

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

January 20, 2014

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

The meeting was called to order at 7:10 pm.

Phelps Engineering Report

Jeremy Rathbun is leaving Phelps Engineering to work for Dubois and King, and tonight will be his last meeting with us. Jeremy introduced Robert Clark who will be taking over the role of project manager from Jeremy going forward.

Jeremy reviewed the Construction Progress Chart, which shows that as of the Dec. 18 when construction was suspended for winter, Munson has installed 40% of the pipe in 36% of the contract time and 45% of the contract price has been spent. He noted the overruns that show up in the Individual Unit Progress Table are under control. Two of them, Stone Check Dam and Culvert Inlet Protection are not linear expenditures throughout the project, and the Exploratory Excavation overrun continues to decline.

Jeremy presented Munson's Payment Request #3 for the month of December for \$99,435.18 for work through Dec. 18, 2013. John Fitzgerald moved to pay Payment Request #3 for \$99, 435.18 to Munson Earth-Moving. Dick Ernst seconded the motion and it passed.

Jeremy Rathbun discussed the Phelps Engineering bill of \$24,913.01 for the month of December. Dick Ernst moved to authorize Paul Hansen to sign Funding Pay Request #27 for \$136,225.98, which includes Munson Payment Request #3 and the December Phelps Engineering bill. John Fitzgerald seconded and the motion passed.

Help with Developing Municipality Ordinances and Administration –

Jeremy informed the Board that the time is soon approaching when it will be necessary to have additional meetings to work out the municipal ordinances that govern the water distribution. SAFD#2 will need to contract with some organization to help us do that. Jeremy mentioned two such organizations and then also offered the services of Phelps Engineering in this endeavor, as they have experience with it. The Board agreed to contract with Phelps Engineering for this extra service.

Upcoming Mailing to Users who are Connecting -

Phelps Engineering wrote a draft of a letter to be sent by the Prudential Committee to the Phase 1 water users who will be connecting this summer. The letter reviews items that must be decided, such as if the customer will be reusing their existing lake intake line or installing a new water service line.

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Unfortunately, the second page of the 3-page document was missing so this discussion will need to be continued later.

The need to meet with the Village of Alburgh to discuss coordinating the billing and collection, and possibly meter reading, was discussed. The Phelps Engineers also noted the possibility of our being able to use some of the contingency funds, budgeted at \$80,000, to pay for their help with municipality ordinances.

Other Business

The current bank account values are as follows:

In North Country Federal Credit Union we have \$1517.54 in the Operating Account, \$9.85 in the Project Account, and \$75,066.02 in the Savings Account (Connection Fees).

In People's United Bank we have \$229.99 in the Operating Account, and \$1,086,407.89 in the Project Account.

Dick Ernst listed the following four bills, totaling \$1609.80, that are due to be paid from the operating account:

- \$39.00 to the U.S. Post Office for use of the bank box
- \$40.80 to Judy Higgins for stamps
- \$30.00 to Richard Ernst for stamps and copying
- \$1500.00 to Paul Hansen for repayment of his promissory note

John Fitzgerald moved to pay the four bills totaling \$1609.80 from the operating account. Dick Ernst seconded. The motion passed. Dick Ernst then moved to authorize him to transfer \$1000.00 from the NCFCU savings account to the NCFCU operating account to allow him to pay the bills. John Fitzgerald seconded and the motion passed.

Dick Ernst moved, and John Fitzgerald seconded, to approve the December 16, 2013 minutes as written. The motion passed.

The meeting was adjourned at 9:30.

Respectfully submitted,
Laura Buel, Board Clerk

2/17/2014 – Approved as written

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

February 17, 2014

Present: Prudential Committee members Paul Hansen, Judy Higgins and John Fitzgerald (arrived at 7:42 pm), Treasurer Dick Ernst, Clerk Laura Buel, Phelps Engineers John Kiernan and Pasha Kozhokin.
Audience: Dick Higgins

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

Phelps Engineering Report

John Kiernan noted that to stay on tract with the construction timeline, the SAFD#2 needs to meet with the Town of Alburgh very soon to evaluate water operator costs and coordinate meter reading and and billing. We need to decide whether it makes sense to have a monthly joint water and electricity bill or to bill quarterly, which is the usual for water bills.

John Kiernan informed the Board that the water pipe construction in the right-of-way has encountered a conflict with Fairpoint utility lines. Fiber optics and phone lines in some places take up most of the right-of-way because 2 lines cross or there are three lines going through. Munson Earth-Moving is currently under discussions with Fairpoint. There is the issue of cost and getting Fairpoint to respond in a timely fashion. The decision-makers are in Maine because, as Judy noted, this part of the Vermont is serviced by the division of Fairpoint known as Fairpoint Classic. It is not part of the majority of the state that Fairpoint more recently purchased from Verizon. John said there are some places that are inconvenient for Munson to negotiate, but are possible to work through if Phelps can convince them to do it.

The end of the Phase I project includes the Alburgh Golf Link property owned by Luke Bazin, and Luke and Diane Bazin's new home, which they built higher than was anticipated. Due to the elevation of the home and the golf course there are hydraulic issues that may incur higher costs.

Phelps Engineering is busy making decisions for the installation of individual service meters. They are preparing a contract for SAFD#2 to hire a plumber for the installation of the service meters. In addition, customers who are reusing their current water service lines will need meter pits. This cost is also covered in the construction budget. Meter pits cost about \$1500 and Phelps budgeted on the assumption that half of the homeowners will need them.

John Kiernan gave us all copies of the letter to be sent out to the water customers who will be connecting. This 8-page letter describes water line connection details, the decision homeowners must make regarding whether to reuse their existing service line, lists of excavating contractors and plumbers, and a long state form for single family residences that users must complete to exempt them from needing a Water Supply and Wastewater Permit. John asked us to read through it and make

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comments on anything that is unclear or omitted. Phelps Engineering has agreed to assume the responsibility for mailing this out. Judy will forward to John the emails of users who have them, and he will mail copies out to the others.

John Kiernan and the Board arranged a tentative additional meeting to discuss and work out the Water Ordinance Regulations on Monday February 24, 2014 at 6:30 pm.

John Kiernan presented Phelps Engineering Funding Pay Request #28 for January that included three invoices totaling \$7359.46. He said they are working on Amendment #4 for Ordinance Advice and Amendment #5 for Additional Design and Bid Services, but doesn't have them ready yet.

Other Business

Prior Business

On February 3, 2014, through email deliberations, John Fitzgerald moved to pay the second quarter tax payment on the property of Peter Nietupski (WS455) of \$931.87 in return for an easement over the property for the installation of SAFD2's main water pipeline. Judy Higgins seconded the motion. The motion passed with unanimous support.

Current Business

Judy Higgins moved to amend the payment of \$931.87 to the Town of Alburgh for Peter Nietupski's second quarter property taxes to come from the project account instead of the operating account. Dick Ernst seconded the motion and it passed. The check number for this payment is #1010 from People's United Bank.

Judy moved to pay to pay Phelps Engineering Funding Pay Request #28, including invoice numbers 10419, 10420, and 10421, that total \$7359.46. Dick Ernst seconded the motion and the motion passed.

John Fitzgerald wants Phelps Engineering bills to be more specific in terms of what kind of work the hours represent.

Dick Ernst moved to approve the January 20, 2014 minutes as written. John Fitzgerald seconded the motion and it passed.

Judy moved to adjourn at 9:50 pm. Dick seconded the motion.

Respectfully Submitted,
Laura Buel, Board Clerk

4/21/2014 – Approved as written

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

February 17, 2014

SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING

March 17, 2014

Present: Committee Member Judy Higgins, Committee Member John Fitzgerald, Treasurer Dick Ernst, John Kiernan and Robert Clark of Phelps Engineering, Member of the Public Dick Higgins.

John F called the meeting to order at 6:59 PM.

Interlocal Agreement/Setting First Year Rates: Phelps Engineering led a dialogue on several issues to discuss with the Village Trustees in a soon to be scheduled meeting.

- The current interlocal agreement lists Village water system operating and maintenance (O&M) line items with varying assigned SAFD2 contribution percentages. It also requires SAFD2 to cover an allocated cost of Village water system improvements for infrastructure that indirectly serves SAFD2 plus a percentage of their debt service. This negotiated approach is complex.
- In earlier negotiations SAFD2 and the Village discussed the expectation that SAFD2 pay only those costs incurred due to the addition of SAFD2. Current example: Painting the water tank, a task the State cited the Village for several years ago. The Village would have incurred this cost anyway. Should SAFD2 be required to contribute? It will cost SAFD2 customers \$25 p/yr to participate, but their payment will only save Village customers \$3 p/yr.
- SAFD2 will begin operations this summer. It is time to negotiate a final agreement for payments to the Village. SAFD2 is hoping to utilize the Village's existing full-time and part-time Operators to support SAFD2 (Phelps estimates 1 hr/day), including water quality sampling, and to leverage their existing Administrative structure, including the billing system. SAFD2 is willing to make decisions which simplify the arrangement, such as keeping special charges the same as the Village. Also, the Village is developing a budget which will include new categories. These issues must be discussed and negotiated before a payment agreement can be finalized.
- Phelps presented an approach to the Committee that would have SAFD2 pay a fixed percentage towards the Village's total O&M budget, but would not require payment towards their debt service, except for additions caused by SAFD2, such as expanding water plant capacity. This approach would be simpler for all to understand and implement, and felt fair to the Prudential Committee. The Committee decided to present this concept to the Village for consideration.
- Examples of other questions which will require discussion as part of setting a rate for the first year of SAFD2 operations:
 - Can we leverage emptying the water tank to flush our lines prior to beginning operations? Can we get some forgiveness on the cost of water needed to flush the lines?
 - Can we offer forgiveness to people who have leaky pipes and don't realize it until several months later when their water usage, and bill, is high? Some sort of grace period. This is a common occurrence when new systems go online, but SAFD2 can only offer forgiveness if the Village offers forgiveness.
 - System flushing will be needed a couple of times a year. Can we get 2 flushings p/yr at a discounted rate?
 - Can we get a copy of the most recent ledger of Village water system expenses?
- Proposed Agenda items for annual budget discussion with the Village:
 - Operations and Maintenance Costs

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PRUDENTIAL COMMITTEE MEETING

March 17, 2014

- Debt Service Participation
- Other items, such as system flushing
- John Fitzgerald will work with John Kiernan and Robert Clark to discuss process with the Village Trustees Chair and to then set a time to meet with the Trustees.

