

1963

2010

Cherry Valley Sewer District



Annual Report

June 30, 2010

**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 in the American Legion, Cherry Valley Post #443, 167 Main Street, Cherry Valley, Massachusetts, 01611, Thursday, the 27th day of May, 2010 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 2011, 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.

ARTICLE 7 To see if the District will vote to raise and appropriate, transfer from available funds or free cash, or otherwise provide a sum of money as may be necessary to enable the District to pay for professional engineering services and all costs incidental and related thereto to perform the year two (2) tasks of the “Five (5) Year I/I Implementation Plan” of the District’s sewer collection system, or 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 22nd day of April 2010.

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)

CHERRY VALLEY SEWER DISTRICT

Statements of Net Assets

June 30, 2009 and 2008

Assets

	2009	2008
Current Assets:		
Cash and cash equivalents	\$ 2,820,445	\$ 3,086,263
Accounts receivable	162,078	216,876
Interest receivable	98,171	108,851
Prepaid expenses	<u>7,253</u>	<u>6,748</u>
Total Current Assets	<u>3,087,947</u>	<u>3,418,738</u>
Non-Current Assets:		
Sewer betterments receivable	3,720,114	3,873,150
Construction in progress	297,805	158,602
Capital assets, net	<u>8,810,626</u>	<u>9,138,439</u>
Total Non-Current Assets	<u>12,828,545</u>	<u>13,170,191</u>
Total Assets	<u>\$15,916,492</u>	<u>\$16,588,929</u>

Liabilities and Net Assets

Current Liabilities:		
Accounts payable	\$ 5,977	\$ 42,619
Current portion of long-term debt	113,049	108,006
Accrued expenses	11,274	13,079
Accrued interest	<u>71,930</u>	<u>66,824</u>
Total Current Liabilities	<u>212,230</u>	<u>230,528</u>
Non-Current Liabilities:		
Long-term debt, net of current portion	4,096,013	4,213,267
Deferred revenue	<u>3,720,114</u>	<u>3,873,150</u>
Total Non-Current Liabilities	<u>7,816,127</u>	<u>8,086,417</u>
Total Liabilities	<u>8,028,357</u>	<u>8,316,945</u>
Contingencies	-	-
Net Assets:		
Invested in capital assets, net of related debt	4,601,564	4,817,166
Restricted for debt service	2,948,687	3,133,438
Restricted for operations and maintenance	<u>337,884</u>	<u>321,380</u>
Total Net Assets	<u>7,888,135</u>	<u>8,271,984</u>
Total Liabilities and Net Assets	<u>\$15,916,492</u>	<u>\$16,588,929</u>

CHERRY VALLEY SEWER DISTRICT
Statements of Revenue, Expenses, and Changes in Net Assets
Years Ended June 30, 2009 and 2008

	2009	2008
Operating Revenue:		
Sewer betterments, net	\$ 201,915	\$ 262,582
Sewer user and connection fees	155,807	247,820
Permits and inspections	625	2,300
Tax title	-	26,789
Other revenue	<u>797</u>	<u>20,993</u>
Total Operating Revenue	<u>359,144</u>	<u>560,484</u>
Operating Expenses:		
Depreciation	422,158	420,587
Payroll and related expenses	95,099	82,749
Sewerage and disposal fees	12,583	13,718
Outside services	100,605	140,963
Insurance and surety bond	29,609	27,187
Professional services	19,026	17,781
Utilities	18,067	10,159
Supplies and materials	17,594	21,303
Other expense	<u>-</u>	<u>3,209</u>
Total Operating Expenses	<u>714,741</u>	<u>737,656</u>
Operating Loss	<u>(355,597)</u>	<u>(177,172)</u>
Non-Operating Revenue (Expenses):		
Interest income	174,670	174,741
Interest expense	<u>(202,922)</u>	<u>(212,068)</u>
Total Non-Operating Revenue (Expenses):	<u>(28,252)</u>	<u>(37,327)</u>
Loss Before Contributions	(383,849)	(214,499)
Capital Contributions	<u>-</u>	<u>142,784</u>
Changes in Net Assets	(383,849)	(71,715)
Net Assets, beginning of year	<u>8,271,984</u>	<u>8,343,699</u>
Net Assets, end of year	<u>\$ 7,888,135</u>	<u>\$ 8,271,984</u>

