerk