

1963

2015

Cherry Valley Sewer District



Annual Report

June 30, 2015

**CHERRY VALLEY SEWER DISTRICT
P.O. BOX 476
LEICESTER, MA 01524**

ANNUAL MEETING WARRANT

To: Carla A. Davis, District Clerk
Cherry Valley Sewer District

Greetings:

You are hereby directed to notify the Voters of the Cherry Valley Sewer District to meet at the Leicester Town Hall, 3 Washburn Square, Leicester, Massachusetts, 01524, Thursday, the 28th day of May, 2015 at 7:00 P.M. then and there to act on the following:

ARTICLE 1 To elect a Moderator to preside at said meeting and for a period of one (1) year thereafter.

ARTICLE 2 To act on reports of the District.

ARTICLE 3 To elect a Sewer Commissioner for a term of three (3) years.

ARTICLE 4 To see if the District will vote to raise and appropriate transfer from available funds, or otherwise provide a sum of money from any available means, for the operating budget for Fiscal Year 2016, to provide for the District's annual operating requirements, including but not limited to, salaries, related services, office expenses, maintenance, construction and other items related thereto: to execute any instruments or documents necessary or appropriate to accomplish said purposes: and to take any other action thereon.

ARTICLE 5 To see if the District will vote to raise and appropriate, transfer from available funds or free cash or otherwise provide the sum of ten thousand dollars (\$10,000.00) to create a reserve account, or take any action thereto.

ARTICLE 6 To see if the District will vote to authorize the Board of Sewer Commissioners to establish a fund to receive and deposit fees paid pursuant to Chapter 33 of the Acts of 1998, and, from which expenditures may be made by the Board of Sewer Commissioners for legal services, administrative services and engineering services (including but not limited to, design, plan review, and inspection of the

project being constructed) in connection with any sewer system design, review, and construction, or to take any action thereon.

You are hereby directed to give notice of this Warrant by posting attested copies thereof at two public places within the limits of the Cherry Valley Sewer District and with the Clerk of the Town of Leicester seven days before time of said meeting.

Given under our hands this 9th day of April, 2015.

Donald G. Manseau, Chairman

Victor M. Taylor, Commissioner

Michael L. DellaCava, Commissioner

A TRUE COPY ATTEST:

Carla A. Davis
Clerk – Cherry Valley Sewer District

(SEAL)

“This institution is an equal opportunity provider, and employer.”

CHERRY VALLEY SEWER DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2014 AND 2013
ASSETS

CURRENT ASSETS	<u>2014</u>	<u>2013</u>
Cash & Cash Equivalents	\$ 2,475,998	\$ 2,699,908
Accounts Receivable	134,081	127,667
Interest Receivable	64,140	68,142
Due from Related Party	3,691	-
Prepaid Expenses	7,135	8,426
TOTAL CURRENT ASSETS	<u>2,685,045</u>	<u>2,904,143</u>
NON-CURRENT ASSETS		
Sewer Betterments Receivable	2,962,963	3,087,328
Capital Assets, Net	7,059,415	7,453,896
TOTAL NONCURRENT ASSETS	<u>10,022,378</u>	<u>10,541,224</u>
TOTAL ASSETS	<u>\$ 12,707,423</u>	<u>\$ 13,445,367</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	<u>2014</u>	<u>2013</u>
Accounts Payable	\$ 47,013	\$ -
Accrued Expenses	25,045	12,706
Accrued Interest	72,688	63,638
Current Portion of Long-Term Debt	142,025	135,689
TOTAL CURRENT LIABILITIES	<u>286,771</u>	<u>212,033</u>
LONG-TERM LIABILITIES		
Long-Term Debt, Net of Current Portion	3,438,887	3,580,912
Deferred Revenue	2,962,963	3,087,328
TOTAL LONG-TERM LIABILITIES	<u>6,401,850</u>	<u>6,668,240</u>
TOTAL LIABILITIES	<u>6,688,621</u>	<u>6,880,273</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	3,478,503	3,737,295
Restricted for Debt Service	2,044,630	2,417,961
Restricted for Operations & Maint.	495,669	409,838
TOTAL NET ASSETS	<u>6,018,802</u>	<u>6,565,094</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 12,707,423</u>	<u>\$ 13,445,367</u>

**CHERRY VALLEY SEWER DISTRICT
STATEMENTS OF REVENUE, EXPENSES, AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

OPERATING REVENUE:	<u>2014</u>	<u>2013</u>
Sewer User & Connection Fees	\$ 224,479	\$ 239,431
Sewer Betterments, Net	124,695	154,053
Tax Title	33,532	28,166
Other Revenue	<u>1,053</u>	<u>450</u>
TOTAL OPERATING REVENUE	<u>383,759</u>	<u>422,100</u>
OPERATING EXPENSES:		
Depreciation	413,527	410,917
Payroll and Related Expense	112,993	112,142
Sewerage and Disposal Fee	131,665	80,510
Dues	32,275	34,655
Outside Services	55,324	32,634
Insurance and Surety Bond	30,779	32,619
Supplies and Materials	13,442	19,040
Utilities	16,311	17,257
Professional Services	12,036	12,927
Other Operating Expenses	<u>10,720</u>	<u>5,468</u>
TOTAL OPERATING EXPENSES	<u>829,072</u>	<u>758,169</u>
OPERATING LOSS	(445,313)	(336,069)
NON OPERATING REVENUE (EXPENSES)		
Interest Income	82,410	89,422
Interest Expense	<u>(183,389)</u>	<u>(178,176)</u>
TOTAL NON-OPERATING EXPENSES	<u>(100,979)</u>	<u>(88,754)</u>
CHANGE IN NET ASSETS	(546,292)	(424,823)
NET ASSETS, BEGINNING OF YEAR	<u>6,565,094</u>	<u>6,989,917</u>
NET ASSETS, END OF YEAR	<u>\$ 6,018,802</u>	<u>\$ 6,565,094</u>

**CHERRY VALLEY SEWER DISTRICT
STATEMENTS OF CASH FLOWS**

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2014</u>	<u>2013</u>
Received from Property Owners	\$ 124,377	\$ 156,949
Received from Customers	224,207	239,357
Other Operating Revenue	28,760	28,836
Paid to Employess & Professional Contractors for Services	(155,978)	(144,373)
Paid to Suppliers for Goods & Services	(202,615)	(202,538)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>18,751</u>	<u>78,231</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Interest Income	86,412	96,046
Acquisition of Capital Assets	(19,045)	(3,846)
Principal Payments on Long Term Debt	(135,689)	(129,636)
Interest Paid on Long-Term Debt	(174,339)	(180,393)
NET CASH USED IN CAPITAL & RELATED FINANCING ACTIVITIES	<u>(242,661)</u>	<u>(217,829)</u>
NET CHANGES IN CASH & CASH EQUIVALENTS	<u>(223,911)</u>	<u>(139,598)</u>
CASH & CASH EQUIV., BEGINNING OF YR	<u>2,699,908</u>	<u>2,839,506</u>
CASH & CASH EQUIV., END OF YEAR	<u><u>\$ 2,475,998</u></u>	<u><u>\$ 2,699,908</u></u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating Loss	\$ (445,313)	\$ (336,069)
Adjustments to Reconcile Oper. Loss to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Depreciation	413,527	410,917
Accounts Receivable	(6,415)	3,041
Due from Related Party	(3,691)	-
Prepaid Expenses	1,291	(561)
Accounts Payable	47,013	-
Accrued Expenses	12,339	903
Total Adjustments	<u>464,064</u>	<u>414,300</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 18,751</u></u>	<u><u>\$ 78,231</u></u>