CHERRY VALLEY SEWER DISTRICT

Statements of Cash Flows Years Ended June 30, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities:		
Received from property owners	\$ 206,283	\$ 275,741
Received from customers	203,437	198,630
Other operating revenue	189,275	259,960
Paid to employees & professional contractors for services	(201,286)	(245,194)
Paid to suppliers for goods and services	<u>(119,952)</u>	<u>(55,381)</u>
Net Cash Provided by Operating Activities	<u>277,757</u>	<u>433,756</u>
Cash Flows from Capital & Related Financing Activities:		
Acquisition and construction of capital assets	(233,548)	(12,721)
Principal paid on long-term debt	(112,211)	(98,265)
Interest paid on long-term debt	(197,816)	(213,665)
Capital contributions	<u>-</u>	<u>142,784</u>
Net Cash Used in Capital and Related Financing Activities	<u>(543,575)</u>	<u>(181,867)</u>
Net Change in Cash and Cash Equivalents	(265,818)	251,889
Cash and Cash Equivalents, beginning of year	<u>3,086,263</u>	<u>2,834,374</u>
Cash and Cash Equivalents, end of year	<u>\$ 2,820,445</u>	<u>\$ 3,086,263</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	\$ (180,927)	\$ (2,431)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Changes in assets and liabilities:		
Depreciation	422,158	420,587
Accounts receivable	54,798	(23,209)
Interest receivable	10,680	22,314
Prepaid expenses	(505)	459
Accounts payable	(26,642)	12,707
Accrued expenses	<u>(1,805)</u>	<u>3,329</u>
Total Adjustments	<u>458,684</u>	<u>436,187</u>
Net Cash Provided by Operating Activities	<u>\$ 277,757</u>	<u>\$ 433,756</u>

CHERRY VALLEY SEWER DISTRICT

PROPOSED FY 2011 OPERATING BUDGET

Operating Expenses	FY11
Abatements	\$ 100.00
Accounting	\$ 12,000.00
Administration	\$ 5,300.00
Allowance	\$ 25,000.00
Bank Fees	\$ 200.00
Computer	\$ 8,000.00
Electricity	\$ 8,000.00
Field Supplies	\$ 2,800.00
Insurance	\$ 38,500.00
Legal Advertising	\$ 500.00
Legal	\$ 7,000.00
Miscellaneous	\$ 200.00
Mission / SCADA	\$ 3,600.00
Motor Vehicle Expense	\$ 4,100.00
Office Supply	\$ 3,900.00
Officers' Salary	\$ 17,600.00
Payroll	\$ 79,000.00
Pipes	\$ 2,300.00
Postage	\$ 2,000.00
Rent	\$ 1,500.00
Repair/Maintenance	\$ 5,000.00
Septage Dumping Fees	\$ 500.00
Small Tools	\$ 3,000.00
Sub Contracts	\$ 13,500.00
Telephone	\$ 6,000.00
WCR Assessment	\$ 7,932.00
Total Operating Expense	\$ 257,532.00
Reserve	\$ 10,000.00
COW Transport./Treatment Expenses (\$2.782 per ccf)	\$ 73,000.00
UBWPAD (\$5,858.75 per qtr)	\$ 23,435.00
Total Proposed Budget	\$ 363,967.00

Cherry Valley Sewer District
Annual Meeting
May 27, 2010

COMMISSIONERS REPORT

To the people of the Cherry Valley Sewer District:

Greetings:

Your Board of Sewer Commissioners respectfully submits their Annual Report for the fiscal year ending June 30, 2010.

