

Report of the Office
of the
NORTH SAGAMORE WATER DISTRICT



Articles of the Warrant

for the

ANNUAL MEETING

April 24, 2019

at 7:00 P.M.

Sagamore Fire Station

BOARD OF WATER COMMISSIONERS

Mark Melchionda
George Sala
Mark Bergeron

DISTRICT CLERK

Maureen Fruci

DISTRICT MODERATOR

Ronald Morgan

DISTRICT TREASURER

Maureen Fruci

DISTRICT SUPERINTENDENT

Matt Sawicki

LEGAL COUNSEL

Robert Sweeney Troy

Report of the Commissioners 2018

To the Residents of the District:

The Board of Water Commissioners met monthly to transact the business of the District. Other meetings were held as deemed necessary. Last April, Mark Bergeron was elected to a three year term as Water Commissioner, Maureen Fruci was appointed as the Clerk for a one year term and Ronald Morgan was elected as Moderator for a one year term. Mark Melchionda is currently serving as Chairperson of the Board.

During the calendar year 2018, one hundred and sixty four million gallons of water were pumped from the District's three wells, a 10% increase from the previous year. The James A. Morgan Water Treatment Plant, located on Church Lane and the Beach Well on Pilgrim Road continue to be our sources of water.

Last year, the District replaced the Greensand filtration media and piping within the filter vessels at the James A. Morgan Water Treatment Plant. In addition, the District rehabilitated the Church Lane Well. The District has continued to upgrade our meter reading system by installing new radio read meters. To date, 1365 meters have been replaced. Customers will be receiving letters or door tags from the District to schedule appointments. Please make every effort to respond. Fourteen new water services were added to the distribution system to bring our total number of active services to 1,851.

In 2018, the District received two grants from the Massachusetts Department of Environmental Protection. The first grant was for asset management planning. The second grant was to evaluate the impact that new MassDEP water restrictions may have on our revenues and rates. This grant was a collaboration with four other MA water systems. The District worked with the engineering firm Comprehensive Environmental Inc. on these projects.

The Commissioners would like to remind its residents of the importance of water conservation. Although mandatory watering bans are currently not in effect, customers should be mindful of their outdoor water use. Due to new Department of Environmental Protection regulations, water restrictions may be more prevalent in the coming years. During the summer months, please be attentive to announcements from the Board in regards to outdoor water use. The District has information and conservation tools available at our office for District customers.

The Board of Water Commissioners and District employees continue to work with the Department of Environmental Protection, New England Water Works Association, the Massachusetts Water Works Association and the Environmental Protection Agency to bring increased public awareness regarding our water supply into the community.

The Board would like to thank resident Stephen Mealy for his development and proposal of a financial management guidance policy for the District. The Board would also like to thank its employees for their hard work and dedication to the District.

Please visit our website www.northsagamorewaterdistrict.com for notices, meeting minutes, agendas and other useful information pertaining to the District.

BOARD OF WATER COMMISSIONERS

Mark Melchionda, Chair	- 2019
George M. Sala	- 2020
Mark Bergeron	- 2021

NORTH SAGAMORE WATER DISTRICT MEETING ANNUAL MEETING
MINUTES FROM APRIL 25, 2018

The Annual Meeting of the North Sagamore Water District was held on Wednesday, April 25, 2018 at 7:00 pm in accordance with the bylaws of the District and applicable statutes of the Commonwealth of Massachusetts for the purpose of acting on the articles of the warrant for said meeting issued by the Board of Water Commissioners of the District on April 4, 2018.

Moderator Ronald Morgan called the meeting to order at 7:19 pm in the community room at the Sagamore Beach Fire Station, Meetinghouse Lane, Sagamore Beach, MA. The quorum was met according to the Bylaws of the District. There were 109 registered voters verified with the official voting lists provided by the towns of Bourne and Sandwich. There were non-voters in attendance as well.

All articles in the warrant were presented and read by Moderator Ronald Morgan with the exception of Article 1 which was presented and read by District Counsel Robert Troy.

Article 1 – To see if the District will vote to elect a Moderator for one year

Commissioner Sala moved that the District vote to elect Ronald Morgan as Moderator for a term of one year. Commissioner Melchionda seconded the motion. There were no other nominations from the floor. Seeing and hearing none, a voice vote was taken and Ronald Morgan was elected by unanimous vote as Moderator for the term of one year.

Commissioner Sala made a motion to move Article 2 out of order so all attendees could be checked in. Moderator Morgan announced all attendees have been registered. Commissioner Sala withdrew the motion.

Article 2 – To see if the District will vote to elect by ballot a Water Commissioner for a term of three years

Moderator Morgan announced both candidates would be allowed to speak for 3 minutes before voting began. Candidate Mark Bergeron spoke first, followed by Candidate Stephen Mealy. A vote by secret ballot was taken. The votes were counted by Water District staff as the meeting continued.

Article 3 – To see if the District will vote to hear and act upon the reports of the District officers

Commissioner Bergeron made a motion that the North Sagamore Water District vote to hear and act upon the reports of the District officers. The motion was seconded by Commissioner Melchionda. The article passed by a unanimous vote of the District.

Article 4 – To see if the District will vote to transfer a sum of money between the Salaries and Wages, Maintenance and Operations and Miscellaneous Expenses of the Fiscal Year 18 District Regular Expenses Appropriations or act anything thereon.

Commissioner Melchionda made a motion that the District appropriate the sum of \$14,640.00 for the purposes of this article, and to meet this appropriation, transfer the sum of \$14,640.00 from the FY18 Maintenance and Operations to FY18 Salary and Wages. Commissioner Bergeron seconded the motion. The article passed by a unanimous vote of the District.

Article 5 – To see if the District will vote to fix the salary compensation of the Commissioners, Moderator and Clerk of the District as provided by Section 108, Chapter 41, General Laws as amended and that the District raise and appropriate or transfer from available funds a sum of money therefore for the fiscal year 2019, or act anything thereon.

Commissioner Sala made the motion that the District vote to raise and appropriate the sum of \$1,450.00 for the purposes of this article, and to meet this appropriation, raise the sum of \$1,450.00. Commissioner Melchionda seconded the motion. The article passed by a unanimous vote of the District.

Article 6 – To see if the District will vote to authorize the Board of Water Commissioners to raise and appropriate borrow or transfer from free cash in the treasury a sum of money for the purposes of purchasing a new light duty pickup truck for the District to replace an existing pickup truck, or act anything thereon.

There was a question from the floor regarding the number of trucks and what kind of truck would be purchased. Commissioner Melchionda explained 1 light duty pickup truck would be purchased to replace an existing vehicle.

Commissioner Bergeron made the motion that the District vote to appropriate the sum of \$30,000.00 for the purpose of this article, and to meet this appropriation, transfer the sum of \$30,000.00 from free cash. Commissioner Melchionda seconded the motion. The article passed by a unanimous vote of the District.

Article 7 – To see if the District will vote to authorize the Board of Water Commissioners to raise and appropriate, borrow or transfer from free cash in the treasury a sum of money for purposes of meter conversions or upgrades, or act anything thereon.

Commissioner Sala made the motion that the District vote to appropriate the sum of \$40,000.00 for the purpose of this article, and to meet this appropriation, transfer the sum of \$40,000.00 from free cash. Commissioner Melchionda seconded the motion. The article passed by a unanimous vote of the District.

Article 8 – To see if the District will vote to authorize the Board of Water Commissioners to raise and appropriate, borrow or transfer from free cash in the treasury a sum of money for purposes of improvements and upgrades to the District's water treatment plants. Funds may be used for replacement of filter media, replacement of valves, renovations, chemical feed pumps, lagoon or containment improvements, piping upgrades, engineering and electrical upgrades, or act anything thereon.

Commissioner Melchionda made the motion that the District vote to raise and appropriate the sum of \$520,000.00 for the purpose of this article, and to meet this appropriation, transfer the sum of \$300,000.00 from unexpended funds of the FY18 Article 6 – Storage Tank Rehabilitation, transfer the sum of \$155,000.00 from available free cash and raise the sum of \$65,000.00. Commissioner Sala seconded the motion. The article passed by a unanimous vote of the District.

Article 9 - To see if the District will vote to raise and appropriate or transfer from available funds a sum of money to defray the regular expenses of the District for FY19, or act anything thereon.

There was a question from the floor asking for clarification of what is included in the miscellaneous expenses line item in the FY19 budget. Commissioner Melchionda explained it includes short term borrowing, legal, engineering, audit, bcr, telephone, office supplies, postage, and other incidentals.

A second question from the floor was concerning the insurance line item in the FY19 budget. Commissioner Melchionda provided a breakdown of the insurance line item which includes group insurance, property and casualty, worker's compensation and other insurance.

Commissioner Bergeron made the motion that the District vote to raise and appropriate the sum of \$1,158,765.01 for the purpose of this article and to meet this appropriation, to raise and appropriate the sum of \$1,158,765.01 in the amounts and for the purposes as set forth on budget spreadsheet (Exhibit A) attached hereto and incorporated by reference. Commissioner Sala seconded the motion. The article passed by a unanimous vote of the District.

Moderator Ronald Morgan announced the results of the election with Mark Bergeron receiving 69 votes and Stephen Mealy receiving 38 votes. Mark Bergeron was re-elected as Water Commissioner for the North Sagamore Water District for a term of 3 years.

He thanked all in attendance for coming out and supporting the District.

Moderator Ronald Morgan established the business of the District was complete and asked for a motion to adjourn the meeting at 7:53 pm. The motion was seconded from the floor and the meeting was adjourned.

Respectfully submitted,

Maureen Fruci
District Clerk



By-Laws of the District

Updated April 27, 2016

ARTICLE 1 - OFFICERS

Section 1 There shall be a moderator, who shall be elected at each annual meeting for a period of one year. The other officers of the District shall be specified and directed by Chapter 290, Acts of 1939.

Section 2 Any vacancy occurring in the offices of Moderator, Clerk, or Treasurer may be filled for the remainder of the unexpired term by appointment by the full Board of Water commissioners.

ARTICLE 2 - MEETINGS

Section 1 For the year 2014 and each year thereafter the annual meeting shall be held on a Wednesday in April or May of that year. The date of the Annual Meeting of the District shall be voted by the District Commissioners on or before March 30 of each year and the Warrant shall be posted in accordance with requirements of the District and Massachusetts General Laws.

Section 2 Meetings of the District shall be called by the Clerk when requested in writing by at least a majority of the commissioners or by ten or more legal voters of the District. The Clerk shall give due notice of such meeting by posting copies of the warrant in two or more places in the District at least seven days before the time of the meeting.

Section 3 Fifteen legal voters shall constitute a quorum at the annual meeting and any special meeting, but at such special meeting no business shall be transacted other than that set forth in the warrant for the meeting. A legal voter shall reside within the boundaries of the North Sagamore Water District and be registered to vote at said address 30 days prior to the District Meeting.

