

# Edward Farrar Utility District Commissions Meeting

Wednesday, February 14, 2024  
4:30pm in the Steele Community Room

Attendance: P.H. "Skip" Flanders, Cindy Parks, Natalie Sherman, Mark Alberghini, Bob Finucane  
Staff: Tom Leitz, Bill Woodruff, Kia Winchell Nealy  
Public Attendance: Valerie Rogers, Tom Gloor  
Zoom: Rick Westin, Bill Keyes, Anne Imhoff

Skip Flanders – board chairman – called the meeting to order at 4:33pm.

Natalie Sherman made a motion to approve the agenda of this afternoon's meeting. Cindy Parks seconded the motion. A vote was taken ... and it passed unanimously.

## **RESPONSE TO QUESTIONS ABOUT ACTIONS AT JANUARY'S MEETING**

Tom Gloor – from the floor – asked about the opportunity to purchase the land in Waterbury Center from Dwight Fisk.  
Bill Woodruff – Public Works Director – says the offer of \$10,000 has been accepted ... but nothing official has transpired.

Valerie Rogers – from the floor – expressed her concerns about offering Mr. Fisk \$10,000 for the land. She wishes the committee had pondered the price, rather than offering what Mr. Fisk thought was acceptable.

Ms. Rogers also talked about her feelings for last month's rate increase ... and hopes the Edward Farrar Utility District will reconsider the 6.5% water rate increase and the 10% wastewater increase. She offered the following points;

- There is a substantial reserve of \$973,000
- The EFUD report from 2022 indicates hundreds of people are being added to the district, yet water consumption remains flat.
- With taxes going up (i.e. school taxes, additional 1% local sales tax, etc.) ... is raising the rates the right thing to do at this time?
- The \$138,000 the town received for 51 South Main Street – which is payable in November 2024 ... why can't the money be put in the reserve?

Ms. Rogers asked the EFUD board to reconsider their decision to raise the rates.

Tom Leitz – Town Manager – pointed out:

- Money will need to be taken from the reserve for necessary repairs for other EFUD projects.
- Because more low flow devices are being installed in homes, water usage has remained flat over the years.
- The State of Vermont has employees coming to Waterbury just a few days a week, again water usage has remained flat for the state complex.
- Since 2009, base charges have gone up very little.
- There had been talk of raising rates ... but then Covid happened. EFUD actually reduced rates during that period.
- Everyone's rates are public ... and EFUD's rates are on the lower end.
- EFUD has had a history of no yearly increases. The town manager favors smaller yearly increases.

Bob Finucane spoke, and explained that EFUD has given its customers a break on rates ... and part of the reason for this increase is because there was no increase during the pandemic. Mr. Finucane also mentioned EFUD is a business and our costs are going up as well.

Cindy Parks expressed her belief that EFUD is a well-run system ... and doesn't think the public realizes how good our system is. And to not increase rates, we'll just be "kicking the can down the road".

Mark Alberghini mentioned that when an EFUD customer turns on the water tap, there's always water ... even in the event of a power outage.

Bob Finucane thanked Ms. Rogers and Mr. Gloor for coming to this afternoon's meeting and directed the town manager to carefully consider a future rate increase ... but proceed with the decision that was made at last month's meeting. Natalie Sherman seconded the motion. A vote was taken and it passed unanimously.

#### **COMMENTS ON THE WORCESTER RANGE MANAGEMENT PLAN**

The letter has been received ... but it will be a while before we hear back.

#### **UPDATE ON PECK MOBILE HOME PARK**

The ACT 250 permit has been received. Mr. Peck will not need an ACT 250 permit for the Kneeland Flats Trailer Park project. The state has decided to waive the permit fees

#### **VERMONT LEAGUE OF CITIES AND TOWN SURVEY**

This survey is part of an equity initiative and asks respondents if they like working in Waterbury. Tom Leitz encourages everyone participate in the survey.

#### **ACTION ON BOND VOTE**

Presented are standard documents that will need to be signed. Included in the packet;

- Resolution of Certificate – that confirms we agree with the project and follow the appropriate rules.
- Loan Agreement
- General Obligation Bond – this is the bond itself

Bob Finucane made a motion to approve the bond financing documents and authorize the manager to sign said documents. Cindy Parks seconded the motion. A vote was taken and it passed unanimously.

#### **DEPARTMENT REPORTS**

Bill Woodruff – Public Works Director – summarized both the water and waste-water reports for the EFUD board ... and explained the waste-water department has many projects that will need to be tackled

We are still working on the Route 100 water line. Once funding is figured out, EFUD will be able to finalize the plan.

#### **MINUTES OF THE MEETING – JANUARY 18, 2024**

Natalie Sherman made a motion to approve the minutes from the January 18<sup>th</sup> minutes. Mark Alberghini seconded the motion. A vote was taken and it passed unanimously.

#### **ADJOURN**

At 6:24pm, Skip Flanders made the motion to adjourn today's meeting. Mark Alberghini seconded the motion. A vote was taken and it passed unanimously.

# **Edward Farrar Utility District**

## **Commissioners Meeting**

Wednesday Feb 14, 2024

4:30 pm in the Steele Room

28 North Main St, Waterbury VT

### **Agenda**

- 4:30 pm Call to Order:
- 4:30 pm Public
- 4:35 pm Response to questions about actions at January Meeting
- 4:45 pm Action on Bond Documents.
- 5:00 pm Comments on Worcester Range Management Plan
- 5:10 pm VLCT Survey
- 5: 20 pm Update on Peck Mobile Home Park
- 5:30 pm Department Reports.
- 5:40 pm Minutes of Meeting Jan 18
- 5: 45 pm Adjourn

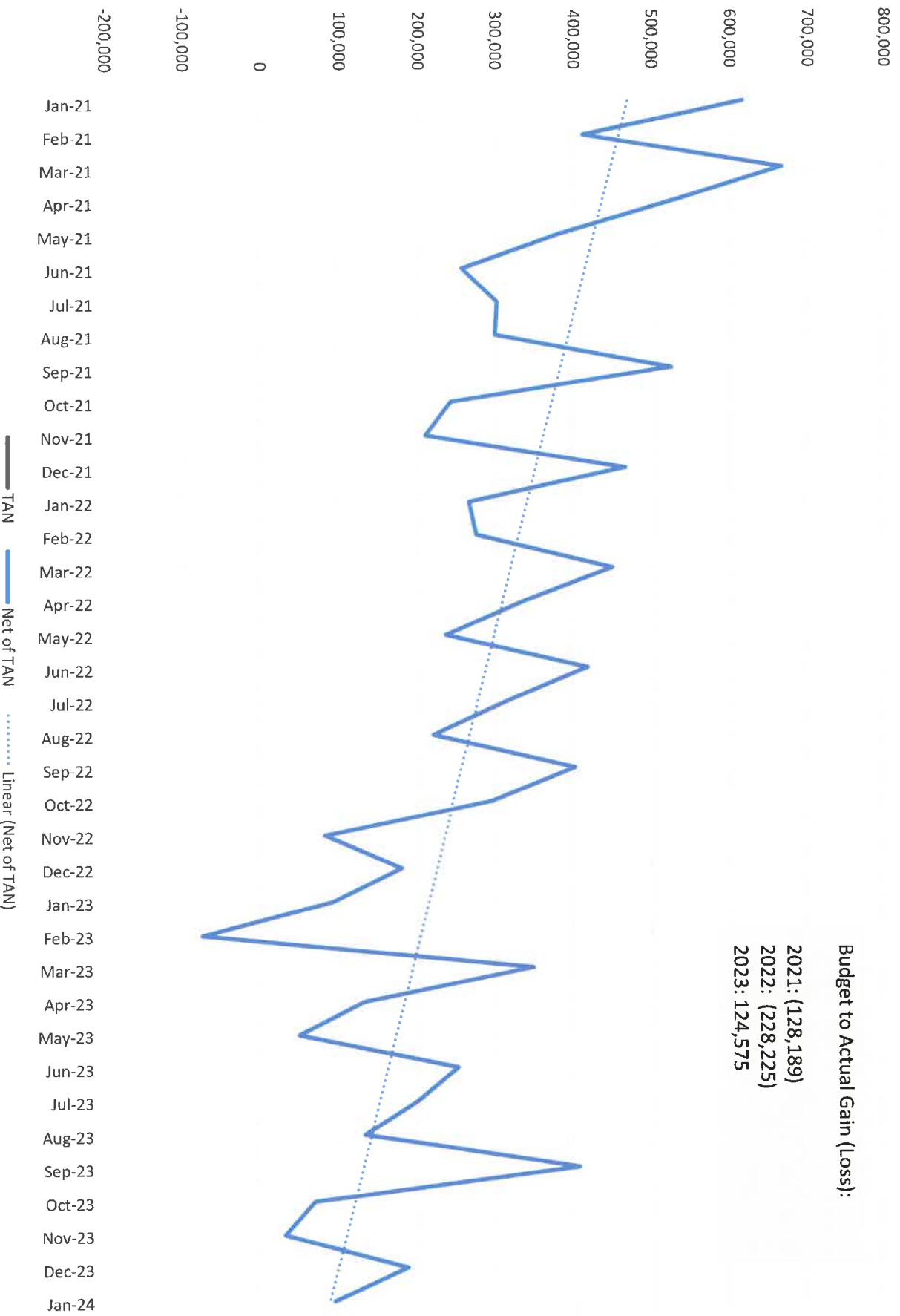
### Historical Base Charges for Village Customers

