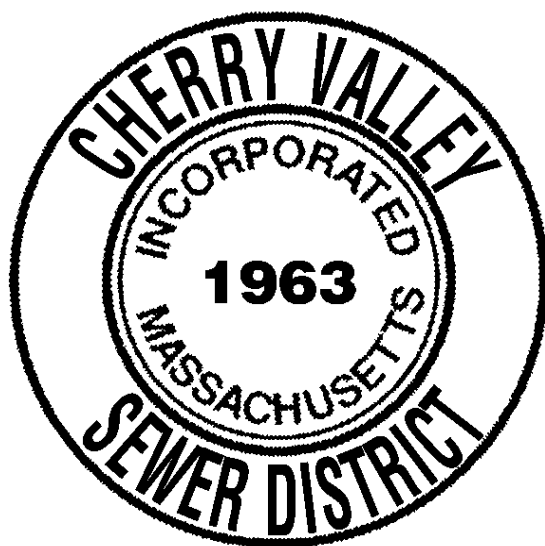


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2020

Cherry Valley Sewer District



Annual Report

June 30, 2020

Cherry Valley Sewer District
Annual Meeting
June 30, 2020

COMMISSIONERS REPORT

To the people of the Cherry Valley Sewer District:

Greetings:

Your Board of Sewer Commissioners respectfully submits their 57th Annual Report for the Fiscal Year ending June 30, 2020.

The Commissioners are pleased to report that 444 homes are connected to the sewer system.

The Cherry Valley Sewer District (District) operates its sewer system by discharging or transporting its sewerage through the City of Worcester into the Upper Blackstone Wastewater Treatment Facility for treatment and release into the Blackstone River. This method of operation was proposed, discussed, and accepted by the voters of the District as the most cost-effective means of transporting and treating the sewerage generated by the District. In turn the City of Worcester assesses a transportation fee for sewerage that flows from the District through the City of Worcester to the Upper Blackstone. The Upper Blackstone assesses a treatment fee for that same sewerage received from the District via the City of Worcester sewer system.

Fiscal Year of 2020 has presented many challenges for the Cherry Valley Sewer District. As you may recall, in February of 2018 the Superintendent along with the Office Staff brought a very concerning issue to the Commissioners attention. **The CVSD is in financial turmoil.** In 2017 District staff began the process of seeking assistance in how to address the financial turmoil that has affected the District. The District staff has been proactive in the approach of working to solve this problem but, unfortunately it is not an easy problem to fix. Insolvency of the District is pending. The District has been working in cooperation with all the Districts in the Town of Leicester, MassDEP and our State Legislators to find a solution in hopes to avoid the insolvency. The discussions and Working Group are meeting on a regular basis to develop a plan for not only the Cherry Valley Sewer District but the Town of Leicester as a whole. While these meetings are ongoing the District has been working on making changes to try and provide the same services while limiting the costs. In the summer of 2019 Senator Michael Moore's office was able to secure a \$100,000.00 grant as a partial portion of funds to fund a study for evaluating the operations of the towns water and sewer Districts. In the Fall of 2019, the Town of Leicester worked with Economic Development to obtain a federal grant for an additional \$100,000.00. The Working Group is going to utilize the now \$200,000.00 to fund the study. As of May 1, 2020, the study of reviewing the consolidations has been placed out to bid and the town is awaiting to review proposals and properly select a contractor. The study is expected to be completed by the end of 2021.

With the insolvency pending, the District has begun to take steps to understand what this means and how they can potentially avoid this from happening. The first step was for the Commissioners and Office Staff who met with an attorney that specializes in bankruptcy. Attorney James Wingfield met with the Board and Staff to explain the process of bankruptcy and what to expect. It was made known early on in this meeting that bankruptcy is not an option under Massachusetts General Law for a municipality. In the terms of a municipality since they cannot file for bankruptcy, the District would

enter Receivership. Once the District were to potentially enter Receivership, a state agency would be appointed to oversee the District operations and set a rate structure in place that would bring the District back to being solvent.

Attorney Wingfield made it known to the Board that they still have a chance to change the situation as we are consulting with him prior to being at the point of complete insolvency. **The only way in which the Board can make a change to prevent insolvency would unfortunately only be accomplished through a rate increase.** The District has since learned from meetings with USDA and a consultant firm, that if the District were to become unable to make payments on our USDA loans USDA would have the legal right to step in and make the District to raise rates in order to make sure loans and expenses are paid.