Permit to Operate: SAFD2 will need a State permit to operate. The initial permit may be temporary.

Reaching the Golf Course: It has been determined that the original plan to reach the golf course, a direct bore, is not possible due to ledge. Blasting would be required and where the pipe would be laid would need to change, requiring further archaeology. The cost that warrants picking up an ERU is about \$20,000. The cost to reach the golf course would rise from roughly \$40,000 to \$100,000, making it cost prohibitive for 2 ERUs. The Committee cannot support asking other customers to subsidize the cost of reaching the golf course, so the Committee determined that the golf course would need to cover the debt service cost of 5 ERUs (between commercial and personal properties) to justify the increase. John Kiernan will develop a proposal around 5 ERUs, which is still only ½ of what could be justified by the golf course's State permit, and discuss it with Mr. Bazin who will need to decide whether to proceed. If the project is unable to reach the golf course during Phase 1 it could happen during a later phase. This decision will not impact the project's ability to service the Timeline lots.

State Water Service Permit: The State requires that the system design for each property to connect to the water main must be developed by a licensed designer and must meet State rules. Individual homeowners are exempt from the permit fee, but are not exempt from the rules. The Committee expressed concern that Phelps is just now presenting this requirement; this rule has been on the books and Phelps should have been aware previously. The Committee also expressed its expectation that homeowners not incur additional cost due to this rule. Phelps is having discussions with the State about funding approaches, but the Committee stated its unwillingness to incur additional associated debt service. It was agreed that Phelps will develop a proposal that will not involve additional cost to homeowners and that will fit within the existing budget.

Phelps Invoice: John F. requested further detail about the activities being billed. John K. explained the difference between lump sum (%age of project complete) and hourly billing (specific time on an activity), and agreed to provide further detail regarding the activities performed for future invoices. Judy moved to pay the Phelps invoice for \$5,410.30. Dick seconded. Paid with ck #1012 dated 3/17/2014. Dick will submit the pay request/reimbursement paperwork to the State.

Minutes were not available for review.

Treasurer's Report – In NCFCU there is \$2,713.40 in the Operating Acct, \$9.85 in the Project Acct and \$73,566.02 in the Savings Acct. In People's United there is \$229.99 in the Operating Acct; \$957,459.53 in the Project Acct and the outstanding loan in the amount of \$959,373.96.

Dick moved to adjourn. John seconded. Motion passed. Meeting adjourned at 10:28.

4/21/2014 – Accepted as written

South Alburgh Fire District No. 2

April 21, 2014 Meeting Minutes

Present: Prudential Committee members Judy Higgins and John Fitzgerald, Treasurer Dick Ernst, Clerk Laura Buel, Phelps Engineers John Kiernan and Robert Clark. Guest: Jason Beaulac

The meeting was called to order at 7:20 pm.

Jason Beaulac

Jason Beaulac, who operates the Town of Alburgh Village water system attended the meeting so that he and the SAFD#2 could explore the feasibility of Jason assuming the duties of operating the SAFD#2 system in addition to his Village duties. The partnership makes sense to both Jason and the district and Jason participated in several of the evening's agenda discussions. By the end of the evening there was a mutual agreement that we will continue toward working out an Operator Agreement with Jason and the Town of Alburgh.

Phelps Engineering Report

Operating Permit from Vermont Department of Environmental Conservation -

The District must obtain a permit before it can begin supplying water to its residents. John Kiernan reviewed a letter from Jim Siriano from the Drinking Water and Groundwater Protection Division outlining the steps we need to complete before a permit can be issued. These include: complete the By-laws and Water Ordinance and hold a public meeting, submit a 5-year Operating Budget including an Operator Agreement, and develop Water Quality Sampling Plans. Jim Siriano will attend the May 19 meeting and on that day he will look at the system and come up with a routine monthly sampling location.

The Village will meet May 6 to finalize their documents now that Jason has agreed to include our duties in his schedule. The District needs to schedule a work session with the Village Trustees to work out an operating agreement. The District will pay a percentage of Jason's salary that represents the increase in work for him. Extra expenses incurred by individual users for seasonal shut-off will be billed to the user.

Updated Contractor Schedule -

Munson Earth-Moving will have completed each section through the testing and disinfection step according to the following schedule:

Section 1 - to Truck Route	May 6
Section 2 - to Middle Road	June 18
Section 3 - through the South End	July 7
Section 4 - Mud Point	July 11

The conflict with Fairpoint Communications utility lines has been worked out. Fairpoint has scheduled a work order to reroute their lines in the middle of May.

Alburgh Golf Links Construction and Negotiations -

Construction to supply water to the Bazin home and the Golf Links Clubhouse is difficult. The ledge requires an open cut and archeology work will be required. This impacts the discussion about how many ERUs will be assessed to the properties. The total cost for the archeology work will be \$4000 for first 300 ft that would be the District's responsibility, and \$3500 for the remaining 700 feet owned by Luke Bazin. The state water permit for the Clubhouse provides for water usage equal to

10 single family homes. Luke Bazin rejected our offer of 4 ERUs for the Clubhouse and 1 ERU for the residence. Instead Mr. Bazin counter-offered 3 + 1. The Board discussed the options and came up with the following proposal: Mr Bazin can choose between 4 + 1 ERUs and pay \$3500 for his part of archeology expense or 3 + 1 ERUs and pay the entire \$7500 of archeology expense.

Service Connections -

Meter Contract - Phelps is recommending that all seasonal properties have meter pits installed to facilitate spring and fall property winterization. Phelps has changed the plans for the contract to install individual service meters and the meter pits that some of the properties require. Rather than try to find a contractor that is prepared to do both jobs, or find a plumber to do the former and an excavator to do the latter, Phelps has asked Munson Earth-Moving to take over the meter pit portion. This means we will only need a separate contract with a plumber to install the individual service meters. This will necessitate a change order to the contract with Munson.

Radio-Read Meters - Do we want to spend the money for radio-read meter reading equipment? This is a good idea in that it dramatically reduces labor time and costs. The Board decided this is desirable if Alburgh Village agrees.

Capacity Determination Checklist -

John Kiernan passed out a 4-page checklist from the Vermont Department of Environmental Conservation that we need to complete before we can receive an operating permit. It is called the Capacity Development Evaluation for Community Water Systems and asks questions about the technical capacity, the managerial capacity, and the financial capacity of the water system. John asked us to read through it and work out the questions we may have.

Other Business

Annual Meeting -

The SAFD#2 Annual Meeting is the second Monday of June. This year it will be June 9, 2014. Judy will prepare a meeting agenda based on the agenda for last year. If we agree with it, Dick Ernst will warn it.

Treasurer's Report -

In North Country Federal Credit Union we have \$2419.52 in the Operating Account, \$9.85 in the Project Account, and \$73,602.43 in the Savings Account. In People's United we have \$229.99 in the Operating Account and \$952,457.06 in the Project Account.

Dick Ernst moved to approve a payment of \$5410.30 To Phelps Engineering for their work in March. John Fitzgerald seconded and the motion passed.

Dick Ernst moved to approve the February 17, 2014 minutes as written. Judy seconded. The motion passed.

Dick Ernst moved to accept the March 17, 2014 minutes as written by Judy Higgins. John Fitzgerald seconded. The motion passed.

Dick Ernst moved to adjourn at 9:55 pm. Judy seconded and the meeting was adjourned.

Respectfully submitted,
Laura Buel, Board Clerk

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

SOUTH ALBURGH FIRE DISTRICT NO. 2
JOINT PRUDENTIAL COMMITTEE and VILLAGE TRUSTEES MEETING

June 2, 2014

Present for SAFD2: Paul Hansen, Judy Higgins, John Fitzgerald, Dick Ernst

Present for the Village: Pat Hayes, Danielle James Choiniere, Ameer Gotshall, Corey Osterhoudt, Jason Beaulac, Wendy Tatro, Beth Savage, Troy Lund

Others in attendance: John Kiernan and Robert Clark of Phelps Engineering

Wendy called the meeting to order.