Dates	Quarterly		
	Quarterly Sewer Base Charges	Water Base Charges	Total Base Charges
2/20/2009	80.00	80.00	160.00
8/17/2014	84.00	81.60	165.60
8/17/2017	92.40	81.60	174.00
2/18/2021	92.40	71.60	164.00
5/18/2022	97.02	71.60	168.62
11/17/2022	97.02	81.60	178.62
5/19/2023	113.52	93.84	207.36
1/1/2024	124.87	99.94	224.81
Base Charges Adjusted for Inflation Since 2009	119.78	119.78	239.56
Increase (Decrease) as Compared to Inflation	5.09	-19.84	-14.75

# EFUD Month Ending Cash Balances: January 2021 - January 2024

Budget to Actual Gain (Loss):

2021: (128,189)  
 2022: (228,225)  
 2023: 124,575



## Kia Nealy

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**From:** Thomas Leitz  
**Sent:** Tuesday, February 6, 2024 5:05 PM  
**To:** Kia Nealy; Skip Flanders  
**Subject:** Fwd: Bond Documents  
**Attachments:** image002.jpg; Declaration of Official Intent.pdf; Resolution and Certificate.pdf; Bond Bank Loan Agreement with Exhibits for 2024 Bond.pdf; Bond for 2024 Bond.pdf; Receipt.pdf; Treasurer's Certificate.pdf

FYI- for next efud agenda

Sent from my iPhone

Begin forwarded message:

**From:** Keith Roberts <kroberts@waterburystowelaw.com>  
**Date:** February 6, 2024 at 10:05:13 AM EST  
**To:** Thomas Leitz <tleitz@waterburyvt.com>  
**Subject:** Bond Documents

Tom,

Attached are the documents needed to complete the Bond Bank loan process. You will likely get at least one document directly from the Bond Bank, namely a commitment letter if you have not gotten it already. That commitment letter should be executed and returned to them as soon as possible.

In order to make closing of the bonds as seamless as possible, it is essential that the enclosed materials be considered, adopted and executed without delay. Unless properly executed original documents are in my possession and ready for delivery to the Bond Bank by March 8, the sale of the bonds and the closing may be delayed. I understand that the Commissioners have a meeting scheduled for February 13 so that should leave plenty of time.

Once the documents are returned to me, I will hold them pending confirmation of the bond sale and pricing and then will deliver them to the Bond Bank for their use at the closing which is scheduled for March 13. Note that the pricing for the bonds is not yet completed so that the bond payments for the District are also not yet completed. I will provide that to you as soon as it is available to be inserted as Exhibit A to the attached Loan Agreement.

As to process, the following actions should be taken at a duly warned regular or special meeting of the Commissioners – the one on February 13:

1. Resolution and Certificate. This should be adopted and signed by all or a majority of the Commissioners. The Clerk and the Treasurer should sign where indicated and the seal (if there is one) affixed over the Clerk's signature.
2. Loan Agreement. Do not fill in any blanks in the Loan Agreement or the Exhibits. As noted Exhibit A will be completed and inserted later, prior to closing. The Chair and the Clerk should sign on the last page of the Loan Agreement – before the Exhibits.
3. Bond. The Commissioners, the Treasurer and the Clerk should sign where indicated and the seal (if any) should be affixed over the Clerk's signature.

4. Certificate of Registration. This requires the Treasurer's signature where indicated (It's in the Bond document).
5. Receipt. This requires the Treasurer's signature where indicated.
6. Treasurer's Certificate. This requires the Treasurer's signature where indicated.

If you have any questions about anything, please reach out.

Following the closing, I will make sure that you get a complete transcript of all completed and executed documents, including my approving opinion. You should keep a copy of any documents that you send back to me once executed.

Best,  
Keith

P.S. I have the documentation from the voter approval, etc. but I do not have a copy of the notices that went into the Times-Argus – it would help to have them so please scan and send them over. Also, did the Commissioners ever adopt the Declaration of Official Intent (form attached) that I had drafted and sent along with material last winter/spring – maybe at the April 6, 2023 meeting?

**Keith A. Roberts**  
**Darby Kolter & Roberts, LLP**  
**89 South Main Street**  
**Waterbury, VT 05676**  
**Phone: (802) 244-7352 EXT 108 / Fax: (802) 244-5954**  
**Email: [kr Roberts@waterburystowelaw.com](mailto:kr Roberts@waterburystowelaw.com)**

**Admitted in VT, NH and MA**

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**DECLARATION OF OFFICIAL INTENT  
TO REIMBURSE CERTAIN EXPENDITURES  
FROM PROCEEDS OF INDEBTEDNESS**

WHEREAS, the Edward Farrar Utility District (the "Issuer") intends to construct improvements to its infrastructure and equipment for water transmission (the "Project"); and

WHEREAS, the Issuer expects to pay certain capital expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis;

WHEREAS, the Issuer reasonably expects that for that part of the Project consisting of design and construction costs, debt obligations in an amount not expected to exceed \$600,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, the Issuer declares its reasonable official intent to reimburse prior expenditures for the above-described part of the Project with proceeds of a subsequent borrowing;

NOW THEREFORE, the Issuer declares:

Section 1. The Issuer finds and determines that the foregoing recitals are true and correct, and that all of the capital expenditures covered by this Resolution were or will be made not earlier than 60 days prior to the date of this Resolution.

Section 2. This declaration is made solely for the purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Issuer to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The Issuer hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures, within 18 months of either the date of the first expenditure of funds by Issuer for such Project or the date that such Project is placed in service, whichever is later (but in no event more than three years after the date of the original expenditure of the Issuer's funds for such Project), and to allocate an amount not to exceed \$600,000 of the proceeds thereof to reimburse itself for its expenditures in connection with the Project.



- (7) The vote by Australian ballot (Exhibit III) on the propositions stated therein was:

ARTICLE I

IN FAVOR

OPPOSED

BLANK

SPOILED

TOTAL VOTES

- (8) No petition has been filed seeking reconsideration or rescission of the action taken at said annual meeting nor is there any litigation pending or threatened in any state or federal court contesting or challenging either the proceedings set forth in Paragraphs (1) through (7) of this Certificate, the works of improvement so authorized or, the issuance of bonds of the Edward Farrar Utility District to finance the same.