Section 4 The election of a Water Commissioner shall be preceded by the filing of nomination papers with the District Clerk, containing thirty signatures of District residents, not less than thirty days prior to the date of the Annual Meeting of the District. No candidate shall be nominated for the position of Water Commissioner at the Annual Meeting of the District unless the Town Clerk certifies that thirty District residents have signed nomination papers for that candidate.

ARTICLE 3 - FINANCE

Section 1 The fiscal year shall be July 1 through June 30.

ARTICLE 4 - AMENDMENTS

Section 1 These by-laws may be altered, amended, added to or repealed at any meeting of the District provided notice of such proposal is set forth in the call for the meeting.

ARTICLE 5

Whenever any extension of a water main is requested upon any street, way or other property, the individuals, developers of subdivisions and/or business and industrial areas shall be required to install at their expense all water mains, hydrants, gates and appurtenances required to provide water from the public supply to such individuals, subdivisions and/or businesses and industrial areas located within the boundaries of such areas. The determination of the required size of all water mains, the specifications for materials, fittings and appurtenances used, the location, installation requirements, including easements, legal provisions, agreements and betterments, shall be specified and determined by the District Board of Water Commissioners and solely within their control and discretion.

ARTICLE 6

Interest at 14% may be charged on unpaid bills after 60 days from date of such bill provided that not less than 30 days notice of such action shall be given.



North Sagamore Water District Rates and Regulations for Supplying Water

Rates: *Effective on October 2014 Water Bills*

Basic Minimum: \$60.00 per year

Water Rates: 1-20,000 gallons at \$1.25 per 1,000 gallons
20,000-50,000 gallons at \$2.50 per 1,000 gallons
Over 50,000 gallons at \$4.00 per 1,000 gallons

Service Call: Minimum \$35.00 per hour plus parts;
Additional \$50.00 per hour with machines
\$75.00 per hour for two (2) men

Turn On's/Off's: \$50.00
Backflow Testing: \$50.00 per device

Connection Fees: *Updated October 17, 2018*

Meter Size

5/8" Meter -	\$ 2,500.00	typical residential 1" water service
1" Meter -	\$ 5,750.00	
1 1/2" Meter -	\$ 11,500.00	
2" Meter -	\$ 18,400.00	
3" Meter -	\$ 36,800.00	
4" Meter -	\$ 57,500.00	
6" Meter -	\$ 115,000.00	

Connection fees are payable at the time of application.

Service installation Fees (minimum): *Updated November 28, 2018*

1" Service -	\$2,500.00
1" Service -	\$1,200.00 - where the developer has installed the curb stop
1 1/2" Service -	\$3,200.00
1 1/2" Service -	\$1,675.00 – where the developer has installed the curb stop

2" Service -	\$3,625.00
2" Service -	\$2,100.00 - where the developer has installed the curb stop

Service Installation Fees are payable at the time the water service is turned on to the property and the meter is installed.

The above minimum charge covers: tap of main, cost of materials and labor to the lot line, and cost of cellar valve. The installation of the water service from the lot line to the cellar valve is the responsibility of the owner and must meet District specifications. The connections at the lot line and cellar valve will be made by District employees who will also install a meter. A minimum fee of \$100.00 is to be charged for a temporary service plus a meter will be installed and the amount of water used for this temporary service will be charged.

Fire Service Connection Fees (unmetered):

Initial Review: \$300.00 – includes internal plan review, fire flow testing and inspection of installation. All engineering is done by the applicant.

Annual Standby Fees: <i>(Effective July 2018)</i>	2" -	\$180.00
	4" -	\$360.00
	6" -	\$648.00
	8" -	\$1080.00

Regulations: *Updated April 4, 2019*

1. Applications for water service with proof of ownership must be in the hands of the Commissioners 30 days prior to action by the Board. Forms may be obtained at the Office. If application is made for more than a single unit on a single lot, subdivision regulations will apply. No permit will be granted unless property fronts a main. Approved applicants will be valid for 2 years.
2. A two-week notification is needed for installation at which time the installation charge must be deposited with the District Collector. Costs in excess of deposit must be paid in full before water is turned on.
3. Connection at the curb stop will be made with Polyethylene pipe-tubing or copper tubing of proper size at a five foot depth or better. The service is to be installed under supervision of the District's employees. Services will not be installed when the ground is frozen.

4. The Water District Board reserves the right to specify the size and type of pipe and meter dependent upon requirements that may be made upon them by fixtures installed on consumer's premises.
5. If needed, a pressure increasing system to provide fire flow or other requirements will be the responsibility of the owner.
6. All services will be metered. A meter will be purchased, installed and maintained by the District and shall not be removed or disturbed by others. All meters larger than 5/8 inch will be purchased by the owner.
7. In no event will water be supplied to any premises where, through any fixtures or any connection, there is a possibility of mingling the water furnished by the District with water from any other source.
8. District agents may enter any premises supplied with water by the District at all reasonable hours to examine the water pipes, meters and other fixtures; to install or read meters and to turn on or shut off water. Owners will be previously notified of the intention to install meters. It will be the responsibility of the owner to notify caretakers of such intention.
9. The Water District employees may at any time shut off water for the purpose of making repairs or changes in piping system or for any other necessary purpose, and may also shut off water upon failure of consumers to observe the regulations as well as failure to pay water bills or service charges. The District shall not be liable for damage caused by shutting off water, for damage caused by any variations in pressure, or loss of water through damaged meters as aforesaid. Notice of intention to shut off water will be given whenever predictable.
10. Bills will be rendered bi-annually. All bills are due and payable 30 days from billing date. Charge for usage will be billed in January and July and/or at the time of sale of property. Water will be shut off when bills are over 60 days in arrears. Consumers whom the records show to be repeatedly delinquent will be required to pay in advance.
11. If a water service has to be repaired or replaced from the curb stop to the meter, the work will be done by the owner, but only approved water works material may be used and the work must be inspected by a representative of the District before the pipes are covered. Property owners will have ten (10) days from the date the leak is discovered to repair or replace a broken water service on their property. A broken curb stop will be repaired by District employees and billed to the homeowner with labor charge.
12. The District office shall be notified of sale or transfer of property. Bills will be rendered to the known owners who will be held liable for the bill. In no case will the District make any adjustment due to change of agent to remove meters and shut off water of all seasonal properties in the ownership.