May 1, 2019 the Board implemented a rate increase to begin the only viable process of attempting to get the District back to a solvent position. This rate increase was not easy for the Board to do, but with the understanding of this being the only way to start the fix the problem they unanimously approved to increase the rate. Through the coordination of the Town wide Working Group, a company by the name of RCAP Solutions was introduced to all the Districts offering their services. RCAP is a nonprofit company funded by USDA and EPA, that provides free consulting to areas who have populations under 10,000 people. With the District fitting these criteria, the staff began the discussions with RCAP to have them come in and start to look at the financial situation that the Sewer District is in. Over the course of the last year RCAP along with assistance from our office staff spent many hours looking at the finances of the District. A financial timeline of the Sewer District was created to show how long the District has been experiencing the financial hardship. What was revealed with this timeline was proof that the District has been in this hardship almost 12 years. The reason for the financial shortfall is that the rates of the District did not increase to the subscribers even though the rates and cost of services the District was paying for were increasing. The rate structure that Board had implemented May 1, 2019 was reviewed as well as the future for the rate increases. The Board is going to have to change last year's plan for an increase for the coming years. With RCAP's assistance, office staff was able to look at the rates and to determine what percentage increases are needed to generate the revenue to cover the District annual costs for the coming year. For many years the District had an off-site Treasurer, as money would come into the District the former Treasurer would put all monies into the same account in hopes to gain interest to and build income to help as years progressed. Monies were then transferred to different investment accounts such as a CD to try and maximize interest. Unfortunately, that thought process was not successful. The RCAP financial timeline is available upon request.

Continuing to work with RCAP, their consultant along with the Superintendent were able to secure a grant GIS mapping (Geographic Information System). With this funding the entire Sewer system will be mapped out and staff will now have the software associated with the GIS to utilize the maps for future work, tracking Inflow & Infiltration (I/I) areas and working toward developing of an Asset Management Plan.

While town wide discussions are ongoing the staff is working diligently on their end to address issues within the system that we are aware of. Daily flow rates into Worcester is what determines our quarterly bill from the City of Worcester. The flows have been greatly increasing and it is showing the staff that there is potentially a major I/I issue somewhere in the system. This means that every drop of non-sewer related water that enters the system, we in turn must pay for. To minimize I/I, operational staff is out inspecting and repairing manhole structures that are in poor condition that allow water to enter the system. One of the largest contributors to Inflow is from residential sump pumps being discharged into sewer systems. We ask that if you do have a sump pump in your home that it not be

connected to our system, and remind our ratepayers that connecting sump pumps to the sewer system is against the Districts Rules and Regulations (Article VI).

The District relies on one meter installed in late 2013 early 2014 as the sole measuring unit of sewerage flow that goes into the City of Worcester. The device that is utilized is known as a Parshall Flume, and it has an ultrasonic reading system that detects flow. This is the main device that determines what our bills from the City of Worcester will be. This past year staff has been aggressively working to maintain this meter and ensure that the readings are accurate. On July 2nd of last year, the staff installed a new device on the meter that will allow the Data the meter gathers to be sent out and be monitored by our Supervisory Control and Data Acquisition (SCADA) system. Having the information from the meter available to staff on computers or smart phones allows us the ability to see how the system is flowing on a more consistent basis. We now have alarms in place when the meter is seeing a surge in flow or if there is a blockage that is generating a false read to the system. With the addition of this setup to our existing system it allows the staff respond more quickly to issues at the meter and more accurately track the monthly flow that District is sending to Worcester. In addition to the installation of the monitoring equipment staff also installed a rain gauge that is connected through the SCADA system as well. Collecting rainfall data is crucial in calculating the I/I we experience when trying to correlate the amount of rain to the amount of flow. The installation of both devices was long overdue to better assist the staff in doing their work.