DATED: June \_\_, 2023

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Carla Lawrence  
District Clerk

**RESOLUTION AND CERTIFICATE**  
(General Obligation)

WHEREAS, at a meeting of the Commissioners of the Edward Farrar Utility District (herein called the "District") at which all or a majority of the members were present and voting, which meeting was duly noticed, called and held, as appears of record, it was unanimously found and determined that the public interest and necessity required certain public improvements herein described by reference to Exhibit A attached, and it was further found and determined that the cost of making such public improvements, after application of available funds and grants-in-aid from the United States of America and/or the State of Vermont, would be too great to be paid out of ordinary annual income and revenue, and that a proposal for providing such improvements and the issuance of bonds of the District to pay for its share of the cost of the same should be submitted to the legal voters at a meeting thereof, and it was so ordered, all of which action is hereby ratified and confirmed; and

WHEREAS, pursuant to the foregoing action, a meeting of the District was warned and held at the place and time appointed therefor, submitting an article(s) of business to be voted upon by ballot between the hours stated in the Warning, all as appears by reference to Exhibit A attached hereto; and

WHEREAS, the said Warning was duly recorded, published and posted, and said meeting was duly convened and conducted, or was subsequently validated in the manner provided by law, all as appears of record, and which proceedings are hereby ratified and confirmed in all respects; and

WHEREAS, immediately upon closing of the polls and after counting of the ballots cast, the results as set forth in Exhibit A hereto were declared by the Moderator, all as appears of record, and pursuant to which the District is carrying forward the authorized improvements and pursuing the same diligently to completion; and

WHEREAS, pursuant to powers vested in them by law the Commissioners of the Edward Farrar Utility District are about to enter into a Loan Agreement in the form of Exhibit B (the "Loan Agreement") on behalf of the District with the Vermont Bond Bank (the "Bank") respecting a Loan from the Bank in the amount of \$750,000.00 repayable, and with interest, as follows:

Payment Due Principal Amount Interest Rate  
As per Exhibit A to the Loan Agreement – to be completed

AND WHEREAS, the bond to be given by the District to the Bank at the time of receiving the proceeds of said Loan (the "Bond") shall be substantially in the form attached hereto as Exhibit B to the Loan Agreement, which Bond is hereby awarded and sold to the Bank at a price of par and accrued interest;

THEREFORE, be it resolved that the Commissioners of the Edward Farrar Utility District proceed forthwith to cause the Bond to be executed and delivered to the Bank upon the price and terms stated, and be fully registered as the law provides; and

BE IT FURTHER RESOLVED, that the Bond, when issued and delivered pursuant to law and this Resolution, shall be the valid and binding general obligation of the District, payable according to law and the terms and tenor thereof from unlimited ad valorem taxes on the grand list of all taxable property of said District as established, assessed, apportioned and provided by law; and

BE IT FURTHER RESOLVED, that in addition to all other taxes, annually there shall be assessed and collected in the manner provided by law until the Bond, or any bond or bonds issued to refund or replace the same, and the interest thereon, are fully paid, a tax, user fee, charge or assessment sufficient to pay the interest on the Bond or bonds and such part of the principal as shall become due; and

BE IT FURTHER RESOLVED, that execution of the above-referenced Loan Agreement between the District and the Bank is hereby authorized, the presiding officer of the Commissioners of the District being directed to execute the Loan Agreement on behalf of the District and the Commissioners thereof; and

BE IT FURTHER RESOLVED, that the District expressly incorporates into this Resolution each and every term, provision, covenant and representation set forth at length in the Loan Agreement, and the Loan Application made by the District to the Bank (Exhibit C) to be delivered in connection with the issuance and sale of the Bond, execution and delivery of each of which is hereby authorized, ratified and confirmed in all respects, and the covenants, representations and undertakings set forth at length in the Loan Agreement and the Loan Application are incorporated herein by reference; and

BE IT FURTHER RESOLVED, that all acts and things heretofore done by the lawfully constituted officers of the District, and any and all acts or proceedings of the District and of its Commissioners in, about or concerning the improvements hereinabove described and of the issuance of evidence of debt in connection therewith, are hereby ratified and confirmed.

BE IT FURTHER RESOLVED, that in connection with the pending sale of the Bond to the Bank, execution and delivery of the Bond, this Resolution and Certificate, Loan Agreement, and incidental documents, all attached hereto, are authorized; and

BE IT FURTHER RESOLVED, that Darby Kolter & Roberts, LLP, bond counsel to the District, be authorized and empowered to take possession of said documents for delivery to the Bank, and to complete said documents by the inclusion of appropriate dates and ministerial changes at the direction of the Commissioners of the District or its designated officer; and to acknowledge receipt of the proceeds of the Bond on behalf of the District; and

BE IT FURTHER RESOLVED, that, to the extent it is necessary for the District to comply with the covenants, undertakings, representations and certifications set forth in the Loan Agreement, the District's Treasurer and its bond counsel are authorized to order for purchase by the District out of the proceeds of the Bond such federal and state obligations as

may be required to limit or restrict investment yield on the Bond proceeds, thereby avoiding rebate payments to the United States; and

BE IT FURTHER RESOLVED, that to the extent proceeds derived from the sale of the Bond will be used to reimburse the District for capital expenditures previously made for the improvements described in Exhibit A, this Resolution shall serve as a declaration of official intent under Section 1.150-2 of the Treasury Regulations (or a re-publication of any previously made declaration of official intent) to effect a reimbursement in an amount not to exceed the total of all previous capital expenditures; and

BE IT FURTHER RESOLVED, that the proceeds derived from the sale of the Bond be deposited to the credit of the District for requisition and disbursement as provided in the Loan Agreement.

And we, the undersigned officers, as indicated, hereby certify that we as such officers have signed the Bond dated as of March 13, 2023, payable as aforesaid, and reciting that it is issued under and pursuant to the vote hereinabove mentioned, and we also certify that the Bond is duly registered in the office of the Treasurer of the District as prescribed by law.

And we, the officers of the District, hereby certify that we are the duly chosen, qualified and acting officers of the District as undersigned; that the Bond is issued pursuant to said authority; that no other proceedings relating thereto have been taken; and that no such authority or proceeding has been repealed or amended.

We acknowledge that information the District has furnished to the Bank and others will be relied upon in the public offering of securities for sale. We represent that all information the District has provided in connection with the Loan, the Bond, the Loan Agreement, Loan Application, and all certifications, statements, representations and records identified or referred to therein are true, accurate and complete to the best of our knowledge. We further represent that the District has disclosed to the Bank and others all information material to the Loan, and the public offering of securities by the Bank, and has not failed to disclose any information it deems material for such purpose.

We further certify that no litigation is pending or threatened affecting the validity of the Bond nor the levy and collection of taxes, charges or assessments to pay it, nor the works of improvement financed by the proceeds of the Bond, and that neither the corporate existence of the District nor the title of any of us to our respective offices is being questioned.

We further certify that all actions set forth in this resolution were proposed, considered and approved in a public meeting duly called, noticed and held in compliance with all applicable open meeting, public records access, public procurement, bid solicitation, and conflict of interest statutes.

Dated: February 13, 2024

ATTEST:

\_\_\_\_\_  
Clerk

EDWARD FARRAR UTILITY DISTRICT

By: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
All or a Majority of the Commissioners

And by: \_\_\_\_\_

Its Treasurer

**LOAN AGREEMENT**  
(General Obligation)

This LOAN AGREEMENT, dated March 13, 2024 (the "Closing Date"), is between the VERMONT BOND BANK, a body corporate and politic constituted as an instrumentality of the State of Vermont (the "State") exercising public and essential governmental functions (hereinafter referred to as the "Bond Bank"), created pursuant to the provisions of 24 V.S.A., Chapter 119 (hereinafter referred to as the "Act"), having its principal place of business at Burlington, Vermont, and the EDWARD FARRAR UTILITY DISTRICT (hereinafter referred to as the "Borrower"):

W I T N E S S E T H:

WHEREAS, pursuant to the Act, the Bond Bank is authorized to make loans of money (hereinafter referred to as the "Loan") to Governmental Units (as defined in the Act); and

WHEREAS, the Borrower is a Governmental Unit, and pursuant to the Act is authorized to accept a Loan from the Bond Bank, to be evidenced by its Borrower Bond (defined below) purchased by the Bond Bank, and the proceeds of which will be held for the benefit of the Borrower by U.S. Bank Trust Company, National Association, as disbursing agent (the "Disbursing Agent") subject to requisition as set forth herein; and

WHEREAS, the Borrower has applied to and has requested of the Bond Bank a Loan as described herein and on the terms set forth in Exhibit A, the Borrower will apply the proceeds of the Loan to pay the costs (the "Project Costs") of financing or refinancing certain capital improvements (the "Project"), as described herein, and the Borrower has duly authorized the issuance of a bond (the "Borrower Bond") to be purchased by the Bond Bank as evidence of the Loan in accordance with this Agreement, which Borrower Bond shall be in substantially the form appended hereto by the Borrower as Exhibit B and include the form of Assignment of the Borrower Bond included in Exhibit B; and

WHEREAS, to provide for the issuance of bonds of the Bond Bank (the "Bond Bank Bonds") in order to obtain from time to time monies with which to make the Loan and other loans to governmental units, the Bond Bank has adopted the General Bond Resolution on May 3, 1988, as amended (herein referred to as the "Bond Resolution") and will adopt a series resolution authorizing the issuance of the Bond Bank Bonds, the making of such Loan, *inter alia*, to the Borrower and the purchase of the Borrower Bond;

NOW, THEREFORE, the parties agree:

1. The Bond Bank hereby makes the Loan and the Borrower accepts the Loan. As evidence of the Loan, the Borrower hereby sells to the Bond Bank the Borrower Bond in the principal amount and at the price set forth in Exhibit A. The Borrower Bond shall bear interest from the date of its delivery to the Bond Bank at the rates per annum set forth in Exhibit A, subject upon default to the rate set forth in the Act. Notwithstanding the foregoing, the Borrower

Bond shall bear interest at such rate or rates as shall be required for the Borrower Bond to comply with Section 601(2) of the Bond Resolution.