13. The District office shall be notified by the owner or his authorized agent to remove meters and to shut off water of all seasonal properties in the fall of each year and to replace the meter and turn on the water in the spring. Advance notification of two weeks is necessary. Provision must be made for access to remove or install the meter and check cellar valve. Unprotected meters not removed from the premises when houses are closed for the season are retained at property owner's risk. Replacement of a damaged meter will be charged at cost plus labor. Curb stop shut off or turn on shall be done only by an employee of the District.
14. Meter readings are done bi-annually by the District however it is ultimately the responsibility of the property owner to notify the District if their meter has not been read to either schedule an appointment or to call in the reading.
15. Office hours of the North Sagamore Water District are Monday through Friday, 7:30 AM to 4:00 PM at 14 Squanto Road, PO Box 133, Sagamore Beach, MA 02562. The office telephone number is (508) 888-1085.
16. The District shall not be held liable when providing a new service on private property with any repairs necessary to underground utilities and/or road repair (paving and/or flowable fill) as a result of this new service. All costs will be the sole responsibility of the applicant.
17. The cellar valve installed at the time of a new service installation will be warrantied for a period of ten (10) years after which time replacement or repair of the valve will be the responsibility of the property owner.
18. The District will not be liable for the repair or replacement of any hardscape, planting or structure within the water main layout, water service layout or hydrant layout that is damaged as a result of the construction or repair of the distribution system, with the exemption of grass, mulch and asphalt paving not pertaining to District Regulation # 16 (new services).
19. If rental equipment is needed for road crossings for 1 ½" and 2" taps, the applicant will be responsible for the additional costs.
20. Water Connections Larger than 2": Any water service larger than two inch (2") shall be the responsibility of the applicant to install and maintain at their expense from the tap to the building. If there is a leak within the road layout and/or water main easement on a private water service larger than two inch (2"), the District may perform the repair and bill the owner for parts and labor in accordance with NSWD Rates and Regulations. This regulation shall pertain to domestic and fire service connections.
21. District customers who do not respond to written requests and/or do not allow District personnel to replace meters, inspect meters or perform cross connection surveys during reasonable hours will be subject to an additional \$250.00 charge on their semi-annual water bill until the District's request is

- fulfilled. The District will make three written requests; the final request will be sent certified mail as well as hand delivered to the property.
22. Customers will be billed for the reading on the physical meter head. If there is a discrepancy with the billing system, outside register, touchpad or radio read transponder identification number, the customer shall be responsible for the water usage on the physical meter head.
 23. District customers may request an accuracy test for their meter. District personnel will conduct an onsite inspection and accuracy test. If the customer is still unsatisfied with the accuracy of their meter, they may request the meter be removed and sent to an independent party for further testing. If the meter is found to register over two percent (2%) more water than actually passes through it, the meter will be repaired or replaced. The District will pay for the meter test and the water bill for the current period will be adjusted in accordance with the result of the test. If the meter is found to be accurate, the customer will be responsible for the cost of the test and their water usage. A meter spacer will be installed while the meter is offsite being tested. Upon notification that the meter test is complete, the customer must allow the District to reinstall the meter within three (3) business days of said notification or a \$50.00 per day fee will be assessed to the property until District personnel is allowed access to reinstall the meter.
 24. The foregoing rates and regulations are subject to such additions and amendments from time to time as the Board of Water Commissioners may deem necessary. Appeals may be made to the Board of Water Commissioners who reserves the right to grant variances to the above regulations.



NORTH SAGAMORE WATER DISTRICT FINANCIAL MANAGEMENT GUIDANCE DOCUMENT

April 4, 2019

Introduction

The following financial management guidance document sets forth the framework for overall planning and management of the North Sagamore Water District's financial resources. The guidelines are intended to be advisory in nature and serve as a point of reference for all policymakers, administrators and advisors. It is fully understood that the Annual District Meeting retains the full right to appropriate funds and incur debt at levels it deems appropriate.

The guidelines are designed to ensure the District's sound financial condition now and in the future. Sound financial condition may be defined as:

- Cash Solvency: The ability to pay bills in a timely fashion
- Budgetary Solvency: The ability to annually balance the budget
- Long-Term Solvency: The ability to pay future costs
- Service Level Solvency: The ability to provide needed services
- Infrastructure Solvency: The ability to maintain infrastructure
- Market Accessibility: The ability to secure competitive bids/interest rates on debt issuance

It is equally important that the District maintain flexibility in its finances to ensure that the District is positioned to react and respond to changes in the economy and new service challenges without measurable financial stress.

Budget Guidelines

The District defines a balanced budget as a budget in which revenues are greater than or equal to expenditures. The Commonwealth of Massachusetts requires all municipalities to present a balanced budget each year as a basic budgetary constraint intended to ensure that a government does not spend beyond its means and its use of resources for operating purposes does not exceed available resources over a defined period of time.