Members of the Village Trustees and the SAFD2 Prudential Committee reviewed the Memorandum of Understanding (MOU) which Phelps drafted to define the operational details of the Interlocal Agreement dated September 17, 2012. Phelps Engineering answered questions.

It was suggested that the MOU be reviewed on an annual basis. The MOU will be amended as such.

The Village suggested that they be responsible for providing the Consumer Confidence Reports directly to SAFD2 residents as it will be operationally easier for them to handle the entire mailing than to separate SAFD2's portion. The MOU will be amended as such.

Village and SAFD2 billing and financial responsibilities were discussed. In addition to the paragraphs already in the MOU, it was agreed that the Village will provide SAFD2 with a copy of delinquent water bills, but that SAFD2 is responsible for collection and for hiring its own collector. SAFD2 will have its own Treasurer and financial ledger. The Village and SAFD2 will communicate regularly regarding SAFD2's account. SAFD2 will be responsible to the Village for the unpaid delinquencies of its users. The MOU will be amended as such.

Wendy stated that this was a properly warned meeting and that votes could be legally taken by both the Village and SAFD2.

The Village moved to accept the MOU as amended and for Wendy (Trustee Chair) and Paul (SAFD2 Chair) to sign upon receipt of the updated version. Village motion passed.

SAFD2 moved (motion by Judy, second by John) to accept the MOU as amended and for Wendy (Trustee Chair) and Paul (SAFD2 Chair) to sign upon receipt of the updated version. SAFD2 motion passed.

Phelps will update and send the document.

Submitted: Judy Higgins, Prudential Committee Member

SOUTH ALBURGH FIRE DISTRICT NO. 2
SPECIAL MEETING

AGENDA

Monday, June 9, 2014

5:30 PM

Alburgh Municipal Conference Room, Town Offices

Ordinances

Rates and Fees

Additional pertinent business for discussion

Adjourn

South Alburgh Fire District No. 2

June 9, 2014 Special Meeting Minutes

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

The meeting was called to order at 5:45 pm.

The Board and the engineers discussed Paul Giuliani's comments and suggested changes to the SAFD#2 Community Water System Water Ordinance. The Board made changes to sections #2, #3, and #21.

John Fitzgerald made a motion to accept the Water Ordinance as amended. Judy Higgins seconded. The motion passed.

John Fitzgerald moved to sign the Notice of Ordinance Adoption. Judy Higgins seconded and the motion passed. Laura Buel signed the document.

The Board began discussing water rates. Several questions and ideas came up and it became apparent that more time was needed to fully explore the options. So since it was 6:45 pm, it was decided to table the discussion until the June 16, 2014 meeting.

The meeting was then adjourned to get ready for the 2014 Annual Meeting.

Respectfully submitted,
Laura Buel, Board Clerk

SOUTH ALBURGH FIRE DISTRICT NO. 2
ANNUAL MEETING

AGENDA

Monday, June 9, 2014

7:00 PM

Alburgh Municipal Conference Room, Town Offices

Chairman's Welcome

Introduction of Officers and Prudential Committee members

Reading of the Annual Meeting Notice

Review meeting procedures

ARTICLE 1: Chairman's Report

Discussion

ARTICLE II: Treasurer's Report

Financial Statements – fiscal year ending June 30, 2013

Financial Statements – current fiscal year through May 31, 2014

Discussion

ARTICLE III: Budget for fiscal year beginning 1 July 2014

Presentation of the budget

Discussion

Voter approval of the budget

ARTICLE IV: Election of officers

Clerk – 1 year term

Nominations from the floor

Vote

Treasurer – 1 year term

Nominations from the floor

Vote

Tax Collector – 1 year term

Nominations from the floor

Vote

ARTICLE V: Election of Prudential Committee Member

One three year term

Nominations from the floor

Vote

Additional pertinent business for discussion

Adjourn

South Alburgh Fire District No. 2

Annual Meeting

June 9, 2014 Minutes

Present: Prudential Committee members Paul Hansen, Judy Higgins, and John Fitzgerald, Treasurer Dick Ernst, Clerk Laura Buel, Phelps Engineers John Kiernan and Robert Clark.
Members of Public in Attendance: Alton Bruso

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

Chairman's Report:

Paul Hansen presented the Chairman's Report in which he summarized the important steps in the journey to where we are today, focusing primarily on what has happened since the 2013 Annual Meeting. A year ago we were 6 agreements short of the 49 needed to go out to bid. By the July 15th meeting we had the necessary number, and by Aug. 29 we had 6 submitted bids. Munson Earth-Moving was awarded the contract and the actual first construction of pipe began on October 29. When Munson shut down for the winter on December 18, they had installed 40 % of the pipe. Munson resumed operations on April 21, 2014. During the shutdown and throughout the spring the Board has been working hard to prepare a Water Ordinance and creating an Operating Agreement with the Village of Alburgh. It is expected that customers will be connected and receiving water by the end of July.

Treasurer's Report:

Dick Ernst reviewed the financial statements in the Annual Report. The only significant discussion was around how the State Planning Loan of \$570,726.17 for the Preliminary Engineering is to be paid back. Whereas the final engineering costs and the construction costs will be paid through the water bills of the water system consumers, these preliminary costs will be borne by all of the South Alburgh Fire District residents. It will be paid back at a -3% interest rate for 30 years, resulting in about a .008 tax rate (.8 of 1 percent).

Budget for the Fiscal Year beginning July 1, 2014:

Judy Higgins moved to approve the Budget of \$60,781.00 as presented for the fiscal year ending June 30, 2015. John Fitzgerald seconded. The motion passed.

Election of officers:

Dick Ernst nominated Laura Buel for Clerk for a 1 year term. Laura Buel was reelected Clerk. Judy Higgins nominated Dick Ernst for Treasurer for a 1 year term. Dick Ernst was reelected Treasurer.

There remained open a position of Tax Collector.

Election of Prudential Committee Member:

Dick Ernst nominated Paul Hansen for Prudential Committee Member for a 3 year term. Paul Hansen was reelected as a member of the Prudential Committee.

Dick Ernst moved to adjourn at 7:56pm. Judy Higgins seconded. The motion passed.

Respectfully submitted,
Laura Buel, Board Clerk

**SOUTH ALBURGH FIRE DISTRICT NO. 2
PRUDENTIAL COMMITTEE MEETING AGENDA
JUNE 16, 2014**

1. SAFD2 Repayment Schedule Amendment No. 2 (attached)
Action: Discussion and vote.
2. Discussion on Vermont Open Meeting Law Changes Effective July 1, 2014.
3. Treasurer's Report and Warrants
Action: Discussion and vote.
4. Approval of May 19 and June 2 Meeting Minutes
5. Public comment
6. Construction Issues
 - Construction Progress Report (attached)
 - 80% Complete with Pipe Installation
 - 70% Complete by Contract Price
 - 64% Complete with Construction Observation Services
 - Meter Pits
 - 27 pits expected to be installed (vs. 30 in Estimate to Complete).
 - Delivery time slower than expected (approximately 6 weeks).
 - Recommend SAFD2 purchase 3 to 4 additional units in case others decide to connect now, or available for future connections.
 - *Action: Authorize Munson to order 15 additional meter pits.*
 - Funding Pay Request No. 32
 - *Action: Authorize payments and sign/submit pay request form to State.*
 - Fairpoint Utility Conflict
 - Munson expected to restart water main installation on June 16.
 - Paving West Shore Road; Comments from Town Selectboard
 - Alburgh Golf Links/Nietupski Easement Area Proposed Changes
 - *Action: Obtain signed agreement from Bazin.*
 - No archaeological sites found; waiting on End-of-Field Letter.
 - Send letter to Geoff Green, Act 250 Coordinator, requesting Determination of no Substantive Change (with the archaeology completed).
 - Timeline Architecture
 - Plan for servicing all lots has not been developed.
 - As they will be individual lots, recommend common water main in roadway, with individual service connections (similar to Mud Point).
 - Would SAFD2 be interested in owning the water main with an easement?
 - Would need to discuss logistics with property owner – responsibility for planning, permitting, and financing of improvements.
 - *Action: Indicate an interest in meeting with developer to discuss options.*

PHELPS ENGINEERING, INC. • MIDDLEBURY, VERMONT

South Alburgh Fire District No. 2
Prudential Committee Meeting Agenda

June 16, 2014
Page 2

- Individual Meter Contract
 - Bids due at 4:00 p.m. on June 23 at the Alburgh Town Office.
 - *Action: Set up meeting to discuss/accept pricing - June 23?*
7. Steps Required Before Water System Operation
- Request Sanitary Survey Week of June 23, with Letter to Jim Siriano
 - Operating Permit Application – *Action: Sign form*
 - Water System Officials Contact Form – *Action: Sign form*
 - Bylaws (completed)
 - Ordinances (completed); send with Notice of Adoption and Clerk’s Certification
 - Interlocal Agreement with Village (completed)
 - Memorandum of Understanding with Village (completed)
 - Schedule of Rates and Charges
 - Proposed Annual Budget with 5-Year Projections – *Action: Approve projections*
 - Sampling Plans
 - Bacteriological
 - Lead and Copper
 - Disinfection By-Products
 - Long Range Plan – request deadline: July 18, 2014 (*Action: confirm date*)
 - Operations and Maintenance Manual – request deadline: August 1, 2014
 - Record Drawings – request deadline: August 31, 2014
 - Water Ordinance
 - Discuss Locations of Postings
 - *Action: Confirm Clerk’s Certification of Postings.*
 - Continue Discussion of Water Rates and Special Charges
 - *Action: Approve Schedule of Rates and Charges.*
 - *Action: Approve rate/charge for connection prior to meter installation.*
8. Project Financials
- Phelps Engineering Amendment No. 4 (additional technical services and additional coordination/management) – *Action: Discussion, consider approval with State concurrence.*
 - Phelps Engineering Amendment No. 5 (additional design and bid services) – Previously approved by SAFD2 pending budget availability, need State concurrence.
9. Public Outreach
- Potential New Connections
10. Adjourn Meeting

South Alburgh Fire District No. 2

June 16, 2014 Meeting Minutes

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

The meeting was called to order at 7:10pm.