2. The Borrower hereby acknowledges that the Bond Bank has entered into a disbursing agent agreement with the Disbursing Agent providing for, in part, the deposit and disbursement of the proceeds of the Loan. Pending their disbursement, the proceeds of the Loan shall be held by the Disbursing Agent. From time to time the Borrower shall requisition from the Disbursing Agent portions of the Loan proceeds necessary to pay Project Costs. Such requisitions shall be made in the form attached hereto as Exhibit C. The Borrower shall certify to the Disbursing Agent the name(s) and the title(s) of the person(s) authorized to execute and submit such requisitions. Proceeds of the Loan held by the Disbursing Agent shall be invested by the Disbursing Agent at the direction of the Borrower consistent with the provision of this Loan Agreement. The Borrower shall proceed with due diligence to complete the Project. Completion of the Project shall be evidenced by a certificate in the form of Exhibit D signed by the Borrower delivered to the Disbursing Agent and the Bond Bank.

3. The Borrower has duly adopted and has taken all proceedings required by law to enable it to enter into this Loan Agreement and issue its Borrower Bond to the Bond Bank.

4. The Borrower shall make funds sufficient to pay interest as the same becomes due available to the Bond Bank on each May 1 and November 1 as set forth in Exhibit A. The Borrower shall make funds sufficient to pay the principal as the same matures on each November 1 set forth in Exhibit A. **All payments shall be made by Automated Clearing House (ACH) unless otherwise approved in writing by the Bond Bank.**

5. The Borrower is obligated to pay fees and charges to the Bond Bank within thirty (30) days of demand by the Bond Bank, as provided in the Act and the Bond Resolution.

6. The Bond Bank shall not sell and the Borrower shall not redeem any part of the Borrower Bond prior to the date on which all Bond Bank Bonds associated with the Loan are redeemable, and in the event of any sale or redemption prior to maturity of the Borrower Bond thereafter, the same shall be in an amount equal to the aggregate of (i) the principal amount, interest accrued to the redemption date and redemption premium, if any, needed to redeem a sufficient amount of Bond Bank Bonds to assure Bond Bank compliance with Section 601(2) of the Bond Resolution and (ii) the costs and expenses of the Bond Bank in effecting the redemption of the Bond Bank Bond so to be redeemed, less the amount of monies available in the applicable sub-account or sub-accounts in the redemption account established by the Bond Resolution and available for withdrawal from the Reserve Fund (as defined in the Bond Resolution) and for application to the redemption of Bond Bank Bonds so to be redeemed in accordance with the terms and provisions of the Bond Resolution, as determined by the Bond Bank. In no event shall any such sale or redemption of the Borrower Bond be effected without the written agreement and consent of both parties hereto, which agreement shall specify the dollar amount to be paid by the Borrower.

7. Simultaneously with the delivery of the Borrower Bond to the Bond Bank, the Borrower shall furnish to the Bond Bank (i) an unqualified opinion of bond counsel to the

Borrower satisfactory to the Bond Bank in the form of Exhibit E, (ii) a receipt in the form of Exhibit F, (iii) a certificate regarding ongoing financial reporting in the form of Exhibit G, and (iv) copies of such resolutions and certificates and related information, prepared by bond counsel to the Borrower evidencing the valid authorization, execution and delivery of the Borrower Bond.

8. The Borrower shall provide, at least sixty (60) days prior to each interest payment date or principal payment date for the Borrower Bond, to the Bond Bank and to U.S. Bank Trust Company, National Association, as trustee under the Bond Resolution, the name(s) and the title(s) of the person(s) at the Borrower to whom invoices for the payment of interest and principal should be addressed.

9. Notwithstanding Section 12 hereof, prior to payment of the amount of the Loan, or any portion thereof, and the delivery of the Borrower Bond to the Bond Bank or its designee, the Bond Bank shall have the right to cancel all or any part of its obligations hereunder if:

(a) Any representation made by the Borrower to the Bond Bank in connection with its application for Bond Bank assistance shall be incorrect or incomplete in any material respect.

(b) The Borrower has violated commitments made by it in its application and supporting documents or has violated any of the terms of this Loan Agreement.

10. If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

11. This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments, and take such other actions as are necessary, to give effect to the terms of this Loan Agreement.

12. No waiver by either party of any term or condition of the Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase, or other provision of this Loan Agreement.

13. This Loan Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties hereto in respect thereof.

14. The Borrower acknowledges that interest on the Bond Bank Bonds will not be included in the gross income of holders of such bonds for federal income tax purposes. Accordingly, the use of the proceeds of the Bond Bank Bonds, including the Loan, are subject to



certain requirements pursuant to Sections 141 and 148 of the Internal Revenue Code of 1986, as amended, (the "Code"), and the Treasury Regulations promulgated thereunder (the "Regulations"). In connection therewith, the Borrower makes the following representations and covenants, which are provided as part of the record of proceedings with respect to the issuance of the Bond Bank Bonds:

(a) The undersigned officer(s) of the Borrower is/are duly charged and responsible for issuing the Borrower Bond.

(b) The Borrower is a political subdivision of the State and is an entity with general taxing powers, the power to incur debt, the power of eminent domain, and the power to enact and enforce police power measures.

(c) The proceeds of the Loan will be used to provide funds for the Project. No other amounts have a sufficiently direct nexus (within the meaning of Regulations Section 1.148-1(c)) to the Loan or the Project to conclude that the amounts would have been used to finance the Project in the absence of the proceeds of the Loan.

(d) No proceeds of the Loan will be applied to retire existing obligations ("Prior Obligations") unless such Prior Obligations were used to finance Project costs on a "new money" basis, including timely reimbursement of costs of the Project advanced under a duly adopted notice of official intent, or as a part of a chain of exclusively current refundings of obligations issued on a "new money" basis ("Original Obligations"). No proceeds of the Loan will be used to retire any Prior Obligations more than 90 days after the Closing Date. Proceeds, if any, invested during such 90-day period, pending application to retire Prior Obligations, may be invested without regard to yield.

(e) Any reimbursement of an expenditure made prior to the issue date of the Borrower Bond or any Original Obligations is pursuant to a declaration of official intent. In addition, any declaration of official intent of the Borrower to reimburse itself out of such proceeds for Project expenditures incurred before the Closing Date or the date of issuance of any Original Obligations, was adopted not later than 60 days after the date such expenditures were made. No expenditure has been or will be so reimbursed (a) more than 18 months after the later of the date the expenditure was made or the Project component to which it relates was placed in service and (b) more than three years after such expenditure was made.

(f) The Borrower reasonably expects that at least 85% of the proceeds of the Loan will have been expended within three years from the earlier of the Closing Date or the date of issuance of any Original Obligations. The Borrower has or will have incurred a binding obligation to a third party to expend on the Project at least 5% of the proceeds of the Loan and, if applicable, of the proceeds of each issue of Original Obligations within six months after the respective issue date(s) thereof. Work on the acquisition, construction or accomplishment of the Project will proceed with due diligence to the completion thereof. There are no unspent proceeds of any Prior Obligations. Proceeds not expended within three years shall be invested at a yield not in excess of the yield on the Bond Bank Bonds.

(g) The Project is and will be owned by the Borrower and will not be leased to any person which is not a state or local government unit, or an instrumentality thereof. In addition, the Borrower will not enter into any contracts or other arrangements, including without limitation, management contracts, capacity guarantee contracts, take or pay contracts, or put or pay contracts, pursuant to which any persons have any right to use or make use of the Project on a basis not available to members of the general public or which confers special economic benefits on any private person. No private business use of the Project will be made without consent of the Bond Bank, which consent may be conditioned on the Bond Bank receiving an opinion of nationally recognized Bond Counsel that such use will not have an adverse effect on the tax-exempt status of interest on the Bond Bank Bonds.

(h) No portion of the Project will be sold or otherwise disposed of in whole or in part, except due to normal wear and tear and obsolescence, while the Loan is outstanding. Public use of the Project will continue for so long as the Loan remains outstanding. The Borrower will notify the Bond Bank immediately in the event of any change in use or disposition of the Project. In such event, the Borrower will cooperate with the Bond Bank to undertake remediation measures under Treasury Regulations Section 1.141-12 at the earliest opportunity so as to preserve the tax exempt character of the Bond Bank Bonds.