Operating Budget (OB) is defined as the annual operating budget of the District including Debt Service. It does not include general articles, off-budget expenses or Capital.

Fiscal Reserves Guidelines

The District's accumulation of prudent reserves is critically important to the fiscal health of the community for many reasons. Reserves are a resource to sustain a community during an economic downturn and may provide for cash flow needs until major revenues are received, reducing or eliminating the need for short-term borrowing. Rating agencies and investors also view reserves favorably as evidence of the community's financial flexibility. The District will endeavor to establish and maintain the following reserve levels:

- A. **Free Cash:** To have a certified Free Cash balance of at least 4% of the current Fiscal Year Operating Budget at the beginning of each Fiscal Year. The Free Cash Balance will be maintained at 4% of the Operating Budget during the Fiscal Year.
- B. **Stabilization Fund:** To maintain a long term Stabilization Fund for unforeseen emergency expenses and capital projects in accordance with Mass. General Laws Chapter 40 Section 5B. To maintain a Stabilization Fund balance of at least 5% of the Operating Budget. The District may appropriate funds from the Stabilization Fund for any lawful purpose with a two-thirds vote of District Meeting.
- C. **Capital Stabilization Fund:** To maintain a Capital Stabilization Fund for large capital items and to support the annual capital plan. Once the Stabilization Fund reaches 5% of the Operating Budget funds may be accumulated in the Capital Stabilization Fund.
- D. **Overlay Allowance:** To maintain an annual Overlay Allowance for abatements and exemptions at an appropriate level based on an analysis of historical data and specific circumstances such as a property revaluation project. The Board of Assessors for the Towns of Bourne and Sandwich will recommend annually the amount required to be kept in the Overlay Allowance for next Fiscal Year.
- E. **Reserve Fund:** To budget an annual Reserve Fund under the authority of the District Commissioners for unexpected and unforeseen budget needs of at least 0.4% of the Operating Budget.
- F. **OPEB Trust Fund:** To maintain an OPEB Trust Fund to accumulate funds for Other Post-Employment Benefits. The long term goal for the Trust Fund is to fully fund the OPEB Liability. Once the District's pension obligations are fully funded, it is the District's intent to appropriate those funds to the OPEB Trust obligations.

Use of Reserves

To the maximum extent possible, the District shall only appropriate reserves as follows:

Free Cash, Stabilization Fund and Overlay Reserve: funds in excess of reserve policies established for each may be used for one-time, non-recurring expenses such as capital projects and equipment, emergency expenses and to fund the OPEB Trust Fund.

Capital Stabilization Fund will be used to support the annual capital budget and to fund large capital expenditures.

Financial Planning & Monitoring Guidelines

Long-term financial forecasting and constant monitoring of current revenue and expenditure trends are vitally important to maintain quality service levels and fiscal discipline. As a result, it is the policy of the District to undertake the following:

- A. **Multi-Year Financial Forecasting:** Establish and maintain an on-going financial planning model that projects revenues and expenses over the next five (5) years by using five (5) years of historical data and other fiscal trend analysis.
- B. **Monitor and Track Current Year Financial Activities:** Constantly monitor revenue and expenditure activities and publish periodic reports for policymakers, administrators and department heads. To meet this objective, the District should implement improved financial management systems to create the required revenue and expenditure reports, reduce duplication of effort, and maximize productivity of finance department staff.

Capital Planning & Debt Service Management Guideline

The District's willingness and ability to address its capital needs (infrastructure, facilities, equipment, etc.) is very important to the community's quality of life and fiscal stability. At the same time, the District must maintain a sound debt structure and debt ratio to ensure that all debt obligations will be satisfied without sacrificing the quality of on-going operations and/or burdening future generations with large debt obligations. To that end, the District will undertake the following:

- A. **Capital Improvement Plan:** The District shall establish and maintain a five (5) year capital improvement plan, to update the plan annually, to develop capital financing strategies consistent with these policies, and to integrate any new operating costs associated with capital projects into the annual operating budget. The District should capitalize expenditures of at least \$20,000 and having a useful life of more than five years. The Capital Plan will detail the revenue sources for these expenditures.
- B. **Debt Service Guidelines:** The debt service payments for capital maintenance and equipment costs shall not exceed 30% of the District's annual operating budget.
- C. **Debt Maturity Guidelines:** The District will strive to limit the average maturity of its debt (adhering to useful life of the asset) to five (5) to ten (10) and not exceed twenty (20) years. By adopting a conservative maturity schedule, the District will not only reduce interest costs on its bonds but also recognize that capital needs will continue to be identified and recommended.
- D. **Connection Fees:** The District may recommend to the rate payers at the District Meeting an amount of money from Free Cash equal to the revenue from Connection Fees paid to the District the previous fiscal year be transferred to the Capital Stabilization Fund.
- E. **Alternative Financing Strategies:** The District will continually pursue opportunities to acquire capital by means other than conventional borrowing such as grants and low and no-interest loan programs.
- F. **Cash Flow:** For large capital projects that may entail the issuance of bonds and or notes, the District will review the cash flow analysis to ensure funds are borrowed efficiently and in a manner that results in the lowest debt impact as possible as well as adhering to financing guidelines.