Throughout the past year the ongoing work that District staff has been doing to reduce I/I has started to show as our annual flows into Worcester are decreasing. In 2019 the District was charged for approximately 32 million gallons of sewerage that flowed into the City of Worcester. Of the 32 million approximately 14 million gallons was water that was not consumed by rate payers I/I. These numbers are both down significantly from 2018 where we were charged for 52 million gallons of sewerage and 32 million of that was I/I. The addition of the monitoring equipment and the aggressive approach to fixing the areas of I/I contributors is what is resulting in this reduction. With this reduction we will start to see reduction in our overall budgeted amount of sewerage to the City of Worcester. For the coming fiscal year, the District is comfortable in starting to reduce that budgeted item. The operations staff will continue monitoring flows in hopes to reduce the City of Worcester line item even more in the future.

The issue of I/I is never going to be an item we can completely remove in our system. It is an issue that all Sewer utilities deal with everywhere daily. The best plan of action is having a plan in place to manage the I/I so that it is not costing our District an exorbitant amount of money. That is what the staff has been doing and is continuing to work on moving forward. **The District urges all Subscribers who may have a sump pump connected to their sewer line to disconnect it and find another means of discharging that water from their homes.** Sump water is something the District cannot control or eliminate in the I/I without the Subscribers help. Please remember that if you do have a sump pump connected, **you are costing you and your neighbors by it being connected to the sewer system.**

In April 2018, the Cherry Valley Sewer District received notification from MassDEP that the District has met the appropriate steps taken to meet the required I/I Control Plan. However, even though the District complied with the respective plan and analysis, MassDEP concluded that the District needs to take corrective action and address specific deficiencies moving forward. One of those deficiencies is to establish a sump pump ordinance, which will require all District Subscribers to comply to and remove all sump pumps from discharging into the sewer system. The other items in which the District will have to act are to finish the sewer main line camera work (CCTV) of the last 8,500 feet of main that was not in the original I/I program. We shall also submit a Geographic Information System (GIS)

map to DEP. Lastly, we are responsible for maintaining the inspection and maintenance program set forth by the I/I Study.

In late Spring of 2019, the District was notified by Mass DOT that they were planning on resurfacing Route 9 throughout the Town of Leicester. Working in conjunction with Mass DOT and the office of Representative LeBoeuf an agreement with Mass DOT was reached in which if all the Districts in town provided the structures (manhole frame and cover) that Mass DOT would have their subcontractor due the labor involved with replacing them as the project went. This project was a tremendous financial help to the District. We were able to purchase all the required structures out of funds from last year's operating budget totaling \$16,000.00, and we were able to save by not having to hire contractors to do this work for us. For the District to hire a subcontractor to do this work it would have cost the District in the excess of \$50,000.00 not including the materials that were already purchased. With Mass DOT assistance we were able to upgrade all 45 manhole frames and covers located in Route 9.

Working with the data we compiled in previous years regarding the conditions of sewer manholes in the District, the staff continued with the yearly flushing, but also focused on manhole repairs as well. After identifying areas that are crucial needs of repairs, the staff along with subcontractors excavated and repaired the manholes. The Superintendent researched and began to implement a newer technology for sewer manhole rehabilitation. Utilizing a recycled plastic material as the risers for the chimney portion of the sewer manholes, it eliminates the need for replacing and patching the bricks and mortar that is traditionally used for this application. Due to the cost of the upgrade and cost to excavate the structures, staff was only able to repair 8 manholes in the system. These 8 were identified to be primary contributors to the Districts on going I/I issues. Additionally, there were 4 other manholes that staff indicated to have concerning levels of I/I enter from the base of the structure. The Superintendent was able to hire a Rhode Island based company that specializes in manhole rehabilitation. Through injecting a high strength epoxy compound that when reacting with water hardens, and they were able to eliminate the I/I issue in the manholes. Moving forward, the staff is going to continue to prioritize manholes in need of repairs and rehabilitation and address them within the means of our operations budget.

Please know that the Commissioners and the District Staff take the issues facing the District very seriously and are trying to do anything they can to find a viable solution for the ratepayers. If you have any questions on this matter or anything else regarding the Sewer District, please contact the District office and Staff will be able to assist you.