(i) No portion of the proceeds of the Loan will be invested, directly or indirectly, in federally insured deposits or accounts other than (a) investments of unexpended Loan proceeds for an initial temporary period until the proceeds are needed for the Project; and (b) investment of moneys on deposit in a bona fide debt service fund. No portion of the proceeds of the Loan will be loaned or otherwise made available to any private person, nor shall any of such proceeds be expended or invested in a manner which will contribute to or result in the Bond Bank Bonds being classified as "hedge bonds" under Section 149(g) of the Code.

(j) The Borrower covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Bond Bank Bonds under Section 103(a) of the Code.

(k) The Borrower agrees to provide to the Bond Bank such information and detailed records as is required, and not otherwise available from the Disbursing Agent, for the calculation by the Bond Bank of the rebate requirement imposed by Section 148 of the Code which, in part, will require a determination of the difference between the actual aggregate earnings of the investment of the proceeds of an issue of Bond Bank Bonds (including proceeds of the Borrower Bond) and the amount of such earnings assuming a rate of return equal to the yield on such issue of Bond Bank Bonds.

(l) In the event the proceeds of the Borrower Bond are no longer expected to be expended for the purpose(s) for which they were issued, the Borrower shall endeavor to find an alternate expenditure of such proceeds that complies with the requirements of the Code and the other tax covenants contained in this Agreement for lawful purposes which may be financed by tax-exempt bonds. Any such proposed substitute expenditure shall be reported promptly to the Bond Bank before it is made and shall be accompanied by a Counsel's Opinion (as defined in the Bond Resolution) certifying to the legality of such substitute expenditure and to the effect that

the substitution shall not have an adverse effect on the continuing exclusion of interest paid and to be paid on the related Bond Bank Bonds from income for federal income tax purposes.

(m) There are and will be no other obligations of the Borrower (i) sold within fifteen (15) days of the date of sale of the Bond Bank Bonds, (ii) sold pursuant to a common plan of financing as was employed in the sale of the Bond Bank Bonds; and (iii) expected to be paid from substantially the same source of funds.

(n) The Borrower shall retain all records of expenditures for a period of not less than three (3) years after the payment of the Bond Bank Bond and furnish the Bond Bank with any and all documents necessary upon its request in order to show the compliance of the Borrower Bond with the provisions of the Code and applicable regulations and agrees to implement procedures with respect to the Loan that provide the following:

- (i) Assignment of tax-exempt compliance responsibilities to appropriate departments, officers, or employees.
- (ii) Establishment and maintenance of books and records all obligations of the Borrower financed by a particular issue of Bond Bank Bonds.
- (iii) Establishment of Code Section 148 compliant procedures for the investment of gross proceeds for all of the Borrower's obligations financed by a particular issue of Bond Bank Bonds.
- (iv) Maintenance of records relating to all allocations of expenditures of proceeds of all of the Borrower's obligations financed by a particular issue of Bond Bank Bonds.
- (v) Periodic monitoring of use of proceeds of each issue of the Borrower's obligations financed by a particular issue of Bond Bank Bonds, the investment and reinvestment of proceeds from the temporary investments thereof and the use of property acquired or financed by the proceeds of such obligations.

(o) Notwithstanding anything in this Loan Agreement to the contrary, the obligation of the Borrower to comply with all tax covenants contained or referenced in this Loan Agreement shall survive the defeasance or payment in full of the Borrower Bond.

15. The Borrower agrees to provide to the Bond Bank upon request such information as the Bond Bank may reasonably request in order for the Bond Bank to verify at any time the representations, expectations, procedures and covenants set forth in the Bond Bank's Tax Certificate executed coincident with the delivery of the Bond Bank Bonds to the purchaser(s) thereof.

16. The Borrower shall provide to the Bond Bank annually upon publication a copy of the annual report on the finances and administrative activities of the Borrower generated and distributed in accordance with 24 V.S.A. § 1173 and any independent auditor's report on the financial statements of the Borrower. In addition, within thirty (30) days following a request by

the Bond Bank, or such shorter period as prescribed under Securities and Exchange Commission Rule 15c2-12, the Borrower agrees to furnish the Bond Bank with its most recent financial statements, explanatory notes and other financial and operating information as the Bond Bank may request. In addition, the Borrower agrees to notify the Bond Bank within ten (10) days of the occurrence of any notice event which has or may have an effect upon its financial condition or its ability to perform fully and timely any covenant, obligation or undertaking set forth in this Loan Agreement or the Borrower Bond. As used in this paragraph, a notice event is any one of the following:

(a) Actual or anticipated delinquency or default of payment of principal of or interest on the Borrower Bond or any other debt obligation of the Borrower;

(b) Any actual or anticipated default or breach on the part of the Borrower with respect to any term or provision of this Loan Agreement or like agreement to which the Borrower is a party;

(c) Unscheduled draws on debt service reserves which reflect financial difficulties for the Borrower;

(d) Unscheduled draws on any letter of credit, guarantee or similar credit enhancement which reflects financial difficulties for the Borrower;

(e) Substitution of any entity furnishing the Borrower with credit or liquidity enhancement, or the failure of such entity to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Borrower Bond, or other material events affecting the tax status of the Borrower Bond;

(g) Material modifications of the rights of any person owning a legal or beneficial interest in the Borrower Bond;

(h) The actual or contemplated call, redemption, refunding or defeasance of the Borrower Bond, or the sale, release or substitution of the improvements financed by the Borrower Bond;

(i) Any change in the credit rating of the Borrower;

(j) Tender offers with respect to the Borrower Bond;

(k) Bankruptcy, insolvency, receivership or similar event of the Borrower;

(l) The merger, consolidation or acquisition of the Borrower;

(m) The sale or transfer of all or substantially all of the assets of the Borrower, whether absolute or pursuant to a management or operating agreement, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(n) The sale or disposition of assets financed by the Borrower Bond, or a change of use thereof constituting “deliberate action” as defined in the Code;

(o) A change in the identity or name of the Borrower Bond trustee, or the appointment of a successor or additional trustee, if material;

(p) Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material; or

(q) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties.

For the purposes of the event identified in clause (k), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower. For purposes of the events identified in clauses (p) and (q), the term “financial obligation” means (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security of a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii).

17. The Borrower acknowledges that information it has furnished the Bond Bank and others will be relied upon in the public offering of Bond Bank Bonds for sale. The Borrower represents that all information it has provided in connection with the Loan, the Borrower Bond, this Loan Agreement and all certifications, statements, representations and records identified or referred to therein are true, accurate and complete to the best of the knowledge of the Borrower and its officers. The Borrower further represents that it has disclosed to the Bond Bank and others all information material to the Loan, and the public offering of Bond Bank Bonds, and has not failed to disclose any information it deems material for such purpose.

18. The Borrower acknowledges that pursuant to the Act, the State Treasurer may intercept State funding to the Borrower in the event of a payment default on the Borrower Bond.

19. The Borrower agrees that it will not purchase (and shall not permit any related

party to the Borrower to purchase) any Bond Bank Bonds.

*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Attest:

VERMONT BOND BANK

\_\_\_\_\_  
Executive Director

By: \_\_\_\_\_  
Chair

(SEAL)

Attest:

EDWARD FARRAR  
UTILITY DISTRICT

\_\_\_\_\_  
Karen Petrovic, Clerk

By: \_\_\_\_\_  
P. Howard Flanders, Chair

(SEAL)

EXHIBIT A

LOAN SCHEDULE AND PRICE

[Final copy to be provided by, or on behalf of the Bond Bank on the date of sale of the Bond Bank Bonds]



## [FORM OF BORROWER BOND AND ASSIGNMENT]

No. R-1	UNITED STATES OF AMERICA STATE OF VERMONT EDWARD FARRAR UTILITY DISTRICT WATER SYSTEM IMPROVEMENT GENERAL OBLIGATION BOND	\$750,000.00
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REGISTERED OWNER: Vermont Bond Bank

BOND DATE: March 13, 2024

The EDWARD FARRAR UTILITY DISTRICT (hereinafter called the “Borrower”), a body corporate and a political subdivision of the State of Vermont, promises to pay to the Vermont Bond Bank (the “Bond Bank”), or registered assigns, the sum of SEVEN HUNDRED FIFTY THOUAND DOLLARS (\$750,000.00) in installments on November 1 of each year as set forth in Exhibit A (“Exhibit A”) to the Loan Agreement dated March 13, 2024 (the “Loan Agreement”), by and between in the Borrower and the Bond Bank, with interest on each installment at the rate per annum set forth in Exhibit A opposite the year in which the installment becomes due.

