

1963

2011

Cherry Valley Sewer District



Annual Report

June 30, 2011

**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 26th day of May, 2011 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 2012, 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 three (3) tasks of the “Five (5) Year 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 28th day of April 2011.

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, 2010 and 2009

Assets

	2010	2009
Current Assets:		
Cash and cash equivalents	\$ 2,961,141	\$ 2,820,445
Accounts receivable	249,667	162,078
Interest receivable	137,422	98,171
Prepaid expenses	<u>6,232</u>	<u>7,253</u>
Total Current Assets	<u>3,354,462</u>	<u>3,087,947</u>
Non-Current Assets:		
Sewer betterments receivable	3,456,162	3,720,114
Construction in progress	-	297,805
Capital assets, net	<u>8,712,797</u>	<u>8,810,626</u>
Total Non-Current Assets	<u>12,168,959</u>	<u>12,828,545</u>
Total Assets	<u>\$15,523,421</u>	<u>\$15,916,492</u>

Liabilities and Net Assets

Current Liabilities:		
Accounts payable	\$ 25,446	\$ 15,977
Current portion of long-term debt	118,328	113,049
Accrued expenses	15,929	11,274
Accrued interest	<u>69,996</u>	<u>71,930</u>
Total Current Liabilities	<u>229,699</u>	<u>212,230</u>
Non-Current Liabilities:		
Long-term debt, net of current portion	3,973,347	4,096,013
Deferred revenue	<u>3,456,162</u>	<u>3,720,114</u>
Total Non-Current Liabilities	<u>7,429,509</u>	<u>7,816,127</u>
Total Liabilities	<u>7,659,208</u>	<u>8,028,357</u>
Contingencies	-	-
Net Assets:		
Invested in capital assets, net of related debt	4,621,122	4,601,564
Restricted for debt service	2,911,586	2,948,687
Restricted for operations and maintenance	<u>331,505</u>	<u>337,884</u>
Total Net Assets	<u>7,864,213</u>	<u>7,888,135</u>

CHERRY VALLEY SEWER DISTRICT

Statements of Revenue, Expenses, and Changes in Net Assets June 30, 2010 and 2009

	2010	2009
Operating Revenue:		
Sewer betterments, net	\$ 240,176	\$ 186,616
Sewer user and connection fees	229,522	155,807
Tax title	26,656	15,299
Other revenue	<u>1,200</u>	<u>1,422</u>
Total Operating Revenue	<u>497,554</u>	<u>359,144</u>
Operating Expenses:		
Depreciation	434,415	422,158
Payroll and related expenses	78,116	95,099
Outside services	73,846	51,771
Sewerage and disposal fees	48,834	48,834
Utilities	34,195	18,067
Insurance and surety bond	31,979	29,609
Dues	20,265	12,583
Supplies and materials	19,941	17,594
Professional services	<u>18,907</u>	<u>19,026</u>
Total Operating Expenses	<u>760,498</u>	<u>714,741</u>
Operating Loss	<u>(262,944)</u>	<u>(355,597)</u>
Non-Operating Revenue (Expenses):		
Interest income	123,714	174,670
Interest expense	<u>(192,641)</u>	<u>(202,922)</u>
Total Non-Operating Revenue (Expenses):	<u>(68,927)</u>	<u>(28,252)</u>
Loss Before Contributions	(331,871)	(383,849)
Capital Contributions	<u>307,949</u>	<u>-</u>
Changes in Net Assets	(23,922)	(383,849)
Net Assets, beginning of year	<u>7,888,135</u>	<u>8,271,984</u>
Net Assets, end of year	<u>\$ 7,864,213</u>	<u>\$ 7,888,135</u>

