



Why this newsletter:

This is a status update on developments taking place in the system operations and management and associated decision making by the fire district Prudential Committee.

Activity since the March 2019 newsletter: In addition to day-to-day operations, the FD#1 operations and management team has been working closely with the State of Vermont Drinking Water section on getting final approval for funding a system-wide asset management plan (AMP) engineering evaluation. The AMP is analogous to a comprehensive medical physical examination, in this case performed to identify strengths and vulnerabilities of our water system. We will use this for identifying, scheduling and budgeting infrastructure improvements needed to both catch-up on deferred maintenance and address normal aging of our system components. This aging of our components is showing itself through increased pipe breaks and equipment breakdowns in critical elements, as we explained in our March 2019 newsletter.

The AMP is being funded by the State of Vermont through a forgivable loan. Obtaining this loan involves a thorough examination of FD#1's finances and operations, which has taken considerable time and effort to document. We are also required to show that FD#1 has the managerial and financial capacity to sustain itself. This includes showing that we have both the financial reserves and the managerial ability for system operations. Our financial viability requires adopting reasonable incremental increases in what we charge customers, to keep up with inflation of normal operating costs and the costs of increasing breakdowns (until we get caught-up with replacements to the aging components in our system).

We are also continuing our discussions with Vermont Technical College (VTC) for joining water system operations to manage what the State of Vermont now recognizes as the single entity of the Randolph Center Water System.

Fire District Financial Situation:

The fire district income and expense summary (accrual basis) for the fiscal year which ended April 2019 (FYE2019) is:

| | |
|----------|-------------|
| Income | \$35,043.83 |
| Expenses | \$40,358.19 |
| | ===== |
| Net | - \$5314.36 |

The FD#1 financial reserves have declined from \$76,310 (FYE 2017) to \$ 47,451 (FYE 2019).

Planned new water rates:

The record of annual deficits resulting from increased repairs and our diminishing reserves requires the following planned water rates for the current quarter, to be formalized by the Prudential Committee at our next meeting.

Quarterly base rate: *Increase from \$25 to \$35 (this is now for up to 7 units – this was for up to 10 units)*

The corresponding residential, multi-use, and commercial service rates for use above 7 units per quarter are \$3.50, \$5.50, and \$7.50 respectively, per unit. (Each unit = 100 cubic feet = 748 gallons).

Your opportunity to participate: FD#1 is a community volunteer operated system where we welcome your ideas and willingness to provide volunteer support for helping to manage the system. To learn more, ask any of our volunteers listed on our website at http://www.rfd1.org/?page_id=368 The website also includes, under the Notices tab, our meeting dates and agenda. Meetings are open to the public and we welcome your attendance and input. Our next monthly meeting is scheduled for June 13, 2019 at 7PM at the Red School House in Randolph Center.

Sincerely,

The Randolph Fire District #1 Prudential Committee John Doss, Jay Hooper, and John Lens, Chair