The interest rate of each installment shall run from the Bond Date to the Registered Owner and payment therefor and until payment of each installment and such interest shall be payable semi-annually on November 1 and May 1 of each year in the amounts set forth in Exhibit A. Both principal and interest on this Bond are payable in lawful money of the United States at U.S. Bank Trust Company, National Association, in Boston, Massachusetts, or at its successor as Trustee under the General Bond Resolution of the Bond Bank. All payments shall be made by Automated Clearing House (ACH) unless otherwise approved in writing by the Bond Bank. Final payment of the interest and principal of this Bond shall be made upon surrender of this Bond for cancellation at the bank or trust company at which this Bond is then payable.

This Bond is issued by the Borrower for the purpose of financing the Project defined in the Loan Agreement under and by virtue of Title 24, Chapter 53 of Vermont Statutes Annotated, the vote of its legal voters duly passed on May 10, 2023 and resolutions duly adopted by its Commissioners.

This Bond is transferable only upon presentation to the Treasurer of the Borrower with a written assignment duly acknowledged or proved. No transfer hereof shall be effectual unless made on the books of the Borrower kept by the Treasurer as transfer agent and noted hereon by the Treasurer with a record of payments as provided hereon.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuing of this Bond have been done, have happened, and have been

performed in regular and due form, as required by such law and vote, and for the assessment, collection and payment hereon of a tax to pay the same when due the full faith and credit of the Borrower are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Borrower has caused this Bond to be signed by at least a majority of its Commissioners and its Treasurer and its seal (if it has a seal) to be affixed hereto as of March 13, 2024.

ATTEST:

EDWARD FARRAR UTILITY DISTRICT

\_\_\_\_\_  
Clerk

By: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
All or a Majority of the Commissioners

And by: \_\_\_\_\_

Its Treasurer

EDWARD FARRAR UTILITY DISTRICT \$750,000.00 GENERAL OBLIGATION BOND  
DATED MARCH 13, 2024

CERTIFICATE OF REGISTRATION

It is hereby certified that this bond is a registered bond, the principal and interest due thereon payable only to the holder of record as appears in the office of the [Treasurer] of the issuing Borrower. This bond may be transferred by presentation of the same with an assignment in writing signed by the registered holder. Presentation shall be made to the Treasurer of the Borrower at the office of the Treasurer of the Borrower who shall record such transfer in the records of the Borrower and on the bond. The name and address of the original registered owner of this bond is Vermont Bond Bank, 100 Bank Street, Suite 401, Burlington, Vermont 05401.

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the Vermont Bond Bank (the "Bond Bank") hereby pledges, assigns and transfers unto U.S. Bank Trust Company, National Association, Boston, Massachusetts, as Trustee for the benefit of holders of bonds of the Bond Bank issued under the Bank's General Bond Resolution adopted May 3, 1988, as amended, the general obligation bond of

EDWARD FARRAR UTILITY DISTRICT

in the principal amount of \$750,000.00, No. R-1 herewith, outstanding in the name of the Bond Bank on the books of said Borrower.

Dated: March 13, 2024

By: \_\_\_\_\_  
Executive Director

EXHIBIT C

FORM OF REQUISITION

PROJECT COMPLETION CERTIFICATE

Pursuant to paragraph 2 of the Loan Agreement dated March 13, 2024 (the "Loan Agreement") between EDWARD FARRAR UTILITY DISTRICT (the "Borrower") and the Vermont Bond Bank, the undersigned, on behalf of the Borrower, hereby certifies that the Project (as defined in the Loan Agreement) was substantially complete on \_\_\_\_\_.

Dated \_\_\_\_\_

EDWARD FARRAR  
UTILITY DISTRICT

By: \_\_\_\_\_  
Duly Authorized

## FORM OF LOCAL BOND COUNSEL OPINION

March 13, 2024

Vermont Bond Bank  
100 Bank Street, Suite 401  
Burlington, Vermont 05401

Re: \$750,000.00 Edward Farrar Utility District General Obligation Bond dated March 13, 2024

We have acted as bond counsel to the Edward Farrar Utility District (the “Borrower”) in connection with the issuance by the Borrower of the above-referenced bond (the “Bond”). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion, including the Loan Agreement dated the date hereof between the Vermont Bond Bank and the Borrower (the “Loan Agreement”).

As to questions of fact material to our opinion, we have relied upon representations and covenants of the Borrower contained in the Loan Agreement and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Loan Agreement has been duly authorized, executed and delivered by the Borrower in accordance with Chapter 53 of Vermont Statutes Annotated, and, assuming that the Loan Agreement has been duly authorized, executed and delivered by the Bond Bank, constitutes a valid and binding obligation of the Borrower enforceable upon the Borrower in accordance with its terms.

2. The Bond has been duly authorized, executed and delivered by the Borrower in accordance with the Loan Agreement and applicable law and is a valid and binding general obligation of the Borrower enforceable upon the Borrower in accordance with its terms and, except to the extent they are paid from other sources, the principal of and interest on the Bond are payable from unlimited ad valorem taxes on the grand list of all taxable property within the Borrower as established, assessed and apportioned by law.

The rights of owners of the Bond and the enforceability of the Bond are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

EXHIBIT F

FORM OF RECEIPT

Received of the Vermont Bond Bank the sum of \$750,000.00 being in full payment for the Borrower Bond of the below-referenced Borrower dated the date hereof and sold and delivered to said Bond Bank.

Dated March 13, 2024.

EDWARD FARRAR UTILITY DISTRICT

By: \_\_\_\_\_  
Duly Authorized



TREASURER'S CERTIFICATE

The undersigned Treasurer of Edward Farrar Utility District (the "Borrower") hereby certifies, on behalf of the Borrower, that the Borrower is obligated under the Loan Agreement, dated as of March 13, 2024 between the Borrower and the Vermont Bond Bank (the "Bond Bank") to provide to the Bond Bank annually upon publication a copy of the annual report on the finances and administrative activities of the Borrower generated and distributed in accordance with 24 V.S.A. § 1173 and any independent auditor's report on the financial statements of the Borrower.

EDWARD FARRAR UTILITY DISTRICT

\_\_\_\_\_  
Treasurer

Dated: March 13, 2024

No. R-1

UNITED STATES OF AMERICA  
STATE OF VERMONT  
EDWARD FARRAR UTILITY DISTRICT  
WATER SYSTEM IMPROVEMENT GENERAL OBLIGATION BOND

\$750,000.00

REGISTERED OWNER: Vermont Bond Bank

BOND DATE: March 13, 2024

The EDWARD FARRAR UTILITY DISTRICT (hereinafter called the “Borrower”), a body corporate and a political subdivision of the State of Vermont, promises to pay to the Vermont Bond Bank (the “Bond Bank”), or registered assigns, the sum of SEVEN HUNDRED FIFTY THOUAND DOLLARS (\$750,000.00) in installments on November 1 of each year as set forth in Exhibit A (“Exhibit A”) to the Loan Agreement dated March 13, 2024 (the “Loan Agreement”), by and between in the Borrower and the Bond Bank, with interest on each installment at the rate per annum set forth in Exhibit A opposite the year in which the installment becomes due.

The interest rate of each installment shall run from the Bond Date to the Registered Owner and payment therefor and until payment of each installment and such interest shall be payable semi-annually on November 1 and May 1 of each year in the amounts set forth in Exhibit A. Both principal and interest on this Bond are payable in lawful money of the United States at U.S. Bank Trust Company, National Association, in Boston, Massachusetts, or at its successor as Trustee under the General Bond Resolution of the Bond Bank. All payments shall be made by Automated Clearing House (ACH) unless otherwise approved in writing by the Bond Bank. Final payment of the interest and principal of this Bond shall be made upon surrender of this Bond for cancellation at the bank or trust company at which this Bond is then payable.

This Bond is issued by the Borrower for the purpose of financing the Project defined in the Loan Agreement under and by virtue of Title 24, Chapter 53 of Vermont Statutes Annotated, the vote of its legal voters duly passed on May 10, 2023 and resolutions duly adopted by its Commissioners.