Respectfully submitted on behalf of the Commissioner's,

Benjamin Morris
Superintendent

**CHERRY VALLEY SEWER DISTRICT
P.O. Box 138
Rochdale, MA 01542**

**ANNUAL MEETING
WARRANT**

To: Cheryl Balkus, 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 Town Hall Auditorium, 3 Washburn Square, Leicester, Massachusetts Thursday, and the 18th day of June 2020 at 7:00 P.M. then and there to act on the following:

ARTICLE 1: MODERATOR

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

PROPOSED MOTION:

I nominate _____ as moderator for a period of one (1) year hereafter.

DESCRIPTION:

This article is an annual procedural article as the Moderator is the individual that will preside over tonight's meeting as well as the beginning of the 2021 Annual Meeting at which time the process is repeated. Additionally, the candidates have met the District By-law requirement of which "Candidates for office must notify the clerk of the district in writing at least three (3) days (72 hours) prior to the meeting date before seeking an office for the Cherry Valley Sewer District".

ARTICLE 2: REPORTS

To act on reports of the District.

PROPOSED MOTION:

I move that the District vote to accept the Reports of the District as printed in the 2020 Annual Report, which is in the hands of the voter's present.

DESCRIPTION:

The printed report of the Commissioners provides the District members with an annual update of the District's activities during Fiscal Year 2020 and the report of the District Treasurer provides the District members with an update of the District's audited activity during fiscal year ending 2018 and 2019, respectively.

ARTICLE 3: COMMISSIONER

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

PROPOSED MOTION:

I nominate _____, as Sewer Commissioner for a term of three (3) years.

DESCRIPTION:

The Board of Sewer Commissioners has three members each serving a three-year term. The District By-laws require Candidates for the Office of Commissioner must notify the Clerk in writing at least three days (72 hours) prior to the meeting date.

The winner of the election will take effect when the Annual Meeting is closed. Absent any directive in bylaw or enabling act.

ARTICLE 4: BUDGET

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 2021, 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.

PROPOSED MOTION:

I move that the District vote to appropriate from available funds, the sum of **\$893,505.25 (Eight hundred ninety three thousand five hundred five dollars and twenty-five cents.)**, for the operating budget of Fiscal Year 2021, to provide for the District's annual operating requirements, including but not limited to, salaries, related services, office expenses, maintenance and construction.

DESCRIPTION:

This article funds the Fiscal Year 2021 operating budget, which includes funding all operations of the District, debt service payments, transportation costs (City of Worcester and Upper Blackstone).

(The proposed budget is published on page 11 of the 2020 Annual Report.)

ARTICLE 5: REVOLING FUND FOR CONSTRUCTION

To see if the District will vote to authorize the Board of Sewer Commissioners to establish a fund to receive and deposit fee 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 take any action thereon.

PROPOSED MOTION:

I move 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.

DESCRIPTION:

This article establishes a "Revolving Account for review of new construction projects within the service area of the district". It provides the means for the District to collect funds from the proposer of the new construction project to pay costs including but not limited to, design, plan review, and inspection of the project being constructed and associated with new construction projects with no impact to the FY21 operating budget and no expense to the district rate payers.

For Example, if a new development came into the district our engineer must review the plans to make sure it will allow us to supply sewer connections to the new development. This warrant article allows us to collect the fees from the new development to pay our engineering fees so the cost is not absorbed by the district subscribers.

This is a non-money article. This is a house keeping article.

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 12th day of March 2020.

A TRUE COPY ATTEST:

Donald G. Manseau, Chairman

Robert H. Lemieux, Sr. Commissioner

Michael L. Della Cava, Commissioner

Cheryl Balkus
Clerk-Cherry Valley Sewer District

(SEAL)

**CHERRY VALLEY SEWER DISTRICT
STATEMENTS OF NET ASSETS
JUNE 30, 2019 AND 2018**

ASSETS

2019

2018

CURRENT ASSETS

Cash and Cash Equivalents	\$ 897,245	\$ 1,209,820
Accounts Receivable	126,546	128,814
Interest Receivable	33,521	38,497
Due from Cherry Valley Rochdale Water District	536	2,631
Prepaid Expenses	3,940	4,969
Total Current Assets	1,061,788	1,384,731

NON-CURRENT ASSETS

Sewer Betterments Receivable	589,025	668,888
Capital Assets, Net	4,990,654	5,402,417
Total Non-Current Assets	5,579,679	6,071,305