- G. **Reconciliation & Record keeping:** The District will periodically reconcile debt related records of the District Treasurer, and will annually determine if any unissued bond authorizations needed to be rescinded at Annual District Meeting.
- H. **Internal Borrowing:** The District will utilize the option of internal borrowing when fiscally prudent to do so.
- I. **Debt Issuance:** The District will work closely with its Financial Advisor, Bond Counsel and District Counsel to ensure that all legal requirements are met and that the lowest possible interest rate can be obtained.
- J. **Capital Budget:** The total annual Capital Budget for the District includes direct cash expenditures as well as interest and principal of new bonds and debt service on prior bonded expenditures. The District will strive not to exceed 45% of the operating budget.

Post-Employment Benefit Liabilities

Pension Liabilities: The District will fund pension liabilities on a pay as you go basis and will annually fund the recommended payments to the County Pension Fund.

OPEB (Other Than Pension Post-Employment Benefits) Liabilities: The District will fund OPEB Liabilities on a pay as you go basis and will strive to set aside annually 5% of the Normal Cost ARC (Annual Required Contribution) for the future OPEB Liability for current active employees into the OPEB Trust Fund. Once the District's pension obligation liability has been funded, it is the District's intent to appropriate those funds to the OPEB Trust obligations.

Revenue Enhancement Guidelines

To continue to maintain a reasonable level of services to its rate payers and meet all future financial obligations, the District will proactively seek new revenue sources in the following manners:

- A. **Receivables:** The District will rapidly move all unpaid billing into a water lien when authorized by law. The District may also terminate water service to collect unpaid billing.
- B. **Non- Tax Revenue:** The District will annually review and analyze fees and charges such as new connection fees, water rates, etc. to determine if they are appropriate and comparable.
- C. **Revenue Ratio Structure:** The District shall strive to keep the revenue ratio between tax revenue and water revenue near 50% on an annual basis.

Investments Guidelines:

Massachusetts law requires that public funds be invested at the highest possible rate of interest reasonably available, taking into account safety, liquidity and yield. Therefore, these guidelines are intended to further the objective of securing the highest return that is consistent with safety of principal while meeting the daily cash requirements for the operation of District business. The District will continue to invest funds within the scope of the Commonwealth's Legal List for prudent investments.

North Sagamore Water District
Balance Sheet
 As of June 30, 2018
Jun 30, 18

ASSETS

Current Assets

Checking/Savings

1040 · Cash Unrestricted

1040-01 · CC5 - General Fund	418,456.36
1040-02 · CC5 - Payroll	5,189.70
1040-04 · CC5 - Perf. Bonds Escrow	37,425.78
1040-06 · Rockland - MM	206,320.76
1040-09 · Unibank- Online Collection	<u>159,224.02</u>

Total 1040 · Cash Unrestricted 826,616.62

1050 · Cash Restricted

1050-01 · Cape Cod Five - Stabilization	310,196.27
1050-02 · Unibank - MM	<u>150,131.18</u>

Total 1050 · Cash Restricted 460,327.45

Total Checking/Savings 1,286,944.07

Accounts Receivable

1400 · Accounts Receivable

1400-01 · Water Accounts	<u>12,563.38</u>
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Total 1400 · Accounts Receivable 12,563.38

1440 · Tax Receivables - Bourne

1441-06 · Personal Property - 2006	-0.55
1441-07 · Personal Property - 2007	2.01
1441-08 · Personal Property - 2008	1.97
1441-09 · Personal Property - 2009	56.26
1441-10 · Personal Property - 2010	53.23
1441-11 · Personal Property - 2011	-119.59
1441-12 · Personal Property - 2012	40.25
1441-13 · Personal Property - 2013	-67.79
1441-14 · Personal Property - 2014	15.79
1441-15 · Personal Property - 2015	38.82
1441-16 · Personal Property - 2016	24.99
1441-17 · Personal Property - 2017	32.90
1441-18 · Personal Property - 2018	94.73
1445-91 · Real Estate - 1991	7.56
1445-94 · Real Estate - 1994	-1.30
1445-95 · Real Estate - 1995	-0.94
1445-98 · Real Estate - 1998	-0.77
1446-00 · Real Estate - 2000	67.16
1446-02 · Real Estate - 2002	-0.01
1446-03 · Real Estate - 2003	-13.48
1446-04 · Real Estate - 2004	-0.67
1446-05 · Real Estate - 2005	-0.01
1446-06 · Real Estate - 2006	-0.31
1446-07 · Real Estate - 2007	-0.70
1446-09 · Real Estate - 2009	-3.37
1446-10 · Real Estate - 2010	11.78

North Sagamore Water District
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1446-11 · Real Estate - 2011	10.23
1446-12 · Real Estate - 2012	5.87
1446-13 · Real Estate - 2013	-58.03
1446-14 · Real Estate - 2014	1.05
1446-16 · Real Estate - 2016	464.07
1446-17 · Real Estate - 2017	1,198.58
1446-18 · Real Estate - 2018	15,071.65
1450-17 · Interest RE - 2017	2.15
Total 1440 · Tax Receivables - Bourne	16,933.53
1460 · Tax Receivables - Sandwich	
1461-13 · Personal Property - 2013	2.85
1461-14 · Personal Property - 2014	5.50
1461-15 · Personal Property 2015	13.52
1461-16 · Personal Property - 2016	2.44
1461-17 · Personal Property - 2017	14.21
1461-18 · Personal Property - 2018	44.60
1466-18 · Real Estate - 2018	2,448.18
Total 1460 · Tax Receivables - Sandwich	2,531.30
1470 · Tax Titles	
1470-01 · Bourne	10,497.59
1470-02 · Sandwich	181.29
1470-03 · Bourne - Interest	153.73
Total 1470 · Tax Titles	10,832.61
1480 · Tax Foreclosure	
1480-01 · Bourne	5,437.49
Total 1480 · Tax Foreclosure	5,437.49
Total Accounts Receivable	48,298.31
Total Current Assets	1,335,242.38
Other Assets	
1600 · Amts Need In Future Yrs for	
1600-01 · Retirement of Debt	845,555.53
Total 1600 · Amts Need In Future Yrs for	845,555.53
1700 · Loans Authorized / Unissued	1,564,808.96
Total Other Assets	2,410,364.49
TOTAL ASSETS	<u>3,745,606.87</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	41,339.41
Total Accounts Payable	41,339.41
Other Current Liabilities	
2100 · Payroll Liabilities	
2100-08 · Vision	-4.10
2100-50 · Health Insurance	-958.86