Phelps Engineering Report

SAFD2 Repayment Schedule Amendment No. 2 -

The original planning loan WPL-019-2 was revised to decrease the loan amount from \$89,000.00 to \$73,790.02 and to move the repayment start date from 12/01/13 to 06/01/16. After discussion, John Fitzgerald moved to approve SAFD2 Repayment Schedule Amendment #2. Judy Higgins seconded. The motion passed. It was signed by Chairman Paul Hansen and Clerk Laura Buel.

Construction Progress -

John Kiernan reviewed the construction progress spreadsheet. As of May 30, 2014, Munson Earth-Moving has used 58% of the contract time (221 days), has installed 80% of the pipe, and spent 70% of the contract price. Phelps Engineering has spent 64% of their field engineering budget (construction observation).

Meter Pits -

At this point, 27 meter pits are expected to be installed. Fifteen meter pits were originally ordered, but they are taking longer than expected to be delivered and are expected in 2 weeks. John Kiernan suggested that we order 15 more now, so that there will be a few extra when needed. The Board decided to order 17 additional pits at this time. Judy Higgins moved to authorize Munson Earth-Moving to order 17 more meter pits. Dick Ernst seconded. Motion passed.

Paving West Shore Road -

Alburgh Road Commissioner Bing Pearo and Alburgh Selectman Alton Brusco attended the June 11 Munson/Phelps work meeting and approved the paving limits.

Service Area Property Issues -

The Bazins returned their revised agreement for the Alburgh Golf Links with signature. Phelps Engineering is waiting for Act 250 Coordinator Geoff Green's response to their request for a Determination of No Substantive Change regarding archeology work so that construction may continue in the Alburgh Golf Links/Nietupski Easement Area. John Kiernan addressed the issue that Timeline Architecture has not developed plans for servicing their lots with water and it would be mutually beneficial to the water system and the development project if there were a common water main to service the lots as is the case at Mud Point. Is the Board interested in meeting with the developer to discuss planning and financing options? The Committee indicated they were interested in meeting with Timeline.

Individual Meter Contract -

The bid opening for the Individual Meter Contract is at 4 pm on Monday, June 23. The Board agreed to meet on June 23 at 7 pm to discuss the bids and decide to accept the pricing.

Review of Documents and Tasks required to Obtain Operation Permit -

Jim Siriano of the Department of Environmental Conservation needs several documents in place as well as Water Sampling Plans before he can issue the District an operating permit.

The following items are completed: Bylaws, Ordinance, Interlocal Agreement with Alburgh Village, and the Memorandum of Understanding with Alburgh Village.

The following items were completed at this meeting:

Paul Hansen signed the Operating Permit Application

Paul Hansen signed the Water System Officials Contact Form

The Prudential Committee approved the Annual Budget with 5-year Projections

Other items to be completed:

The Schedule of Rates and Charges needs to be determined. The Board decided to add this item to the agenda of the June 23 meeting. The work on Sampling Plans has begun. The Phelps Engineers met with Jason Beaulac and Justin Holmes who are developing locations for testing for bacteria, lead and copper, and disinfection by-products.

Water Ordinance Posting Locations; New Meeting Law regulations -

The Board determined the locations where the Notice of Ordinance Adoption should be posted within the South Alburgh Fire District No. 2. It was decided the posting locations will be the Alburgh Transfer Station, Crossroads Mobil at Routes 2 and 78, the Masonic Lodge, and at the Village of Alburgh/Town of Alburgh Office. To comply with the new meeting law regulations taking effect July 1, all future meeting agendas must be posted at those places. Also to comply with the new law, drafts of meeting minutes must be posted on the web site within 5 days of the meeting.

Phelps Engineering Amendment #4 for Additional Technical and Coordination/Management Services- John Kiernan presented a summary of a proposed amendment for additional engineering services that totaled \$31,600. The subtotal for additional technical services is \$14,100 and the subtotal for coordination/management services (for assistance for agreements/ordinance/rates determination etc.) is \$17,500. The \$40,000 line item in the budget, Phelps Engineering - Allowance for Additional Services, would cover this. However, John Kiernan needs to get this approved by Roger Bergeron before it can be considered an eligible project cost for the loan. The Board decided to add this amendment approval as the third item on the June 23 agenda.

Other Business

Bill Payment Approval -

Funding Pay Request #32, to be paid from the project account, includes \$138,766.86 to Munson Earth-Moving for their construction work in May, \$21,329.72 to Phelps Engineering for their work in May, and \$355.00 to Endyne, Inc. for water testing. From the operating account there is a bill for \$52.19 to Judy Higgins for postage and a bill for \$133.00 to The Islander for an ad for the annual meeting warning. Dick Ernst moved to authorize payment of the five bills. John Fitzgerald seconded. The motion passed.

Treasurer's Report -

As of June 16, 2014 in North Country Federal Credit Union we have \$2419.52 in the Operating Account, \$9.85 in the Project Account, and \$76,252.43 in the Savings Account. In People's United Bank we have \$299.99 in the Operating Account and \$737,112.17 in the Project Account, with a loan balance of \$726,437.39.

Judy Higgins moved to accept the May 19 and June 2 minutes as written. John Fitzgerald seconded. Motion passed.

Judy Higgins moved to adjourn at 9:25 pm. Dick Ernst seconded. Motion passed.

Respectfully submitted,
Laura Buel, Board Clerk

SOUTH ALBURGH FIRE DISTRICT NO. 2
SPECIAL MEETING

WARNING

SAFD2 will hold a Special Meeting:

Monday, June 23, 2014

7:00 PM

Alburgh Municipal Conference Room, Town Offices

AGENDA

1. Agenda Review
2. Meter and Plumbing Contract
3. Rate and Fee Schedule
4. Proposed Amendment 4 for Engineering Services
5. Pay Bills
6. Elect a Prudential Committee Chair
7. Public Comment
8. Adjourn

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

SOUTH ALBURGH FIRE DISTRICT NO. 2 SPECIAL MEETING

WARNING

SAFD2 will hold a Special Meeting:

Monday, July 7, 2014

7:30 PM

Alburgh Municipal Office

1. Call to Order
2. Agenda Review
3. Individual Meter Contract
 - Review Bids received
 - *Action: Discussion and vote to accept bid, set date for contract signing*
4. Steps Required Before Water System Operation
 - Status update on Permit to Operate
 - Temporary un-metered connections
 - *Action: Discussion and potential vote on basis/method of charging during period prior to meter installation*
 - Sample (Waitsfield) Guidance Document for Homeowners – “Steps for Connecting”
5. Phelps Engineering Amendment No. 4 (additional technical services and additional coordination/management)
 - *Action: Discussion, consider approval with State concurrence.*
6. SAFD2 Website – Discuss Maintenance Requirements per Open Meeting Law
7. Adjourn Meeting

South Alburgh Fire District No. 2

July 7, 2014 Special Meeting Minutes

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

The meeting was called to order at 7:38 pm.

Individual Meter Contract -

Phelps Engineering received a bid from Green Mountain Plumbing, but it was very high. They are expecting a second bid from Gage Plumbing soon. If they are both high John Kiernan will call both of them to explain that the extent of the work is possibly less than they thought and invite them to offer another bid. John will also call the meter supplier to see if the price the supplier gave to the plumbers is the same as was given to Phelps Engineering.

One possible way to speed the meter installation process along is for SAFD#2 to purchase directly the meter reading equipment (\$17,000+) and 60 meters (\$250-300 each) and then hire plumbing services for the installation only. Judy Higgins moved to acquire state approval to purchase the meter readers and the meters as a small purchase if the Prudential Committee so decides. John Fitzgerald seconded. The motion was approved.

Status of Permit to Operate -

The Permit to Operate from Jim Siriano at the Department of Environmental Conservation is expected very soon, perhaps this week. The last steps to be completed were the Sampling Plans for lead and copper, disinfection bi-products, and bacteria. Only the bacteria sampling plan has not yet been submitted.

Temporary Un-metered Connections -

There are some customers, especially rental property owners, who are anxious to connect as soon as possible as the summer rental season is in full swing. The Board discussed a method of charging for water prior to the installation of meters. To estimate water usage, the Board generally agreed that a large summer rental house could use 500 gallons/day, and that this would be approximately equivalent to 3 ERUs of water usage. Using our previously determined water rate of \$5.05/1000 gallons, 500 gallons/day works out to \$75/(3)ERU house, or \$25/(1)ERU house. Dick Ernst moved to set a temporary pre-metering rate of \$75 debt service per house plus \$25/ERU equivalent of that house as assessed by the SAFD2. John Fitzgerald seconded. The motion passed.