TOTAL ASSETS

	\$ 6,641,467	\$ 7,456,036
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued Expenses	\$ 59,784	\$ 101,420
Accrued Interest	47,794	50,714
Current Portion of Long-Term Debt	178,428	170,468
Current Portion of Obligations Under Capital Lease	-	934
Total Current Liabilities	286,006	323,536

LONG-TERM LIABILITIES

Long-Term Debt, Net of Current Portion	2,628,001	2,807,092
Deferred Revenue	589,026	668,888
Total Long-Term Liabilities	3,217,027	3,475,980
Total Liabilities	3,503,033	3,799,516

NET ASSETS

Invested in Capital Assets, Net of Related Debt	2,184,225	2,424,857
Reserved for Operations and Maintenance	617,475	598,784
Reserved for Encumbrances	50,000	-
Reserved for Future Debt Service	286,734	632,879
Total Net Assets	3,138,434	3,656,520

TOTAL LIABILITIES AND NET ASSETS

	\$ 6,641,467	\$ 7,456,036
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**CHERRY VALLEY SEWER DISTRICT
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
OPERATING REVENUE		
Sewer User and Connection Fees	\$ 420,546	\$ 382,848
Sewer Betterments, Net	77,728	132,666
Tax Title	8,942	23,355
Other Revenue	527	1,575
	507,743	540,444
OPERATING EXPENSES		
Depreciation	415,579	417,902
Sewerage and Disposal Fee	221,054	285,190
Service Agreement Reimbursements	148,429	175,445
Dues	81,694	68,096
Other Operating Expenses	20,732	2,525
Professional Services	14,396	13,669
Outside Services	13,354	2,254
Insurance and Surety Bond	12,011	9,297
Utilities	5,160	3,716
Salaries	3,187	-
	935,596	978,094
OPERATING LOSS	(427,853)	(437,650)
NON-OPERATING REVENUE (EXPENSES)		
Interest Income	45,744	36,238
Interest Expense	(135,977)	(143,660)
	(90,233)	(107,422)
CHANGE IN NET ASSETS	(518,086)	(545,072)
NET ASSETS, BEGINNING OF YEAR	3,656,520	4,201,592
NET ASSETS, END OF YEAR	\$ 3,138,434	\$ 3,656,520

**CHERRY VALLEY SEWER DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from Property Owners	\$ 87,056	\$ 154,241
Received from Customers	408,055	385,097
Other Operating Revenue	14,900	5,011
Paid to Employees and Professional Contractors for Services	(161,782)	(177,699)
Paid to Suppliers for Goods and Services	(396,747)	(381,579)
	(48,518)	(14,929)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest Income	50,720	43,096
Purchase of Equipment	(3,816)	(1,913)
Principal Payments on Capital Leases	(934)	(3,480)
Interest Paid on Capital Leases	18	(322)
Principal Payments on Long Term Debt	(171,131)	(163,497)
Interest Paid on Long-Term Debt	(138,914)	(146,209)
	(264,057)	(272,325)
NET CHANGE IN CASH AND CASH EQUIVALENTS		
	(312,575)	(287,254)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		
	1,209,820	1,497,074
CASH AND CASH EQUIVALENTS, END OF YEAR		
	\$ 897,245	\$ 1,209,820
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Change in Net Assets	\$ (427,853)	\$ (437,650)
Adjustments to Reconcile Operating Loss to Net Cash Provided by		
(Used In) Operating Activities:		
Changes in Assets and Liabilities:		
Depreciation	415,579	417,902
Accounts Receivable	2,268	3,905
Due from Related Party	2,095	(2,182)
Prepaid Expenses	1,029	(176)
Accrued Expenses	(41,636)	3,272
	379,335	422,721
Total Adjustments	379,335	422,721
NET CASH USED IN OPERATING ACTIVITIES		
	\$ (48,518)	\$ (14,929)