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2100-51 · Dental Insurance	-121.71
2100-52 · Medex Insurance	-178.00
2100-53 · Life Insurance	13.39
2100 · Payroll Liabilities - Other	5.61
Total 2100 · Payroll Liabilities	-1,243.67
2200 · Overlay Reser Abatements-Bourne	
2201-00 · Levy of 2000	84.61
2201-05 · Levy of 2005	45.35
2201-06 · Levy of 2006	-2.98
2201-07 · Levy of 2007	-308.32
2201-08 · Levy of 2008	24.18
2201-09 · Levy of 2009	56.26
2201-10 · Levy of 2010	65.01
2201-11 · Levy of 2011	10.23
2201-12 · Levy of 2012	46.12
2201-13 · Levy of 2013	2,115.00
2201-14 · Levy of 2014	2,796.50
2201-15 · Levy of 2015	2,756.44
2201-16 · Levy of 2016	494.16
2201-17 · Levy of 2017	-212.26
2201-18 · Levy of 2018	3,215.02
Total 2200 · Overlay Reser Abatements-Bourne	11,185.32
2300 · Overlay Res Abatements-Sandwich	
2300-10 · Levy of 2010	-4.30
2300-11 · Levy of 2011	1,586.03
2300-12 · Levy of 2012	2,516.50
2300-13 · Levy of 2013	2,301.33
2300-14 · Levy of 2014	2,105.29
2300-15 · Levy of 2015	1,941.52
2300-16 · Levy of 2016	2,603.04
2300-17 · Levy of 2017	1,864.33
2300-18 · Levy of 2018	1,692.23
Total 2300 · Overlay Res Abatements-Sandwich	16,605.97
2400 · RevenueRes Until Collect-Bourne	
2400-02 · Prop. Tax-Defer.Revenue-Bourne	5,748.21
2400-03 · Tax Title & Possession-Bourne	16,088.81
Total 2400 · RevenueRes Until Collect-Bourne	21,837.02
2500 · Rev. Res Until Collect-Sandwich	
2500-02 · PropTax Def Revenue -Sandwich	-14,074.67
2500-03 · Tax Title & Possession-Sandwich	181.29
Total 2500 · Rev. Res Until Collect-Sandwich	-13,893.38
2600 · Rev. Res Until Collected -Water	
2600-01 · Water Accounts	12,563.38
Total 2600 · Rev. Res Until Collected -Water	12,563.38
2900 · BAN	

North Sagamore Water District
Balance Sheet
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2900-01 · 9/13/2017 BAN Borrowing	<u>150,000.00</u>
Total 2900 · BAN	<u>150,000.00</u>
Total Other Current Liabilities	<u>197,054.64</u>
Total Current Liabilities	238,394.05
Long Term Liabilities	
2700 · Bonds Payable	
2700-01 · Water Treatment - 2006 Refundin	<u>845,555.53</u>
Total 2700 · Bonds Payable	845,555.53
2950 · Loans Authorized & Unissued	<u>1,564,808.96</u>
Total Long Term Liabilities	<u>2,410,364.49</u>
Total Liabilities	2,648,758.54
Equity	
3200 · Special Revenue Funds	
3201 · Stabilization Fund	310,196.27
3203-01 · Asset Management Grant	<u>-40,000.00</u>
Total 3200 · Special Revenue Funds	270,196.27
3300 · Perf Bond - Guarantee Deposits	37,425.78
3580 · Undesignate FB -Surplus Revenue	358,835.46
3590 · Designated Fund Balance	
3590-02 · Reserve for Expenditure	<u>225,000.00</u>
Total 3590 · Designated Fund Balance	225,000.00
3860 · Continued Appropriations	
3860-01 · General Fund	<u>350,805.96</u>
Total 3860 · Continued Appropriations	350,805.96
Net Income	<u>-145,415.14</u>
Total Equity	<u>1,096,848.33</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,745,606.87</u></u>



**WARRANT FOR THE ANNUAL MEETING
Fiscal Year 2020**

Commonwealth of Massachusetts
Barnstable, SS

To the Clerk of the North Sagamore Water District:
In the name of the undersigned Board of Water Commissioners, you are hereby directed to notify and warn the inhabitants of the North Sagamore Water District qualified to vote in said District to meet in the

**SAGAMORE BEACH FIRE STATION – 51 MEETINGHOUSE LANE
COMMUNITY ROOM - 2ND FLOOR
WEDNESDAY, April 24, 2019
7:00 P.M.**

And there act upon the following articles:

- Article 1** To see if the District will vote to elect a Moderator for a term of one year.
- Article 2** To see if the District will vote to elect by ballot a Water Commissioner for a term of three years.
- Article 3** To see if the District will vote to hear and act upon the reports of the District Officers.
- Article 4** To see if the District will vote to fix the salary compensation of the Commissioners, Moderator and Clerk of the District as provided by Section 108, Chapter 41, General Laws as amended and that the District raise and appropriate or transfer from available funds a sum of money therefore for the Fiscal Year 2020 as presented in Exhibit A, or act anything thereon.
- Article 5** To see if the District will vote to authorize the Board of Water Commissioners to raise and appropriate, borrow or transfer from available funds in the treasury a sum of money for the purposes of rehabilitation of the District's distribution storage tanks. Funds may be used for recoating, concrete repairs, new construction, piping, electrical upgrades, engineering or distribution system upgrades as they relate to the rehabilitation of the storage tanks, or act anything thereon.