This Bond is transferable only upon presentation to the Treasurer of the Borrower with a written assignment duly acknowledged or proved. No transfer hereof shall be effectual unless made on the books of the Borrower kept by the Treasurer as transfer agent and noted hereon by the Treasurer with a record of payments as provided hereon.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuing of this Bond have been done, have happened, and have been performed in regular and due form, as required by such law and vote, and for the assessment, collection and payment hereon of a tax to pay the same when due the full faith and credit of the Borrower are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Borrower has caused this Bond to be signed by at least a majority of its Commissioners and its Treasurer and its seal (if it has a seal) to be affixed hereto as of March 13, 2024.

ATTEST:

\_\_\_\_\_  
Clerk

EDWARD FARRAR UTILITY DISTRICT

By: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
All or a Majority of the Commissioners

And by: \_\_\_\_\_

Its Treasurer

EDWARD FARRAR UTILITY DISTRICT \$750,000.00 GENERAL OBLIGATION BOND  
DATED MARCH 13, 2024

CERTIFICATE OF REGISTRATION

It is hereby certified that this bond is a registered bond, the principal and interest due thereon payable only to the holder of record as appears in the office of the Treasurer of the issuing Borrower. This bond may be transferred by presentation of the same with an assignment in writing signed by the registered holder. Presentation shall be made to the Treasurer of the Borrower at the office of the Treasurer of the Borrower who shall record such transfer in the records of the Borrower and on the bond. The name and address of the original registered owner of this bond is Vermont Bond Bank, 100 Bank Street, Suite 401, Burlington, Vermont 05401.

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Karen Petrovic, Treasurer

RECEIPT

Received of the Vermont Bond Bank the sum of \$750,000.00 being in full payment for the Borrower Bond of the below-referenced Borrower dated the date hereof and sold and delivered to said Bond Bank.

Dated March 13, 2024.

EDWARD FARRAR UTILITY DISTRICT

By: \_\_\_\_\_  
Duly Authorized

TREASURER'S CERTIFICATE

The undersigned Treasurer of Edward Farrar Utility District (the "Borrower") hereby certifies, on behalf of the Borrower, that the Borrower is obligated under the Loan Agreement, dated as of March 13, 2024 between the Borrower and the Vermont Bond Bank (the "Bond Bank") to provide to the Bond Bank annually upon publication a copy of the annual report on the finances and administrative activities of the Borrower generated and distributed in accordance with 24 V.S.A. § 1173 and any independent auditor's report on the financial statements of the Borrower.

EDWARD FARRAR UTILITY DISTRICT

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Treasurer

Dated: March 13, 2024

Edward Farrar Utility District  
28 North Main St., Suite #1  
Waterbury, VT 05676  
<https://www.waterburyvt.com/>  
February 2, 2024

Mr. Brad Greenough  
Stewardship Forester  
VT Dept. of Forest, Parks, & Recreation  
5 Perry St., Suite 20  
Barre, VT 05641-4265

Subject: Edward Farrar Utility District Public Comments on the *DRAFT Worcester Range Long Range Management Plan* released December 2023

Sent via Email to [ANR.WRMUPublicComment@vermont.gov](mailto:ANR.WRMUPublicComment@vermont.gov)

Dear Mr. Greenough:

Waterbury's Edward Farrar Utility District (EFUD) thanks you and your Team for preparing the *DRAFT Worcester Range Long Range Management Plan (DWLRMP)*. As an EFUD Commissioner, I attended the associated December 19, 2023, Public Hearing in Stowe and have reviewed both the complete document and the *Story Map*.

#### General Comments

The Agency of Natural Resources Team, who prepared the document and associated *Story Map*, produced a magnificent tome. The comprehensiveness, breath of subject matter, use of the latest research on the various topics addressed, and obvious extensive time put into the work products are to be commended. The accompanying maps are amazing. The *Story Map* is wonderful, particularly with the number of historic photos and interactive GIS layers. The Open House format of the Public Hearing was a welcome change. Having direct access to the various professionals on the Team allowed for good discussion. I only wish that more time had been allotted to this portion of the Hearing.

#### EFUD Public Water System

EFUD is responsible for the ownership, maintenance, and operation of the Wastewater System and Public Water System (PWS) serving Waterbury. This letter will limit comments to the purview of the PWS.

Both surface waters and groundwater serve as supply sources for the PWS. These sources include two surface water intakes (one on Tyler Brook and another on Merriam Brook), four drilled wells, and six springs. EFUD's land holdings containing the infrastructure associated with these sources consist of properties along Sweet Road in Waterbury Center and continue across the municipal boundary between Waterbury and Stowe, along the Water Works Road. These holdings about the State of VT properties in the Worcester Range Management Unit (WRMU). They fall within the Burt Track of the CC Putnam State Forest.

#### EFUD Watershed Lands and Source Protection Areas

The watersheds and Source Protection Areas (both surface water and groundwater) (SPA) are located primarily in Waterbury and Stowe; however, they do extend eastward up the slopes of the Worcester Range into Worcester and Middlesex. Because the boundaries of the SPAs do not follow individual property or municipal boundaries, the WRMU includes large areas of the SPAs outside the ownership and control of EFUD. Should you wish to see the delineation of the watershed, sub watersheds and SPAs for EFUD's drinking water sources, please contact us directly. For security reasons, this information can only be shared on a need-to-know basis.

#### EFUD Management Goal of Public Health Protection

EFUD shares the same management goals as ANR for the WRMU for:

- Protection of natural and cultural resources
- Maintenance of high-quality habitat for plant and wildlife species.

These goals are consonant with water quality protection for PWS sources. Over the years, EFUD and its legal predecessor, the Village of Waterbury, have retained natural resources management consultants to actively manage EFUD's watershed and aquifer protection properties. Periodic selective timber harvesting has been conducted under the oversight of these consultants. This is similar to ANR's WRMU management goal of producing forest products through sustainable management.

EFUD's primary management goal for our properties is maintenance of high-quality source water for Public Health Protection purposes. A multi-layered approach for water quality protection is practiced including delineation of source water watershed, aquifer and SPA; routine updating of the mandatory Source Protection Plan; public education using signage at parking areas off Water Works Road; access control using steel pipe gates; routine inspections of the EFUD properties; periodic Sanitary Surveys by ANR's Drinking Water and Groundwater Protection Division; mandatory sampling at the sources and within the PWS's distribution system; and the use of multi-step water treatment processes at the Water Treatment Plant on Barnes Hill in Waterbury Center.



### Uses of Concern in EFUD's Watershed, Aquifer, and Source Protection Areas

Potential Sources of Contamination, within the EFUD SPA's, identified in the latest mandatory Source Protection Plan Update (approved by the VT Drinking Water and Groundwater Protection Division in November 2023) include septic systems/leach fields associated with residential properties; seasonal livestock grazing; gravel roads and parking areas; and farm equipment.

Other activities within the SPAs, which concern EFUD are:

- Deposition of human and pet waste.
- Use of motorized vehicles due to spill potential with the associated petrochemicals.
- Activities, which cause or increase erosion.

Increased recreational use of the EFUD lands for hiking, mountain biking, and backcountry skiing are resulting in marked expansion of social trails, which are user-created paths. The recreational trails on EFUD lands have NOT been authorized. EFUD land has been used for passive recreation, however the primary use of these properties is for siting public water supply and its protection. The *DWRLRMP* addresses this issue in "**Concerns and Unauthorized Uses**" near the bottom of Page 153. EFUD staff have empirically observed increased human and pet waste, particularly along Water Works Road in the pull-off areas. Mitigation of this increasing trend is currently a topic of discussion among the Utility District's Commissioners.

At present, the incidence of motorized vehicles such as ATVs and snowmobiles accessing the EFUD properties appears to be minimal, however staff are keeping "an eye out" for these activities. If numbers increase, the EFUD Commissioner's will need to address measures beyond the current pipe gates.

Activities causing or increasing erosion include logging operations, horseback riding, expansion of unauthorized social trail networks for mountain biking and backcountry skiing and panning for gold. The increased deposition of sediment from erosion can mask the transport and disinfection of pathogens, thereby increasing risks to public health in the drinking water. Signage at the parking pull-offs on EFUD property attempts to mitigate some of these uses. Passive recreational activities such as walking, hiking, hunting, fishing, and wildlife viewing, are preferred on the EFUD properties.

### Recommendation for Increased Communication and Coordination with ANR for WRMU

ANR's management approach for the WRMU is consonant with EFUD's primary management goal within our watershed and SPAs, namely public health protection of the drinking water quality. EFUD will partner with ANR in achieving the management goals for

the WRMU and hopes to have more frequent and ongoing communication and coordination with the Agency. Walter Opuszynski, Forest Recreation Specialist, from the Department of Forest, Parks, and Recreation (FPR), made a presentation to EFUD in late 2020. The discussion, which followed regarding recreational uses within the WRMU, was very informative and useful to the EFUD Commissioners.