The Commissioners are pleased to report that 380 homes have connected to the sewer system.

The Phase One of the Five Year Inflow and Infiltration Study perform for the District by Tata and Howard, Inc. has completed the following tasks; sewer collection system base map, sewer manhole inspections, daily groundwater monitoring, groundwater flow, rainfall monitoring and sewer flow monitoring. A report of the Phase One findings and comments is currently being prepared for review by the Board.

Formal discussions to merge the Cherry Valley Sewer District with the Cherry Valley and Rochdale Water District are ongoing. Both Boards have met regularly and are optimistic that public hearings regarding the matter will be scheduled in the Fall of 2010.

Serious concern has been raised regarding delinquent sewer user fees. Commissioners view this trend as an additional burden on the District's finances. Add this trend to the pressure to meet the increasingly stringent requirements imposed by regulators without funding assistance will certainly push our sewer rates higher in the near future. Previously, the District qualified and received funding to offset sewer rates via the Sewer Rate Relief Grant from the Massachusetts Department of Environmental Protection. Unfortunately, this program has not been funded and represents an additional layer of financial burden.

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, Hoyle, Tanner and Associates, Inc., 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.

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 28, 2009

A meeting of the Cherry Valley Sewer District was held at the American Legion, Cherry Valley Post # 443, 167 Main Street, Cherry Valley, Massachusetts, twelve (12) were in attendance, all of whom were eligible voters.

The meeting was called to order at 7:02 P.M. by Moderator Kevin M. Bergin who entertained a motion by Commissioner Taylor and seconded by Chairman Manseau to waive the reading of the annual warrant, which was in the hands of the voters and Return of same.

Voted: Unanimous. Approved.

ARTICLE I – MODERATOR

Chairman Manseau motioned and seconded by Commissioner Taylor to nominate Mr. Kevin M. Bergin to the office of moderator for a term of one year.

Voted: Unanimous. Approved.

ARTICLE II – REPORTS

Commissioner DellaCava motioned and seconded by Commissioner Taylor to vote to accept the Reports of the District as printed in the 2009 Annual Report, which was in the hands of the voters present.

Voted. Unanimous. Approved.

ARTICLE III – ELECTION OF OFFICERS

Commissioner Taylor motioned and seconded by Chairman Manseau, to nominate Michael L. DellaCava, Sr., for the office of Commissioner for a term of three (3) years.

Voted: Unanimous. Approved.

ARTICLE IV – FY 2010 BUDGET

Chairman Manseau motioned and seconded by Commissioner DellaCava that the District vote to appropriate from available funds, the sum of \$ 337,884.00, (Three-hundred and thirty-seven thousand, eight hundred and eighty-four dollars and no cents), for the operating budget of Fiscal Year 2010, 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 2009 Annual Report, which was in the hands of the voters present.) **Voted: Unanimous. Approved.**

ARTICLE V – RESERVE ACCOUNT

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

Voted: Unanimous. Approved.

ARTICLE VI – 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: Unanimous. Approved

ARTICLE VII – YEAR ONE (1) INFILTRATION AND INFLOW PROGRAM

Commissioner DellaCava motioned and seconded by Commissioner Taylor that the District vote to appropriate from available funds the sum of \$50,000.00 (fifty-thousand dollars and no cents) to enable the District to pay for professional engineering services and all costs incidental and related thereto to perform the year one (1) groundwater, flow and rainfall monitoring and manhole inspections as part of the infiltration and inflow (I/I) program of the District's sewer collection system, or take any action thereon.

Voted: Unanimous. Approved

Chairman Manseau motioned and seconded by Mr. Taylor to adjourn the meeting. The meeting adjourned at 7:21 P.M.

I, Michael F. Knox, 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 28, 2009.

A TRUE COPY ATTEST:

MICHAEL F. KNOX
CLERK

(SEAL)