TRUE ATTEST COPY
Date: 4-5-19 Time: 1:05 PM
Richard F. White
Richard F. White
Constable

Article 6 To see if the District will vote to authorize the Board of Water Commissioners to raise and appropriate, borrow or transfer from available funds in the treasury a sum of money for purposes of meter conversions or upgrades, or act anything thereon.

Article 7 To see if the District will vote to authorize the Board of Water Commissioners to raise and appropriate, borrow or transfer from available funds in the treasury a sum of money for purposes of redevelopment, pump repairs or upgrades to the District wells, or act anything thereon.

Article 8 To see if the District will vote to authorize the Board of Water Commissioners to raise and appropriate, borrow or transfer from available funds in the treasury a sum of money for purposes of water main repairs, replacements and upgrades. Funds may be used for engineering, permitting, construction, pipes, valves, hydrants, police details and paving as they relate to the repairs, replacements and upgrades to the District's water mains, or act anything thereon.

Article 9 To see if the District will vote to authorize the Board of Water Commissioners to raise and appropriate, borrow or transfer from available funds in the treasury a sum of money for deposit into the District's Stabilization Fund, or act anything thereon.

Article 10 To see if the District will vote to accept the provisions of Section 20 of Chapter 32B of the Massachusetts General Laws, as amended by Section 15 of Chapter 218 of the Acts of 2016, establishing an Other Post-Employment Benefits Liability Trust Fund; to authorize the Board of Water Commissioners and Treasurer to execute a declaration of trust creating an expendable trust for the purpose of holding monies appropriated to such fund; to designate the Treasurer as the trustee of such trust; to authorize the transfer of any and all monies currently held for the purpose of paying retiree health and life benefits to such trust; and to authorize the trustee to invest and reinvest the monies in such fund under the prudent investor rule established in chapter 203C.

Article 11 To see if the District will vote to authorize the trustee of the Other Post-Employment Benefits Liability Trust Fund to invest and reinvest the monies in such fund under the prudent investor rule established in Massachusetts General Laws, Chapter 203C.

Article 12 To see if the District will vote to authorize the Board of Water Commissioners to raise and appropriate, borrow or transfer from available funds in the treasury a sum of money to deposit into the District's Other Post-Employment Benefits Liability Trust Fund (OPEB), or act anything thereon.


Article 13 To see if the District will vote to raise and appropriate or transfer from available funds in the treasury a sum of money to defray the operating budget of the District for Fiscal Year 2020 as presented in Exhibit A, or act anything thereon.

And you are hereby directed to serve this Warrant by posting attested copies thereof in two public places in North Sagamore Water District seven days at least before the time of holding said meeting.

Given under our hands on this 29th day of March, 2019.

A true copy, attest Board of Water Commissioners


Mark Melchionda, Chair


George Sala



Mark Bergeron

Exhibit A

North Sagamore Water District Proposed Funding for FY20

Article 4	<u>Salaries for Elected Officials</u>	\$1,450.00
	3 Commissioners at \$300.00 each	\$ 900.00
	Moderator	\$ 100.00
	Clerk	\$ 450.00
	<i>Raise and appropriate the sum of \$1,450.00 for the purposes of this article.</i>	
Article 5	<u>Storage Tank Rehabilitation</u>	\$40,000.00
	<i>Transfer the sum of \$40,000.00 from available free cash for the purposes of this article.</i>	
Article 6	<u>Meter Conversations and Upgrades</u>	\$40,000.00
	<i>Transfer the sum of \$40,000.00 from available free cash for the purposes of this article.</i>	
Article 7	<u>Pump and Well Rehabilitation</u>	\$25,000.00
	<i>Raise and appropriate the sum of \$25,000.00 for the purposes of this article.</i>	
Article 8	<u>Water Main Replacements and Upgrades</u>	\$75,000.00
	<i>Transfer the sum of \$75,000.00 from unexpended funds from FY19 Article 8 – Upgrades for the District’s Water Treatment Plants.</i>	
Article 9	<u>Stabilization Fund Deposit</u>	\$25,600.00
	<i>Transfer the sum of \$25,600.00 from available free cash for the purposes of this article.</i>	
Article 12	<u>OPEB Trust Fund Deposit</u>	\$5,000.00
	<i>Transfer the sum of \$5,000.00 from available free cash for the purposes of this article.</i>	
Article 13	<u>District Operating Budget</u>	\$1,196,870.60
	Salaries, Wages and Related Expenses	\$ 383,114.98
	Maintenance & Operations	\$ 314,100.00
	Treasurer Expenses	\$ 4,325.00
	Professional Services	\$ 11,000.00
	Insurance	\$ 184,872.50
	Long Term Debt	\$ 196,405.12
	Miscellaneous Expense	\$ 103,053.00
	<i>Raise and appropriate the sum of \$1,196,870.60 for the purposes of this article.</i>	