Because EFUD is not in the business of recreation; and since our major current challenges in the watershed and SPA lands are recreation-related, it would be very useful for EFUD to have further interactions with FPR, since they have recreational expertise and have/are addressing similar challenges.

Another topic of discussion with ANR is logging. EFUD notes that the *DWRLRMP* identifies thirteen locations for logging over the next 20-year management cycle and that these locations are all on the east side of the WRMU. If there are changes in the current plan and in subsequent WRMU plans for logging on the west side, upgradient of EFUD's watershed and SPAs, please notify EFUD.

Given the similar goals, objectives, management actions, and challenges ANR and EFUD share, EFUD looks forward to working more closely with ANR both presently and in the future. It is reassuring to have the State of VT as abutting property owners and managers in our watershed and SPAs lands.

#### One Fact-checking Correction Needed (Page 153)

Under the heading of **“Concerns and Unauthorized Uses”** near the bottom of Page 153, there is a statement that *“The Water Works parcel is owned and managed by the Town of Waterbury for its public water supply values and is available for dispersed pedestrian recreation.”* **Please note that the Edward Farrar Utility District, which replaced the Village of Waterbury through a legislative mandate several years ago, manages the Water Works parcel. The Town of Waterbury does not own or manage a Public Water System.**

The *DWRLRMP* and *Story Map* are excellent products. EFUD appreciates the time, energy, and expertise that went into producing them. In addition, EFUD is grateful for the opportunity to attend the Public Hearing Open House. Thank you for considering our comments contained herein. EFUD looks forward to an engaging partnership with the Agency on our shared interests.

Sincerely,



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# Waterbury Water Monthly Report January 2024

## Items of Interest

Sampling

Maintenance

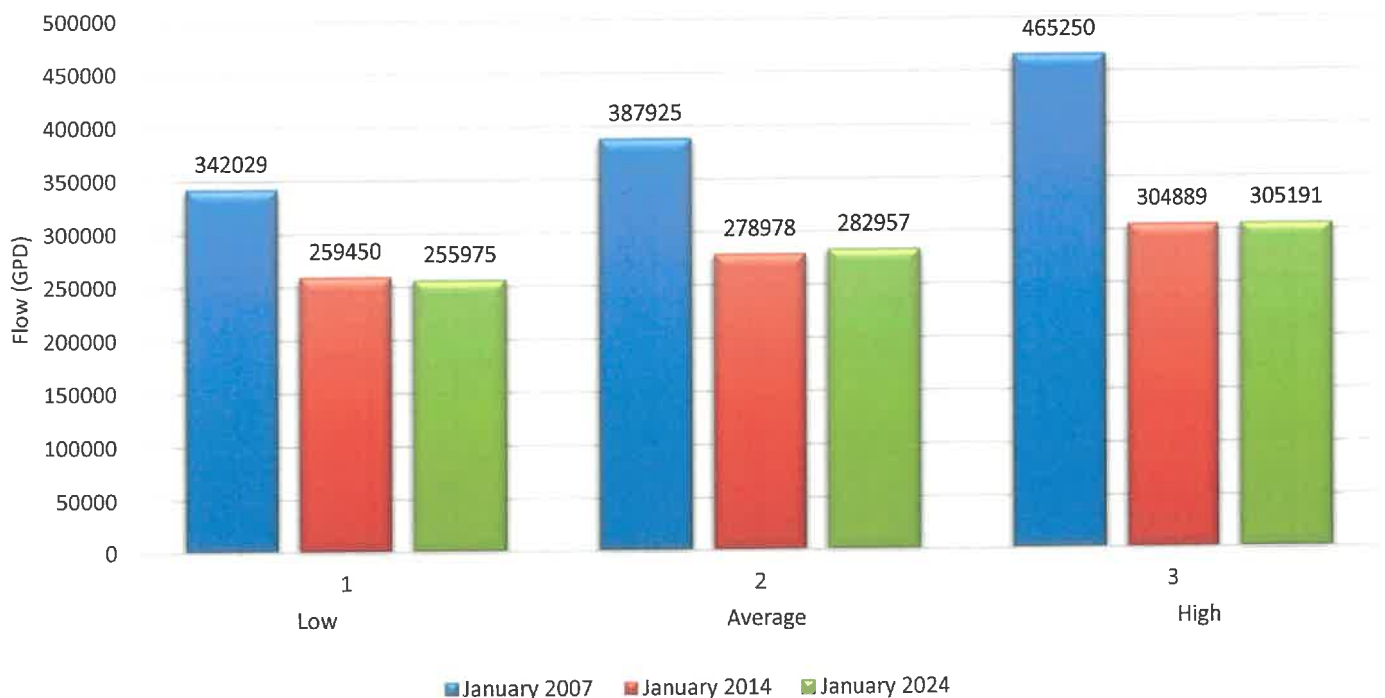
Personnel

Weather

## Flow Data

High Day	Low Day	Average Day	Peak Flow
1/20/2024	1/1/2024		1/14/2024
305191 Gallons	255975 Gallons	282957 Gallons	570 GPM

Low, Average and High Flow (GPD) for January 2007, 2014 and 2024



## **Sampling**

All Seven monthly coliform samples were submitted and came back favorable. The weekly fluoride samples were sent to the state lab and all came back favorable.

## **Maintenance**

Early in January, Tyler and Merrium dams were cleaned out due to debris from the flood in December filling the dams with rocks and sand. The Water Department will be removing more debris from above the dams this spring to act as a catch basin in the future.



The Water Department worker with the Wastewater Department to fix a broken wastewater service line in front of 11 Elm Street. The existing clay lines had collapsed possibly due to the flooding last year. The broken sections of clay wastewater service lines created clogs to both 9 and 11 Elm Street. 11 Elm Street noticed that their wastewater service lines were not draining properly. Those clay lines were replaced with new PVC lines.





Both Hallam ICS and LCS Controls have been on site to work through PLC upgrade issues. After the PLC upgrade the water plant has had a few issues running the filters. We are confident that LCS Controls will be able to resolve these issues.

Meter readings were taken at the end of January.

### **Personnel**

Beginning in January, the Water and Wastewater Departments have begun an extensive cross training program. Over the next year your water and wastewater operators will work towards have a much better understanding of how both the water plant, wastewater plant, and distribution systems function.

Kyle and Grant began a wastewater operators' course through Vermont Rural Water. This class will run from the beginning of January through the end of February.

Kenny and Grant have done some cross training with the Highway Department. Kenny has helped with sidewalk plowing and snow removal. Grant has spent some time learning the snow plowing routes.

Members of your EFUD staff were recognized for their service with the Waterbury Fire Department.

Alec Tuscany – was named a Waterbury Fire Department Honorary Firefighter

Matt Jones – 2023 Amanda “Mandy” Morse Firefighter of the Year

Kenny Ryan – 2023 Probationary Firefighter of the Year



## **Weather**

During the month of January there was 2.47 inches of precipitation. The temperatures ranged from 0.9°F as the high and 42.9°F as the low. Our average temperature in January was 23.9°F. Humidity high was 96% and the low was 48% with an average of 81%.



# Wastewater Progress Report

## January 2024

- **Process and Operations:**

- Process running well and meeting permit limits.
- Aerators freezing up and thawing throughout month
- January 2024 Flows:
  - Influent average: .233 MGD
  - Influent total: 7.215 MG
  - Effluent average: .409 MGD
  - Effluent total: 6.959 MG
  - Precipitation: 6.51 inches/month
  - Maximum daily precipitation: 1.74 inches
  - Discharging days/month = 17

- **Collection System:**

- Repaired service line at 11 Elm St.
- Multiple issues with boiler at MPS. Had plumber come to replace parts.
- Walkthrough at Tropic Brewery

- **Office & Personnel**

- New truck delivered 1/9
- Cross training with water department
- Tour of Montpelier water plant
- Chevy pickup went to auction for sale
- Worked on preventative maintenance on equipment

- **2024 Projects List**

- Manhole infiltration repairs-
- Park Row West- new manholes and change to PVC line
- Union St N Main St line repair MH 122-121
- Union St manhole replacement/repair #123, 124, 126
- Stream bank stabilization around MH 116-27 Dac Rowe Field
- Repair washout and road behind cemetery
- Install manhole and plug valve leaving ball field bathrooms