Judy Higgins moved that the temporary pre-metering policy for assessing ERU's will be as follows: 1 to 3 bedroom house is 1 ERU, 4 to 6 bedroom house is 2 ERUs, 7 to 9 bedroom house is 3 ERUs. John Fitzgerald seconded. The motion passed.

"Steps for Connecting" Guidance Document for Homeowners -

John Kiernan had a sample guidance document that was used by the town of Waitsfield. He said he would update it for Alburgh customers and email it to the Board.

Phelps Engineering Amendment #4 -

John Kiernan presented the Board with an updated summary of Proposed Amendment No. 4 for Additional Engineering Services. It shows additional technical services of \$13,269 and additional coordination/management services of \$17,473, for a total of \$30,742. Phelps Engineering needed to get approval for these expenses from Roger Bergeron before they could be covered by our state loan. Roger has approved everything in the list with the exception of one \$1198 item (Task #2), for

which he is requesting additional documentation. These expenses will be covered under a \$40,000 line item in the budget, Phelps Engineering - Allowance for Additional Services.

John Fitzgerald moved to approve Phelps Engineering Amendment #4 as presented. Judy Higgins seconded. The motion passed.

SAFD#2 Website -

The Board discussed the requirements for posting minutes per the new state Open Meeting Law, in particular the rule that the draft (unapproved) version of minutes be posted within 5 days of the meeting. There has been a large outcry throughout much of the state about some of the requirements of the new law. The Vermont League of Cities and Town has recommended that municipal organizations shut down their websites if complying with the law would create a hardship. The Board decided to keep the website going for the time being because penalties do not begin until July 1, 2015. Laura and Judy will make every reasonable effort to get the minutes finished and posted within 5 days, but the Board knows at times this will not be possible. The thought is that the law will be revised during the next legislative session.

Dick Ernst moved to adjourn at 10:05pm. Judy Higgins seconded. The motion passed.

Respectfully submitted,
Laura Buel, Board Clerk

SOUTH ALBURGH FIRE DISTRICT NO. 2 REGULAR MEETING

Monday, July 21, 2014

7:00 PM

Alburgh Town Conference Room

1. Call to Order
2. Agenda Review
3. Approval of Minutes
 - a) June 9, 2014 Special Meeting
 - b) June 9, 2014 Annual Meeting
 - c) June 16, 2014 Regular Meeting
 - d) June 23, 2014 Special Meeting
 - e) July 7, 2014 Special Meeting
 - o *Action: Discussion and Vote*
4. Treasurer's Report and Warrants
 - o *Action: Discussion and Vote*
5. Meters
 - a) Review of bids received
 - b) Review of alternative procurement and installation option
 - o *Action: Discussion and possible vote on contract acceptance or other procurement and installation approach and associated follow-on steps.*
 - c) Review of Small Purchase Nos. 2 and 3 (Direct Purchase of Meters and Equipment)
 - o *Action: Discussion and possible vote on proceeding with direct purchase*
 - d) Review Procedure Needed to Purchase Meters for New Connections
6. Steps Required Before Water System Operation
 - a) Status update on Permit to Operate – still on target for July 25th issuance
 - b) Review Schedule of Rates and Special Charges
7. Phelps Project/Construction Progress Report
 - a) Review of Overall Construction Progress
 - b) Review of Project Cost Summary and Estimate to Complete
 - o +/- 1,500 linear feet remaining as of June 30, 2014
 - o Project Contingency Remaining: \$42,000
 - c) Review of Project Schedule
8. Steps to Finalize Ordinances - Comments from ANR
9. Public Outreach
 - a) Letter to Customers – Steps to Connect to the Public Water System
 - b) Potential New Connections
 - c) Consider Sending a Notice to Local Realtors?
10. Public Comment
11. Adjourn Meeting

South Alburgh Fire District No. 2

July 21, 2014 Meeting Minutes

Present: Prudential Committee members Judy Higgins, and John Fitzgerald, Treasurer Dick Ernst, Clerk Laura Buel, and Phelps Engineers John Kiernan and Robert Clark. Prudential Committee member Paul Hansen was absent.

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

Approval of Minutes -

The minutes for the following five meetings were up for approval: June 9 Special Meeting, June 9 Annual Meeting, June 16 Regular Meeting, June 23 Special Meeting, and July 7 Special Meeting. In the June 16 minutes the Board decided to alter a sentence under the Phelps Engineering Amendment #4 section for better accuracy. In the July 7 minutes the word "state" was inserted as "acquired state approval" in the Individual Meter Contract section.

Judy moved to accept all of the minutes in the agenda with the discussed corrections to the June 16 and July 7 minutes. Dick Ernst seconded. The motion passed.

Treasurer's Report -

As of July 21, 2014 in North Country Federal Credit Union we have \$2189.49 in the Operating Account, \$9.85 in the Project Account, and \$78,289.36 in the Savings Account. In People's United Bank we have \$229.99 in the Operating Account and \$577,172.02 in the Project Account, with a loan balance of \$566,340.83.

Dick Ernst presented three bills for payment, for a total of \$151,210.49. The Phelps Engineering bill includes \$2705.15 for engineering services from 5/26 through 6/25 and \$14,647.99 for construction observation for the same period. The \$133,607.35 bill from Munson Earth-Moving covered their construction work in June. The last bill was from Primmer, Piper, Eggleston, and Cramer for \$250.00 for legal services. Dick Ernst moved to pay the three bills to Phelps Engineering, Munson Earth-Moving, and Primmer, Piper, Eggleston, and Cramer. Judy Higgins seconded. The motion passed.

Meter Installation -

John Kiernan and Robert Clark reported that two bids for the meter contract were received. The bid from Green Mountain Plumbing was \$112,904.42 and the other bid from Bernie Gage Plumbing was \$88,887.65. The engineers agreed that both of the bids were unreasonably high. With approval of the State of Vermont they have come up with an alternative purchase and installation option. They recommend that SAFD#2 directly purchases the meters and meter reading equipment. Jason Beaulac will install the meters at the meter pits (\$6,000 budgeted for this purpose) and the homeowners with basements will have their meters installed by their own plumbers.

Based on the advice of Phelps Engineering and the concurrence of the State engineers, Judy Higgins moved to reject both of the bids received from Green Mountain Plumbing and Bernie Gage Plumbing because the cost is unreasonable. John Fitzgerald seconded. The motion passed.

Judy Higgins moved to directly purchase 61 Water Meter Assemblies with Radio Read Modules and the Meter Reading Package, including Integration with Alburgh Village's Billing System and Associated Training, as Small Purchase 2 for \$37,700. John Fitzgerald seconded. The motion passed.

Judy moved that we pay for Small Purchase 2 by moving money from the Connection Fee account

(NCFCU savings account) to the Project Account (NCFCU) and authorize the Treasurer to pay however much is required to obtain the meters and meter reading package. Dick Ernst seconded. The motion passed.

John Fitzgerald moved to budget \$5,000 to purchase services from NEMRC (New England Municipal Resource Center) for Setup of Utility Billing Software, Startup, and Training Assistance, as Small Purchase 3. Judy Higgins seconded. The motion passed.

SAFD#2 was advised by the Phelps engineers that it needs a procedure to monitor the number of new connections so that we keep available an adequate supply of meters and order more as the need arises.

Steps Required Before Water System Operation -

The Permit to Operate is still on target for July 25, 2014 per email of Jim Siriano to John Kiernan.

Construction Progress -

As of June 30, 2014 about 86% of the pipe had been installed, with only about 1500 linear feet of pipe remaining, and 80% of the total contract price had been spent. There is still \$42,000 in project contingency funds remaining, divided among Construction (\$20,000), Phelps Engineering Additional Services (\$10,000), and Technical Services/Administration (\$12,000).

Steps to Finalize the Water Ordinance -

No comments have been received as a result of the posting of the Notice of Ordinance Adoption. If no comments are received by the Prudential Committee or no petition presented to the Clerk by July 23, 2014, the Water Ordinance will become effective on August 8, 2014, and Judy Higgins will record it at the Alburgh Town Clerk's office sometime between July 24 and August 8.

Dick Ernst moved to adjourn the meeting 9:25 pm. Judy Higgins seconded the motion and the meeting was adjourned.