**CHERRY VALLEY SEWER DISTRICT
Proposed FY 2016 Operating Budget**

Operating Expenses	Proposed FY16	FY15
Abatements	\$ 100.00	\$ 100.00
Accounting	\$ 12,800.00	\$ 12,360.00
Administration	\$ 8,755.00	\$ 8,500.00
Allowance	\$ 40,185.00	\$ 30,300.00
Bank Fees	\$ 200.00	\$ 200.00
Electricity	\$ 7,210.00	\$ 7,000.00
Field Supplies	\$ 2,884.00	\$ 2,800.00
Insurance	\$ 29,000.00	\$ 31,000.00
Legal Advertising	\$ 500.00	\$ 500.00
Legal	\$ 7,210.00	\$ 7,000.00
Miscellaneous	\$ 200.00	\$ 200.00
Mission / SCADA	\$ 3,820.00	\$ 3,600.00
Motor Vehicle Expense	\$ 4,100.00	\$ 4,100.00
Office Supply	\$ 4,100.00	\$ 4,100.00
Officers' Salary	\$ 15,553.00	\$ 15,100.00
Payroll	\$ 101,520.00	\$ 98,563.00
Pipes	\$ 2,300.00	\$ 2,300.00
Postage	\$ 2,000.00	\$ 2,000.00
Rent	\$ 1,500.00	\$ 1,500.00
Repair/Maintenance	\$ 6,180.00	\$ 6,000.00
Septage Dumping Fees	\$ 500.00	\$ 500.00
Small Tools	\$ 3,000.00	\$ 3,000.00
Sub Contracts	\$ 13,500.00	\$ 13,500.00
Technology	\$ 15,300.00	\$ 8,200.00
Telephone	\$ 6,000.00	\$ 6,000.00
WCR Assessment	\$ -	\$ 243.00
Total Operating Expense	\$ 288,417.00	\$ 268,666.00
Reserve	\$ 10,000.00	\$ 10,000.00
COW Transport./Treatment Expenses (\$3.635 per ccf)	\$ 130,000.00	\$ 182,000.00
UBWPAD (\$11,289.75 per qtr)	\$ 45,159.00	\$ 35,003.00
Total Proposed Budget	\$ 473,576.00	\$ 495,669.00

Cherry Valley Sewer District
Annual Meeting
June 30, 2015

COMMISSIONERS REPORT

To the people of the Cherry Valley Sewer District:

Greetings:

Your Board of Sewer Commissioners respectfully submits their 52nd Annual Report for the fiscal year ending June 30, 2015.

The Commissioners are pleased to report that 416 homes have connected to the sewer system.

In March 2015, the District was notified that the City of Worcester sewer use fee would increase by 14%. As in the past the district sewer use fee was based on the City's rates. In June 2015, the District was notified by the Upper Blackstone Water Pollution Abatement that the annual assessment for the operation and treatment costs increased by 30%. The Board of Sewer Commissioners are evaluating the impact the increases will have on future sewer rates.

The Contract for the Year 5 Infiltration and Inflow (I/I) Control Plan and Sewer Rehabilitation was awarded to EST Associates, Inc. of Connecticut. As part of Year 5 of the five (5) year Infiltration and Inflow (I/I) Control Plan, Tata & Howard will prepare a report summarizing all previous I/I investigations and/or repair and rehabilitation methods completed during Year 1 through Year 4. The report will include an analysis of the previous investigations and rehabilitation methods completed; provide recommendations and associated costs for future investigations and/or repair and rehabilitation activities for the coming years; provide an overview of areas within the system that are contributing I/I and prepare a prioritized list to remove I/I from the system.

Delinquent sewer user fees, 14% increase in the City of Worcester transportation assessment and 30% increase in the Upper Blackstone Abatement District (UBWPAD) operation and treatment assessment are the contributors that factor in the development of the District's sewer use rates. To address the impact on the District sewer rates, the Commissioners retained the services of Tata & Howard to conduct a sewer rate study. The results of the study will be presented and discussed

a Public Informational Hearing to be held after the May 28, 2015 Annual Meeting.