**CHERRY VALLEY SEWER DISTRICT
PROPOSED FY 2021 BUDGET**

Operating Expenses	FY 20		FY 21
Accounting	\$ 13,184.00		\$ 13,000.00
Administration	\$ 500.00		\$ 500.00
Allowance	\$ 30,000.00		\$ 15,000.00
Bank Fees	\$ 200.00		\$ 200.00
Consulting Fees	\$ 3,000.00		\$ 3,000.00
Electricity	\$ 5,000.00		\$ 5,000.00
Field Supplies	\$ 2,410.20		\$ 3,000.00
Heat	\$ 3,600.00		\$ 3,600.00
Insurance	\$ 10,000.00		\$ 11,600.00
Health Insurance	\$ 14,002.51		\$ 21,073.45
Legal Advertising	\$ 500.00		\$ 500.00
Legal	\$ 10,000.00		\$ 10,000.00
Miscellaneous	\$ 200.00		\$ 200.00
Mission / SCADA	\$ 3,934.60		\$ 3,934.60
Motor Vehicle Expense	\$ 4,500.00		\$ 4,950.00
Office Supply	\$ 8,081.00		\$ 7,500.00
Officers' Salary	\$ 5,143.00		\$ 5,143.00
Payroll	\$ 79,215.23		\$ 80,344.00
Pipes	\$ 2,300.00		\$ 2,300.00
Postage	\$ 3,600.00		\$ 3,600.00
Repair/Maintenance	\$ 6,365.20		\$ 6,365.20
Sub Contracts	\$ 13,500.00		\$ 18,000.00
Technology	\$ 16,100.00		\$ 17,835.00
Telephone	\$ 3,390.00		\$ 1,530.00
Transport/Treatment Expenses	\$ 272,000.00		\$ 235,000.00
UBWPAD	\$106,749.00		\$110,302.00

Total Proposed Operating Budget	\$ 617,474.74	\$ 583,477.25
Debt Service	\$ 310,028.00	\$ 310,028.00
Total with Debt Service	\$ 927,502.74	\$ 893,505.25

CHERRY VALLEY SEWER DISTRICT

RECORD OF VOTE ANNUAL MEETING MAY 23, 2019

A meeting of the Cherry Valley Sewer District was held at the Leicester Town Hall Auditorium, 3 Washburn Square, Leicester, Massachusetts, twenty-two (22) were in attendance, all of whom were eligible voters.

The meeting was called to order at 7:00 P.M. by Mr. Kevin Bergin, Moderator. A motion was made and seconded that the District vote to waive the reading of the Annual Warrant, which was in the hands of the voters.

Voted: Unanimously. All in favor. Approved.

ARTICLE 1 – MODERATOR

A motion was made and seconded that the District vote to nominate Mr. Kevin M. Bergin as moderator to preside at tonight's meeting and for a period of one (1) year hereafter.

Voted: Majority. Approved.

ARTICLE 2 – REPORTS

A motion was made and seconded that the District vote to accept the Reports of the District as printed in the 2019 Annual Report, which was in the hands of the voter's present.

Voted: Majority. Approved.

ARTICLE 3 – ELECTION OF OFFICERS

A motion was made and seconded that the District vote to nominate Robert H. Lemieux, Sr., for the office of Commissioner for a term of three (3) years.

Voted: Unanimously. All in favor. Approved.

ARTICLE 4 – FULFILL FY 2019 BUDGET

A motion was made and seconded that the District vote to appropriate the sum of **\$50,000 (fifty thousand dollars)** from available funds to revise and fund the City of Worcester Transportation/Treatment Expenses for the balance of the Fiscal Year 2019 operating budget.

Voted: Majority. Approved.

ARTICLE 5 –FY 2020 BUDGET

A motion was made and seconded that the District vote to appropriate from available funds, the sum of **\$617,474.74** (Six hundred seventeen thousand four hundred seventy-four dollars and seventy four cents), for the operating budget of Fiscal Year 2020, to provide for the District's annual operating requirements, including but not limited to, salaries, related services, office expenses, maintenance and construction.

(The proposed budget was published on page 9 of the 2020 Annual Report, which was in the hands of the voter's present.)

Voted: Majority. Declined

Commissioner Taylor Motion for a revote to reconsider. Voted: Majority. Approved.

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

A motion was made and seconded 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: Majority. Declined.

Motion was made to reconsider. Vote: Majority. Approved.

A motion was made and seconded that the District vote to adjourn the meeting.

Voted: Unanimously. All in favor. Approved. The meeting adjourned at 7:26 P.M.

I, Cheryl Balkus, 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, 2019.

A TRUE COPY ATTEST:

CHERYL BALKUS, CLERK

(SEAL)