



TOWN OF MILTON, VERMONT 05468

TOWN MANAGER'S OFFICE • P.O. Box 9, MAIN STREET • 802-893-6655

POLICY

MILTON WATER & WASTEWATER DEPARTMENT CAPITAL RESERVE FUND

PURPOSE: The intent of this Policy is to establish a Capital Reserve Fund for the Water and Wastewater Departments, to be used to defray costs for Water & Wastewater Department improvements, and

WHEREAS: The Town Audit Firm of Kittell, Branagan and Sargeant recommends the Town of Milton establish such a Fund, and

WHEREAS: The Vermont State Statutes Annotated, Title 24, Section 2804, permits the establishment of such Fund.

THEREFORE BE IT RESOLVED, the Milton Select Board directs the Town Manager take the necessary procedure to establish the Milton Water & Wastewater Department Capital Reserve Fund, and

FURTHER BE IT RESOLVED, deposit into said Fund, all money left at the end of each Fiscal Year, which has not been expended and or encumbered, including, but not limited to, budget appropriations, rate and revenue surplus, connection fees, and any other type as deemed appropriate.

MILTON SELECT BOARD:

Michael R. Wagon
John P. Kapt, Jr.
Jeff Turner

The Policy for the establishment of the Milton Water & Wastewater Department Capital Reserve Fund was approved by the Select Board at their meeting of January 23, 1995, to take effect upon passage of said Policy.

Filed with the Town Clerk/Treasurer: 1-24-95.



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RULES FOR THE IMPLEMENTATION OF THE WATER AND WASTEWATER CAPITAL IMPROVEMENT RESERVE FUND

By Resolution dated January 23, 1995, the Milton Select Board created a Water and Wastewater Capital Improvement Reserve Fund, hereinafter referred to as "the Fund". Under terms of the aforesaid Resolution, the Town Manager was directed to establish rules for the management and use of the Fund monies.

1. Investment

- a) Monies received by the Town Treasurer and earmarked by the Town Manager, for the Fund, shall be accounted for and invested according to 24 VSA, Subsection 1571 (a) and (b).
- b) The Fund shall be invested in prudent bank deposit accounts, securities, bonds or other investment vehicles in keeping with the prevailing standards of ordinary and reasonable care in the investment of public funds, provided, nonetheless, that the Fund shall be invested in a vehicle with a maturity date no more than six (6) months from the date of deposit, or otherwise in such a manner that it may be liquidated and/or withdrawn in its entirety upon six (6) months written notice to the Town Treasurer without penalty for early withdrawal.

2. Purpose

- a) The purpose of the Fund shall be to accumulate a reserve for the purchase of capital improvements to the Milton Water and Wastewater Systems. "Capital Improvements" shall be defined as pipes, valves, couplings, manholes, or other similar Water & Wastewater System components or equipment that have a useful life in excess of two (2) years, that are for new construction and not for the repair or replacement of existing facilities, unless the work is considered by the Town Manager as a substantial upgrade that adds value to or improves the efficiency, utility or cost effectiveness of such existing facilities.

b) The Fund is not intended for use in paying administrative expenses or non system related equipment costs. Its purpose is to provide a source of funds to help lessen the need for incurring debt to finance improvements to the Water and Wastewater System, not to fund the general operating budget of the Water and Wastewater Departments.

3. Drawdowns

a) The Water/Wastewater Superintendent may requisition an expenditure from the Fund by filing a written request for same with the Town Manager. Any such request shall describe the goods or services to be paid for, the estimated price of each and the intended area of installation or construction, and shall affirmatively state that there are no other funds reasonably available to pay such costs.

b) The Town Manager shall have the authority to approve such requests based upon the merit of the request and availability of funds. If such a request is denied by the Town Manager, the Superintendent(s) may request a review of the Town Manager's decision by the Select Board, which may, in its sole discretion, grant or deny such request.

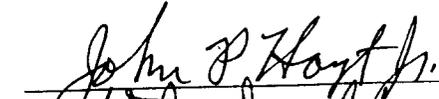
Respectfully Submitted for adoption.

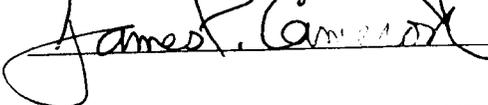

James B. Fitzgerald, Town Manager

ADOPTION BY RESOLUTION BY THE SELECT BOARD

THEREFORE, BE IT RESOLVED that the Rules for the Implementation of the Water and Wastewater Capital Improvement Reserve Fund is adopted by the Select Board.

SELECT BOARD:





Filed with the Town Clerk:

Date: _____