Respectfully submitted,
Laura Buel, Board Clerk

SOUTH ALBURGH FIRE DISTRICT NO. 2 REGULAR MEETING

Monday, August 18, 2014
7:00 PM

Alburgh Town Conference Room

1. Call to Order
2. Agenda Review
3. Approval of Minutes
 - *Action: Discussion and Vote*
4. Treasurer's Report and Warrants
 - *Action: Discussion and Vote*
5. Meter Installation Process
 - *Action: Discussion and Vote*
6. Planning for Transition to Operations
 - a) Long Range Plan
 - *Action: Assign tasks*
 - b) Coordination with Alburgh Village
 - Volume of water used for system startup
 - Volume of water used for customer use
 - Billing System
 - i. QA/QC on property list
 - ii. Meeting with New England Municipal Resource Center (NEMRC)
 - Administrative task split and transfer
7. Ordinance and Possible Other Document Recording
 - *Action: Discussion and Vote*
8. Phelps Project/Construction Progress Report
 - a) Substantial Completion of Project Achieved on August 14, 2014
 - One-year warranty is initiated (for all work completed)
 - Review Construction Punch List
 - Certificate of Substantial Completion
 - *Action: Discussion, Vote and Sign Certificate*
 - b) Munson Change Order Nos. 5 (Additional work for service line to Alburgh Golf Links)
 - *Action: Discussion and Vote*
 - c) Munson Change Order Nos. 6 (Meter Pit Protection)
 - *Action: Discussion and Vote*
 - b) Munson Pay Request No. 8 (for work through Substantial Completion)
 - *Action: Discussion and Vote*
 - b) Timing for New Connections under Project Costs
 - c) Project Funding
 - Single Audit Requirement
 - Estimate to Complete (for Interim Loan)
 - Status of State Approval of Phelps Amendment No. 4
 - Funding Pay Request
9. Offer of Extended Payment Plan for Connection Fee
 - *Action: Discussion and Vote*
10. Repaying Outstanding Original Deposits to Individuals
 - *Action: Discussion and Vote*
11. Public Comment
12. Adjourn Meeting

South Alburgh Fire District No. 2

August 18, 2014 Meeting Minutes

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

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

Approval of Minutes -

Dick Ernst moved to approve the July 21, 2014 minutes as written. Judy Higgins seconded. The motion passed.

Treasurer's Report -

As of Aug 15, 2014 in North Country Federal Credit Union we have \$2147.49 in the Operating Account, \$364.85 in the Project Account, and \$81,289.36 in the Savings Account. In People's United Bank we have \$229.99 in the Operating Account and \$426,661.09 in the Project Account, with a loan balance of \$415,130.32.

Dick Ernst presented two bills for payment, \$42.00 for the Post Office box rental and \$12.00 for printing for the annual report. Judy moved to authorize payment of the P. O. box rental and printing bill. John Fitzgerald seconded. The motion passed.

The original \$1,800,000.00 People's United Bank loan for the project has a remaining account balance of \$415,130.32 and is due to expire on August 25, 2014. Dick Ernst presented three loan closing documents from People's United Bank that will extend the loan through December 30, 2014. People's United Bank is issuing SAFD#2 a new loan for \$415,130.32 that will mature on Dec. 30, 2014. This new loan will replace the old loan and pay off the old loan balance. John Fitzgerald moved to authorize signature of the Bond Anticipation Note, the Resolution for Bond Anticipation Borrowing, and the Non-Arbitrage Certificate for Bond Anticipation Borrowing. Judy Higgins seconded. The motion passed.

Meter Installation Process -

As of Thursday, Aug. 14, the entire system has passed the bacteriological testing and all customers are now able to connect and receive water.

We have 8 meters available for basement installation now. We are expecting the remaining 22 basement meters and the 30 meters for the meter pits in approximately a week and a half.

Public Comment -

Ed and Nancy Fisette asked about the District's policy for assigning additional ERU's to "mother-in-law" apartments and studios over garages. Paul Hansen answered that it is the District's position that these type of apartments do not count as additional ERUs unless the space is a rental property.

Planning for Transition to Operations -

Long Range Plan - Because the due date for the Long Range Plan is creeping up, it was decided to set a meeting for September 8, 2014 at 7pm to work on the Long Range Plan.

Coordination with Alburgh Village -

Volume of water used for system start-up: 275,000 gallons of water have been used so far for flushing the system.

Phelps Engineering will keep track of when individual customers connect to the water system.

NEMRC (New England Municipal Resource Center) will be setting up the billing system and will start an account for every property in SAFD#2. John Kiernan wanted to be sure the contact information for everyone is readily available. Paul and Judy emphasized that all that information comes from the Grand List.

John Kiernan asked the Board to consider when they would want the billing for the fixed-cost debt service portion of the bill to begin. The Board reasoned that most customers will be connected by the end of September. Since billing will be quarterly, following the usual 12-month calendar, it makes sense for the debt service billing to begin October 1, 2014.

Water Ordinance Document Recording -

Because of the \$10/page document recording fee, the Board agreed to Judy Higgins' decision to record three pages regarding the SAFD#2 Community Water System Water Ordinance. These three pages are (1) the South Alburgh Fire District No. 2 Notice of Ordinance Adoption dated June 9, 2014, (2) the Certificate of Posting dated June 18, 2014, and (3) a memo to the Alburgh Town Clerk, dated Aug. 6, 2014, which requests that these three documents be recorded and affirms the effective date of the Water Ordinance as August 8, 2014.

Phelps Project/Construction Progress Report -

John Kiernan said the news that entire project has passed all water sampling tests on August 14, 2014 means the project has reached "substantial completion." A one-year warranty on all work completed was initiated on that date. Munson still has paving to be completed.

John Kiernan reviewed Munson Change Orders Nos. 5 and 6, both of which were previously brought to SAFD#2's attention by Robert Clark in an August 8 email. Change Order No. 5 for \$8900 covers additional work on the service line from where it leaves West Shore Rd. to the Alburgh Golf Links property line. It includes additional costs from Munson's drilling and blasting subcontractor. Change Order No. 6 for \$900 is for man-hole covers for two meter pits in the Mud Point area to protect them from vehicles driven over them.

Munson Earth-Moving submitted Pay Request No. 8 for \$91,984.97 for work through Substantial Completion. This covers the period from August 1 through August 15. This bill is in addition to their bill for construction work in July.

John Kiernan informed the Board that August 22, 2014 is the last date Munson Earth-Moving will allow new connections under project costs. What this means to SAFD#2 is that this is the last day that new customers can connect for \$1500.

Additional Bill Payment -

There were several project bills presented for payment. The Phelps Engineering bill included \$13,665.05 for construction observation, \$10,291.58 for technical engineering, and \$16,494.63 for coordination/management, for a total of \$40,451.26. It was noted that the last two amounts, the technical and coordination/management portions, have not yet been approved by State of Vermont engineer Roger Bergeron. From Munson Earth-Moving there was a bill for \$158,100.00 for construction for the month of July and another for \$91,984.97 for their work from August 1 through August 15, which represents work in August through "substantial completion". Other bills included \$12,723.43 to People's United Bank for interest on the bond anticipation note from 11/13/13 through 8/25/14, \$2167.87 to E. J. Prescott for water meters, and \$126.00 to the Islander for advertising. Judy Higgins moved to pay the warrant items as presented, and withhold the reimbursement request from Phelps Engineering for one week pending state approval. John Fitzgerald seconded. The motion passed.

Adjournment -

Paul Hansen moved to adjourn at 11:07 pm. John Fitzgerald seconded. The motion passed.

Respectfully submitted,
Laura Buel, Board Clerk

SOUTH ALBURGH FIRE DISTRICT NO. 2
SPECIAL MEETING

WARNING

SAFD2 will hold a Special Meeting:

Monday, September 8, 2014

6:30 PM

Alburgh Town Offices

AGENDA

1. Long Range Plan Work Session
 - o *Action: Discuss and Finalize SAFD2 Long Range Plan*

South Alburgh Fire District No.2

September 8, 2014 Special Meeting Minutes

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

The meeting was called to order at 6:30pm.

The SAFD#2 Board reviewed and revised the Long Term Plan. The revised document will be presented at the September 15, 2014 meeting for final review. The Long Term Plan will be posted on the website when it is completed.

The meeting was adjourned at 8:35pm.

Respectfully submitted,
Laura Buel, Board Clerk

SOUTH ALBURGH FIRE DISTRICT NO. 2 REGULAR MEETING

Monday, September 15, 2014
7:00 PM

Alburgh Town Conference Room

1. Call to Order
2. Agenda Review
3. Approval of Minutes
 - *Action: Discussion and Vote*
4. Treasurer's Report and Warrants
 - *Action: Discussion and Vote*
5. Long Range Plan
 - *Action: Discussion and Finalize*
6. Planning for Transition to Operations
 - a) Distribution Testing Needed in September
 - b) Coordination with Alburgh Village
 - o Letter to Village with Estimate of Initial Water Usage
 - o Billing
 - i. NEMRC and Meter Reader training and setup
 - ii. Schedule
 - iii. Active connections and special billing
 - o Administrative and technical task procedures and responsibilities
 - *Action: Discussion and Assign Tasks*
7. Phelps Project/Construction Progress Report
 - a) Status of Punch List
 - b) Status of Construction Certification/Record Drawings
 - c) Status of Connections
 - o Properties Connected
 - o Schedule for Installation of Meters in Meter Pits
 - d) Outstanding Landowner Concerns
 - o 29, 31, and 33 West Shore Road
 - o 141 West Shore Road (meter pits in front within ROW)
 - e) Project Funding
 - o Status of Approval for Change Order Nos. 5 and 6
 - o Total Project Costs and DWSRF Loan Amendment Request
 - o Single Audit Requirement
 - o Estimate to Complete (for Interim Loan)
 - o Status of State Approval of Phelps Amendment No. 4
 - o Status of Phelps Accounts
 - o Funding Pay Request
8. Repaying Outstanding Bonds to Individuals
 - *Action: Discussion and Vote*
9. Open Phase II Dialog
10. Public Comment
11. Adjourn Meeting

South Alburgh Fire District No. 2

September 15, 2014 Meeting Minutes

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

The meeting was called to order at 7:00 pm.