CHERRY VALLEY SEWER DISTRICT

Statements of Cash Flows

June 30, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities:		
Received from property owners	\$ 135,233	\$ 253,693
Received from customers	207,625	169,507
Other operating revenue	27,856	1,422
Paid to employees and professional contractors for services	(207,513)	(252,654)
Paid to suppliers for goods and services	<u>(105,359)</u>	<u>(65,775)</u>
Net Cash Provided by Operating Activities	<u>57,842</u>	<u>106,193</u>
Cash Flows from Capital and Related Financing Activities:		
Interest income	123,714	174,670
Acquisition and construction of capital assets	(38,781)	(233,548)
Principal paid on long-term debt	(117,387)	(110,211)
Interest paid on long-term debt	(192,641)	(202,922)
Capital contributions	<u>307,949</u>	<u>-</u>
Net Cash Provided By (Used in) Capital and Related Financing Activities	<u>82,854</u>	<u>(372,011)</u>
Net Change in Cash and Cash Equivalents	140,696	(265,818)
Cash and Cash Equivalents, beginning of year	<u>2,820,445</u>	<u>3,086,263</u>
Cash and Cash Equivalents, end of year	<u>\$ 2,961,141</u>	<u>\$ 2,820,445</u>
Reconciliation of Operating Loss to Net Cash provided by Operating Activities:		
Operating loss	<u>\$ (262,944)</u>	<u>\$ (355,597)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Changes in assets and liabilities:		
Depreciation	434,415	422,158
Accounts receivable	(87,589)	54,798
Interest receivable	(39,251)	10,680
Prepaid expenses	1,021	(505)
Accounts payable	9,469	(26,642)
Accrued expenses	<u>2,721</u>	<u>1,301</u>
Total Adjustments	<u>320,786</u>	<u>461,790</u>
Net Cash Provided by Operating Activities	<u>\$ 57,842</u>	<u>\$ 106,193</u>

CHERRY VALLEY SEWER DISTRICT
Proposed FY 2012 Operating Budget

Operating Expenses	FY12
Abatements	\$100.00
Accounting	\$12,000.00
Administration	\$6,800.00
Allowance	\$25,569.00
Bank Fees	\$200.00
Computer	\$5,500.00
Electricity	\$7,000.00
Field Supplies	\$2,800.00
Insurance	\$44,000.00
Legal Advertising	\$500.00
Legal	\$7,000.00
Miscellaneous	\$200.00
Mission / SCADA	\$3,600.00
Motor Vehicle Expense	\$4,100.00
Office Supply	\$4,000.00
Officers' Salary	\$13,900.00
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	\$14,429.00
	<hr/>
Total Operating Expense	\$ 264,498.00
Reserve	\$ 10,000.00
COW Transport./Treatment Expenses (\$2.782 per ccf)	\$ 79,300.00
UBWPAD (\$6,758.25 per qtr)	\$ 27,033.00
	<hr/>
Total Proposed Budget	\$ 380,831.00

CHERRY VALLEY SEWER DISTRICT
Annual Meeting - May 26, 2011
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, 2011.

The Commissioners are pleased to report that 388 homes have connected to the sewer system.

In accordance with Year 2 of the five (5) year Infiltration and Inflow (I/I) Control Plan, Tata & Howard is in the final stages of preparing a summary report of findings associated with the data collected during Year 1 of the I/I Control Plan and providing recommendations for future investigations and/or repair and rehabilitation activities within Year 3. The data that is being summarized is work associated with Year 1 of the I/I Control Plan, which consisted of continuous flow, rainfall and groundwater monitoring, as well as approximately 280 manhole inspections within the 9.8 mile sewer collection system.

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 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, 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 27, 2010**

A meeting of the Cherry Valley Sewer District was held at the American Legion, Cherry Valley Post # 443, 167 Main Street, Cherry Valley, Massachusetts, ten (10) were in attendance, all of whom were eligible voters.

The meeting was called to order at 7:05 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 2010 Annual Report, which was in the hands of the voters present.

Voted. Unanimous. Approved.

ARTICLE III – ELECTION OF OFFICERS

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

Voted: Unanimous. Approved.

ARTICLE IV – FY 2011 BUDGET

Commissioner Taylor motioned and seconded by Commissioner DellaCava that the District vote to appropriate from available funds, the sum of \$ 363,967.00, (Three-hundred and sixty-three thousand, nine hundred and sixty-seven dollars and no cents), for the operating budget of Fiscal Year 2011, 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 2010 Annual Report, which was in the hands of the voters present.)

Voted: Unanimous. Approved.

ARTICLE V – 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: 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 TWO (2) INFILTRATION AND INFLOW PROGRAM

Commissioner DellaCava motioned and seconded by Commissioner Taylor that the District vote to appropriate from available funds the sum of \$20,000.00 (twenty-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 two (2) tasks of the five (5) year I/I implementation plan of the District's sewer collection system, or take any action thereon.

Voted: Unanimous. Approved.

Chairman Manseau motioned and seconded by Commissioner Taylor to adjourn the meeting. The meeting adjourned at 7:20 P.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 27, 2010.

A TRUE COPY ATTEST:

CARLA A. DAVIS
CLERK

(SEAL)