Several notes of appreciation are in order;

Ms. Carla Davis our Office Administrator has performed her duties with the utmost efficiency and professionalism. Thank you, Carla. Mr. John Graham, District Treasurer has done a most commendable job for the District this past year. Thank you, John.

Also, Leicester Highway Department, Board of Selectmen, Leicester Police and Fire Departments, City of Worcester D.P.W. and the Cherry Valley and Rochdale Water District, we thank you all for your continued support.

Respectfully submitted,

Donald G. Manseau, Chairman

Victor M. Taylor, Commissioner

Michael L. Della Cava, Sr., Commissioner

CHERRY VALLEY SEWER DISTRICT

RECORD OF VOTE ANNUAL MEETING MAY 22, 2014

A meeting of the Cherry Valley Sewer District was held at the Leicester Town Hall Auditorium, 3 Washburn Square, Leicester, Massachusetts, ten (10) were in attendance, all of whom were eligible voters.

The meeting was called to order at 7:20 P.M. by Moderator Kevin M. Bergin who entertained a motion by Chairman Manseau and seconded by Commissioner DellaCava to waive the reading of the annual warrant, which was in the hands of the voters and Return of same.

Voted unanimously. All in favor. Approved.

ARTICLE 1 – MODERATOR

Commissioner Taylor motioned and seconded by Chairman Manseau to nominate Mr. Kevin M. Bergin as moderator to preside at tonight's meeting and for a period of one (1) year hereafter.

Voted unanimously. All in favor. Approved.

ARTICLE 2 – REPORTS

Commissioner DellaCava motioned and seconded by Commissioner Taylor to vote to accept the Reports of the District as printed in the 2014 Annual Report, which was in the hands of the voters present.

Voted unanimously. All in favor. Approved.

ARTICLE 3 – ELECTION OF OFFICERS

Commissioner Taylor motioned and seconded by Commissioner DellaCava, to nominate Donald G. Manseau, for the office of Commissioner for a term of three (3) years.

Voted unanimously. All in favor. Approved.

ARTICLE 4 – FY 2015 BUDGET

Chairman Manseau motioned and seconded by Commissioner Taylor that the District vote to appropriate from available funds, the sum of **\$495,669.00, (Four-hundred and ninety-five thousand, six hundred and sixty-nine dollars and no cents)**, for the operating budget of Fiscal Year 2015, to provide for the District's annual operating requirements, including but not limited to, salaries, related services, office expenses, maintenance, construction, sundry items and other items related thereto. (The proposed budget was published on page 6 of the 2014 Annual Report, which was in the hands of the voters present.)

Voted unanimously. All in favor. Approved.

ARTICLE 5 – RESERVE ACCOUNT

Commissioner DellaCava motioned and seconded by Commissioner Taylor that the District vote to appropriate from available funds, the sum of \$10,000.00 (Ten thousand), to create a reserve account.

Voted unanimously. All in favor. Approved.

**ARTICLE 6 – ESTABLISH FUND TO RECEIVE AND DEPOSIT FEES
SEWER SYSTEM REVIEW**

Commissioner Taylor motioned and seconded by Chairman Manseau that the District vote to authorize the Board of Sewer Commissioners to establish a fund to receive and deposit fees paid pursuant to Chapter 33 of the Acts of 1998, and, from which expenditures may be made by the Board of Sewer Commissioners for legal services, administrative services and engineering services (including but not limited to, design, plan review, and inspection of the project being constructed) in connection with any sewer system design, review, and construction.

Voted unanimously. All in favor. Approved.

Commissioner DellaCava motioned and seconded by Commissioner Taylor to adjourn the meeting.

All in favor. The meeting adjourned at 7:28P.M.

I, Carla A. Davis, hereby certify that this is a true and accurate record of the votes taken by the votes of the Cherry Valley Sewer District at the Annual Meeting, May 22, 2014.

A TRUE COPY ATTEST:

CARLA A. DAVIS
CLERK

(SEAL)