Approval of Minutes -

John Fitzgerald moved to approve the August 18, 2014 minutes as corrected. Judy Higgins seconded. The motion passed. Judy Higgins moved to accept the September 8, 2014 minutes as corrected. John Fitzgerald seconded. The motion passed.

Treasurer's Report -

As of Sept. 13, 2014 in North Country Federal Credit Union we have \$2135.49 in the operating account, \$364.85 in the project account, and \$79,121.49 in the savings account. In People's United Bank we have \$229.99 in the operating account and \$404,765.26 in the project account. Dick Ernst noted that he will soon be making a substantial payment from the project account toward the loan balance (currently \$415,130.32), and after that transfer the project account balance will go down to approximately \$151,000.

SAFD#2 is required to have a single audit done on the loan funds. Dick Ernst discussed the need to choose an accounting firm to do the audit. There were several possibilities, some were close to Alburgh and others farther away. Dick will choose three firms and get a bid from each. The accountants will need to review the checkbook, bank statements, warrants, and canceled checks.

Bills and Warrant -

Phelps Engineering submitted three bills for payment for the period of July 26, 2014 through August 25, 2014. The bills were \$2705.15 for construction administration, \$7839.09 for construction observation, and \$3635.00 for post-construction services, for a total of \$14,179.24. Judy Higgins moved to authorize payment of \$14,179.24 to Phelps Engineering to be submitted for reimbursement. John Fitzgerald seconded. The motion passed.

There were two bills to be paid from E. J. Prescott for meters. One was \$5621.57 for 43 meters and the other was \$3752.33 for 9 meters and additional equipment. There was also a bill for \$30.00 to be paid to the Town of Alburgh for the Ordinance recording fee.

John Fitzgerald moved to pay the warrant of \$23,583.14 for the six bills that includes the three Phelps Engineering bills, the two E.J. Prescott bills, and the Town of Alburgh bill. Judy Higgins seconded. The motion passed.

Long Range Plan -

John Kiernan and Robert Clark did not have time to finish the Long Range Plan because they don't have the budget to do it and must work on it after hours. John Kiernan will need to work on it this weekend and will send it to us on Sunday.

Planning for Transition of Operations -

Jason Beaulac will be testing for coliforms in September.

The Phelps engineers will send a letter to the Village of Alburgh with an estimate of initial water usage.

The Board discussed how the billing will be scheduled. There are many unknowns at this point

which will need to be determined and coordinated with the Village of Alburgh. We have decided that billing for the debt service will start on October 1, and we know that billing will be quarterly. However, we do not know at what 3-month intervals the bills will go out and therefore at what point customers can expect to receive their first bill.

Since the customers have not been informed about the billing rate structure, it was decided to put together a letter to send out to customers to explain the rates as well as the decision to begin billing for the debt service on October 1 for everyone, even those who will not be connected by that date. They will be told to expect a bill on either Nov. 30 or Dec. 30 for either two months or three months of debt service, respectively, and subsequent bills will include both debt service and water usage costs.

Phelps Engineering Project Progress Report -

Approval from Roger Bergeron for Change Order Nos. 5 and 6 hasn't happened yet, but will soon.

Phelps Engineering Amendment No. 4 has not yet received full approval from the State of Vermont. Eric Law has not approved \$10,000 of this amendment.

Repaying Outstanding Bonds to Individuals -

There are three homeowners who each made \$500 deposits toward the \$1500 connection fee in the past in anticipation of connecting to the system. These people do not live in the Phase 1 section and therefore the expectation of a timely connection is uncertain. The Prudential Committee decided it would be prudent to repay these deposits. Judy moved to repay outstanding bonds to 3 individuals, Ody LaRoche, Rosemary Maxwell, and Richard Ernst, in the amount of \$500 each for a total of \$1500.00. John Fitzgerald seconded. The motion passed.

Adjournment -

Laura Buel moved to adjourn at 10:05 pm. Dick Ernst seconded. The motion passed.

Respectfully submitted,
Laura Buel, Board Clerk

SOUTH ALBURGH FIRE DISTRICT NO. 2

REGULAR MEETING

Monday, October 20, 2014
7:00 PM

Alburgh Town Conference Room

1. Call to Order
2. Agenda Review
3. Approval of Minutes
 - *Action: Discussion and Vote*
4. Treasurer's Report and Warrants
 - *Action: Discussion and Vote*
5. Review of SAFD2 Forms (Water Service Agreement, Customer Connection Checklist, On/Off Request, Customer Communication Form, Schedule of Rates and Fees)
6. New Email Contact Info
 - Notification and categories
7. Debit/Credit Card for SAFD2
8. Review Website Changes
9. Planning for Transition to Operations
 - a) Coordination with Alburgh Village
 - o Billing
 - i. NEMRC and Meter Reader training and setup
 - ii. Schedule
 - iii. Active connections and special billing
 - o Administrative and technical task procedures and responsibilities
 - *Action: Discussion and Assign Tasks*
10. Phelps Project/Construction Progress Report
 - a) Status of Construction Certification/Record Drawings
 - b) Status of Connections (see attached spreadsheet)
 - Properties Connected
 - Meters Installed
 - Status of Individual Homeowner Exemptions
 - c) Outstanding Landowner Concerns
 - d) Project Funding
 - o Estimate to Complete
 - o Total Project Costs and DWSRF Loan Amendment Request
 - o Review Single Audit Proposals
 - o Status of State Approval of Phelps Amendment No. 4
 - o Phelps Amendment No. 5 (Additional RPR)
 - o Discussion of Additional Design Services (previously approved by SAFD2)
 - o Funding Pay Request
11. Public Comment
12. Adjourn Meeting

South Alburgh Fire District No. 2

October 20, 2014 Meeting Minutes

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

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

Approval of Minutes -

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

Treasurer's Report -

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

Bills and Warrant -

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

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

Phelps Engineering Progress Report -

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

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

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

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

Accounting Firm Bids for the Single Audit -

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

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

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

Phelps Engineering Amendment No. 5 -

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

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

Status of Phelps Engineering Amendment No. 4 -

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

SAFD#2 Forms and Website Review -

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

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

Debit Card Application -

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

Increase of Existing Loan Amount With Peoples United -

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

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

Approval of Additional Phelps Invoices -

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

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

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

Adjournment -

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

Respectfully submitted,
Laura Buel, Board Clerk

SOUTH ALBURGH FIRE DISTRICT NO. 2 REGULAR MEETING

Monday, November 17, 2014
7:00 PM
Alburgh Town Conference Room

1. Call to Order
2. Agenda Review
3. Approval of Minutes
 - *Action: Discussion and Vote*
4. Treasurer's Report and Warrants
 - *Action: Discussion and Vote*
5. Interim Financing Loan Approval
6. Planning for Transition to Operations
 - a) Review of Bacteriological Testing Results, Discussion of Next Steps to Address Issue
 - b) Coordination with Alburgh Village
 - o Billing
 - i. NEMRC and Meter Reader training and setup (Meeting cancelled, needs to be rescheduled)
 - ii. Schedule
 - iii. Active connections and special billing
 - o Administrative and technical task procedures and responsibilities
 - *Action: Discussion and Assign Tasks*
7. Phelps Project/Construction Progress Report
 - a) Final Completion Achieved
 - b) Additional Service Work is Completed
 - c) Status of Connections
 - o Properties Connected
 - o Meters Installed
 - o Status of Individual Homeowner Exemptions
 - d) Project Funding
 - o Estimate to Complete
 - o Total Project Costs and DWSRF Loan Amendment Request
 - o Single Audit
 - o Small Purchase Request – Small Tools
 - o Status of State Approval of Phelps Amendment No. 4
 - o Discussion of Additional Design Services (previously approved by SAFD2)
 - o Funding Pay Request 37
 - o Approach for Reimbursement of Water Meter Installations
8. Public Comment
9. Adjourn Meeting

South Alburgh Fire District No. 2

November 17, 2014 Meeting Minutes

Present: Prudential Committee members Paul Hansen, Judy Higgins, and John Fitzgerald, Treasurer Dick Ernst, Phelps Engineers John Kiernan and Robert Clark, Visitor/Village Trustee Wendy Tatro.

The meeting was called to order at 7:10 pm.

Agenda Review -

Paul reviewed the agenda and asked if it was acceptable to all. Wendy asked that the Committee consider a change to the regular SAFD2 Meeting time to coincide with the Village Trustee meeting. Paul responded that it would be discussed this evening if time allowed. The decision was made to discuss Bacteriological Testing results first to accommodate Wendy's time limitation.

Bacteriological Testing Result Issues and Next Steps-

There have been three occurrences of bad test results. Phelps is working with Jason to diagnose the cause. The most likely cause is the currently low usage of water due to the limited number of year-round connections, which results in water sitting in the pipe longer than anticipated and dissipation of chlorine. Phelps proposes measuring the chlorine residual at various testing stations on a daily basis to get baseline readings. If coliform is detected again, a test providing a count should be used to ascertain the level. Phelps may propose a flushing plan during low use times. The problem may also resolve naturally as the lake freezes and the temperature goes down. Besides concerns about water quality, the Village Trustees and SAFD2 are concerned about the added demands on Jason.

Approval of Minutes -

Judy Higgins asked that a correction be made to the draft minutes to indicate that the website changes presented were planned rather than complete at the time of the last meeting. Judy moved to accept the October 20, 2014 minutes as corrected, John F seconded. Motion passed.

Treasurer's Report -

As of November 16, 2014, in North Country Federal Credit Union we have \$715.20 in the operating account, \$364.85 in the project account, and \$63,475.11 in the savings account. In People's United Bank we have \$229.99 in the operating account and \$18,513.23 in the project account. The current loan balance is \$18,963.25.

Judy moved to accept the Treasurer's Report as presented, John F seconded. Motion passed.

Bills and Warrant -

There were two payments to be paid from the project account. \$30.00 is owed to Munson Earth Moving because the warrant previously approved and paid was mistakenly for \$30.00 less than the invoice. Phelps payment request #37 in the amount of \$10,581.94 was received.

John F moved that the total warrant of \$10,611.94, comprised of those two payments, be paid as written from the project account. Judy seconded. Motion passed. Paul signed PEI Pay Request #37.

Interim Financing Loan Approval-

SAFD2 has been approved to receive \$85,000 from People's United. This isn't the \$100,000 discussed in October because \$87,000 is all that remains of the VMBB approved amount. The ability to receive additional funding would entail approaching VMBB. We have been approved by People's at the existing rate of interest. John F moved to sign the new Bond Anticipation Note and other loan documents, Judy seconded. Motion passed.

NEMRC and Meter Reading-

The software installation and training originally scheduled for today has been rescheduled to next Monday, 11/24. Representatives from Prescott and NEMRC will both be onsite. Prescott will bring the meter reader. Information will be needed from Jason regarding current connections and dates.

Phelps Engineering Progress Report -

Completion of work by Munson had been achieved prior to last month's meeting, but final signoff by SAFD2 is required. Paul signed the Certificate of Final Completion and Acceptance of Work.

Additional service work approved for project funds has been completed by Dennis Irick based on his quote, but invoice paperwork is not complete. The work entailed installation of the MN005 curb stop assembly, which had been overlooked, and the meter pit and curb stop assembly for WS389, which was recently purchased by the owner of WS391. An agreement and connection fee must be acquired on WS389. MP008 chose not to proceed with installation of a non-essential meter pit.

Phelps reviewed their current estimate of cost to complete, which is \$115,680 with \$37,700 being from savings account funds, and total project costs.

Single Audit - Dick has been communicating with Ed Duplessis of Sullivan Powers and is pleased with interactions to date. The State has agreed that the less expensive of the two audit options proposed will meet legal requirements, so the audit should be \$4,000 plus the cost of any additional accounting services needed. Completing the audit should only require a meeting between Ed and Dick, other than presentation of the report, which should be to the entire Committee. Dick moved to enter into a contract as written with Sullivan Powers to complete the Single Audit, John F seconded. Motion passed. The contract was signed.

Phelps has begun work on a small purchase request to acquire tools needed by Jason to work on meter pits and a chlorine testing kit. Quotes are needed to complete the paperwork.

Because the State did not approve all items requested under Phelps Amendment 4, Phelps asked that SAFD2 consider paying the gap through local funds, with discussion to be held next month.

Phelps has requested an update from Jason on the status of connections and meters installed. Since that information was not in hand, and it is currently unclear what documentation the State needs regarding meter installation, submission of a reimbursement request for meters was tabled until next month. Phelps anticipates having more of the homeowner permit exemption forms in hand by that time, which may be part of the State required documentation.

Meeting Time -

Due to the lateness of the hour this discussion was not held. It was agreed that members would come prepared next month to discuss whether to change the SAFD2 meeting date and options for attendance of the Village Trustee meetings.

Public Comment -

Wendy left the meeting at 7:35, so there was no Public Comment.

Judy moved to adjourn, Dick seconded. Motion passed. Meeting adjourned at 9:52 PM.

Respectfully submitted,
Judy Higgins, Acting Clerk

SOUTH ALBURGH FIRE DISTRICT NO. 2 REGULAR MEETING

Monday, December 15, 2014
7:00 PM
Alburgh Town Conference Room

1. Call to Order
2. Agenda Review
3. Approval of Minutes
4. Treasurer's Report and Warrants
5. Operating and Administrative Issues
 - a) Bacteriological Sampling Issues and Plan
 - b) Billing Issues
 - i. NEMRC and Meter Reader Update
 - ii. Postage and Envelopes
 - iii. Deposit Info For Village
 - iv. Usage Caused By Homeowner Supply Line Leak
 - v. Customer Notification, including new customer email address
 - vi. Active Connections and Special Billing
 - vii. Late Bill Collections
 - c) Special / Boil Water Notification Protocol
6. Single Audit
7. Recording Easements
8. Ongoing Meeting Date and Time
9. Phelps Project Report
 - a) Status of Connections
 - o Meters Installed
 - o Status of Individual Homeowner Exemptions
 - b) Project Funding
 - o Estimate to Complete
 - o Total Project Costs and DWSRF Loan Amendment Request
 - o Small Purchase Request – Small Tools
 - o Discussion of Additional Design Services (previously approved by SAFD2)
 - o Approach for Reimbursement of Water Meter Installations
10. Homeowner Meter Pit Placement Issue – Is it resolved?
11. Debit Card Protocol
12. Property Tax Billing
13. Public Comment
14. Adjourn Meeting

South Alburgh Fire District No. 2

December 15, 2014 Meeting Minutes

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

The meeting was called to order at 7:00 pm.

Agenda Review - The agenda was determined to be acceptable to all.

Approval of Minutes -

John Fitzgerald moved to accept the November 17, 2014 minutes as written. Dick Ernst seconded. The motion passed.

Treasurer's Report -

As of December 15, 2014 in North Country Federal Credit Union we have \$715.20 in the operating account, \$364.85 in the project account, and \$64,975.11 in the savings account. In People's United Bank we have \$229.99 in the operating account and \$104,155.12 in the project account.

Bills and Warrants -

Dick Ernst listed 5 bills to be paid from the project account. There were three from E. J. Prescott: \$13,931.06 for the meter reader and software, \$3256.00 for software support and meter reading training, and a \$50.70 credit from Invoice 4835994. In addition, there was a bill from Phelps Engineering for \$3194.21 for post-construction services, and a bill from Dennis Irick for \$4210.00 for additional construction services.

There were 2 bills to be paid from the operating account. There was a bill from The Vermont League of Cities and Towns for \$951.00 for property and casualty insurance and a bill from the Village of Alburgh for \$336.00 for water sampling and testing.

Judy Higgins moved to pay the warrant of \$24,540.57 from the project account for the five bills from E.J. Prescott, Phelps Engineering, and Dennis Irick. John Fitzgerald seconded. The motion passed.

John Fitzgerald moved to pay the warrant of \$1287.00 from the operating account for the bills from VLCT and the Village of Alburgh. Judy Higgins seconded. The motion passed.

John Fitzgerald moved to sign Pay Request #38 for \$42,719.77. Judy Higgins seconded. The motion passed.

Judy Higgins moved to transfer \$1,000 from North Country Federal Credit Union savings account to the operating account. John Fitzgerald seconded. The motion passed.

Judy Higgins moved to pay People's United Bank \$19,832.40 from the project account for the previous bond final payment of \$18,963.25 and interest of \$869.15, pending confirmation from Dave Olson. John Fitzgerald seconded. The motion passed.

Bacteriological Sampling Issues and Plan -

John Kiernan reported that no bacteria problems have appeared since the new sampling plan has been developed, so the new plan has not yet been put into use.

Billing Issues -

At the end of November a 85,000 gallon leak was discovered at 379 West Shore Rd. At the billing rate of \$5.05/1000 gallons, the cost for the water leak will be about \$429. The Board discussed if anything should be adjusted on the bill to minimize the impact due to this mishap. It was decided to send out the bill at the regular rate of \$5.05/1000 gallons.

The new customer email address, safd2customer@gmail.com, will be printed on the first bill.

The special billing decisions discussion, related to unmetered water usage during the summer, was tabled until January when all the information about dates connected and dates metered will be available.

The late bill collections discussion was tabled until the January meeting.

Boil Water Notification Protocol -

At the present time due to summer residents not living here and some connections not yet completed, there are only eight customers receiving water. Two of these are John Fitzgerald and Laura Buel. For the time being, John and Laura will take responsibility for calling the other six customers in the event of a boil water notice.

Single Audit -

The single audit is in progress. Dick Ernst will meet with the auditors during the first half of January.

Recording Easements -

We agreed the easements need to be recorded with the Town of Alburgh and Judy will take them to the Town to begin the process.

Ongoing Meeting Date and Time -

The regular meetings of South Alburgh Fire District #2 will continue to be held on the 3rd Mondays of the month. One or more Board members had conflicts with other days of the week, as well as the 1st and 2nd Mondays of the month. Unfortunately, this means the Board will not be able to coordinate meetings with the Village Trustees. A member of the Prudential Committee will attend upon request.

Decision about (previously discussed) Additional Design Services -

John Kiernan requested 15 to 30 minutes of time at the January 19, 2015 meeting to discuss this issue.

Homeowner Meter Pit Placement Issue - This has not yet been resolved.

Property Tax Billing -

This discussion was tabled for lack of time.

Public comment - There was no public comment.

John Fitzgerald moved to adjourn at 9:45pm. Judy Higgins seconded. The motion passed.

Respectfully submitted,
Laura Buel, Board Clerk